

LET'S GROW TOGETHER

PRG
RETAIL GROUP
GROW WITH US



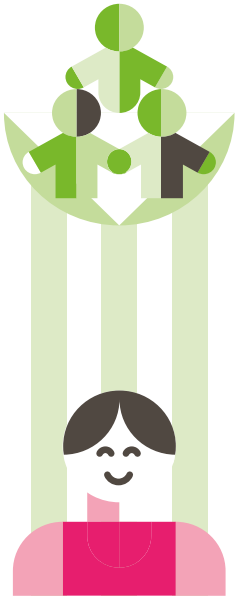
SUSTAINABILITY REPORT
2024

LET'S GROW TOGETHER



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2024

INDEX



LETTER TO STAKEHOLDERS	4
2024 TOP SUSTAINABILITY INITIATIVES	6
1. A PASSIONATE OPEN MINDED RESPONSIBLE GROUP	8
1.1 Identity, brands and market presence	9
1.2 Let's grow together	19
1.2.1 Stakeholders	20
1.2.2 Material topics	22
2. VALUING OUR PEOPLE	24
2.1 Supporting Our Customers and Communities	25
2.1.1 Generazione G	25
2.1.2 The education of our customer base	28
2.1.3 The customer journey experience for PRG customers	32



2.1.4 Empowering Our Communities	37
2.2 Our employees	39
2.2.1 Diversity and inclusion	39
2.2.2 Talent development	41
2.2.3 Close to our families	42
3. SAFE AND SUSTAINABLE PRODUCTS	44
3.1 Products' sustainability	45
3.1.1 Safe products	46
3.1.2 Packaging	50
3.1.3 Product end of life	54
3.2 Our contribution to the fight against climate change	57



4. SUPPORTING A RESPONSIBLE VALUE CHAIN 60

4.1 Code of Conduct for suppliers 61

4.2 Supplier qualification and monitoring procedure 63

5. APPENDIX 69

5.1 Governance 69

5.1.1 Governance, Policies, compliance, and associations 69

5.1.2 Stakeholders 71

5.2 Environment 72

5.2.1 GHG Inventory 2024 72

5.2.2 Water consumption 75

5.2.3 Waste production 75

5.3 Social 76

5.3.1 Our employees 76

5.3.2 Diversity and inclusion 79

5.3.3 Health and safety 86

5.4 Note on methodology 87

5.4.1 Principle for defining the content and quality of the reporting 87

5.4.2 Material topics 88

5.4.3 Reporting process and methodology 89

5.5 Content Index 91

LETTER TO STAKEHOLDERS

Dear stakeholders,
2024 was a year of impact and value for us: twelve months marked by decisive milestones and transformations and, at the same time, by solid and continuous growth. This year too, in every choice, in every project, we were guided by the words that best describe us and our vision: "*Grow with us*".

These are words that give shape to our most authentic aspiration: to be at the side of families and their children on a path of continuous growth, always with the support and closeness of our partners, offering value and new opportunities in the most precious moments of that unique journey that is the birth and growth of a family. We want to be not only a place where to buy quality products, but also a reliable partner in the journey of parenthood.

In this spirit, in 2024 we continued our consolidation as the first Kids & Family hub in Europe. We have worked to strengthen the deep and lasting bond of trust that unites us to the families who choose us. A commitment made even more significant in a year that clearly showed a further drop in the birth rate and an ever-increasing widespread uncertainty about the extraordinary adventure of becoming parents.

Looking back at the year that has ended, three concepts, in particular, guided the story of what we at PRG Retail Group have pursued in our daily lives: sociality and birth, inclusiveness and responsibility.

2024 saw us consolidate the great symbolic project of Prénatal's 60th anniversary, "Generazione G" (*G Generation*), the social activism and fundraising project, created in collaboration with Moige - Italian Parents Movement, committed to providing concrete support to young parents in fragile conditions. During the year, to our great pride, the

project entered its first executive phase in Italy, with a network of expert parents alongside the first 250 fragile families and with the achievement of an important milestone: almost one million euros donated in just over twelve months. Today, at the beginning of this new year, we are preparing to launch the second "Generazione G" intervention involving another 305 households in the area, for a total of 555.

With "*Nascere Insieme*" (*Born together*), we also wanted to offer concrete support to families in the special moment of the arrival of the child. As part of this initiative, in our Prénatal stores we have organized events dedicated to future mothers and fathers – but also to all the people who will represent an irreplaceable support to them – where experts in parenting have been able to offer practical advice and useful information to face this extraordinary phase of life with serenity: A wonderful moment, but also so disruptive that it may require advice, support, guidance. It's not just about sharing knowledge, but about creating a welcoming environment where new parents can feel heard, understood, and supported.

In 2024, we have also strengthened our commitment to building an increasingly inclusive work environment, attentive to the enhancement of diversity and overcoming the gender gap. The improvement of the indicators provided by the UNI/Pdr 125:2022 guidelines has allowed us to confirm the Gender Equality Certification. In continuity with this path, it was important for us to direct our actions also towards greater support for

parenthood, convinced that creating favourable conditions for the birth rate is a concrete contribution a company can make to the future of society. And this is even more true for a company like ours, which operates with this mission.

Finally, in line with a vision increasingly oriented towards social and environmental responsibility, last year, with the PRG Retail Group brands, we strengthened our relationship with customers through concrete tools and initiatives and launched new policies to reduce our impact on the world around us.

With the "Grow Green" initiative, an indicator, the "Green Score", has been introduced in our Toys Center stores, developed to help consumers understand some aspects of the environmental impact of the product based on a qualitative assessment of materials, packaging and origin. In 2024, toys that scored 4 out of 5 or higher accounted for around 10% of the Christmas assortment.

As part of our ongoing sustainability efforts, starting from 2024, we have also begun to source, starting from Italy, electricity from 100% renewable sources. This choice has contributed to a significant reduction in Scope 2 (market-based) emissions, strengthening our path towards a responsible climate transition.

Our desire to build a more inclusive environment, attentive to people and sustainability is part of a vision that looks far ahead. We believe in a future where every family finds spaces, services and relationships that truly welcome and accompany them, in every moment of growth.

To achieve this, we count on the irreplaceable contribution of our stakeholders, with whom we intend to increasingly consolidate our Kids & Family hub model in a conscious, responsible way always remaining close to the real life of those who choose us every day.

