Morellato Group

Sustainability Report 2025-26

Approved with a resolution by the Board of Directors of Morellato S.p.A. on July 27, 2026

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Letter to stakeholders

Dear Stakeholders,

It is a pleasure to present the fifth edition of Morellato Group's voluntary Sustainability Report, which outlines our progress towards sustainability achieved during the 2025-26 fiscal year. The Report aims to provide a transparent overview of the environmental, social and governance practices and performance of the Group, demonstrating our responsibility towards all stakeholders.

During 2025 **the Group continued to pursue its expansion strategy** across both traditional retail and online commerce, acquiring Fossil Group's distribution activities in Italy and establishing a new e-commerce company in the USA. With these operations, Morellato Group has strengthened its role as a key partner for top brands and renewed its commitment to innovation and quality service. However, the success of our Group has also stemmed from our **constant commitment to sustainability**. In fact, sustainability has contributed to value creation by improving traceability of suppliers, driving investments in product development and stimulating innovation. Over the years, we have embedded principles of social and environmental sustainability in our operations, ranging from the use of recycled materials in the manufacturing of our products to the development of initiatives designed to improve the workplace climate and the well-being of our employees.

We are proud to **share our sustainability values with the people who work with us** every day around the world, the majority of whom are women, and we seek to spread this culture among our clients and suppliers as well. **Human capital** is indeed a cornerstone of our success. We value employees and collaborators, offering stable working opportunities, providing training and skill development, and attracting young talents. Social responsibility extends also beyond our workforce, actively supporting communities and vulnerable groups through a range of initiatives, partnerships and charitable contributions.

In Morellato Group, we are committed to a business model that values the environment and people all over the value chain. Together with our suppliers and partners, we carry forward our *Make it Precious* manifesto: precious is not only what is worn, but also the path that leads to its creation. Accordingly, a cornerstone of our sustainability strategy is **product sustainability**: since 2023 the Group is **certified by the Responsible Jewellery Council (RJC)**, the world's most important organisation in defining and monitoring sustainability criteria for jewellery. Ethical and transparent sourcing is increasingly supplemented by the **use of recycled materials**, as most of our precious jewellery brands now use only 100% recycled silver in their collections. Another major step forward in this area concerns packaging: we have switched to boxes and shopping bags made from FSC-certified paper from responsibly managed forests.

Looking ahead, as Morellato Group moves forward in its path of growth and expands to new markets, **we remain committed to sustainability for the benefit of our stakeholders, the planet and society as a whole**.

Massimo Carraro - President and CEO

Cristina de' Stefani - Corporate Social Responsibility Officer

1. The Morellato Group

1.1 Highlights



> 90 years of **manufacturing tradition**



663 **owned jewellery** stores and >7,000 **wholesale outlets**



6 **e-commerce websites**



4,650 **employees**



86% of **women** in the total employees



37% of total employees are **under 30**



33% of **female** presence in the **Board of Directors**



40% of **female** presence in the **Board of Statutory Auditors**



34,308 hours of **training** provided to employees



In 2023 obtainment of the **Responsible Jewellery Council (RJC) certification**



1,307 Kg of **recycled silver and gold** purchased



301 MWh of **self-produced electricity from renewable sources**

1.2 The Group's profile

Morellato Group is the most important jewellery and watchmaking group in Europe with Italian capital, and it is a leader in the high-end watch straps sector.

The Group traces its roots back to 1930, when Giulio Morellato opened a watch and jewellery store in Venice, specializing over the years in the creation of leather watchstraps and starting up the artisan production of gold and silver jewellery.

In the 1990s, Giulio Morellato's closest collaborator's sons, Massimo and Marco Carraro, along with Massimo's wife Cristina De' Stefani, acquired the entire share capital of the company and created the innovative "*Gioielli da Vivere*" concept, which over the years has become an evocative expression of the soul of the company brand.

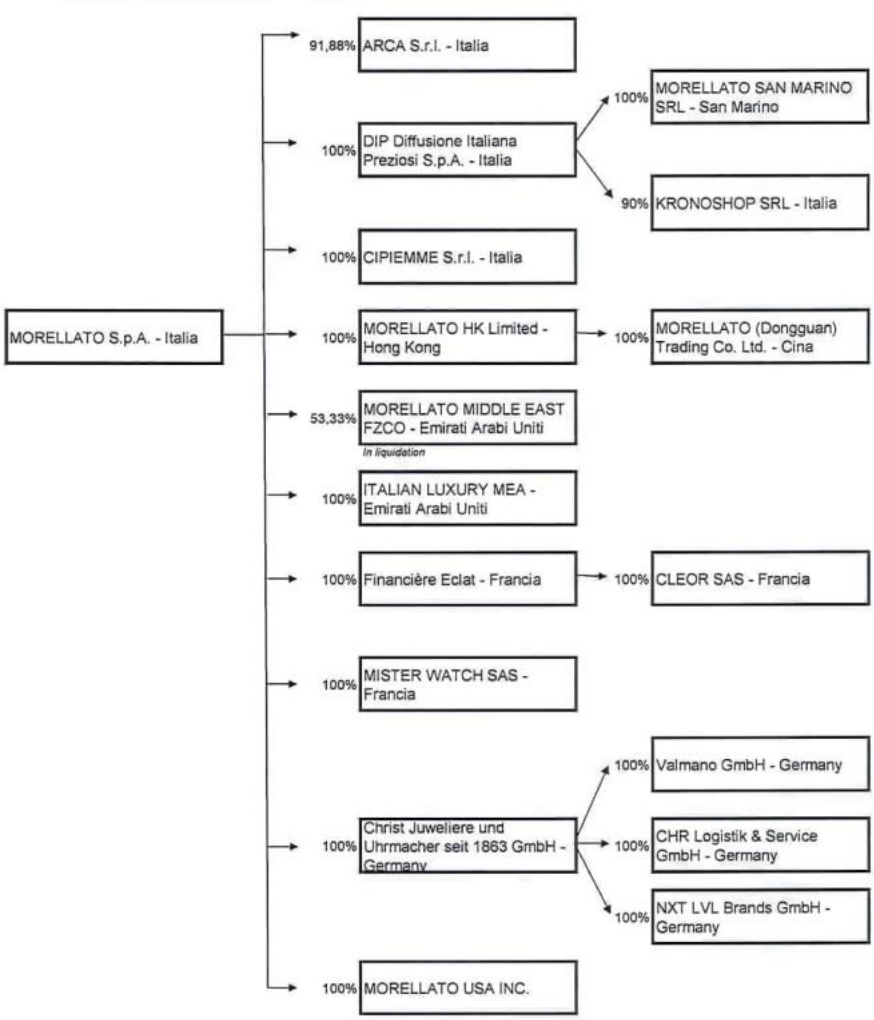
Over the years, Morellato Group has expanded into the retail world, implementing a **unique business model** in Europe in the jewellery and watch market with a **complete integration of the supply chain**, from production to the final consumer. Today the Group is the European leader in **multi-brand** watch and jewellery **retail**, with a unique **omnichannel platform.** The retail network counts 287 direct shops in Italy, 212 in Germany and Austria and 164 in France with the Bluespirit, D'Amante, Christ, Brinckmann & Lange, Cleor, Noélie and Pierre Roux retail signs.

The Group has been successful over the years in the European, Asian and Middle Eastern markets thanks to the combination of the wide offer of watches, jewellery and straps and a widespread distribution worldwide, made possible by a strong distribution know-how both at wholesale and retail level. The jewellery collections are characterized by the use of precious materials, such as gold, silver, precious stones, pearls and diamonds, platinum, combined with more accessible elements, resulting in a high stylistic and creative value. Milan and Padua represent the heart of the Group's innovation, where the Italian design and stylistic research is developed. These two elements, together with the competitive price positioning, have contributed to the success of Morellato.

At the end of fiscal year 2025-26, Morellato Group counts 4,650 employees worldwide and the presence of women is over 85% of the total in all departments, with over 40% of women also in managerial roles, as well as within the corporate governance.

The parent company, with offices in Padua, Milan and Rome, controls several foreign operating companies, based in strategic reference markets: Europe, the USA, Middle East and Far East. The choices of international locations are followed by specific targeted strategies for each country, because of the different value perception of the product by consumers in different markets. This approach allows the Group to differentiate the product offer depending on the market, implementing a complete geographical segmentation, blending the unchangeable Italian style with local inclination. The Group's distribution network currently includes about 6,000 dealers in Europe, America, Middle East and Greater China, as well as numerous corners in the most important department stores in the main shopping capitals.

As of February 28, 2026 the Group has the following structure:



As of February 28, 2026 Morellato S.p.A. holds 726,594 treasury shares with a nominal value of one euro each, representing 6.5% of the share capital, while the remaining part is held by individual shareholders.

1.3 Markets and products

The manufacturing heritage and the wise ability in the selection and processing of high-quality materials characterize the entire growth path of the Group. In fact, in an environment where competition is always increasing and demands are constantly changing, quality becomes the key to standing out. Morellato Group's history is studded with enlightenment and innovative ideas ahead of their time.

The Group currently manages a portfolio of its own brands, property and under license, which is consistent with the Group's strategy of diversification across the various and strategic segments of the jewellery industry. The Group also manages direct sales through its own retail chains in Italy, Germany, and France.

Morellato Group's brand portfolio includes a well-balanced set of its owned core brands: Morellato, Sector No Limits, Philip Watch, Lucien Rochat, Live Diamond, Oui&Me, La Petite Story, Chronostar, B&G, Kikou, Bluespirit, D'Amante, Christ, Cleor, Noélie, Arca, FAVS and Brinckmann & Lange as well as worldwide licensed brands: Karl Lagerfeld, Maserati, Trussardi, GCDS, Chiara Ferragni, Jette and Guido Maria Kretschmer.

Own Core Brands



Licensed Brands



This diversification strategy allows Morellato Group to offer a wide range of products to its customers and to be able to meet their expectations, nowadays complex and articulated.

Customers are very careful about their purchasing habits and increasingly include among their interest sustainability, both in jewels' realization processes and in product use. Accordingly, customers look for brands that respect the environment, are safe for customers, and can ensure a long-life product.

The Group's strategy aims to meet the expectations of the market, which are constantly evolving. Thanks to the research and diversification of its brand portfolio, Morellato Group ensures the customer a wide and diversified choice of products.



Padua – Italy
Via Commerciale, 29
35010 Santa Giustina in Colle (PD)

Milan – Italy
Via Gabrio Serbelloni, 5
20122 Milan

Rome – Italy
Via Casilina, 3T – Palazzina D
00182 Rome

Hagen – Germany
Kabeler Straße 4
58099 Hagen

Dubai – UAE
Office 105- Building 8
Dubai Design District
Dubai- EAU

Hong Kong
Unit B, 8th Floor, KC100
100 Kwai Cheong Road,
Kwai Chung, New Territories

China – Dongguan No.28, Second Lane, Qile Street, Xiegang Town, Dongguan City, Guangdong Province, China

Thailand – Bangkok
No. 179 Bangkok City Tower, South Sathorn Road, Thungmahamek Subdistrict, Sathorn district, Bangkok Metropolis 10120, Thailand

Neuilly sur Seine – France
184 Avenue Charles de Gaulle 92200 Neuilly sur Seine

Paris – France
100-101, Terrasse Boieldieu
Tour Franklin, la Défense
92800 Puteaux, Parigi

Gauville-la-Campagne – France
901 rue de Branville 2
27930 Gauville-la-Campagne

1.4 Story and evolution

Morellato's history began in Venice in 1930 when Giulio Morellato first opened a jewellery and watch laboratory. After a few years, he specialized in the creation of leather straps at the very time when the use of the wristwatch began to spread. Morellato's history, made up of changes and challenges, was born from the passion and the desire to create precious objects capable of satisfying the tastes and desires of consumers.

In the 1960s Silvano Carraro, a close collaborator of Giulio Morellato, joined the company and his sons Massimo and Marco together with Cristina de' Stefani, Massimo Carraro's wife, took over the entire share capital in 1990. Since then, Morellato rediscovers its origins, combining the strap business with the design and production of the first collections of jewellery and watches with a strictly Italian signature. As the family brand developed, the company grew through a series of acquisitions.

In **2006**, the **Sector Group** joined Morellato, together with the subsidiaries Chronostar and Philip Watch. An adequate relaunching plan together with targeted investments quickly brought the two brands Sector No Limits and Philip Watch in the global spotlight.

In **2007**, the jewellery and watch chain **Bluespirit** was acquired. At the end of the reporting period, the retail network has more than 262 direct stores, under the Bluespirit, Joye, D'Amante and Morellato brands.

In **2018** the **Lucien Rochat** brand was relaunched on international markets. This brand has a long tradition in the field of Swiss *haute horlogerie* and has always been an expression of precision, preciousness, and prestige.

In **2017 Kronoshop.com**, the first Italian e-commerce website entirely dedicated to the world of watches and jewellery, was acquired.

In **2018 La Petite Story**, the new brand of "soulful jewellery" whose collections tell short stories of daily life, was brought to market.

In January **2019**, Morellato Group joined **Mister Watch**, one of the most important players in the French watchmaking market. In November of the same year, Morellato announced the acquisition of the **CLEOR** retail chain, one of the leading French players in ready-to-wear jewellery, with over 140 points of sale within the most important shopping mall in the main French shopping locations.

In February **2020** the acquisition of the **D'Amante** jewellery chain was announced, which had 180 employees and 35 stores located inside the most important Italian shopping centres.

In **2022 Italian Luxury Mea**, a new company of the Group based in Dubai – UAE, the meeting spot for Middle East and Africa markets, was born. In the same year Morellato announced the acquisition of the **Pierre Roux** stores, jewellers located in the most renowned locations on the Côte d'Azur.

In **2023** Morellato Group acquired the German **Christ Group**, the main omnichannel player in the jewellery and watchmaking sector in Europe. With the brands Christ, Brinckmann & Lange and Valmano, Christ counts over 200 stores between Germany and Austria as well as an excellent e-commerce platform. During the year Morellato Group continued its expansion in the Asian market through the opening of a commercial branch located in Bangkok, Thailand.

In **2025**, Morellato Group acquired Fossil Group's distribution activities in Italy. With this acquisition, the Group takes over Exclusive Distribution in Italy of prestigious brands such as

Fossil, Emporio Armani, Armani Exchange, Michael Kors, and Diesel. The strategic focus of the new activities will be the normal trade channel, a key player in the relationship with the end consumer. This deal is a key step in Morellato Group's growth path, strengthening its role as a key partner for top brands and renewing its commitment to innovation, quality service, developing the Italian watch and jewellery market. Moreover, Morellato USA was established in August 2025 as the Group's U.S. subsidiary, based in Miami. Through this expansion, the Group aims to strengthen its presence in the American e-commerce market and enhance the Group's positioning in this key geography.

Morellato Group is **a solid and dynamic entrepreneurial reality, capable of innovating and always looking to the future**. Today Morellato Group is one of the world's biggest players and European leader in the multi-brand retail of jewellery and watches, with a unique omnichannel platform in Europe.



1.5 The Group's Mission and Vision

- Passion
- Tenacity
- Vision
- Innovation
- Sustainability and people esteem

These are the cornerstones of the Morellato Group, values that have contributed towards its constant growth on an international level.

The Group's mission is interpreting the great tradition of Italian manufacturing of precious jewellery and watchmaking, to be a point of reference for the contemporary consumer.

«Our mission is interpreting the great Italian manufacturing tradition of watchmaking and fine jewellery to serve as a benchmark for the contemporary consumer. Strong in our family roots, we combine passion and innovation by managing the entire supply chain: from the responsible sourcing of raw materials to design, and straight through to direct customer engagement.