Alberto Rivolta
CEO PRG Retail Group




2024 TOP SUSTAINABILITY INITIATIVES

1

GENERAZIONE G

With **Generazione G**, we want to take action to boost birth rates, supporting MOIGE with a fundraising campaign for new parents. Prénatal, together with the brands of PRG Retail Group, Toys Center, Bimbostore, and FAO Schwarz, has decided to care for families in need and commit to providing them with support to help them face the parenting journey in the best possible way.



>700,000€
reached
in 7 months thanks
to fundraising

2

CERTIFICATION FOR GENDER EQUALITY

PRG Spa (Toys Center, Bimbostore and FAO Schwarz) and Prénatal Spa received the **Gender Equality Certification** based on the UNI/PdR 125:2022 practice from KIWA Cermet, highlighting its commitment to an inclusive work environment. PRG Retail Group is among the first Italian retail companies certified for its commitment to empowering women, aligned with Goal 5 of the 2030.



UNI/PdR 125:2022

3

SUSTAINABLE PRODUCTS

The Toys product team has continued its work on offering products made with more **sustainable materials**. In particular, the Wood'N Play collection, in FSC certified wood, and the Baby Smile line, with at least 50% recycled material and GRS certified, represent the key sustainability principles that PRG is committed to.



>70%
Better Cotton
textiles

PRG Retail Group, as a member of Better Cotton, the world's leading cotton sustainability program, sources over 70% of its cotton from Better Cotton.



4

GREEN SCORE

Toys center is committed to future generations and to supporting parents in their most responsible purchases.

To assist parents in their choices, it has developed the Green Score, an exclusive indicator that analyzes some relevant aspects of the environmental impact of toys.

More information on www.toyscenter.it/green-score/



5

CARBON OFFSETTING PROJECT

PRG Retail Group's primary climate mitigation approach is to reduce its absolute carbon emissions over time. In 2024, PRG S.p.A. and Prénatal S.p.A. purchased 100% of their electricity from renewable sources.

Through the purchase of carbon credits, the Group can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) to offset its residual emissions.

Three levers for Group's carbon neutrality



**Energy
efficiency
initiatives**



**Electricity
from renewable
sources**



**Carbon offsetting
projects**

THE GROUP



1. A PASSIONATE, OPEN-MINDED AND RESPONSIBLE GROUP

1.1 Identity, brands and market presence

"Grow with Us" summarises and fully expresses our desire to envision an amazing project, day by day: we want to strengthen our role as a point of reference for families, from the moment of the child's birth throughout its growth. This goal relies on an increasingly empathetic bond with customers, a constantly updated product offering, an omnichannel strategy that is more effective every day, and the enhancement of partnerships grounded in shared values and objectives. We want to consolidate our role, through this vision, as leading *kids&family European hub*, and strengthen the unique, long-lasting relationship of trust, that connects PRG to 22 million families.



MISSION

Making life easier for growing families with ideas that help, amaze and inspire dreams.

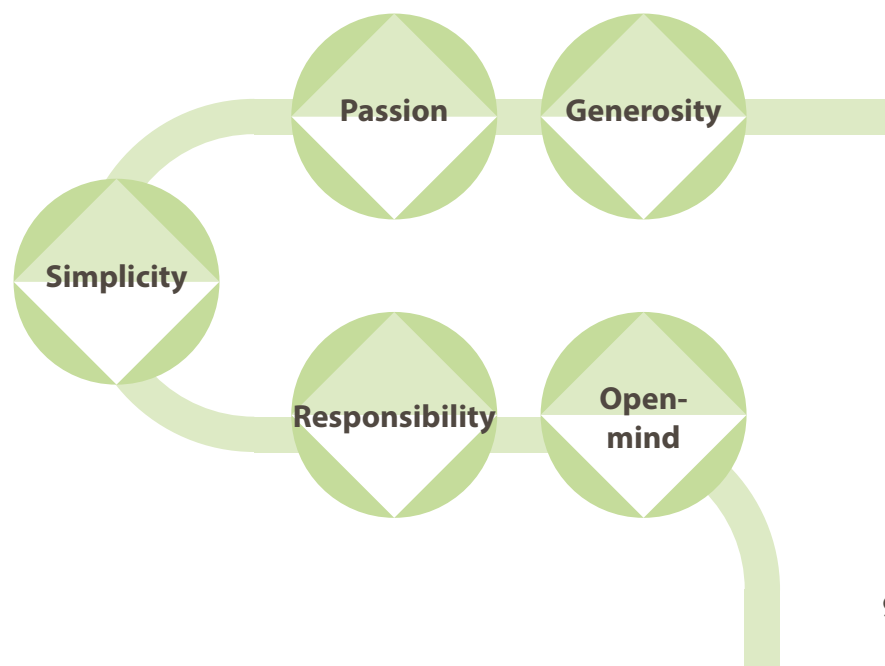


VALUES

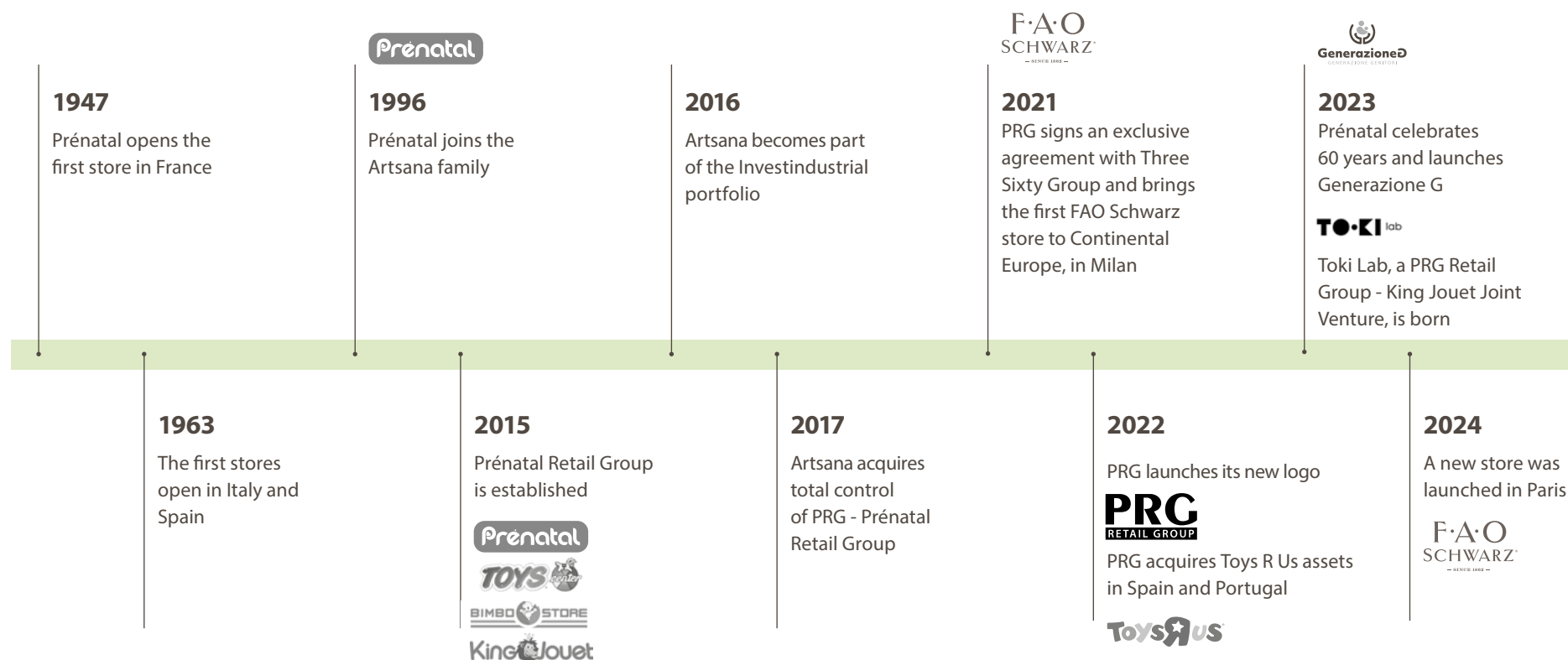
We are passionate about responsibly choosing the best products and toys offering innovation, value for money and handy design, so as to make parents' lives easier and simpler and to let children live their adventure. Purchasing a product should be a memorable moment for everyone, both adults and children, wherever they are, in our stores or online. We do our best to make the experience of a new birth magical for everyone and the discovery of a new toy full of excitement.

In an unstable geopolitical landscape that has reduced families' willingness to spend, compounded by the inflationary trends of the past two years, every purchasing decision made by households is carefully considered. Aware of this context, the Group recognizes its responsibility to provide consumers with alternatives that fulfill all their needs. Through an **omnichannel model**, the Group positions itself as a '**marketplacer**' for parents seeking solutions for their children's growth and leisure requirements. It has made significant investments in digital and customer service areas, leveraging the experience acquired in more advanced markets within the Group.

This strategy grounds on a well-defined approach defined by 5 key aspects:



Internationalisation is a key feature for PRG which is constantly working towards connecting different cultures, countries and companies under the same values and passion.



Accurate long-term strategy of diversification and partnerships with major players in the sector.

PRG stands today as a leading player in the market, the parent Company of **12 different operating companies**, which bring value to customer through **5 brands** across **5 countries**.