In a market that seeks authenticity and enduring quality, we drive value through brands with a strong identity. This is an ambitious goal we pursue thanks to a team of nearly 4,700 people, bringing excellence to life and delivering an unforgettable experience to every customer.».

Massimo Carraro, President

"Make it Precious" is the manifesto that sums up the Group's vision and method. This mindset has enabled us to reimagine the entire precious supply chain, to manage it and reach directly into the hearts of consumers, with a special focus on the creative process and quality.

Precious is not only what is worn, but also the path that leads to its creation: from the sourcing of raw materials to direct contact with those who choose to wear a piece of jewellery or a watch.

In a scenario where people are increasingly looking for value, quality, and authenticity that lasts over time, Morellato Group creates value through jewellery and watch brands with a strong identity.

2. Governance, Business Ethics and Anti-corruption

2.1 Corporate Governance

Morellato S.p.A., the parent company of the Morellato Group with registered office in Santa Giustina in Colle (PD), via Commerciale 29, is a joint-stock company registered in the Padua Companies Register.

The Group's management and control system and rules are fundamental elements of its business model and, together with the corporate strategy, they are intended to support the relationship of trust between the company and its stakeholders. **Transparency and fairness** are the principles that inspire Morellato Group in defining its Corporate Governance system, which is based on the applicable general and special regulations, on the Code of Ethics, and on the best practices in this field.

The Governance system is designed to appropriately and effectively incorporate inputs originating from the sector and the reference territories of operation, allowing an open and transparent dialogue with the Public Administrations and public and private entities.

The pursuit of the objective of "sustainable success" is at the heart of Morellato Group's corporate culture and governance system. In fact, the Group has always been sensitive to sustainability issues and is committed to long-term sustainable and inclusive growth. This path has been reinforced by the appointment on July 8, 2021, of **Cristina De' Stefani** as the **Chief Corporate Social Responsibility Officer**, tasked with coordinating and managing all the Group's activities related to ESG aspects and supervising preparation of the Group Sustainability Report. The establishment of this role aims to respond to the growing information needs of stakeholders on Corporate Social Responsibility issues and to provide an overview of future activities on the matter.

Moreover, the Group has formed a **Sustainability Committee**, headed by the Sustainability Chief Operation Officer (as President of the Committee) and composed of Production, Purchasing & Quality, Facility, and HR Managers of the Group's Hong Kong and Italian Companies (as members). The Committee meets on regular basis and decides the measures to implement in relation to sustainability matters. The Chief Corporate Social Responsibility Officer, together with the Sustainability Committee, drives forward the Group's commitment and initiatives towards sustainability, with the aim of creating value not only for Morellato Group, but also for its stakeholders. The Group regularly updates the composition of the committee to further improve its capabilities.

Morellato S.p.A. adopts a traditional form of administration and control (in accordance with Italian law), which involves the presence of the Shareholders Meeting, the Board of Directors, the Board of Statutory Auditors, and the auditing company. Accordingly, management of the company is assigned to the Board of Directors, the supervisory functions to the Board of Statutory Auditors, and auditing, as well as the accounting control, to the auditing company.

As of February 28, 2026 the **Board of Directors**, which is the Group's decision-making body and forms an integrated business management team with shared responsibility, is composed as follows: Massimo Carraro, Chairman of the Morellato S.p.A. Board and CEO, Aymeric Chaumet (Business Development), Cristina De' Stefani (CEO Finance and Chief Corporate Social Responsibility Officer), Marco Carraro (CEO Supply Chain), Marina Salamon (Independent Director), and Matteo Marzotto (Independent Director). Francesca Ginocchio (Marketing Advisor) left the Board in October 2025, hence as of February 28, 2026 the governing body is composed of six members instead of the usual seven.

The Board of Directors of Morellato S.p.A. as of February 28, 2026 consists of six members: two women and four men. Of the total, one member is in the 30-50 age range and the remaining five are over 50. The composition of the Board of Directors by gender and age group is shown below in percentage terms.

Diversity categories within governance bodies - gender	as of February 29, 2024	as of February 28, 2025	as of February 28, 2026
Males	57%	57%	67%
Females	43%	43%	33%
Diversity categories within governance bodies - age group			
Under 30	0%	0%	0%
Between 30 and 50	14%	14%	17%
Over 50	86%	86%	83%

The Board of Statutory Auditors of Morellato S.p.A. is composed of five members, three effective auditors and two alternate auditors. Female presence within the Board of Statutory Auditors is 40%.

As of February 28, 2026 the Board of Statutory Auditors was composed as follows:

Members of the Board of Statutory Auditors (as of February 28, 2026)	
Gianna Adami	President
Alessandro Ricci	Auditor
Andrea Valmarana	Auditor
Mattia Giacometti	Alternate Auditor
Camilla Porzi Camerini	Alternate auditor

2.2 Green finance

In order to support its financial needs, the Group decided to implement sustainable finance instruments, in particular:

- On November 26, 2021, a ten million euro ESG-linked loan was issued by Crédit Agricole with a counter-guarantee issued by SACE for 70% of the capital. The 60-month loan includes an ESG-linked clause which establishes the targets for each year for the following two KPIs:
  - Hours of training provided to employees;
  - Total cost of purchasing and producing sustainable or recycled goods and products.

  When both KPIs are achieved, the interest margin applied by the Bank will be reduced by some basis points per year.

- On June 20, 2023, another fifteen million euro ESG-linked loan was issued by Crédit Agricole. The 48-month loan includes an ESG-linked clause which establishes the targets for each year for the following two KPIs:

- Percentage of self-produced and consumed electricity from renewable sources over total electricity consumption;
- Percentage of Italian employees with permanent contracts over the total number of Italian employees.

When both KPIs are achieved, the interest margin applied by the Bank will be reduced by some basis points per year.

- On November 18, 2024, another ten million euro ESG-linked loan was issued by Credem. The 48-month loan includes an ESG-linked clause which establishes the targets for each year for the following two KPIs:
  - Reduction of energy consumption at the Morellato parent company;
  - Percentage of new hires dedicated to female employees greater than or equal to 50%.

  When both KPIs are achieved, the interest margin applied by the Bank will be reduced by some basis points per year.

The following table illustrates Morellato S.p.A. results.

Credem loan KPI 1 - Reduction of energy consumption of Morellato S.p.A.				
		Target (%)	Target (MWh)	Actual (MWh)
Baseline	2022-23			559,91
Year 2	2024-25	-1,30%	545,45	481,74
Year 3	2025-26	-1,50%	537,27	431,57

Credem loan KPI 2 – Percentage of female new hires (50% or higher) of Morellato S.p.A.			
FY 2025-26	Female new hires	Male new hires	Total new hires
Number	31	20	51
Share	61%	39%	100%

2.3 Ethics, business integrity and regulatory compliance

The responsibility for the protection of workers' and customers' health and safety, together with commitment to the protection of the environment, are fundamental for Morellato Group. The Group seeks to create value for stakeholders, for the environment, and for society. Environmental, ethical, and social criteria have therefore always been integral parts of its corporate culture and sourcing policy.

Morellato Group lives through women and men who have long been responsibly committed to environmental and social sustainability. The Group ensures traceability and compliance with ethical and legal principles for all raw materials used, including conflict-free gemstones that comply with RJC (Responsible Jewellery Council) certifications, nickel-free finishing and gilding treatments.

In line with its global strategy of sustainable success, Morellato Group adopted in April 2022 the **Code of Ethics**, with the aim of defining the fundamental guidelines that inspire the activities of the Group. The Code is kept updated by the Group. Its purpose is to guide the conduct of employees and all other third parties for the proper functioning, reliability, and image of the Group.

The Code regulates the set of rights, duties, and responsibilities that Morellato Group expressly assumes towards its stakeholders, ensuring the prevention of legal violations and irregularities related to the management of the business.

The Code is aimed at corporate bodies and their members, employees, temporary workers, consultants, and co-workers in any capacity, as well as agents, representatives and any other party acting for and on behalf of Morellato Group.

In particular, quoting the Code:

Morellato believes that compliance with ethical rules and transparency in the running of its business represent a source of competitive advantage and the very basis for pursuing and reaching its sustainable development targets. For this reason, we promote the creation of environments with a strong ethical integrity.

Morellato Group is committed to adopt a business conduct based on the utmost correctness and transparency in relations with all stakeholders; to maintain the confidentiality of personal and company data and information, ensuring full and timely compliance with the security and protection measures provided for by current legislation; to avoid situations or activities that could lead to conflicts of interest; and to act in accordance with ethical and legal standards.

Furthermore, Morellato Group undertakes, in compliance with current legislation, to prevent the use of economic-financial systems for money laundering purposes by customers, suppliers, employees and other parties encountered during business activities.

In compliance with the GDPR EU 2016/679 and with the aim of protecting personal data of employees, the Group's Italian companies have nominated a DPO (data protection officer), who coordinates the information security management activities.

During the reporting period, as well as in previous fiscal years, no proven instances of non-compliance of Morellato Group with laws and regulations have been registered.

2.4 Anti-corruption and compliance

Morellato Group monitors and promotes the responsible management of its business activities. To this end, in 2023 the most relevant Italian companies of the Group (Morellato S.p.A. and Diffusione Italiana Preziosi S.p.A.) have undertaken a path towards the definition of the **Organization and Management Model** under Legislative Decree 231/01. This path has led to the approval of the Model in May 2023. Together with the Code of Ethics, this document covers the approach towards topics related to business ethics and compliance with laws and regulations in force, anti-corruption, fair competition, and anti-money laundering. A **Supervisory Board** has been established, which oversees the functioning and compliance of the Model and ensures its periodic update.

The same procedures outlined in the Organization and Management Model of Morellato S.p.A. and Diffusione Italiana Preziosi S.p.A. are also implemented by the other Italian and foreign companies of Morellato Group, even if there is no formalization required by national regulations.

Moreover, a **Whistleblowing platform** has been adopted by all the Italian companies. The platform is publicly available to collect from employees, customers, citizens, and any other stakeholder any report of illicit conducts, risks, or dangerous situations that could cause harm to the Group. Alongside the platform, a **Whistleblowing Committee** has been introduced to manage reports and subsequent investigations. A Whistleblowing procedure, implemented in July 2023, provides operative guidelines for management of the platform and handling of whistleblowers' reports.

Morellato Group opposes and rejects all forms of corruption in the sense of "giving or receiving unjustified advantages". In the 2025-26 reporting period, as well as in previous fiscal years, no confirmed incidents of corruption have been registered, and no public legal cases on the matter have been brought against the Group or its employees. Accordingly, no employees were dismissed or disciplined for corruption, and no contracts with business partners were terminated or not renewed due to violations related to corruption.

With regards to the risk of money laundering in gold purchase transactions, the Group operates in compliance with Italian Legislative Decree May 25, 2017, no. 92 "Provisions for the exercise of the activity of gold purchase" and in accordance with the disciplinary regulations governing Professional Gold Operators (Italian Law No. 7/2000, as updated by Law Decree No. 211/2024), as well as with anti-money laundering obligations related to customer due diligence (Legislative Decree No. 231). These regulations establish specific provisions defining the duties that gold buyers are required to comply with, in order to:

- ensure full traceability of the sale and exchange of used precious objects;
- prevent the market from being used for illegal purposes, with specific reference to money laundering and the reuse of proceeds of illegal activities.

Italian Law also regulates registration to the OAM (*Organismo Agenti e Mediatori*, the public authority responsible for supervising the activity of financial agents and credit brokers), requiring possession of a license to operate in the market for precious objects. Morellato Group holds the license to operate in the gold market and is registered in the public electronic register of gold buyers, set up by the OAM, which allows it to legally carry out gold trade activities. It should be noted with respect to the gold collection activity carried out in the Group's shops that the Group companies involved only collect the item and do not carry out its sale. Used gold is purchased or exchanged exclusively for new products available in the store and it's melted to obtain raw material for the creation of new jewels.

With reference to normative compliance, it should be mentioned that on 25 March 2025 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*, AGCM) notified Morellato S.p.A. the opening of investigation proceedings (case "*I876 – Morellato- accordi di distribuzione*") for an alleged infringement of Article 101 of the Treaty on the Functioning of the European Union (TFEU).

On 31 March 2026, the Authority notified the Group a sanctioning decision in conclusion of Proceeding I876. The AGCM found that Morellato S.p.A. had entered into an agreement restrictive of competition, in breach of Article 101(1) TFEU, through fixing resale prices and prohibiting the use of marketplaces and third-party intermediation platforms within Morellato's selective distribution system. The Authority ordered to cease these conducts and to refrain from engaging in similar behaviours in the future, imposing an administrative sanction amounting to €25,895,043.00.

On 29 May 2026, Morellato S.p.A. filed an appeal before the Regional Administrative Court of Lazio (*Tribunale Amministrativo Regionale*, TAR), including an application for interim relief. This request was granted by the Court on 15 June 2026 (order no. 3389), suspending the contested decision and ordering the provision of a security deposit (including by way of a bank or insurance guarantee, pursuant to Article 55, paragraph 2, of the Italian Code of Administrative Procedure) of €25,895,043.00 in favour of AGCM within 45 days of publication of the order. On 1 July 2026, Morellato S.p.A. deposited the required surety guarantee for the full amount.

The Court has scheduled the hearing on the case for 4 November 2026. Accordingly, Morellato S.p.A. defence submissions will be prepared in accordance with the time limits set forth in the

Italian Code of Administrative Procedure. It is estimated that the judgment will be issued approximately six months after the public hearing.

The Directors of Morellato S.p.A. have carefully assessed the Authority's claims and the grounds supporting them, as well as the arguments in favour of the Company set out in the appeal before the TAR Lazio, and share the assessment expressed by the legal advisers appointed to assist the Company. The Directors consider the risk of an unfavourable outcome to be "possible" but not "probable" and believe that there are insufficient objective elements to estimate any potential liability. Accordingly, in compliance with the applicable accounting standards, no provision for risks was recognised in the financial statements for the year ended 28 February 2026.

3. Sustainability approach

3.1 Stakeholder engagement

In the Group's path of growth and sustainable development, stakeholders play a role of primary importance. Morellato Group is committed to **taking stakeholders' needs and expectations into consideration** when defining and implementing its long-term business strategies.

To define its stakeholders, drafting the first edition of the Sustainability Report for fiscal year 2021-22, Morellato Group carried out a benchmark analysis that considered several companies operating in the reference sector, with the aim of identifying the individuals or groups of individuals who have a relationship with the Group and its activities. This analysis was carried out considering the principles of the GRI Standards, the reporting standard adopted for the preparation of the Group's Sustainability Report, and led to the definition of key stakeholders' categories.

Morellato Group has kept updating its benchmark and monitoring its sustainability context to assess potential changes in stakeholder categories. The categories of stakeholders identified in the initial analysis have been subsequently confirmed for later editions of the Report, including the present document covering the fiscal year 2025-26.

The 8 **stakeholder categories** relevant for Morellato Group are:



The Group periodically engages with its stakeholders. The methods and frequency of dialogue vary depending on the stakeholder, on the topics most relevant for each category, and on the opportunities for discussion that emerge during the year.

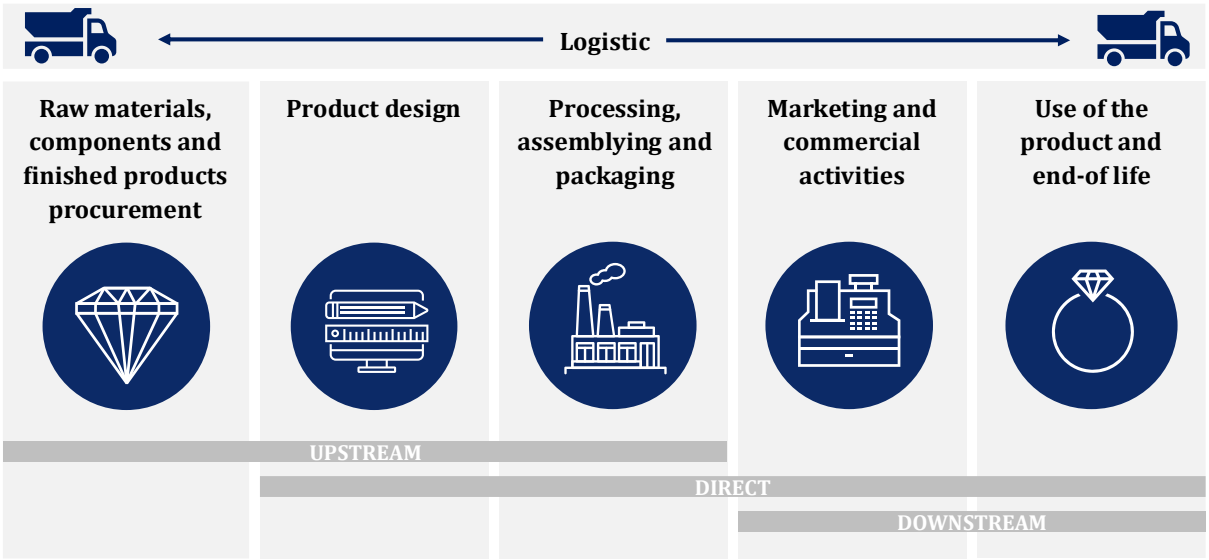
The main **channels of dialogue and interaction** for each stakeholder category are summarized below:

Employees	Induction programs for new hired.
	Training activities on safety in the working environment and training for the development of professional skills; periodic training meeting with the store managers and sales assistants.
	Great Place to Work Survey
	Job posting to promote professional growth.
	Morellato Web Magazine, company newsletter to foster internal communication.
	Involvement in continuous improvement activities in the working environment.
	Corporate events; Management meetings; Monthly meetings with retail managers; Annual Meeting with the store managers.
Financial Institutions and Investors	Periodical financial information.
	Institutional communication (website).
	Periodic meetings.
Business Partner	Regular meetings.
Communication Partners	Discussion organized during the year.
Local Communities	Participation in events promoted by local associations.
	Projects supporting social initiatives.
Customers	Periodic meetings (visits in the shops, discussion of technical projects).
	Trade fairs.
	Continuous dialogue via website and social network.
	Invitations to company events.
Sector associations	Participation in regulatory committees, webinars, conferences.
Suppliers	Periodic meetings.
	Quality audits and assessments.

3.2 Materiality analysis

The materiality analysis aims to **identify the most relevant environmental, social, and governance issues** for the organization and its stakeholders. Through the materiality assessment, the Group has identified its actual and potential impacts on the economy, the environment, the people, including their human rights, and its stakeholders.

In preparation for the first edition of its Sustainability Report, in 2021-22 Morellato Group conducted its first materiality assessment, which was confirmed for the following edition of the Report. During fiscal year 2023-24 the materiality analysis has been updated in accordance with the latest GRI Standards, released in 2021 and applicable starting January 2023. Thanks to this new methodology, the **internal and external business context** has been examined, including the Group's value chain.



Morellato Group's value creation model starts with the **procurement** of raw materials (including gold, silver and leather), components (such as watches movements), and finished products (for instance jewels and watches). The subsequent phases of the value chain are the **product design**, which includes the stylistic research and creative development of jewellery and watches; the **processing** of the sourced materials or components; and the **assembling** and **packaging** required to obtain finished products and prepare them for distribution. These activities are mainly outsourced to external partners, with the notable exception of the production of luxury watch straps, which is performed in-house in laboratories in Santa Giustina in Colle (Italy, Padua).

The following stage concerns the **marketing and commercial activities** of the network of wholesalers, direct shops, and e-commerce platforms through which products are sold to customers. Eventually, the **use of the product and end-of-life** phase refers to the period during which jewels or watches are used, including maintenance and care, until they reach the end of their useful life. This phase includes management of components and materials at the end of the product lifecycle, including their disposal or recovery.

Across all phases, **logistics** integrate activities along the entire value chain, ensuring the transfer of raw materials, components and products from suppliers to the Group on one side, and the distribution of finished goods on the other.

The value chain analysis enabled Morellato Group to **identify the actual and potential[1], negative and positive[2] impacts** that it generates on the environment, society and the economy. The resulting impacts have been **prioritized** based on their **relevance**. Negative impacts were assessed based on two factors: their **severity**, that considers the scope (i.e., how widespread the impact is), the scale (i.e., how grave the impact is) and the irremediability (i.e., how hard it is to counteract the resulting harm), together with their **likelihood** of occurring (considered only for potential impacts). Positive impacts were evaluated only considering their scale and scope. Subsequently, a materiality threshold for the significance of impacts was established. Material impacts were grouped into **material topics** by thematic area.

The outcome of the materiality analysis is the identification of 12 material topics, representing the material impacts of Morellato Group, to include in the sustainability disclosure.

Materiality analysis results			
Material Topics	**Impacts description**	**Nature of the impacts**	
Product Stewardship	Morellato Group products contain materials (such as leather, precious metals and diamonds) that can lead to negative impacts on workers' rights (e.g., conflict minerals), on consumer health (e.g., allergenic substances), on animal welfare (e.g., leather) or on the environment (e.g., depletion of non-renewable resources).	Negative	Actual
Occupational Health and Safety	Morellato Group 's workers and those along the value chain are exposed to physical and chemical hazards as well as noise and vibrations, potentially causing workplace accidents and occupational diseases.	Negative	Actual
Responsible Sourcing	Purchasing precious jewellery products from different countries exposes Morellato Group to risks of child labour, forced labour, corruption, increased emissions and improper waste disposal. This risk is mitigated: Morellato Group is a certified member of the Responsible Jewellery Council (RJC) that defines responsible practices on an ethical, social, environmental, and human rights protection level in the jewellery value chain.	Positive	Actual
Energy consumption and GHG emissions management	The consumption of energy from non-renewable sources and the lack of energy efficiency measures in the activities of suppliers and Morellato Group's own operations results in the emission of GHGs that contribute to the phenomenon of climate change.	Negative	Actual
Waste Management	Morellato Group's operations and the activities along the supply chain result in the generation of waste, which, if not properly treated, lead to adverse effects on the environment, such as GHG emissions from waste incineration.	Negative	Actual
Water Management	Production activities along the supply chain involve water consumption that could contribute to the depletion of that valuable natural resource. Moreover, water effluents, if not properly treated, can contain chemical substances and heavy metals.	Negative	Potential
Training and Development of Human Resources	The implementation of appropriate training courses contributes to the development of new skills within the employees of Morellato Group. This not only positively impacts employees' motivation, but it's also pivotal to maintaining and improving	Positive	Actual

[1] Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred.

[2] Negative impacts are those that cause harm to individuals, the community, the environment, and thus undermine sustainable development, positive impacts are those that contribute to sustainable development.

Materiality analysis results			
Material Topics	**Impacts description**	**Nature of the impacts**	
	employees' skills and career opportunities, affecting the living standards of individuals.		
Circular Economy	Morellato Group purchases recycled raw materials such as gold, silver, paper, or reconstituted leather to limit the negative effects on the environment generated from the use of virgin raw materials.	Positive	Actual
Equal Opportunities and non-discrimination	In the absence of non-discriminatory and transparent management practices, Morellato Group could fail to ensure equal opportunities and diversity, which may result in discrimination of employees based on factors such as gender, sexual orientation, religion, ethnicity, and language.	Negative	Potential
Local Communities Engagement	Morellato Group fosters long-term collaborations with NGOs operating in African hospitals, beyond supporting a breast cancer prevention program in Italy to support people in need and facilitate positive change.	Positive	Actual
Ethics and business integrity	A company administration that does not adhere to current regulations concerning anti-corruption could lead to unfair business practices that negatively affect the economic context in which Morellato Group operates.	Negative	Potential
Customer Relations	Whether the supply and production processes are not properly managed and monitored, Morellato Group could offer to final consumers products that are not in compliance with current regulations about quality, and health and safety standards.	Negative	Potential
	Whether product labelling is not properly managed and monitored, Morellato Group could potentially provide misleading information to final consumer and incur in incidents of non-compliance with the current labelling legislation, such as the Made in Italy regulation, the Italian Legislative Decree 25 May 2017, no. 92 "Provisions for the exercise of the activity of 'gold purchase", and the recent Green Claim EU regulation.	Negative	Potential

For the current Report, a benchmark analysis and an assessment of the sustainability context of Morellato Group have led to the conclusion that **the materiality assessment carried out in 2023 is still valid**, given that during the 2025-26 fiscal year no significant changes have occurred to the business model of the Group, its value chain, its business relationships, and the context in which it operates[3].

Among the material topics that emerged from the relevance assessment, Morellato Group mostly focuses its attention on the issues of **Product Stewardship**, **Responsible Sourcing** and **Occupational Health and Safety.** These topics concern aspects of primary importance for the Group's operations and strategy.

In accordance with the GRI Reporting Standards, Morellato Group has defined and organized the contents of the Sustainability Report to disclose for each material topic how the Group handles the matter. Each topic has been matched with one or more GRI indicators, except two material topics (i.e., Responsible Sourcing and Local Communities Engagement) that have not been

[3] On 25 March 2025 the Italian Competition notified Morellato S.p.A. the opening of investigation proceedings for alleged violation of antitrust norms. The investigation was closed in March 2026, hence after the end of the reporting period covered in this Report (see section 2.4 Anti-corruption and compliance for further details on the matter). In light of this event, the materiality assessment will be updated and revised during 2026.

disclosed through the GRI Standards but by providing only qualitative information on their management.

3.2.1 CSRD and Double Materiality

On December 16, 2022, the **Corporate Sustainability Reporting Directive** (CSRD - European Directive 2022/2464) was published in the Official Journal of the European Union, amending the existing sustainability reporting obligations. The new Directive was adopted in Italy with Legislative Decree No. 125 of September 6, 2024, which came into effect on September 25, 2024. Among the many requirements of the CSRD, new reporting standards have been developed: the European Sustainability Reporting Standards (ESRS).

ESRS have introduced the Double Materiality Assessment, a new process for identifying relevant sustainability topics. Specifically, the analysis is divided into:

- Impact Materiality: which involves identifying and assessing impacts generated, either actually or potentially, by the company and its value chain;
- Financial Materiality: which consists of identifying and assessing, in financial terms, the sustainability risks and opportunities faced by the company which may influence the financial position, economic results, and cash flows, as well as access to financing or the cost of capital in the short, medium, or long term.

In preparation for the forthcoming CSRD requirements, Morellato Group conducted a voluntary double materiality assessment in 2024-25, in accordance with the guidelines set forth by the ESRS. Subsequently, Directive EU 2025/794 (also known as "Stop-the-clock" directive) has postponed the mandatory sustainability reporting according to ESRS to fiscal year 2027-28. In parallel, amendments to the CSRD proposed by the Omnibus package and introduced by the "Content Directive" (Directive EU 2026/470) have revised the thresholds determining companies subject to reporting obligations. Morellato Group remains within CSRD scope and, accordingly, will work towards implementing the double materiality assessment framework to ensure compliance by 2027-28.

Awaiting the entrance into force of the new regulatory requirements, the Group has decided to **maintain the GRI Standards as reporting reference for this Report**. Therefore, the material topics included in the Report are those identified by the impact materiality assessment carried out following GRI Standards.

3.3 United Nations 2030 Sustainable Development Goals

Morellato Group's business strategies are driven by sustainability and the development of projects and initiatives that can contribute to the achievement of the United Nations 2030 **Sustainable Development Goals**.

The material topics that emerged as material were also related to the main SDGs to which the Group can contribute to its activities. The SDGs represent the starting point for a preliminary identification of possible commitments and initiatives to contribute to the 2030 Agenda.



The table below shows the connection between the material topics and the Sustainable Development Goals (SDGs).

Material topics	No poverty	Zero hunger	Health and Well-being	Excellence in training	Gender equality	Clean water and hygiene	Clean and accessible energy	Dignified work and economic growth	Industry, Innovation, and Infrastructure	Reducing inequalities	Sustainable cities and communities	Responsible consumption and production	Acting for the climate	Life below water	Life on land	Peace, justice, and strong institutions
Product Stewardship												■				■
Occupational Health and Safety			■					■								■
Responsible Sourcing								■								
Energy consumption and GHG emissions management			■				■	■				■	■	■	■	
Waste Management			■			■					■	■			■	
Water Management						■						■		■		
Training and Development of Human Resources				■	■			■		■						
Circular Economy								■	■			■				
Diversity and Equal Opportunities			■		■			■		■						
Local Communities Engagement	■	■														
Ethics and business integrity																■
Customer Relations												■				■

3.4 Certifications and associations

Morellato Group is part of a **network of associations and organizations**, which enables timely updates on the most recent regulatory developments and allows the exchanges of ideas, knowledge, and different perspectives among industry peers. The main associations to which the Group adheres are the following:

Confimprese
Association of the enterprises of the modern commerce - franchising, GDO, and direct nets operating on the Italian territory.

A.N.T.I.C.O.
Morellato S.p.A. is a member of the national association in the gold sector, specialized in the study of regulations and optimization of operations of companies dedicated to the trade and processing of

gold investment, gold material, and trade of new and used valuables, such as jewelers, gold buyers, gemologists, and others.

UNI
Morellato S.p.A. is associated to the Italian national body of unification, a private non-profit association that carries out activities of technical standardization. It operates in all industrial, commercial and service sectors and participates in representing Italy in the standardization activity of the international standardization bodies ISO and CEN.

ASCOM
An Italian body representing companies engaged in trade and commerce within the Confcommercio network.

RJC
The Responsible Jewellery Council (RJC) is a non-profit organization that deals with regulation and certification in the diamond, precious stones, gold and platinum supply chain.
The Group become a member of the RJC on March 2022 and obtained the COP certification (Code of Practices)[4] in 2023.

OAM
OAM stands for "*Organismo Agenti e Mediatori*" (body of financial agents and credit brokers). This body has legal relevance on matters concerning financial agents and credit brokers. Since May 2017, OAM has included in its registration and control activities the "*compro oro*" (gold buying) and keeps an updated register, in which all operators must be registered in order to operate in the sector.
Morellato Group, through the subsidiary DIP S.p.A., is registered in the public electronic register of gold buyers set up by OAM.

Responsible Jewellery Council – RJC

In September 2023 Morellato Group became a certified member of the Responsible Jewellery Council (RJC) according to the standard **Code of Practices (COP) 2019**. The COP defines the responsible ethical, social, environmental, and human rights protection practices that all members must adhere. Through this certification Morellato Group aims at **reducing risks** and vulnerabilities of the precious metals supply chain and at **improving its management systems** and operational procedures related to those strategical materials.
In particular, the RJC provides a common standard to apply responsible business practices in all the stages of the supply chain, from mining to retail sales and for different precious metals, namely gold, silver, PGM (platinum group metals), diamonds, and colored gemstones. It regularly requires a mandatory third-party auditing which covers the following thematic sections:

1. General requirements
2. Responsible supply chain, human rights and due diligence
3. Labour rights and working conditions

[4] https://www.responsiblejewellery.com/membership/find-an-rjc-member/?bycountry=&rjccategories=&rjccertification=&searchbox=morellato%20&pagenum=1

4. Health, safety and environment
5. Gold, silver, PGM, diamond and coloured gemstone products
6. Responsible mining

Each area includes a **list of provisions** and for each of them one or more application mechanisms are suggested to ensure an effective COP implementation. The eight **application mechanisms** are: management responsibility, written policy, risk assessment, set procedures, records, report, training, and grievance mechanism.