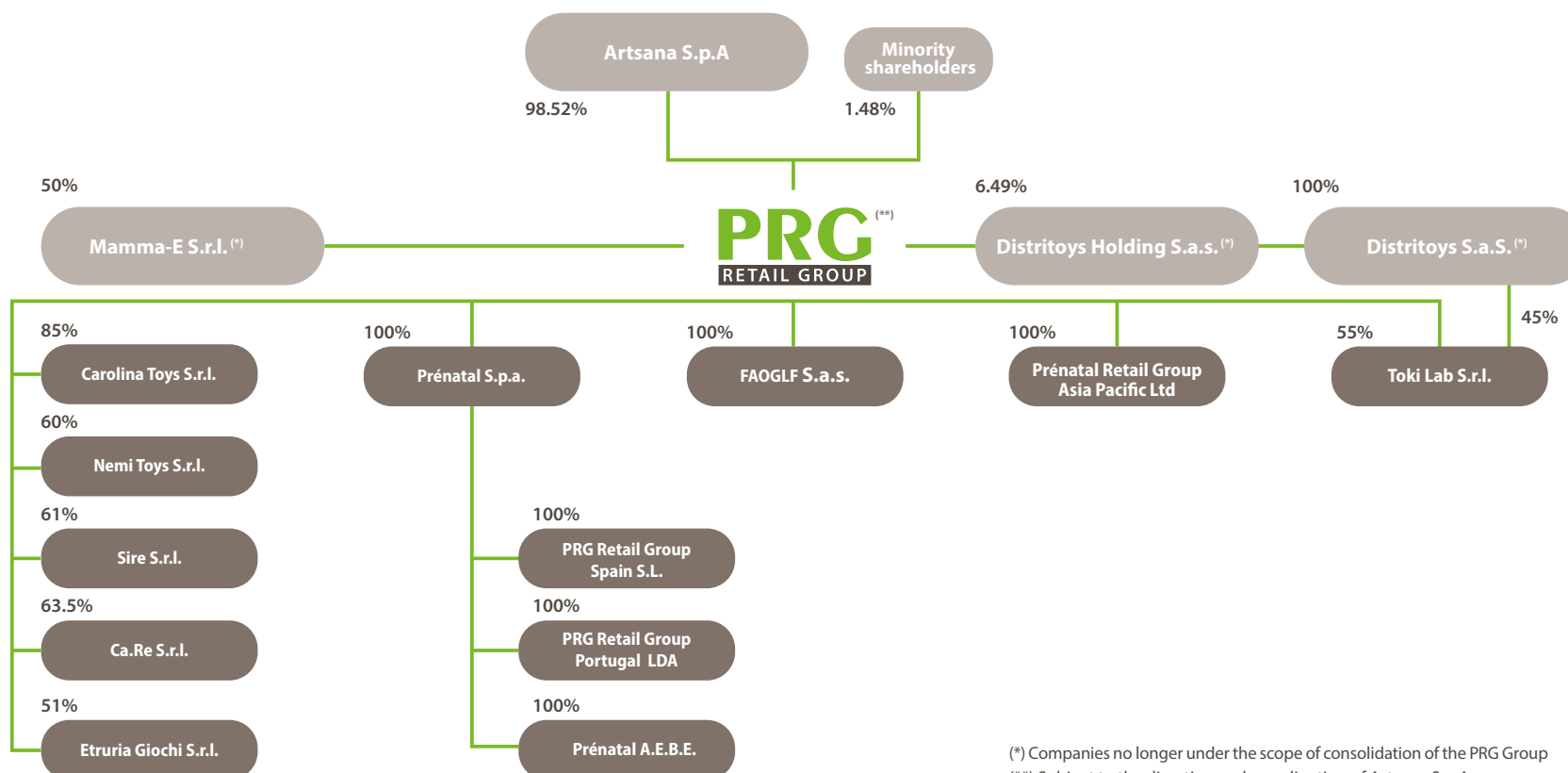
12
operating companies



5
brands



5
countries



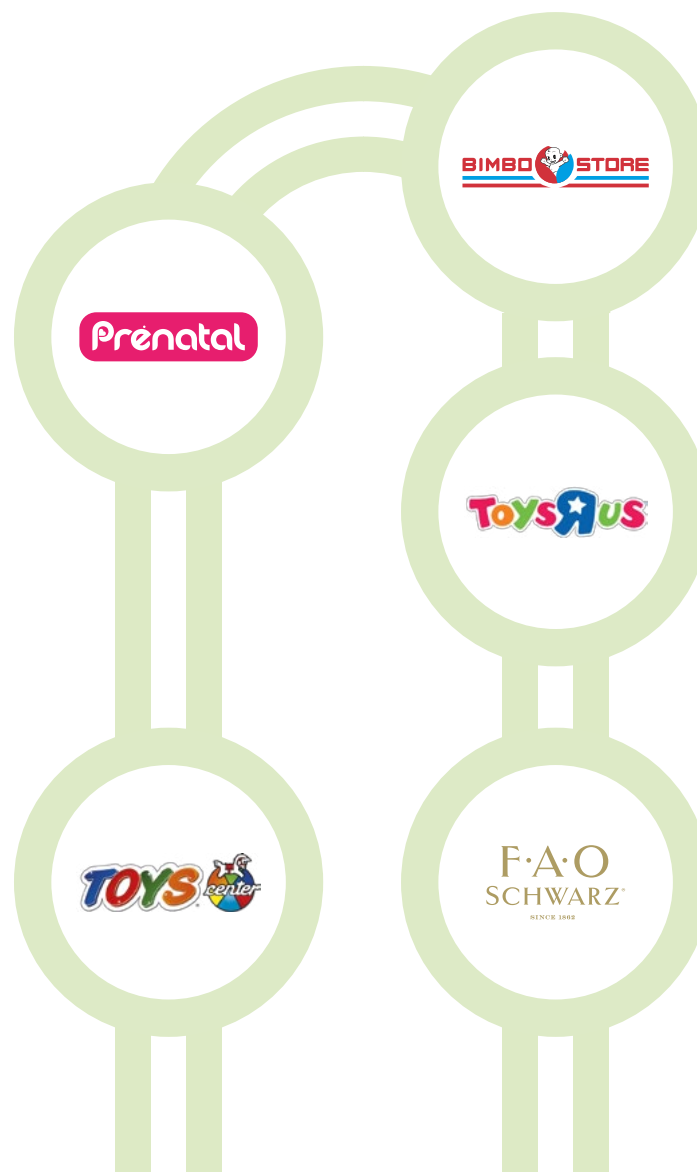
(*) Companies no longer under the scope of consolidation of the PRG Group

(**) Subject to the direction and coordination of Artsana S.p.A.

The five brands that the Group operates have unique histories and identities. PRG has integrated them into a cohesive synthesis of values and offerings for the end customer, while preserving their regional roots and distinctive traits. PRG's goal is to share the expertise acquired over the years from the brands it has acquired and within the children's retail industry.

Founded in France in 1947, **Prénatal** arrived in Italy with its first store in Milan in 1963. Thanks to its decades of experience, the brand has become the point of reference for mothers all around Europe. Prénatal proposes a winning formula of an assortment of the best brands in the world with regards to childcare and toys with a wide range of clothing for new mothers, babies and children. Currently, Prénatal has a retail network of 254 stores in Italy, Spain, Portugal and Greece.

Launched in the 1990s, over the past fifteen years **Toys Center** has developed a family-friendly format and consistently expanded its product range of toys to include childcare products and textiles in increasingly larger stores throughout Italy. Toys Center counts 140 stores and is the only retail chain in Europe specialized in the sale of toys, with an online presence through the totally renewed e-commerce service and with a share of more than 20% of its national market.



Bimbo Store, acquired in 2015, has now 103 stores in Italy, both directly operated and in partnership and affiliations, with an extensive product range focusing on products for babies and children up to the age of 4 with diapers, groceries, clothing and childcare.

Founded in 1948 and originally specialised in the sale of children's furniture, **Toys R Us** is today a chain of toy shops, known for their wide selection of quality toys, games, dolls, action figures and more, and for the wide range of brands offered. In July 2022, PRG acquired Toys R'Us Iberia, taking over its assets and brand license, through its subsidiaries in the Iberian Peninsula. In 2024, stores are 49 of which 37 in Spain and 12 in Portugal.

The first **FAO Schwarz** store opened in Baltimore in 1862: the first toy shop in the United States. The stores are known and renowned for premium, exclusive brands (FAO, Sharper Image, Discovery Mind-Blown), life-sized stuffed animals and exceptional, one-of-a-kind toys, from all over the world. FAO has been present in Italy since 2021 in Milan – Piazza Cordusio, with an exclusive 600 m² retail outlet containing 25 themed areas. A new store was launched in Paris in 2024 at Galeries Lafayette Haussmann.

Toki Lab: a strategic lab for innovation and sustainability

Toki Lab S.r.l. was founded in 2023 by PRG Retail Group, in partnership with King Jouet, as part of a strategic initiative to strengthen PRG's leadership in the European toy market. Owned 55% by PRG, Toki Lab represents a forward-looking joint venture built on a long-standing collaboration, shared values, and a common vision for innovation and sustainability.

Established to continue two strategic activities - **private label development** and **supplier relationship management** - following King Jouet's exit from PRG's consolidation perimeter, Toki Lab has evolved into a key asset for the Group. It operates as a **creative and operational hub**, supporting PRG's multi-banner retail network (Toys Center, King Jouet, Toys R Us Iberia) in designing exclusive, value-driven products tailored to local market needs.

Toki Lab oversees the evolution of the Group's private label portfolio, developing **distinctive product lines** with unique identities and strong market positioning. This approach strengthens PRG's role as a toy specialist, offering families unique and relevant experiences across its stores.