4. Environmental responsibility

4.1 Energy, emissions and Climate Change

Morellato Group is aware of the environmental impact of its activities and therefore focuses its attention on optimization of energy use and GHG emissions management, proving its sensibility and commitment towards these issues.

The Group monitors its energy consumption, which has been mapped to obtain an accurate picture of its energy demand. In addition, the Group is implementing energy efficiency actions, with the aim of achieving a reduction in the amount of energy consumed. To this end, various strategies have been adopted, such as the installation of LED lighting systems in shops, the optimization of the organization of logistics, and the introduction of plug-in hybrid vehicles.

Morellato Group, with the aim of making its energy consumption more sustainable and efficient, since February 2023 has installed a **photovoltaic system in its headquarters** in Santa Giustina in Colle (PD). Self-produced energy covers a large share of the energy consumption of the building, reducing emissions. To further minimize its environmental footprint, the Group **purchases energy produced from renewable energy sources**, as certified by Guarantees of Origin.

In addition to the photovoltaic project and renewable energy purchase, the Group has also analyzed the energy consumption of its shops in order to identify potential areas of optimization. This assessment has led to the identification of several initiatives, among them an **extensive lighting conversion to LED systems** and the transition to modern printers. These technologies guarantee substantial energy savings, as well as longer service life.

LED conversion projects

Morellato Group's effort in GHG emissions reductions have identified *relamping* projects as a key area of intervention. The initiative was introduced in 2022-23 and has seen a gradual replacement of the old neon lighting systems with modern LED illumination. Shops in France and in Italy and the headquarters in Santa Giustina in Colle have been completely converted as of 2025-26. During the reporting period the initiative has also seen significant progress in German shops, which have now been almost completely renovated.

The Group promotes careful and responsible management of its own energy consumption, which mainly derives from lighting, heating, and cooling of working environments. It should be noted that Morellato Group is not an energy-intensive company, since most of the production activities are carried out by suppliers.

The energy vectors used by the Group are electricity, fuels (diesel and gasoline), and natural gas. **Electricity** is used for lighting and in production processes, and it is mostly purchased from the national grid. **Natural gas** is used for the heating of buildings and shops, while a minimal quota of **diesel** is annually employed to refill emergency tanks. Regarding the Group's car fleet, fuels consumed are **diesel and gasoline**.

The sources of energy consumed in the reporting period are detailed in the table below.

Energy consumption	Unit of measure	as of February 29, 2024	as of February 28, 2025	as of February 28, 2026
Natural Gas	GJ	23,162	21,930	19,953
Diesel (for refilling emergency tanks)	GJ	16	16	16
Diesel (for company's vehicles owned or in long-term leasing)	GJ	6,336	5,074	5,793
Gasoline (for company's vehicles owned or in long-term leasing)	GJ	203	133	1.443
Electricity purchased from national grid	GJ	78,434	78,081	77,006
Of which from certified renewable sources	GJ	-	22,344	16,436
Electricity self-generated by photovoltaic system	GJ	717	1.110	1.083
Of which consumed	GJ	549	845	819
Of which sold	GJ	167	265	265
Total energy consumption	**GJ**	**108,700**	**106,079**	**105,029**

With respect to the previous fiscal year, the Group's energy consumption is stable (-1%). However, changes in Morellato Group's vehicles fleet composition, which is expanding and undergoing a **transition towards hybrid vehicles**, have led to an increase in consumption of gasoline (grown almost tenfold) and diesel (+14%). Although the amount of electricity purchased has remained steady (-1% with respect to FY2024-25), the Group has reduced use of natural gas (-9%) thanks to both an optimization of consumption and new condensing boilers installed in the headquarters. Photovoltaic self-production capacity in the Group's headquarters has also remained at levels comparable to the previous year.

Morellato Group is actively tracking its greenhouse gasses (GHG) emissions, documenting both its direct and indirect emissions (for additional details on the categorization, please refer to the Methodological note section of this document), specifically:

- Direct emissions (Scope 1): these come from sources that Morellato Group owns or controls, such as cars or heating of facilities, as well as emissions from leaks of refrigerant gasses;
- Indirect emissions (Scope 2): these are emissions from the production of electricity that Morellato Group purchases or acquires. They can be computed according to a location-based or a market-based method. Location-based method calculates emissions based on the average emission intensity of the country where electricity is consumed. Market-based method instead takes into accounts the specific contracts subscribed by a company (such as purchases of certified renewable energy), allowing organizations to demonstrate their environmental effort.

GHG emissions and their origin are detailed in the table below.

Direct emissions	Unit of measure	as of February 29, 2024	as of February 28, 2025	as of February 28, 2026
Natural Gas	tCO_2 eq	1,318	1,248	1,124
Diesel (for heating or productive process)	tCO_2 eq	1	1	1
Diesel (for company's vehicles owned or in long-term leasing)	tCO_2 eq	457	366	418
Gasoline (for company's vehicles owned or in long-term leasing)	tCO_2 eq	13	9	93
F-Gas	tCO_2 eq	273	287	201
Total Scope 1	**tCO_2 eq**	**2,062**	**1,911**	**1,837**
Indirect emissions				
Electricity purchased from national grid - Location Based	tCO_2 eq	5,957	4,771	4,099
Electricity purchased from national grid - Market Based	tCO_2 eq	8,953	6,410	7,161
Total Scope 1 and 2 emissions				
Scope 1 + Scope 2 Location Based	**tCO_2 eq**	**8,020**	**6,682**	**5,936**
Scope 1 + Scope 2 Market Based	**tCO_2 eq**	**11,016**	**8,321**	**8,998**

During 2025-26, Scope 1 emissions have been reduced by -4% compared to the previous reporting period, thanks to the lower use of natural gas (explained previously) and lower leakage of F-gasses (-30%), which have compensated the higher emissions caused by increased consumption of gasoline and diesel.

Scope 2 emissions computed according to the location-based method have decreased (-14%), but a lower quantity of energy purchases covered by certificates of renewable origin led to an increase of emissions according to the market-based method (+12%). Therefore, summing Scope 1 and 2, according to the location-based method the Group's emissions have fallen by 11% since last year, while in the market-based method emissions have increased by 8%.

Morellato Group has invested in initiatives aimed at reducing its GHG emissions and innovating infrastructure. The most relevant ones are the installation of charging stations for electric vehicles and a new photovoltaic plant at the headquarters in Santa Giustina in Colle (PD).

Considering the electricity consumption of Morellato S.p.A., which includes the headquarters and other offices in Milan, during the reporting period it decreased by 18% thanks to the several energy optimization measures implemented. The photovoltaic plant installed on the roofs of buildings in Santa Giustina can provide about 30% of the energy demand of the headquarters. During 2025-26 the plant generated an output in line with the previous period, reflecting a consolidation of its capacity. On the contrary, the photovoltaic system did not regularly work during fiscal year 2023-24 due to extreme weather events.

Electricity consumption and sold by Morellato S.p.A.	Unit of measure	as of February 29, 2024	as of February 28, 2025	as of February 28, 2026
Electricity purchased from national grid	GJ	2.005	1.899	1.554
Electricity generated by photovoltaic system	GJ	717	1.110	1.083
of which consumed	GJ	549	845	819
of which sold	GJ	167	265	265
Total energy consumed	**GJ**	**2.554**	**2.744**	**2.372**

4.2 Water management

Throughout Morellato Group's supply chain, activities such as mining and metallurgy require relevant use of water and may release pollutants in water bodies through discharges contaminated with chemicals and heavy metals, if not adequately managed. However, Morellato Group own activities do not involve the use of water, which is limited to sanitary scopes. Accordingly, the Group withdraws a limited quantity of water.

Morellato Group is committed to a **responsible use of water resources**, in its direct operations as well as in the supply chain (as detailed in chapter Responsibility to our customers and products). The Group seeks to minimize its environmental impact thanks to the constant monitoring of its water consumption and the implementation of efficiency measures, including awareness-raising activities among the employees.

In order to assess the impact of its water use and identify company's sites located in water stress areas, the Group has performed an analysis based on the guidelines provided by the Aqueduct Water Risk Atlas of the World Resources Institute. From this analysis it has emerged that there are no relevant activities in areas with high water stress.

During the reporting period, water withdrawal amounted to 11.8 megaliters, achieving a reduction from the previous reporting period of -15%. Of the total, 83% is third-party municipal supply and 17% comes from groundwater, in detail from an on-site well in Santa Giustina, which is the primary source of water withdrawal for the headquarters.

Concerning the water consumption by geographical area, it should be noted that the water withdrawal of the French and German companies is 100% from third-party (aqueduct); while, in relation to the Italian companies, 65% of the withdrawal is groundwater, and 35% comes from third party. The groundwater withdrawal in Italy is regularly analyzed, through qualified external bodies, to verify that water quality is compliant to the sector regulations. Water quality analysis take place annually, in accordance with the Italian Decree 18/2023 and guidelines provided by the Italian National Institute of Health. Water is discharged into the sewer system and directed to external treatment systems.

Water withdrawal by source	Unit of measure	as of February 29, 2024		as of February 28, 2025		as of February 28, 2026	
		All areas	From areas with water stress	All areas	From areas with water stress	All areas	From areas with water stress
Groundwater	Megaliters	2.3	-	2.8	-	2.0	-
Third-party water	Megaliters	13.4	-	11.0	-	9.8	-
Total	**Megaliters**	**15.7**	**-**	**13.8**	**-**	**11.8**	**-**

4.3 Waste management

Morellato Group is committed to ensuring that all of its activities have a reduced impact on the environment and are consistent with the expectations of its stakeholders. This effort includes those aspects related to the treatment of raw materials and natural resources and the resulting production of waste. To this purpose, the Group is **committed to the correct management of waste** in terms of production, recovery, and disposal. The Group adopts a strategy based on the identification of more efficient solutions and the use of eco-friendly materials to achieve reduction of waste generated and thus the minimization of waste-related environmental impact.

The Group has implemented a **waste management system** that favours, wherever possible, recycling or reuse of waste. Where recycling or re-use is not possible, waste is sent to dedicated disposal facilities, based on the waste type and in accordance with local legislation. All waste generated by the Group is recovered or disposed externally by qualified and certified third parties, who operate in compliance with the contractual or legal requirements established by applicable regulation of each country of operation.

The main waste typologies produced include:

- paper and cardboard;
- plastic;
- dry undifferentiated/unsorted waste;
- packaging contaminated by hazardous substances;
- exhaust recyclable watches batteries;
- other typologies of waste, such as electrical equipment at the end of life.

These categories are collected and stocked in defined areas and specific containers in all the plants and shops of the Group, according to the type of waste and country-specific legislation. Waste is separated between hazardous and non-hazardous and its handling is monitored.

Regarding the exhaust recyclable watches battery, Morellato Group has implemented a public collecting service in all its shops. This service is available not only to those who buy the Group's products but to all consumers who come to shops to change batteries in their watches. Exhaust watch batteries and silver oxides are collected in all shops and, once a year, the Group handles the collected material to a specialized supplier for the recovery of some elements and the final disposal of non-recuperable parts.

The following table shows all waste generated and its categorization into hazardous and non-hazardous waste.

Waste generated	as of February 29, 2024			as of February 28, 2025			as of February 28, 2026		
	Hazardous	Non-Hazardous	**Total**	Hazardous	Non-Hazardous	**Total**	Hazardous	Non-Hazardous	**Total**
Paper and carton	-	140.7	**140.7**	-	220.9	**220.9**	-	191.9	**191.9**
Plastic	-	9.1	**9.1**	-	11.1	**11.1**	-	15.2	**15.2**
Mixed waste	-	209.9	**209.9**	-	276.7	**276.7**	-	158.6	**158.6**
Hazardous packaging	0.5	-	**0.5**	0.3	-	**0.3**	0.2	-	**0.2**
Exhaust recyclable watches battery	0.1	-	**0.1**	0.3	-	**0.3**	0.1	-	**0.1**
Other	-	5.2	**5.2**	-	-	**-**	-	12.1	**12.1**
Total	**0.6**	**364.8**	**365.4**	**0.6**	**508.7**	**509.3**	**0.3**	**377.9**	**378.2**

During the reporting period, Morellato Group generated about 378 tons of waste, achieving a reduction by 26% compared to 2024-25. This is mainly due to the **adoption of waste-reduction measures**, such as the elimination of filling in products' packaging and the adoption of electronic invoices to reduce paper use. Moreover, the adoption of wood displays and paper shopping bags and packaging boxes has caused a sharp drop in the amount of mixed waste generated (-43%).

It should be noted that, in line with past reporting periods, out of the total waste generated during the reporting period the majority belongs to the category of non-hazardous waste (which accounts for over 99,9% of the total), while the category of hazardous waste is represented by a very limited share. Indeed, most of waste produced by the Group consists of paper and cardboard packaging, plastic wrappers, and other kinds of envelopes and boxes.

5. People responsibility

Human capital is considered a primary factor in achieving Morellato Group's objectives, because of the professional contribution made by each worker in a relationship based on loyalty, fairness and mutual trust. The workers are a fundamental resource for the development and the growth of the Group and their heritage of knowledge and experiences have constantly been enhanced and valorised.

To further improve engagement and dialogue with its workforce, during the reporting period the Group has taken part in the Great Place to Work survey. The survey aimed to assess employee sentiment and corporate climate, identify areas of improvement, and develop corrective actions to be implemented. The initiative involved all headquarters of the Group's companies, and it also included workshops and dedicated initiatives. Working groups were established to gather employee feedback and improve communication flows and channels between management and employees. A Cross-Country Team was established, made up of 8 people representing Italy, France and Germany, who worked together throughout the year to propose improvement actions.

5.1 Diversity and equal opportunities

In order to enable human capital to express its full potential, Morellato Group has always been committed to the promotion of a pleasant working environment for all of its workers. The Group guarantees full compliance with applicable regulatory requirements, as well as with the most stringent international standards that promote the protection of the dignity and rights of all workers involved in the production chain, including the I.L.O. (International Labor Organization) principles.

At the end of the reporting period, Morellato Group counts **4,650 employees worldwide** (measured as headcount), of which 44% are employed in Germany, 36% in Italy, 17% in France and the remaining 3% in the Asia Pacific region, which includes the offices in Hong King, China, Dubai, and Thailand. The total number of employees has remained almost steady compared to the previous reporting period, decreasing by less than one percentage point.

Regarding the breakdown of the Group's own workforce by gender, **86% of employees are women and 14% men** (compared to 85% and 15% respectively in the previous reporting period). The prevalence of women is a common characteristic of the jewellery labour market, in which the retail workforce (which makes up 82% of the Group's total workforce as of 28th of February 2026) usually sees a large majority of female employees. Breaking down the statistic by region, in Italy women are 91% of employees, 89% in France, 80% in Germany, and 78% in the Asia Pacific companies.

At the end of the reporting period, employees covered by collective bargaining agreements are 2.466, 53% of the total. All the employees of the Italian and French companies are covered by collective bargaining agreements. Italian employees are covered by four different contracts: *Dirigenti Industria*, *Dirigenti terziario*, *Industria Pelli e Cuoio,* and *Commercio Terziario*. French employees are divided as follows: MisterWatch's employees are covered by the collective agreement *Horlogerie – Commerce de Gros* (IDCC 1044), while Cleor's employees (97% of the total French employees) are covered by the collective agreement *Horlogerie Bijouterie – Commerce de detail* (IDCC 1487). Even if collective bargaining agreements are not adopted in Germany and in the Asia Pacific region, contracts applied by Morellato Group in these areas fulfil the obligations imposed by national regulations.

In performing its activities, Morellato Group relies on its own employees but also on workers who are not employees. As of February 28, 2025, they are 315 (-6% compared to the previous reporting period). The most common types of non-employee workers are sales agents and

interns; other categories include members of the Board (not directly employed by companies of the Group) and temporary workers hired through employment agencies. Most of non-employees work in Italy (297), they are mainly fixed-term interns and self-employed commercial agents.

		as of February 29, 2024			as of February 28, 2025			as of February 28, 2026		
Region	**Type of contract**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Italy and San Marino	Permanent	106	865	**971**	118	958	**1,076**	133	1,034	**1,167**
	Temporary	31	343	**374**	19	303	**322**	13	259	**272**
	Non-guaranteed hours	3	164	**167**	3	167	**170**	4	218	**222**
	Total	**140**	**1,372**	**1,512**	**140**	**1,428**	**1,568**	**150**	**1,511**	**1,661**
France	Permanent	98	664	**762**	89	640	**729**	75	635	**710**
	Temporary	13	75	**88**	9	85	**94**	12	87	**99**
	Non-guaranteed hours	-	-	**-**	-	-	**-**	-	-	**-**
	Total	**111**	**739**	**850**	**98**	**725**	**823**	**87**	**722**	**809**
Germany	Permanent	249	1,192	**1,441**	256	1,151	**1,407**	256	1,087	**1,343**
	Temporary	132	346	**478**	131	400	**531**	111	365	**476**
	Non-guaranteed hours	23	174	**197**	24	191	**215**	34	195	**229**
	Total	**404**	**1,712**	**2,116**	**411**	**1,742**	**2,153**	**401**	**1,647**	**2,048**
Asia Pacific	Permanent	38	99	**137**	35	102	**137**	31	101	**132**
	Temporary	-	-	**-**	-	-	**-**	-	-	**-**
	Non-guaranteed hours	-	-	**-**	-	-	**-**	-	-	**-**
	Total	**38**	**99**	**137**	**35**	**102**	**137**	**31**	**101**	**132**
All areas	Permanent	491	2,820	**3,311**	498	2,851	**3,349**	495	2,857	**3,352**
	Temporary	176	764	**940**	159	788	**947**	136	711	**847**
	Non-guaranteed hours	26	338	**364**	27	358	**385**	38	413	**451**
	Total	**693**	**3,922**	**4,615**	**684**	**3,997**	**4,681**	**669**	**3,981**	**4,650**

Morellato Group is committed to offering **stable working opportunities**, accordingly the majority of the Group's employees are hired with a permanent contract (72% of all employees). Temporary contracts (either fixed term, which are 18% of the total, or non-guaranteed hours, 10%) are offered mainly to sales assistants in shops to ensure a better management of seasonal peaks, in particular during Christmas holidays, enabling the Group to respond to temporary staffing requirements.

The importance attributed by Morellato Group to employment conditions is noticeable observing the breakdown of contract types in Italy. Indeed, in 2025-26 permanent contracts represent over

70% of the local workforce, following an upward trend from slightly below 69% in 2024-25 and 64% in 2023-24, from a starting point of 46% in the fiscal year 2021-22. This steady growth of permanent contracts has been accompanied by a proportional reduction in fixed-term contracts.

		as of February 29, 2024			as of February 28, 2025			as of February 28, 2026		
Region	**Type of contract**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Italy and San Marino	Full-time	99	438	**537**	104	600	**704**	120	687	**807**
	Part-time	38	770	**808**	33	661	**694**	26	606	**632**
	Non-guaranteed hours	3	164	**167**	3	167	**170**	4	218	**222**
	Total	**140**	**1,372**	**1,512**	**140**	**1,428**	**1,568**	**150**	**1,511**	**1,661**
France	Full-time	107	682	**789**	90	647	**737**	60	474	**534**
	Part-time	4	57	**61**	8	78	**86**	27	248	**275**
	Non-guaranteed hours	-	-	**-**	-	-	**-**	-	-	**-**
	Total	**111**	**739**	**850**	**98**	**725**	**823**	**87**	**722**	**809**
Germany	Full-time	347	820	**1,167**	339	811	**1,150**	307	716	**1,023**
	Part-time	34	718	**752**	48	740	**788**	60	736	**796**
	Non-guaranteed hours	23	174	**197**	24	191	**215**	34	195	**229**
	Total	**404**	**1,712**	**2,116**	**411**	**1,742**	**2,153**	**401**	**1,647**	**2,048**
Asia Pacific	Full-time	38	99	**137**	35	102	**137**	31	101	**132**
	Part-time	-	-	**-**	-	-	**-**	-	-	**-**
	Non-guaranteed hours	-	-	**-**	-	-	**-**	-	-	**-**
	Total	**38**	**99**	**137**	**35**	**102**	**137**	**31**	**101**	**132**
All areas	Full-time	591	2,039	**2,630**	568	2,160	**2,728**	518	1,978	**2,496**
	Part-time	76	1,545	**1,621**	89	1,479	**1,568**	113	1,590	**1,703**
	Non-guaranteed hours	26	338	**364**	27	358	**385**	38	413	**451**
	Total	**693**	**3,922**	**4,615**	**684**	**3,997**	**4,681**	**669**	**3,981**	**4,650**

As of February 28, 2026 the majority of employees (54%) are employed under full-time contracts, while 36% work part-time and 10% hold non-guaranteed hours arrangements, a distribution similar to that of the previous reporting period. The Group makes use of part-time contracts in its retail operations to improve workforce flexibility. Indeed, part-time work allows the Group to better adapt stores' staffing to customer traffic thanks to the possibility of adjusting working hours when necessary (for instance during seasonal peaks, or to cover absences or sick leave).

Considering the types of contracts by country, in Italy the share of employees working full-time has increased significantly in recent years, rising from 36% during 2023-24 to 49% as of the end of the current reporting period. In France instead the Group has implemented changes in store

management practices during 2025-26 to improve efficiency and better respond to customer needs, leading to an increased use of part-time working arrangements. Accordingly, the share of part-time contracts increased from 10% to 34% compared to the previous reporting period. In Germany the situation has remained broadly stable, as most employees have full-time contract (50%) and 39% work part-time, while 11% is employed with a non-guaranteed hours contract.

The gender distribution of contract types reflects the predominance of female employees in the retail workforce (89% of sales personnel), which sees a larger resort to part-time and non-guaranteed hours compared to other roles.

Employee distribution among diversity categories - gender	as of February 29, 2024			as of February 28, 2025			as of February 28, 2026		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Managers	1%	1%	2%	1%	1%	2%	1%	1%	2%
White Collars	12%	80%	92%	11%	80%	92%	11%	81%	92%
Blue Collars	2%	4%	6%	2%	4%	6%	2%	4%	6%
Total	**15%**	**85%**	**100%**	**15%**	**85%**	**100%**	**14%**	**86%**	**100%**

The composition of Morellato Group's workforce shows a predominance of white-collars workers, who represent 92% of the total number of employees. This category is mostly represented by sales assistants in shops, it also includes headquarters employees and administrative personnel of the different Group's companies. The category of blue collars amounts to 6% of the total employees and it includes the Italian operators in the laboratory for watches straps production and the French and German logistics operators. Lastly, managers are 2% of the total workforce, including members of administrative and management bodies of the Group companies. Proportions are stable compared to previous years.

Looking at gender diversity by employee category, women are 88% of white-collars, 66% of blue-collars and 55% of managers. While their representation among blue and white collars has remained nearly constant over time, the share of female managers has steadily increased, growing from 49% in 2022-23 to 55% during the current reporting period.

Employee distribution among diversity categories - age group	as of February 29, 2024			as of February 28, 2025			as of February 28, 2026		
	<30	**30-50**	**>50**	**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Managers	0%	1%	1%	0%	2%	1%	0%	2%	1%
White Collars	37%	37%	18%	38%	36%	17%	36%	38%	17%
Blue Collars	1%	3%	2%	1%	3%	2%	1%	3%	2%
Total	**38%**	**41%**	**21%**	**39%**	**41%**	**20%**	**37%**	**43%**	**20%**

In terms of age distribution, as of February 28, 2026, the majority of Morellato Group workforce is aged between 30 and 50 years old (43% of the total), followed by employees under-30 (37% of employees) and over-50 (20% of the total). Across all categories the largest share of employees is the intermediate age group, however white collars see a comparatively higher quota of workers under-30.

Employee distribution among diversity categories - vulnerable groups	as of February 29, 2024	as of February 28, 2025	as of February 28, 2026
Managers	0%	2%	2%
White Collars	3%	3%	3%
Blue Collars	5%	5%	5%
Total employees	**3%**	**3%**	**3%**

As of February 28, 2026 there are a total of 133 employees belonging to vulnerable groups, representing 3% of the total employees of the Group (a share in line with previous years). In Italy, these workers belong to the protected categories according to Italian law 68/99, which is aimed at integrating people with disabilities in companies' workforce. In Germany, some are young workers and others are employees with disabilities, as defined respectively by German youth protection law and Germany labour law. The quota of employees belonging to vulnerable groups is higher among blue collars (5% of the category), while it is slightly lower among white collars (3%) and managers (2%).

5.2 Human rights

Morellato Group strongly believes that respect for people and for the local communities is an essential pillar of its business model. As described in the Code of Ethics, the Group is committed to respecting the rights of workers, ensuring a working environment in which freedom of expression and full respect for diversity prevail. Furthermore, **no form of discrimination is permitted** on the grounds of age, state of health, gender, religion, ethnicity, political and cultural opinions; practices aimed at advantaging interest groups or individuals are also not permitted. The recruitment process is carried out ensuring non-discrimination, in fact it is based exclusively on the match with required profiles, hence all employees and collaborators are recruited on the basis of skills, attitude, and experience only.

Moreover, **the Group fully respects diversity**, prohibiting any type of harassment or damaging behaviour towards third parties, both inside and outside the workplace.

As stated in the Code of Ethics, Morellato Group prohibits the use of child labour and refuses to engage in contracts with suppliers or subcontractors that use child labour. The Group fights against forced or compulsory labour and practices such as withholding original identity documents or requiring payment of deposits at the beginning of the employment relationship.

The Group's objective is to safeguard the rights of its employees, guaranteeing them the right to form, participate in, and organize trade unions of their own choice and to bargain collectively with the Company. Morellato Group complies with applicable legislation and with national labour contracts on the issues of working hours, holiday leaves, and working permits. It also guarantees all its employees a fair salary, proportionate to the quality and quantity of the work performed, and adequate to meet their needs. On the issue, during the year the Group initiated preliminary assessments regarding the EU Pay Transparency regulation (Directive 2023/970), which was subsequently enacted in Italy through Legislative Decree No. 96/2026, requiring fair, transparent and equitable remuneration. The initial assessments confirmed salary consistency and the absence of any form of gender discrimination. Furthermore, the Group sets working hours that protect workers' right to rest and comply with legal requirements in each country in which it operates.

The risk of non-**compliance with fundamental human rights** principles, international human rights regulations, and national labour laws is constantly monitored by the HR Department, located in the Group's headquarters in Padua and across its subsidiaries.

During the reporting period there have been no cases of discrimination.[5] Despite the Group's constant effort in preventing any conduct that might undermine the dignity, rights, and security of employees, an incident of discrimination occurred during previous reporting periods, specifically in May 2023. The case was reviewed and concluded during 2023 with the

[5] Legal actions, formal complaints registered from competent authorities or instances of non-compliance identified by internal procedures as falling within the definition of discrimination provided by GRI Standards.

implementation of remedial action, which included termination of the employment of the individual involved.

5.3 Occupational health and safety

Workplaces in Morellato Group are designed and managed to **ensure safe and healthy environments, in compliance with national and international directives**. The Group promotes a culture of safety by encouraging responsible behaviours and developing risk awareness through customized training courses, ensuring that each employee and collaborator does not expose itself nor others to risks and dangers that may cause damage to health and physical safety.

The Group recognizes the importance of safeguarding the health and safety of its workers in all their activities and is committed to the **continuous improvement of working conditions**. To further improve its preparedness on this matter, the Group routinely updates its Health and Safety Procedure. Moreover, fire safety systems in the HQ building and its warehouse shelving have been renovated. During the reporting period the usual medical examinations were carried out, as per health protocol.

In Italy, France, and Germany there are regulatory frameworks that discipline occupational health and safety management, mandated by national legislation. These norms cover all local employees, even if a certified Health and Safety management system is not in place. Regarding facilities located in the Asia Pacific area, national laws do not require companies to adopt structured health and safety management systems. However, the local Human Resources department ensures respect of health and safety procedures, maintains preparedness by providing training, and provides supplementary health insurance to employees.

In Italy, this system implies the identification of responsibilities, including the Responsible for Prevention and Protection Service (RSPP) -who is an external specialist for Morellato, Arca and Kronoshop, another one for DIP- and the Workers' Safety Representatives (RLS). To better ensure the implementation of safety measures, during the year one person was trained and appointed as ASPP (Assigned Prevention and Protection Service Officer), with responsibility for all offices located in Italy. Occupational health and safety risks are managed through a specific risk assessment document (DVR), in which all risks are identified (whether routine or non-routine and arising from external or internal factors) and the management processes are summarized. The results of these evaluations are periodically monitored, and corrective actions are identified and implemented to mitigate or eliminate risks. A prevention and protection service contributes to the elimination of risks and hazards through periodic analysis, including assessment carried out by third parties, and ensures the continuous update of processes or equipment.

At least once a year, a meeting is held with all members of the safety committees (RSPP, ASPP, Employer, RLS, Occupational Physician, etc.) to review injury trends, assess new regulatory developments, implement further preventive measures, and identify areas for improvement. In the event of an injury, the incident is timely communicated to the RSPP and an INPS (*Istituto Nazionale della Previdenza Sociale*) social security procedure is initiated, in accordance with the Italian regulation. The effectiveness of the prevention service is ensured by periodic monitoring of accidents and near misses and continuous dialogue with the RLS. Accident and near misses are monitored monthly, this analysis is used to define possible areas of intervention and is also made available to all workers.

Finally, Morellato Group ensures that personal health data of employees are not used in ways that could cause discrimination in the workplace. Sensitive information is safeguarded and processed

by the designated company DPO (data protection officer), who coordinates the activities of information security management according to the GDPR (EU 2016/679).

In France, following national law, each facility of Cleor and Misterwatch is required to prepare a risk assessment document, which is annually updated and includes an inventory of risks identified in the facility, classified according to their level of severity and by frequency. Employees are regularly informed by the Human Resources department via internal communications on health and safety. In Cleor a security commission, composed of four members, is responsible for occupational health and safety. It regularly meets four times a year, but extraordinary meetings can be organized at the request of a member or in case of dangerous situations. The role of the Commission is to analyze working conditions and occupational risks faced by employees, updating the company's risk prevention plan by reassessing the existing measures, implementing preventive measures, and analyzing possible areas of improvement. In particular, work-related hazards identified include the storage of combustible in Cleor facilities, the presence of hazardous premises, and the risk of verbal and physical aggressions or robbery in shops and offices. Employees are asked to report possible hazards to managers, who are responsible for initiating a process of corrective action. When an employee reports hazards, it is protected against dismissal as whistleblower. Moreover, an occupational physician is available to all French employees, who must undergo a visit when hired and subsequently every 5 years in order to assess fitness to perform their working activities.

In Germany, in compliance with local health and safety laws, the most relevant roles are the occupational safety specialist and the company physician, who collaborate in the risk assessment activities aimed at identifying and minimizing possible hazards. Moreover, workers can report work-related hazards to their managers or to the occupational safety specialist through risk assessment forms. All the hazards identified are analyzed at least four times a year during meetings that involve the occupational safety specialist, the company physician, the employer, and employee representatives. Health and safety issues that are discussed during the meetings are summarized in documents that serve as the basis for workplace inspections and implementation of corrective actions. In particular, a relevant initiative implemented to eliminate hazards and minimize risks consists in the offering of medical care, set up by the external provider for occupational health and safety services, in accordance with German labour security law and within the framework of regular inspections of operating sites. Moreover, workers are protected under German labour law in their right to refuse unsafe work conditions and to report violations.