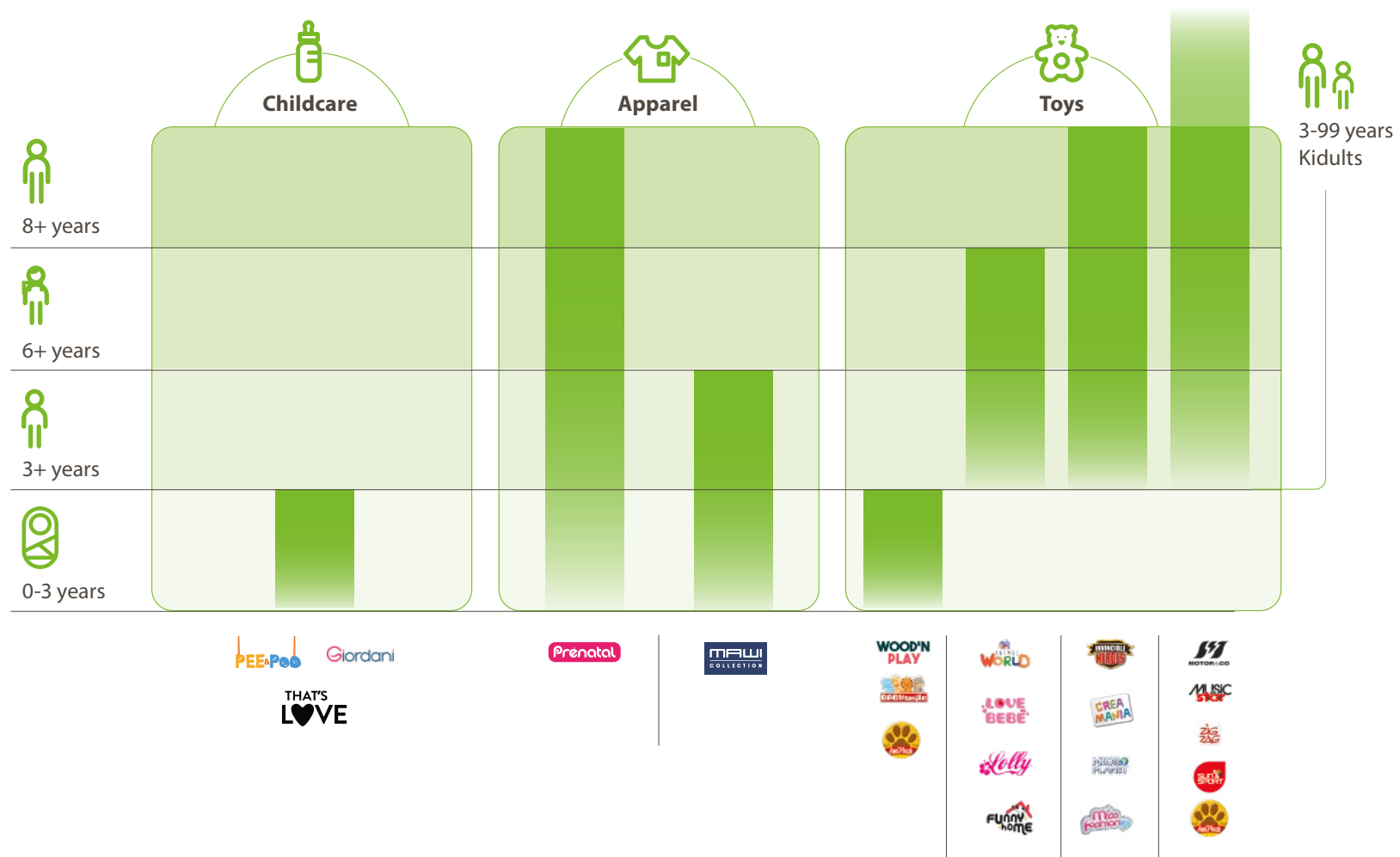
With a direct presence in Asia and close collaboration with **PRG Asia Pacific**, Toki Lab facilitates supplier negotiations, promotes responsible sourcing, and contributes to the selection of sustainable materials, while monitoring environmental performance throughout the supply chain.

In addition to supporting retail operations, Toki Lab has begun selectively exploring **wholesale opportunities**, extending the reach of its exclusive product lines beyond PRG's store network. While not a core business area, this initiative reflects PRG's broader strategy of international development and value creation.

Through its integrated approach to product innovation, sourcing, and sustainability, Toki Lab continues to play a central role in PRG's differentiation strategy and in shaping the future of toy retail in Europe.



To uniformly manage the complexity of the various brands, products and markets, the Group has adopted a matrix structure with different business units. In parallel with operations carried out centrally (such as accounting, quality, legal, etc.) the PRG Group is organized in three product areas, namely Toys, Apparel and Childcare which buy third party products and develop and procure own label products.



The PRG Group targets an audience extending from pregnancy up to about 10 years of age.

The Toys world is divided into 8 main sub-products, from dolls to building sets, and the Apparel and Childcare worlds from diapers to baby and children's clothes, trying to cover all parents' needs.

The aim is to provide a single interface with suppliers and manage the customer relationship with the **brands** Prénatal, Bimbostore, Toys Center, Fao Schwarz and Toys R Us reflecting a peculiar value position.

The company not only fosters children's growth with **educational toys** and **childcare products** but also exhibits a deep commitment to environmental stewardship, prioritizing sustainable materials such as responsibly sourced wood for its playthings. In its nurturing approach, it offers childcare products that provide safety and comfort. When it comes to **apparel**, it pledges to use better cotton that's conscientiously harvested, reducing environmental impact and dressing children and mothers in eco-friendly fashion suitable for every event. This mindful approach underscores the company's dedication to sustainability across all its product lines.



Market presence

The PRG business model is centered around the retail of a diverse array of childcare products to address the various needs of families and children up to the age of 10.

This assortment includes items from leading international brands as well as private label products, which PRG develops and refreshes annually in close collaboration with its business partners, primarily based in the Far East. Consequently, the Group relies on the expertise of Prénatal Retail Group Asia Pacific Ltd, the entity responsible for maintaining and nurturing relationships with a carefully selected group of local suppliers, as well as conducting research and development activities with local partners.

This ensures that the Group upholds the highest quality and safety standards for its private label offerings.