In all the Group companies, workers are kept informed on possible health and safety risks and receive regular **health and safety training**. In Italy, training activities are supported by external consultants, including an occupational physician. Training hours vary according to the level of risk associated with the activity and cover both generic and company-specific risks: 4 hours are offered to people employed in the headquarters and to sales assistants, while 12 hours to workers in production and warehouse departments. Occupational health and safety training has to be periodically renewed. In addition, mandatory training is provided to new employees through an e-learning platform within 60 days from the hiring date, in compliance with Italian regulation. Additionally, one or two sale assistants per store are designated for fire prevention and first aid training.

Likewise, also in Cleor training on occupational health and safety issues is provided for all employees through e-learning. Training is organized on fire risks, road risk, gestures, postures, and psychosocial risks. At the logistic hub, specific training for forklift driving is organized. In Christ, new employees complete a series of mandatory training courses via an e-learning platform, covering the topics of occupational safety and crisis management. Moreover, some selected employees receive training on first aid techniques and fire safety. In Hong Kong, during

the reporting period workers held a fire drill in cooperation with local firefighters, training on evacuation procedures and fire-extinguishers use.

The Group provides additional safeguards to support workers' health. Italian companies facilitate workers' access to non-occupational medical and health services by providing two different non-occupational medical and health services, regulated by Collective Agreements. The Group also provides private medical insurance for Hong Kong office staff, insurance for Chinese CQC staff involved in external inspections, and travel insurance for all personnel who undergoes business travel. In France, companies contribute to a compulsory health insurance. In fact, the employer since 2016 is required by collective agreement to provide supplementary insurance (*mutuelle*) for all his employees, and to pay a minimum of 50% of the premium. On the other hand, the employee has the obligation to subscribe to the insurance offered by the company. The French *mutuelle* is not compulsory for self-employed, freelancers, short-term contracts. Finally, Cleor offers complementary health insurance to all employees, providing other medical services such as dieticians.

In Germany, health insurance is required by law, it provides several services and preventive examinations. A relevant example is the annual ophthalmological visit, offered for free to employees and performed with a VDU (Visual Display Unit) workstation by the company physician. Other initiatives offered by Christ to workers for health promotion are the possibility of leasing a company subsidized bicycle and health tips shared to all employees via the intranet.

Employee health and safety metrics	as of February 29, 2024	as of February 28, 2025	as of February 28, 2026
Hours worked	5,910,262	5,835,832	5,512,830
Total number of recordable work-related injuries	69	32	37
of which: total number of high-consequence work-related injuries (excluding fatalities)	2	-	3
of which: total number of fatalities as a result of work-related injury	-	-	-
Rate of work-related injuries	11.7	5.5	6.7
Rate of high consequence work-related injuries	0.3	-	0.5

The health and safety measures that Morellato Group puts in place to minimize work-related risks have contributed to a sharp decrease in the number of injuries recorded over time. During the reporting period, injuries reported were 37 (+5 compared to the previous year), of which 3 had high consequences due to the length of their recovery period. The rate of recordable work-related injuries per million hours worked is 6,7 (+19% from the previous year, but a reduction of over 43% compared to 2023-24), while the rate of high-consequence injuries is 0,5. Injuries are mostly accidental, the most frequent types are minor injuries to fingers and wrist, legs, feet and ankles, and back or neck. Furthermore, no fatality took place.

Similarly, with regards to external workers, the situation has also improved, as no injuries were recorded during the reporting period (as well as the previous year, compared to 2 in 2023-24).

Workers who are not employees health and safety metrics	as of February 29th, 2024	as of February 28th, 2025	as of February 28th, 2026
Hours worked	550,880	580,000	540,000
Total number of recordable work-related injuries	2	-	-
of which: total number of high-consequence work-related injuries (excluding fatalities)	-	-	-
of which: total number of fatalities as a result of work-related injury	-	-	-
Rate of work-related injuries	3.6	-	-
Rate of high consequence work-related injuries	-	-	-

5.4 Human Capital development

The Group firmly believes in the contribution that its employees make to the success of its business. For this reason, **Morellato Group places people development at the centre of its action**, strengthening the technical and managerial skills of human resources, aiming to guarantee equal opportunities for all and the chance to every employee to express their abilities and potential. Employees training and evaluation procedures are continuously updated, so that all employees can access increasingly challenging and stimulating career opportunities and objectives.

The Retail Meetings

During 2025, the Group continued to strengthen employee development and engagement through **large-scale internal events** that saw the participation of most of retail personnel, hosted in Italy and Germany.

The **DIP Retail Meeting 2025**, held in Rome over two days, involved store managers, area managers, and Italian headquarters personnel. The event's theme was "**Excellence As A Value**" and consisted in lessons, interviews, dedicated training, knowledge sharing and team-building activities, with a specific focus on leadership development and team management. Training sessions addressed the role of store managers in building collaborative teams and stimulate team performance, with particular emphasis on communication, feedback practices, and continuous learning as drivers of employee engagement and service quality.

Similarly, **CHRIST Retail Meeting**, held in Mainz in November 2025, brought together German store managers in a special convention, aimed at ensuring that employees are equipped with the necessary skills, knowledge and motivation to deliver consistent service quality aligned with the Group's strategy. The event included interactive training sessions, workshops, and focus groups, tailored to different needs and themes. Training topics covered customer service, gold purchasing processes, and product innovation, with the objective of enhancing employees' technical competencies and customer interaction skills.

Investments in training are a key part of the Group's social responsibility. After important efforts by the Group to increase the training offer in 2023-24, when besides mandatory courses on health and safety many non-mandatory activities were organized (such as digital skills, language courses, store management), the fiscal year 2024-25 has seen a stabilization of training time.

During 2025-26 a reduction of training activity has intervened as the Group worked on the implementation of an e-learning platform to standardize training across all companies, which will be finalized in 2026. Moreover, due to a lower turnover registered during the year, there has been less new-hire training, resulting in a total of 34,308 training hours provided (compared to 56,785 the previous year, decreasing by 40%), leading to 7.4 average hours of training per employee (compared to 12.1 the previous year).

Average training hours by gender	as of February 29th, 2024	as of February 28th, 2025	as of February 28th, 2026
Male employees	17.3	12.5	7.5
Female employees	17.8	12.1	7.4
Total employees	**17.7**	**12.1**	**7.4**

Considering the breakdown by employee category, the reduction in training hours per worker has been proportionally higher for blue collars (-60% compared to 2024-25) and managers (-53%), lower for white collars (-39%). Sales assistants undergo higher amount of training, with 7.9 hours on average during the year.

Average training hours by employee category	as of February 29th, 2024	as of February 28th, 2025	as of February 28th, 2026
Managers	0.8	3.6	1.7
White collars	18.5	12.9	7.9
Blue collars	12.8	2.9	1.2

Training provided to employees includes health and safety, occupational hazards, and other mandatory issues (such as knowledge of the Organization and Management Model pursuant to Legislative Decree 231 in Italy), but also technical training and other non-mandatory themes. For instance, in Hong Kong English courses have been offered to employees.

Technical training in Italy

In Italy, at the beginning of the 2023-24 fiscal year a dedicated function for training the retail workforce was created: the **Retail Training Manager,** highlighting the Group's commitment to developing technical competence within the sales personnel.

The primary focus of training activities is on retail-level sales techniques, with sessions conducted both in presence and through e-learning. Courses deal in a first phase with **selling techniques of jewelry and watches**. The different phases of a standard client transaction - from the welcoming to the product selection and the payment - are analyzed and several insights presented. The objective of this phase is the acquisition of competences needed to effectively support each client in its shopping experience. The topics covered during the second session consist in the **different services offered in shops**: used gold withdrawal, instant jewelry engraving, watch battery or strap replacement and jewelry cleaning. For each service a procedure and tips are shared to make the personnel more aware and confident in offering the services to consumers.

In following years training has continued, both in physical and virtual classes. Moreover, an external **Mystery shopping** provider has been engaged since 2024-25 to identify potential weaknesses and further improve training.

6 Social Responsibility

6.1 Charity and engagement with local communities

Morellato Group believes that respect for people and local communities is an essential pillar of its strategy. In line with such principle, for many years the Group has been actively involved in several **solidarity and charity projects and initiatives**.

Since several years Morellato Group has been supporting **"Medici con l'Africa Cuamm"** (Doctors with Africa), an important Italian NGO that since 1950 promotes healthcare in Africa, managing four hospitals and several health care facilities in South Sudan.

The Group has renewed its support for the program "***Prima le Mamme e i Bambini***" (mothers and children first), carried out by the NGO in sub-Saharan Africa to reduce childbirth deaths, which in the area reach the highest ratio in the world. The project aims to help women survive childbirth and guarantee children health in their first 1,000 days of life, i.e. the time from the beginning of pregnancy until the child is two years old.



The program has evolved into "*Prima le Mamme e i Bambini. Persone e Competenze*" (mothers and children first: people and skills), with the additional objective of improving training and capacity of local healthcare professionals, boosting the performance of health facilities, specifically maternal and childcare. This program seeks to assist childbirth to 320,000 women and provide nutritional assistance to 60,000 children in nine African countries: Angola, Ethiopia, Mozambique, Tanzania, Central African Republic, Sierra Leone, South Sudan and Uganda. As part of its support to the program, during the reporting period Morellato Group contributed towards the **foundation of a new obstetrician and nurse school in Bossangoa, Centrafrican Republic**. This effort adds to previous donations that supported the Wolisso Hospital in Ethiopia, the Cueibet Hospital in South Sudan, and the Rumbek Stet Hospital in South Sudan.





Morellato Group has also kept supporting the Italian association **Nuovi Orizzonti**, which aims to ease social distress through acts of solidarity, with special attention paid to the many problems characterizing street children and the world of young people.

In Germany, Christ has launched the eighth edition of its **CHRIST-KIND** Christmas campaign, which aims to collect donations for families in need in cooperation with the social enterprise Wellcome. The CHRIST-KIND campaign has been an integral part of Christ's pre-Christmas period charitable initiatives for many years, it consists of a limited-edition jewel (which for 2025 was a necklace made of recycled silver) whose sales involves a donation to social initiatives. In fact, for every necklace sold Christ donated €10 to Wellcome, a charitable institution that provides help to families and children in difficult situations. Wellcome is committed to giving every child a loving and fulfilling childhood, a mission that Christ supported by selling over 2.000 necklaces, leading to a total contribution of €26.000.

On the occasion of International Women's Day on 8 March 2026, Christ has launched a charity campaign to promote gender equality entitled "**A statement for strength**". Christ supported the "FrauenOrte NRW" project of the Women's Council of North Rhine-Westphalia, an association that represents the interests of over two million local women and stands for diversity, independence and the promotion of women's rights, with the goal of achieving gender equality in all areas of life. The FrauenOrte NRW project remembers historical examples of extraordinary women, from resistance fighters to artists. These inspiring personalities show how women have changed the world, offering role models especially for younger generations. To support the initiative Christ has realized a dedicated bracelet and €10 was donated to the FrauenOrte NRW project for each piece sold during the campaign period. Thanks to the support received by customers, a total of €3.000 was raised.





In line with its social commitment, Morellato Group for many years has taken part in **Pink October initiatives**, the international campaign dedicated to **raising awareness about breast cancer** (October is international breast cancer awareness month). In 2025, the Group launched several dedicated activities, which saw the involvement of all European companies.

In Germany, Christ has taken part in the "Caring for each other" campaign in **collaboration with Mamazone**, a non-profit association which supports breast cancer patients and promotes knowledge of the topic. Christ joined the initiative by developing a special limited-edition product, whose sales contributed to a donation to Mamazone, raising over €4.000.

In Italy, DIP took part in the **"Ottobre Rosa" alongside Komen Italia**, an organization committed to the prevention of breast cancer through research projects and early diagnosis initiatives. The initiative saw a special pink decoration in every store (window stickers, dedicated signage, and shopping bags tied with symbolic ribbons), moreover DIP bought a ribbon for all sales personnel, which helped raise awareness among both employees and customers. At the same time, social media and online channels promoted knowledge of breast cancer and the importance of prevention. This commitment did not stop in October, as the Group took part in the Pink Tie Ball, Komen Italia's annual Charity Gala, by donating an Atelier jewel, featuring an emerald and lab-grown diamonds. The jewel was auctioned during this exclusive fundraising event; proceedings went entirely to Komen to promote research and prevention projects. Similarly, Cleor took part in "*Octobre Rose*", using communication both in store and via digital channels to highlight the importance of prevention, access to information, and early detection of breast cancer.

6.2 Youth empowerment

In April 2025 the fourth edition of the **Morellato Next Talent** contest took place, a project to celebrate passion and creativity of young talents in image and communication, especially photography, content creation, make-up & hair, and styling. The initiative is aimed at supporting youth empowerment, offering young professionals (aged between 18 and 30) the possibility of taking part in a "on-the-job" training experience.

The contest involved sharing content on social media showcasing Morellato products. Winners had the opportunity to participate in the creative design process of the photographic campaign for the Morellato Fall-Winter 2025 collection and take part in shooting sessions with the brand ambassador Giulia Salemi. Moreover, the chosen young professionals had the opportunity to independently create and produce content for the social media channels of the brand, living a comprehensive training experience and enriching their portfolio.



7. Responsibility to our customers and products

7.1 The Group's supply chain

Morellato Group is aware that offering products which convey values of ethical conduct and sustainability requires action beyond its ordinary business scope, expanding over the entire supply chain. Indeed, promoting responsible business conduct at all stages of the value chain has become a priority for the Group.

As presented in the "Sustainability approach" chapter, two relevant actors in Morellato Group's supply chain are its **suppliers** and its **customers**. Between them, the Group acts as orchestrator: thanks to a direct production structure that allows full control over production, its business model can be implemented by all the Group's brands, including those produced under license. The architecture of the Group's supply chain allows for a strategic mix and coexistence between the two directions of integration (upstream to suppliers and downstream to customers), enabling various synergies. This element supports Morellato Group in maintaining its position as a major player in the watch and jewellery sector.

Starting from the first step of the supply chain, the creation of the idea and initial design of products takes place in the Group's headquarters. The design team gathers information from various sources, among which a careful study of the market and competitors, to understand which collections and trends are in vogue at a particular time or year. The Group's focus on environmental and social sustainability is embedded from this early stage, which involves also the supply chain. In fact, attention to the environment and to human rights to build a greener product and preserve corporate image have been central aspects in the important path towards sustainability that Morellato Group has been following in recent years.

Morellato Group asks its suppliers to share its specific approach to sustainability, which is represented by the commitment towards continuous performance improvement in three areas: **accountability**, **traceability** and **transparency**. This approach ensures that the Group achieves one of its most important objectives: a responsible and sustainable supply chain. To support this effort, Morellato Group has created a specific section in its Code of Ethics dedicated to its suppliers and the supply chain. Following this approach, the Group shares the Code with strategic suppliers, requesting them to comply with the principles set out in the document, in particular with the section "Responsibilities in the supply chain".

Moreover, the Group is committed to ensuring that all potential suppliers have an **equal opportunity to participate in the selection processes**; in fact, the definition of conditions for the purchase of goods and services is based on principles and parameters of competitiveness, objectivity, legality, impartiality, fairness in prices, quality of the goods and/or services. The Group assesses in detail the guarantees offered in terms of assistance and the general range of offers of its business partners.

Starting from the fiscal year 2022-23, Morellato Group has implemented a formalized procedure that defines the process of valuation and qualification of suppliers, which includes environmental and social criteria. Guidelines are continuously updated and improved to ensure compliance with evolving regulations and quality standards.

A specific section of the Code of Ethics is dedicated to customers, stating Morellato Group's commitment to satisfy the customers' needs and preferences. This objective is pursued through **transparent communication** and **respect for health and safety standards**.

Responsibilities in the supply chain

Morellato Group presents a series of provisions that it expects its suppliers to comply with, mainly concerning the following points:

Threatened species

The use of sources of supply that ensure compliance with international and local regulations, in particular the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora" (CITES), regarding the sourcing, import, use and export of raw materials from endangered or protected species used for the realization of watch straps.

Diamond policy

As a prerequisite for diamond suppliers, participation in the Kimberly Process Certification Scheme (KPCS) and the World Diamond Council's voluntary system of warranties, which aim to end the trade in conflict diamonds and support similar future initiatives to protect human rights and promote the integrity of diamond supply chains. In addition, sourcing is prioritized through suppliers certified by the Responsible Jewellery Council (RJC).

Precious metals - gold, silver and platinum

Recognition of Responsible Jewellery Council (RJC) codes of conduct and certifications, giving priority to materials from RJC certified mines and recycled metal refiners. Other standards may be considered if it can be clearly demonstrated that they are equivalent to RJC. In any case, suppliers must guarantee that the precious metals they supply have been extracted in a responsible manner that respects human and workers' rights.

Furthermore, these precious metals must not come from conflict zones and their extraction must not cause environmental damage, either directly or through subsequent contamination by tailings or waste rock.

Forest products

The use of paper, packaging and other wood-based products from responsible or recycled sources or from ecologically and socially beneficial and economically sustainable managed forests, giving priority to FSC or PEFC certified materials.

Coloured gemstones

Encourage the sourcing of gemstones from RJC-certified sources. Sources of supply must ensure that gemstones have been extracted in a manner that respects human rights and workers' rights. In addition, they must not come from conflict zones and their extraction must not cause environmental damage. Full information on the physical characteristics of gemstones (including detailed information on processing) is always required, in accordance with national and international laws and industry best practice.

Hazardous substances

Only use sources that ensure their products comply with applicable international laws, including REACH and Proposition 65.

Conflict Minerals

Use only sources of supply that make use of materials from companies operating in compliance with the US "Dodd-Frank Wall Street Reform and Consumer Protection Act" (2010) which requires manufacturers to monitor their supply chain and report on the use of conflict materials, and the European Union Regulation 2017/821 which sets out obligations in terms of duty of care in supply chains for EU importers of gold, tin, tantalum, tungsten, and their ores from conflict zones or high-risk areas.

7.2 Product stewardship and circular economy

Morellato Group's products are an expression of the Group's identity, each of them representing, on the one hand, the connection to the past, tradition and craftsmanship, and, on the other hand, the vision for an innovative and sustainable future.

The Group has developed over the years great experience in **quality control**. Each stage of production, from the selection of the materials to their development and manufacture, is constantly monitored by laboratories, where specific tests – such as measuring the gold title and the presence of nickel - are carried out for technical and aesthetic control and to verify conformity to the expected resistances and characteristics.

Compliance with European regulations on chemical elements requires Morellato Group to carry out chemical tests on the materials used in the production, which are performed at specialized laboratories. In addition, the company has adopted a **system of control and classification of suppliers** that guarantees, through appropriate certifications, compliance with the parameters established by the best practices in the sector and the national and international regulations. All supplies, even for materials that have been used for a long time, are tested before being accepted.

Procurement procedures are adopted at Group level, and they are updated monthly to ensure adherence to the highest quality standards. A total of six procedures is in place, covering all the business areas of the Group: gold jewellery, silver jewellery, watches, smartwatches, watches straps, and packaging. They are shared with each supplier at the beginning of the commercial relationship, with the objective of explaining the tests that will be conducted by Morellato Group on the purchased products. In the event of non-conformity, an **action plan** is designed in collaboration with the supplier for the identification and implementation of the improvements needed to respect the quality criteria of the final product requested by Morellato Group's procedures.

As of February 2026, over 200 suppliers have been involved in the evaluation process. For each supplier a **failure rate** has been measured based on the result of the several quality tests, explained in the procedures manuals. This KPI informs a comprehensive dashboard that summaries macro-characteristics of each supplier, including financial turnover, certifications, transport conditions, country of origin and lead time. Suppliers with the highest performances are prioritized for future orders.

Moreover, all Morellato Group's suppliers regularly receive inspections managed by the Procurement Office. The **audits** focus on technical aspects, such as whether machineries are suitable to realize products that can meet the quality standards requested by Morellato Group. They also represent an opportunity to ensure greater awareness about the evaluation process and monitor the suppliers' improvements. The social accountability area is covered as well, asking suppliers to sign a letter of acceptance of and compliance with Morellato Group's Code of Ethics, to ensure that the same principles and values are shared.

Moreover, the Group is committed to reducing the environmental impact of its products: they are all conceived with awareness that "*the needs of current generations must not compromise the opportunities of future generations*". In fact, the Group embraces principles of **circular economy**, considered as an economic system designed to reuse materials in subsequent production cycles, with the aim of minimizing waste.

Morellato Group's commitment to sustainability is embodied in the path towards circularity undertaken by the Group, which has led to concrete results over time. Indeed, during the reporting period a relevant quantity of purchased precious metals and finished jewellery was of

recycled origin: **one third of gold and all silver purchased during the fiscal year were recycled**. Moreover, 40% of finished silver products purchased were made of recycled silver.

The effort to reduce products' environmental impact has also extended to the packaging and the communications materials, which are increasingly made of **FSC certified paper** (46% of the total paper used, growing by 42% compared to 2024-25). In fact, common paper has been increasingly replaced with FSC paper (such as for jewel packaging of Bluespirit, Cleor, Christ, and Morellato brands), both in retail (for instance in shopping bags) and wholesale (for boxes, packages and marketing materials).

Comparing the fiscal year 2025-26 to previous reporting periods, it is possible to note that the overall quantity of materials used has decreased (-28% compared to 2024-25). This trend is due mainly to the **optimization of resource management** and a **shift towards more sustainable practices** which have reduced the amounts of materials consumed. A relevant initiative in this regard is the use of wood expositors, boxes and furniture in place of plastic ones, which also allows for longer use (leading to a drop in wood purchases during 2025-26 as a consequence of stock accumulated in the previous period). In the future, the Group will seek to increase its supply of FSC certified wood to further improve its environmental performance.

Finally, regarding raw materials, the Group now **purchases only recycled silver**. The quantities of lab-grown diamonds have also grown significantly and account now for 28% of total diamonds purchased. Quantities of steel, leather, gold and watch movements fluctuate due to market trends, stock management, and external factors (such as the sharp rise in gold prices that took place in 2025). Another driver of variability in volumes is the lower weight of individual pieces employed in production processes, which has led to smaller orders during the reporting period.

With reference to the total quantity of materials used in the reporting period to produce and package Morellato Group products, it should be noted that the Group has structured a system for monitoring the supply of raw materials (i.e., natural resources to be transformed into products), intermediate products, and other materials used in the production process, distinguished between recycled and non-recycled.

Materials used by weight or volume [GRI 301-1]		as of February 29, 2024			as of February 28, 2025			as of February 28, 2026		
Raw materials	Renewable	Total quantity of material (kg)	Quantity of recycled material (kg)	% of recycled material	Total quantity of material (kg)	Quantity of recycled material (kg)	% of recycled material	Total quantity of material (kg)	Quantity of recycled material (kg)	% of recycled material
Steel	No	153,000.0	1,330.0	1%	127,520.0	300.0	0%	148,000.0	280.0	0%
Gold	No	412.2	203.6	49%	580.0	157.3	27%	475.6	158.0	33%
Silver	No	568.5	265.6	47%	1,197.8	1,159.5	97%	1,148.6	1,148.6	100%
Diamonds & Precious Stones	No	29.8	-	0%	30.5	3.2	11%	21.7	6.0	28%
Of Which Lab Grown Diamonds & Precious Stones	No	4.5	-	0%	3.3	3.2	99%	6.0	6.0	100%
Semi-manufactured parts										
Leather, Fabric, Apple Skin, Plastic, Corn	No	46,505.0	7,881.0	17%	22,496.5	1,633.8	7%	19,537.2	695.2	4%
Movements	No	4,393.4	-	0%	3,814.5	-	0%	4,105.7	-	0%
Of which Solar Powered Movements	No	43.2	-	0%	9.8	-	0%	5.2	-	0%
Finished products										
Gold Jewellery	No	1,337.2	68.7	5%	915.0	32.7	4%	996.0	5.3	1%
Silver Jewellery	No	7,075.4	468.0	7%	7,378.0	3,420.4	46%	5,895.0	2,380.0	40%
Materials for packaging										
Paper and paperboard	Yes	1,066,676.6	8,415.7	1%	1,056,948.9	35,332.1	3%	969,369.3	4,090.0	0%
Of which FSC paper	Yes	24,453.1	1,733.1	7%	246,313.1	23,342.1	9%	553,867.3	-	0%
Plastic packaging	No	390,988.6	970.1	0%	407,684.5	-	0%	383,325.1	4,250.0	1%
Styrofoam	No	1,200.0	-	0%	2,046.0	-	0%	1,432.0	-	0%
Wood and pallet	Yes	231,885.0	-	0%	553,828.0	-	0%	280,300.0	-	0%
Total	-	1,904,071.8	19,602.7	1%	2,184,439.5	42,038.9	2%	1,814,606.3	13,013.3	1%
Total renewable materials	Yes	1,298,561.6	8,415.7	1%	1,610,776.9	35,332.1	2%	1,249,669.3	4,090.0	0%
Total non-renewable materials	No	605,510.1	11,187.0	2%	573,662.7	6,706.8	1%	564,937.0	8,923.3	2%

Sustainable packaging

Morellato Group is focusing its attention on product sustainability, also sharing its effort with its **partners**. In particular, a continuous improvement project has been set up on the **materials used for packaging**, seeking to implement increasingly sustainable solutions.

Starting from 2022, important measures have been implemented, which led to the use of FSC paper and cardboard, and plastic stretch film and plastic fillers 100% recyclable. The initiative has also seen the introduction of recycled materials, such as plastic adhesive tape (which from non-recyclable became 100% recyclable and 85% recycled) and plastic filler (is now 100% recyclable and 50% recycled).

At the same time, the company is proposing packaging solutions that avoid waste, in the attempt to both reduce waste and reduce quantities of materials used. As an example, solutions with self-closing boxes have been developed to avoid filler.

The OceanBox Project

The OceanBox Project is an innovative packaging solution developed by Christ, with the objective of improving the sustainability, efficiency and flexibility of store logistics. The initiative addressed the need to replace a centralized and rigid delivery model with a more flexible and sustainable transport and storage solution, while maintaining high security standards for precious jewels.

The project involved the adoption of reusable transport boxes developed by OceanPackage, designed to be compatible with courier express parcel (CEP) services. The OceanBoxes are made of more than 99% recycled material, mainly plastic recovered from oceans, and can themselves be recycled. Each box can be reused for over 20 delivery cycles, further enhancing contribution to circular economy.

Compared to conventional single-use packaging, the OceanBox solution lowers costs for Morellato and significantly reduces environmental impact: it has been estimated that their use leads to 95% less packaging waste and around 80% lower CO_2 emissions due to transportation. In addition to environmental benefits, the boxes improve operational performance as well, thanks to their reusability, durability, stackable design, and security functions.

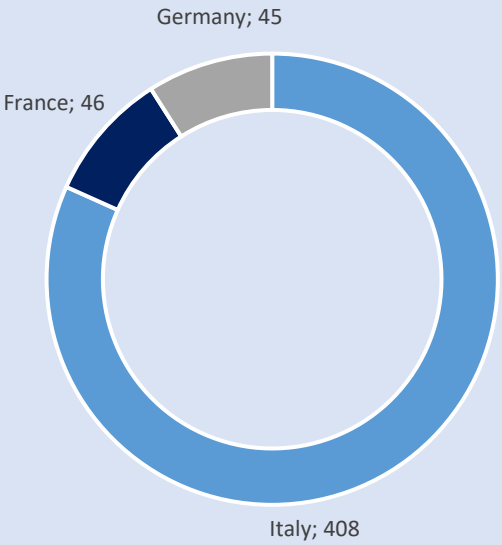
By introducing the OceanBox Project, Christ contributes to the Morellato Group's environmental sustainability, reducing waste and lowering emissions associated with logistics, and it also improves service offered to customers. Indeed, the initiative allows better stocking of products, reducing the need for urgent shipments from warehouses.

Particular attention is given to precious metals, for which the Group's commitment to reduce its environmental impact began in 2021 with the adoption of recycled gold and silver for jewellery and recycled steel for watches, in addition to the use of lab-grown diamonds and precious stones. Starting from the collection Spring/Summer 2024, the brands Morellato and Christ pledged to exclusively adopt **100% recycled silver**. The effort that the Group puts into the adoption of recycled silver is evident looking at the previous table: recycled silver is now half of the total silver employed by the Group (considering both silver as raw material and finished silver jewels), up from 8% in 2023-24.

Recycling gold

From a circular economy perspective, it is worth mentioning the **ROU** (**Retirement of Used Gold**), the withdrawal of used gold that is carried out in several stores of different brands. Customers can exchange their gold for new products available in the store. The service encourages customers to recycle precious materials with the primary objective of minimizing the gold mining for the creation of new precious jewels. A procedure is shared with all employees, who are required to review and comply with all specific points in the used-gold pickup activity. The circular process finishes with the withdrawn gold melted to obtain raw material for the creation of new jewels.
In 2025-26 **499 kg of gold were collected**, up from 346 kg in 2023-24 and 453 kg collected in 2024-25.

Kg of withdrawn gold in the fiscal year 2025-26, by country:



All reptiles leather suppliers used in the production of the straps by the Group have adopted the Washington Convention on International trade in endangered species of wild fauna and flora (CITES certificate), an important document that protects the controlled exploitation of the environment and restricts trade worldwide, keeping the list of protected species constantly monitored and updated.

The selection of sources respects the Kimberly Process Certification Scheme (KPCS) and the World Diamond Council voluntary system of warranties, which aim to end the trade in diamonds from conflict zones and to support similar future initiatives for protecting human rights and the **integrity of diamond supply chains**.

Moreover, all Morellato Group products comply with REACH Regulation 1907/2006 and are therefore **hypoallergenic** and **free from dangerous substances**. For example, gold and silver are naturally non-reactive and safe, but when used in jewellery, they are mixed with different metals and that could potentially lead to skin irritation or allergic responses, depending on their composition and quantity. The Group focuses its efforts on respecting health and safety standards to offer jewels and watches that can be worn by everyone, including customers with allergies. To ensure this, Morellato Group is RJC certified and prefers RJC certified suppliers. The standard covers, among several sustainability topics, Product health and safety and information by requesting organizations to establish product safety policies or operational procedures to manage their operation and quality controls.

During fiscal year 2025-26, as well as in previous reporting periods, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services. Similarly, during the current reporting period, as well as in

previous fiscal years, no case of non-compliance with regulations concerning product and service information and labelling has been identified.

As February 28, 2026, 40 out of 44 active suppliers for precious metals are RJC certified, corresponding to the percentage of 91% (up from 39% registered in 2023-24 and 79% in 2024-25). Both European and Asian suppliers are now almost entirely RJC certified (respectively 93% and 90%, up from 80% and 69% in the previous year).

Eventually, thanks to all these preventing actions, during the reporting period no incidents of non-compliance concerning the health and safety impacts of products and services occurred within Morellato Group.