With employees around the globe, the Group's presence is predominantly in Europe, featuring 551 stores, both directly managed and affiliated, located in Italy, Spain, Portugal, France and Greece. Additionally, the Group has a presence outside of Europe with several franchise-operated stores. The majority (77%) of the stores are located in **Italy**, partly thanks to the multiple affiliations closed with local players. All Group brands are present in the Italian territory, except for Toys R US. The Group's **headquarters** are based in Cogiate, Monza e Brianza province.

In the **Iberian Peninsula** there are a total of 99 points of sale, 24 in **Portugal** and 75 in **Spain**, divided between the Prénatal brand and the Toys R Us brand.

There is a further significant presence **Greece**, mostly under the Prénatal brand.

In **France**, the Group is also present at Galeries Lafayette Haussmann with a store under the FAO Schwarz brand, marking the entry of this iconic brand into the French market.



551
stores



€767.6
Million revenues
in 2024

In terms of revenues, the Group generated 767.6 million Euros in 2024, the majority of which (90.2%) directly from points of sale, while a minority comes from e-commerce (5.7%), wholesales (4.1%) and other.

The following tables show the regional distribution and product mix of PRG Group:

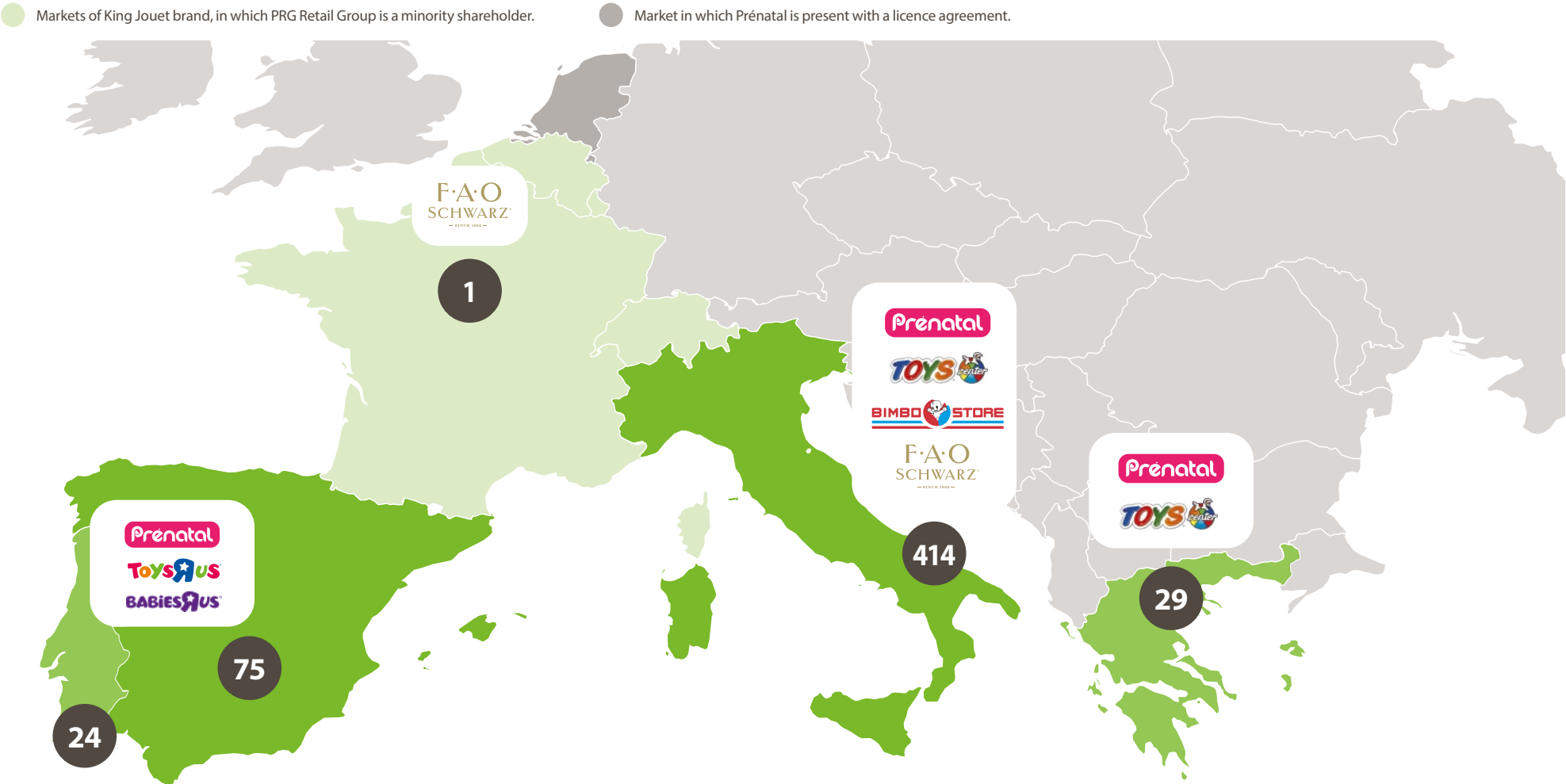
PRG Revenues – Regional distribution

Country	Italy	France	Spain	Greece	Portugal	Other
Revenues generated	79.9%	4.8%	8.8%	2.1%	4.4%	0.1%

PRG Revenues – Product mix

Product	Toys	Textiles	Hard goods	Baby care and nappies	Other
Revenues generated	48.9%	16.7%	18.2%	11.1%	5.1%

Points of Sale



1.2 Let's grow together

Acknowledging the significance of responsible and sustainable practices, PRG places a strong emphasis on people and the environment in all its operations. The company is dedicated to fostering fair and lasting relationships with all its stakeholders, particularly its business partners and consumers.

What distinguishes PRG is its global perspective, bringing together entities from various countries under a common mission and shared vision. To strengthen this commitment, a collaborative culture has been established among its subsidiaries, allowing them to work closely on a variety of issues, with sustainability as a primary focus. Teams from different nations are actively involved in several initiatives, such as the International Accord and Better Cotton, aiming **to develop a unified vision and sustainability plan that encompasses all the Group's brands.**

To communicate its commitment both internally and externally, PRG has initiated a detailed disclosure and reporting process that highlights its environmental, social, and governance (ESG) performance.

This effort is central to the Group's fourth consolidated Sustainability Report, prepared in accordance with the "GRI Sustainability Reporting Standards," which are the most widely recognized non-financial reporting standards. This report aims to share the Group's dedication to transparent and comprehensive non-financial disclosure with stakeholders.

Furthermore, to enhance the communication of sustainability performance highlighted in the Report, PRG is framing it within a broader context that reflects the Group's perspective on the main challenges anticipated in the coming years.

The company has begun defining key commitment areas to guide its efforts toward coherent goals. This initiative aims to establish a **Sustainability plan** that will outline the sustainability pillars aligned with daily business operations and future objectives across all companies for a sustainable business model.

This work commenced in early 2021 and has continued in the subsequent years, including 2024.

The strategy will be structured around three key pillars: **"Valuing our people"**, the positive impact of PRG's activities on its customers and local communities and the attention paid to its employees;

"Safe and sustainable products", focused on products, in terms of design, use of raw materials, quality control, packaging and end-of-life management, and the identification of reduction activities for GHG emissions, in order to achieve carbon neutrality;

"Responsible supply chain management and sustainable sourcing", monitoring suppliers' environmental and social performance, being sure that workers' rights are safeguarded and the environmental aspects of production are monitored to understand how to minimize the impacts.

1.2.1 Stakeholders

With an international fast-growing company internal and external PRG's stakeholders are constantly evolving and growing in number.

PRG mapped all internal and external stakeholders in order to identify which were the most strategic and to better understand different needs and requirements. Based on the most recent analysis, the **11 most relevant stakeholders'** categories have been confirmed, selected according to their level of influence and mutual dependence on PRG.



Among the stakeholders identified and mapped, some were selected as priorities to be consulted in drafting PRG's sustainability strategy.



EMPLOYEES

PRG Business Units are regularly involved in **brainstorming and discussion** sessions aimed at sharing ideas, feedback, proposals, and doubts related to the implementation of sustainability projects and to discuss the goals and purposes of creating a Group sustainability strategy. This represented a perfect chance to collect the commitment of the teams regarding the creation of a **Sustainability Working Group**. Above all, the Group is committed to achieving gender equality and creating an inclusive environment.



SHAREHOLDER

Regarding investors, the Report covers those issues that are material to our shareholders and applicable to PRG's business model as *identified through multiple engagement touchpoints*-including participation in Investindustrial's Annual Sustainability Summit and the alignment process with Investindustrial's Sustainability Strategy.



CONSUMERS AND FAMILIES

PRG has always been committed to fully understanding the needs and desires of families through ongoing dialogue. With "Generazione G" project, PRG adopted a series of measures (detailed in the following chapter) to counter that fact that fewer and fewer babies are born because "no more parents are born". In other words, the Group made a commitment to contribute to the livelihood of struggling families, beginning with the parents.



COMPETITORS

About competitors, a screening of sustainability strategies and a competitor analysis were carried out.

1.2.2 Material topics

In accordance with the 2021 GRI Standards, PRG has identified the main material topics to be included in the 2024 Sustainability Report, based on the materiality analysis conducted in 2022. The purpose of this analysis is to highlight the issues that have the most significant actual and potential impacts generated along PRG's entire value chain on the economy, the environment, society and individuals, with particular attention to human rights.

According to this, PRG has conducted an analysis of the **impacts** generated, directly and indirectly, by the organization, through three different stages:

1. Context analysis and impacts identification:

the context in which PRG operates has been analysed with the aim of identifying the actual and potential, positive and negative impacts generated by the Company's activities throughout its value chain.

2. Evaluation of the relevance and prioritization:

the negative impacts have been classified based on two variables, **severity** (evaluated considering scope, scale, and irremediable character) and **likelihood**, with the latter being considered only for potential impacts. The positive impacts have been evaluated considering their significance (scale and scope). The impacts have been then prioritized using a scoring system, *integrated with a qualitative interpretation* of the results, supported by interviews with relevant company functions.



3. Material topics identification:

based on the results of phase 2, a prioritized list of impacts has been obtained. Based on this list, a materiality threshold has been defined, in order to differentiate material impacts from non-materials ones. After this process, one or more material impacts have been grouped into material topics.

Thanks to this evaluation, **14 positive or negative material topics** have been identified, that represent material impacts that the Group has or could have along its value chain:

Environment

Logistics Management and Energy and Transport efficiency, and fight against Climate Change	Climate change caused by GHG emissions
Sustainable Design for product and packaging, and Circular Economy	Positive impact due to product and packaging designs that promote the circular economy in material selection, limiting the use of raw materials
Sustainable Supply Chain Management	Damages due to inappropriate behaviour involving environmental issues along the supply chain

People

Sustainable Supply Chain Management	Damages due to inappropriate behaviour involving social issues along the supply chain
Customer Health and Safety	Damage to consumer health and safety due to the use of products
Occupational Health and Safety	Impacts on workers' health and safety
Marketing and Labeling	Physical injuries to customers caused by incorrect communication of product information

Business

Business Integrity and Anti-corruption	Negative impacts on the economic system due to episodes of corruption
Customer privacy	Impacts on employees and customers due to loss of sensitive data
Digitalization and Technological progress	Digitization of internal and external processes, technological advancement of products and services
Customer satisfaction and Loyalty	Positive impact on customer satisfaction and loyalty through the selling of high quality and durable products

Human Rights, Child Labour and Forced or Compulsory Labour	Violations of human rights and child labour regulations
Sustainability Education for employees and customers	Spreading of sustainable behaviour among employees and consumers
Employment and Labour / Management Relations	Creation of jobs
Skills development	Skills development of employees due to targeted and dedicated training plans

VALUING OUR PEOPLE

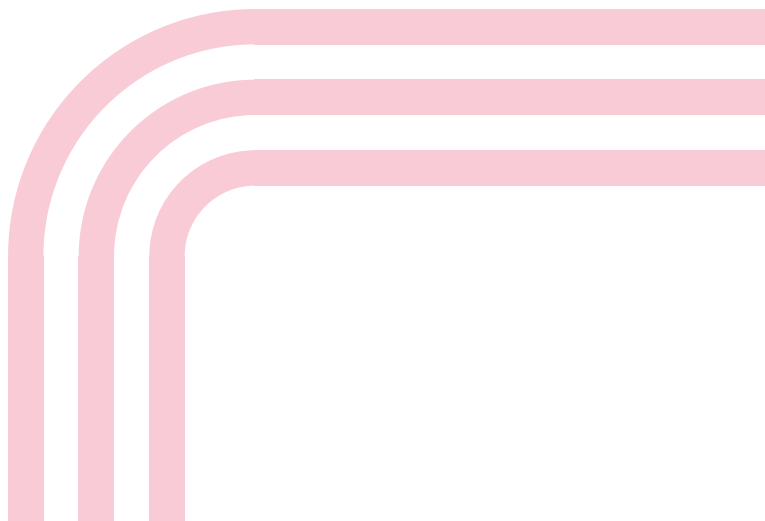


2. VALUING OUR PEOPLE

All initiatives related to the People who take part into PRG's business and share the Group's values are collected under the pillar "**Valuing Our People**". From the stores to the corporate offices and local communities throughout all nations, PRG provides the greatest service and working environment for everyone. Given the large number of subsidiaries, internationality, and variety, the structure's complexity is both a great challenge and a great incentive to develop a strong and healthy Group's structure.