Area	N° of RJC precious metals certified suppliers	N° of total active precious metals suppliers	% RJC certified precious metals suppliers
Europe	14	15	93%
Asia Pacific	26	29	90%
Morellato Group	40	44	91%

7.3 Integration of sustainability considerations in the Group's brands

The Group's brand portfolio offers products that embrace a philosophy of transparency as well as respect for the environment and people. Relevant examples are:

Sector No Limits

The Morellato Group has always been committed to respecting the environment and, in particular, considers water as one of the most important resources to be safeguarded. In fact, the Sector No Limits brand has developed a special project called "**Save the Ocean**", through which it demonstrates its commitment to protecting the environment, starting with one of its most important elements: the sea.

In order to reduce ocean pollution and the resulting environmental impact, Sector No Limits has made a concrete commitment to use recycled plastic (recovered by the Californian NGO Envision Plastics). In fact, Sector is the first Italian brand to launch in the Italian market a watch that has all its components (the case, the bezel, the buckle and the strap) derived from recycled material.

The result is "Save the Ocean", a collection of entirely eco-sustainable watches. The case and bezel are made of plastic recovered from the oceans, as well as the strap buckle, which is made of PET. The remaining (minimal) components are made of steel. an infinitely recyclable material. Moreover, thanks to battery-free technology, the movement too respects the environment. In fact Sector utilizes a solar movement: a chronograph powered by solar cells that capture light - natural and artificial - transforming it into energy, with a charge autonomy of about 100 hours.

In 2022 the brand presented the Sector 230 Automatic Recycled watch, made with a 100% recycled and certified steel case and bracelet, powered by an automatic movement (therefore without the use of batteries). Even the packaging is made with entirely recycled materials.

Morellato

Morellato, starting from 2023, launched "**Essenza**" its first sustainable precious jewels collection **made entirely in 100% recycled sterling silver**. From 2024, all the precious Morellato collections are made of 100% recycled sterling silver.

Morellato offers a range of watch straps made from sustainable materials obtained through recycle or regeneration of waste. Through the line "**Save The Nature**" Morellato is committed to giving new life to materials at the end of their life cycle, transforming them into products of greater value. The aim of Morellato is to transform what was previously a waste, into a new raw material and a new resource for the eco-friendly industry.

Six **secondary raw materials** make up the Save The Nature proposal:

- Regenerated leather - produced by processing leftover leather from manufacturing processes or recycling post-consumer leather goods;
- Recycled polyester - (Gabardine Recycled) fabric made with a yarn made from 100% plastic bottles recovered from the Mediterranean Sea and processed entirely in Italy;
- Appleskin - material obtained from the processing of apple residues from Trentino used in the production processes of the food industry (100% Made in Italy);
- Recyclable corn – material obtained from the processing of corn, grown specifically for the industrial and chemical sector;
- Recycled cotton;
- Recyclable paper - innovative material derived from the processing of cellulose from FSC certified forests. Recyclable, washable and of vegetable origin.

Not only the product, but also the packaging and "Save The Nature" communication materials are meant to be sustainable, made of FSC certified recycled paper.

Morellato is committed to increase the share of recycled leather compared to virgin leather. Moreover, it offers alternative to real leather through the line of watch straps named 'Green Collection'.

7.4 Customer relationship

Following the principles of its code of ethics, Morellato Group takes care of its customers with the upmost **fairness and transparency**.

In the Group's journey towards sustainability, customers and their expectations are at the centre of the strategy, aiming at customer satisfaction through products. The customer is therefore considered not just as a mere consumer, but as a true travelling companion on the Group's journey towards sustainability.

Morellato Group focuses on the satisfaction of the final consumer seeking to establish long-term relationships, based on trust and mutual benefit. Thanks to the diversification strategy and the recent acquisitions, the Group can offer a complete service from the purchase, available through different channels, to the after-sales phase, supporting the customer in each step. In addition, the Group offers a **special customization service** to its customers, who can choose to modify the products to their preference, for example by making personalized incisions.

The engagement of customers takes place both in the physical stores, located in Italian and International large cities, and through the website. In order to manage and satisfy the requests of the customers, the Group has structured a CRM (Customer Relationship Management) system by brand. For the sales and retail activities the reference office is in Padua, while the web part is managed by Kronoshop in Rome. The crucial aspect of this system is the fact that the CRM offices, even if located in different geographical areas, constantly interact with each other, with the aim of providing comprehensive customer support. Through the CRM service, customers can contact the group also for product repairs.

The **repair service** is offered for precious jewellery and watches, both under warranty (products with factory defects purchased in the last 2 years or broken brand products purchased from the store) and out of warranty.

The repairs of precious jewellery are carried out thanks to a collaboration between the Group and a highly specialized network of local goldsmiths. On the other hand, repairs of non-precious jewellery and watches are received by the CRM system and then handled by the Group own service centre.

Another service offered by the Group to customers, as detailed in the "Recycling gold" box, is the **collection of used gold jewellery**. Morellato Group, to encourage the recycling of precious materials, is committed to the collection of used jewellery at its stores and offers a substantial discount for the corresponding purchase of new products. In particular, Morellato offers to its customers the withdrawal service of used gold by adopting a specific procedure called ROU (Retirement of Used Gold). Compliance with the procedure and the proper compilation of documents are needed by the Group to comply with the law and ensure reliability to customers.

Methodological note

This document represents the fifth Sustainability Report voluntarily published by Morellato Group's (also referred to as "the Group"). This document is a communication tool that seeks to describe in a transparent and articulate way the results achieved in the economic, social and environmental fields by the Group during the 2025-2026 financial year (from March 1, 2025 to February 28, 2026).

The Report highlights the commitment and the initiatives undertaken by the Group towards sustainability with the purpose of creating value for its stakeholders, aiming to provide a broad and comprehensible overview of the Group's position on sustainability issues, with a view regarding the corporate social responsibility over the medium to long term.

This voluntary Report, which is published annually, has been prepared with reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards published in 2021. The GRI Standards enable the Group to report information about the most significant impacts of its activities and business relationships on the economy, environment, and people, including impacts on human rights.

The selection of aspects and disclosures used to define the contents of the present Report has been carried out through a materiality analysis which has defined the relevant impacts for Morellato Group. For details on the materiality analysis conducted, please refer to chapter "Sustainability Approach", section "Materiality Analysis".

Material topics	GRI Disclosure
Ethics and business integrity	GRI 205 Anti-corruption
Product Stewardship	GRI 301 Materials
Circular Economy	GRI 301 Materials
Energy consumption and GHG emissions management	GRI 302 Energy GRI 305 Emissions
Water Management	GRI 303 Water and effluents
Waste Management	GRI 306 Waste
Occupational Health and Safety	GRI 403 Occupational health and safety
Training and Development of Human Resources	GRI 404 Training and education
Equal Opportunities and Non-discrimination	GRI 405 Diversity and equal opportunity GRI 406 Non-discrimination
Customer Relations	GRI 416 Customer health and safety GRI 417 Marketing and labeling
Responsible Sourcing	-
Local Communities Engagement	-

For an overview of the disclosure of the GRI Standards and their location in the Report, please refer to the GRI Content Index of this document.

The process of collecting data and information for the purpose of drafting this document has been managed by the Group's Sustainability internal function, in collaboration with other corporate business functions, with the aim of enabling clear and precise disclosure of material information, in accordance with the reporting principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability set out in the GRI Standards.

This Report has been drafted to provide an understanding of the Morellato Group's business, its performance, its results, and its impacts. It includes the data of the parent company (Morellato S.p.A.) and of the subsidiaries that are integrally consolidated in the Morellato Group's financial statement for the fiscal year ending on February 28, 2026. During the reporting period 2025-26 there have been no significant changes in the structure and ownership of the organization and in the Group's supply chain.

To enable data and information comparability over time and assess the Group's performance, comparison with the previous two fiscal years is given. Significant changes to figures previously published are clearly indicated as such. For what concerns data disclosed in the text, it should be noted that the totals may differ from the sum of individual components due to rounding. Likewise, when percentages are provided, due to the decimal approximations the sums might not equal 100%.

No form of external assurance of this Report has been provided.

The document has been approved by the Board of Directors of Morellato S.p.A. on July 27, 2026.

For further knowledge on Morellato's social responsibility policies and on the information contained in this document, please contact: sustainability@morellato.com.

Data included in this Report refer to the Group's consolidated boundaries, as indicated earlier, however the reporting scope of the following environmental indicators has some limitations:

- GRI 301-1 and 301-2: materials used do not include Cleor and Mister Watch (France) in order to avoid the use of estimates;
- GRI 302-1, 305-1, 305-2: energy consumption and f-gas leakages of Dubai and Bangkok commercial offices have not been included in order to avoid the use of estimates. However, due to their small size they are considered to have limited relevance in the aggregated Group total;
- GRI 303-3: the water withdrawals of shops of the Group located in shopping malls have not been included in order to avoid the use of estimates. However, due to their limited water consumption they are believed to have limited relevance in the aggregated Group total.

In order to ensure the reliability of the data, the use of estimates has been limited as much as possible and, if present, they are appropriately reported and based on the best available methodologies. The methodologies and assumptions used for calculating the performance indicators included in the Report, along with those already specified within the text, are as follows:

- GHG emissions are calculated according to the indications provided by internationally recognized standards, in particular, the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). The following formulas were adopted:
    - Activity data (kWh of electricity purchased, m^3 of natural gas purchased, litres of diesel used) multiplied by the related emission factor.

    - Refrigerant gas losses (kg) multiplied by the related GWP (Global Warming Potential).
- As defined by the GHG Protocol, an organization's emissions are classified into categories, called scopes. Morellato Group measures its Scope 1 and Scope 2 emissions:
    - *Scope 1:* all direct emissions of the Group (for example, from the use of fuels for heating, energy production, the use of company vehicles, or fuels used in production processes). These emissions are computed by multiplying the amount of fuel used by the Group with a specific emission factor, which allows to express the consumption of the energy resource in tons of CO_2e generated.
    - *Scope 2:* emissions deriving from the purchase of electricity used in Group activities: They are considered "indirect": emissions generated in the process of electricity production occur outside the Group perimeter, so the Group is indirectly responsible for them. These emissions are computed using two different methodologies: location-based and market-based.
        - The location-based approach calculates CO_2e emissions using an emission factor that reflects the national energy mix.
        - The emissions calculated with the market-based method instead refer to contractual agreements stipulated with the electricity distributor: an organization can request certification attesting that the purchased energy comes from renewable sources (i.e., certificates of guarantee of origin - GO). The quota of purchased energy from renewable sources is then multiplied with an emission factor equal to zero, while the remaining share of energy is multiplied with an emission factor called "residual mix", which considers only energy produced from non-renewable sources.

The following tables show the conversion and emission factors selected from the databases mentioned above.

Conversion Factors

Category	Source
Fuel density (l/t)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Fuel properties, 2023, 2024, 2025
Fuel density kg/m^3	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Fuel properties, 2023, 2024, 2025
Net CV (t/GJ)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Fuel properties, 2023, 2024, 2025

GHG Emission Factors Scope 1

Category	Source
Natural Gas	DEFRA - Fuels – Natural Gas 2023, 2024, 2025
Diesel	DEFRA - Fuels – Diesel 2023, 2024, 2025
Gasoline	DEFRA - Fuels - Petrol 2023, 2024, 2025
F-gas	DEFRA - Refrigerants & other 2023, 2024, 2025

GHG Emission Factors Scope 2

Category	Source
Location-based	
Italy	ISPRA 2023 (for fiscal year 2023-24), EEA - GHG emission intensity of electricity generation, country level (for fiscal years 2024-25 and 2025-26)
France	Terna 2019 (for fiscal year 2023-24), EEA - GHG emission intensity of electricity generation, country level (for fiscal years 2024-25 and 2025-26)
Germany	Terna 2019 (for fiscal year 2023-24), EEA - GHG emission intensity of electricity generation, country level (for fiscal years 2024-25 and 2025-26)
China	Terna 2019 (for fiscal years 2023-24 and 2024-25), Terna 2022 (for fiscal year 2025-6)
Market-based	
Italy	AIB 2021/2023/2024 – European residual mixes
France	AIB 2021/2023/2024 - European residual mixes
Germany	AIB 2021/2023/2024 - European residual mixes
China	Terna 2019 (for fiscal years 2023-24 and 2024-25), Terna 2022 (for fiscal year 2025-6)

GRI Content Index

Statement of use	Morellato has reported the information cited in this GRI content index for the period from March 1, 2025 to February 28, 2026 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	**DISCLOSURE**	**LOCATION**
GRI 2: General Disclosures 2021	2-1 Organizational details	1.2. The Group's profile
	2-2 Entities included in the organization's sustainability reporting	1.2. The Group's profile
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of information	Methodological note
	2-5 External assurance	Methodological note
	2-6 Activities, value chain and other business relationships	1.3 Markets and products
	2-7 Employees	5.1 Diversity and equal opportunities
	2-8 Workers who are not employees	5.1 Diversity and equal opportunities
	2-9 Governance structure and composition	2.1 Corporate Governance
	2-11 Chair of the highest governance body	2.1 Corporate Governance
	2-12 Role of the highest governance body in overseeing sustainability	2.1 Corporate Governance
	2-13 Delegation of responsibility for managing impacts	2.1 Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	2.1 Corporate Governance
	2-22 Statement on sustainable development strategy	Letter to stakeholders
	2-23 Policy commitments	2.3 Ethics, business integrity and regulatory compliance
	2-24 Embedding policy commitments	2.3 Ethics, business integrity and regulatory compliance
	2-26 Mechanisms for seeking advice and raising concerns	2.4 Anti-corruption and compliance
	2-27 Compliance with laws and regulations	2.3 Ethics, business integrity and regulatory compliance

	2-28 Membership associations	3.4 Certifications, and associations
	2-29 Approach to stakeholder engagement	3.1 Stakeholder engagement
	2-30 Collective bargaining agreements	5.1 Diversity and equal opportunities
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.2 Materiality analysis
	3-2 List of material topics	3.2 Materiality analysis
Ethics and business integrity		
GRI 3: Material Topics 2021	3-3 Management of material topics	2.4 Anti-corruption and compliance
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	2.4 Anti-corruption and compliance
Product Stewardship		
GRI 3: Material Topics 2021	3-3 Management of material topics	7.2 Product stewardship and circular economy
GRI 301: Materials 2016	301-1 Materials used by weight or volume	7.2 Product stewardship and circular economy
Circular Economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	7.2 Product stewardship and circular economy
GRI 301: Materials 2016	301-2 Recycled input materials used	7.2 Product stewardship and circular economy
Energy consumption and GHG emissions management		
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1 Energy, emissions and Climate Change
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1 Energy, emissions and Climate Change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1 Energy, emissions and Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	4.1 Energy, emissions and Climate Change
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	4.2 Water management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.2 Water management
	303-2 Management of water discharge-related impacts	4.2 Water management
	303-3 Water withdrawal	4.2 Water management

Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	4.3 Waste management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.3 Waste management
	306-2 Management of significant waste-related impacts	4.3 Waste management
	306-3 Waste generated	4.3 Waste management
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.3 Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.3 Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	5.3 Occupational Health and Safety
	403-3 Occupational health services	5.3 Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational Health and Safety
	403-5 Worker training on occupational health and safety	5.3 Occupational Health and Safety
	403-6 Promotion of worker health	5.3 Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational Health and Safety
	403-9 Work-related injuries	5.3 Occupational Health and Safety
Training and Development of Human Resources		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.4 Human Capital development

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.4 Human Capital development
Equal Opportunities and Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Diversity and equal opportunities
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance 5.1 Diversity and equal opportunities
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.2 Human rights
Customer Relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	7.2 Product stewardship and circular economy
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	7.2 Product stewardship and circular economy
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	7.2 Product stewardship and circular economy
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	7.2 Product stewardship and circular economy
Responsible Sourcing		
GRI 3: Material Topics 2021	3-3 Management of material topics	7.1 The Group's supply chain
Local Communities Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1 Charity and engagement with local communities