2.1 Supporting Our Customers and Communities

In line with its value proposition, which focuses on the issues of childhood and family, PRG has long supported initiatives and organizations that aim to improve the conditions of children and families in disadvantaged situations in the territories in which it operates.



2.1.1 Generazione G

A recent report by OECD shows that the global fertility rate dropped from 3.3 children per woman in 1960 to just 1.5 children per woman in 2022, on average across OECD countries. The total fertility rate fell markedly beneath the "replacement level" of 2.1 children per woman, which is necessary to maintain a stable population without considering migration. In 2022, Italy and Spain recorded a low fertility rate of 1.2 children per woman. The OECD emphasizes the potential for diminishing workforces to give rise to aging populations, which could exert considerable social and economic strain on governments. This situation may notably compel an increase in spending on pensions and healthcare services¹.

In response to the ongoing demographic decline, Prénatal—together with the other PRG brands in Italy (Toys Center, Bimbostore, and FAO Schwarz)—reaffirmed its long-term commitment to future generations by launching the **Generazione G** initiative in September 2023.

Developed in partnership with Moige (Movimento Italiano Genitori), the project was grounded in the belief that today, more than a lack of births, there is a lack of support for those becoming parents. The initiative, which continued through 2024, was supported by a structured fundraising campaign involving customers and corporate partners raising a total of **952,238 €** in just over a year since the launch of the Project².

1. OECD, Society at a Glance 2024 – OECD Social indicators, 2024, available at <https://www.oecd-ilibrary.org/sites/918d8db3-en/index.html?itemId=/content/publication/918d8db3-en>.

2. The figure refers to the data collected from the beginning of the project, September 20, 2023, to December 31, 2024, across all the Group's stores in Italy and their respective websites, including direct contributions from PRG and partners (Chicco, Clementoni, Fater, MAM, Mattel, and Okbaby), as well as essential goods.

The success of Generazione G was made possible thanks to the Group's network of approximately **400 sales points** across Italy and its dedicated e-commerce platform, combined with the activation of the **Eppela crowdfunding initiative** and generous contributions from the Group and other partner companies. More specifically, these funds have enabled the implementation of a one-year support program for **vulnerable families**, involving 70 experienced parent mentors across 36 cities in 15 Italian regions. The outstanding fundraising result highlights the strong commitment of both consumers and private companies to tackling the issue of declining birth rates and supporting the regeneration and future of our country.

Considering 2024 only, the program provided concrete support to over **250 vulnerable families**, with **74% of interactions delivered in person**, and contributed to the birth of **52 children**. A national network of trained "expert parents" - professionals and caregivers with lived experience - offered personalized assistance, emotional guidance, and practical help, particularly to first-time parents or those without a support system.

The Moige protocol offers support through a variety of activities:

- Offering physical assistance in managing child care to enable the parent to fully attend to their child's needs, including household duties and health-related matters;
- Being available to support a vulnerable parent by offering guidance and advice;
- Providing concrete assistance with practical tasks and everyday chores, such as grocery shopping and buying medications;
- Offering counseling for support and aid, and if needed, remote assistance with service management, including completing forms, navigating bureaucratic processes, and scheduling medical appointments.



250
vulnerable families
supported



400
sales points across Italy
for Generazione G

To ensure the quality, effectiveness and governance of the Generazione G intervention, Moige is in charge of:

- Identifying parents who are experts in the network and train them on the techniques for managing the parent-child relationship;
- The knowledge of the types of difficulties that fragile parents may encounter and, on the strategies, to manage them;
- Coordination to intervene on specific cases, to ensure maximum safety in the relationship with parents and children.



The interim evaluation report, prepared by ITCI – Istituto di Terapia Cognitivo Interpersonale - six months after the start of the support program by experienced parents, highlights positive results in several key areas, including parental relationships, well-being, and social support. The project has strengthened parents' confidence in their educational and relational abilities, promoting an improvement in parental and couple self-efficacy. There has also been a greater prevalence of affectionate parenting styles and parental supervision, along with a reduction in negative behaviors such as hostility and rejection. Psychological and physical well-being has remained stable over time, with improvements in social support and the quality of family relationships.

The remarkable success of Generazione G initiative through 2024, enabled the expansion of support to approximately **300 additional families ahead** of 2025, bringing the total number of beneficiaries to 572, with further births expected.



2.1.2 The education of our customer base

The behavior and attitudes of future parents are significantly influenced by the education they received during their childhood.

Recognizing this, PRG is dedicated to providing resources, content, and information aimed at educating children about **sustainability** and fostering respect for the environment and those around them.

In this context, PRG is deeply committed to early-age education as a vital means of nurturing the "change-makers" of tomorrow.

Over the years Toys Center has implemented several initiatives with the goal of educating kids about important topics such as food waste, plant care, and food seasonality. These projects not only address the concept of sustainability but do so in a captivating and interactive manner, equipping children with actionable steps to incorporate sustainable practices into their daily lives. By instilling these values early on, PRG aims to empower the next generation to become responsible stewards of the planet, ensuring a brighter and more sustainable future for all.



#GREENCHRISTMAS

In 2024, Toys Center and Bimbostore launched a **Green Advent Calendar** initiative aimed at educating children and families about environmental sustainability during the typically consumer-driven holiday season. The calendar includes a variety of interactive activities and surprises that encourage children to reflect on everyday habits and explore more responsible behaviors. Each day offers a new opportunity to discover simple games and actions that promote awareness of how individual choices can impact the environment.

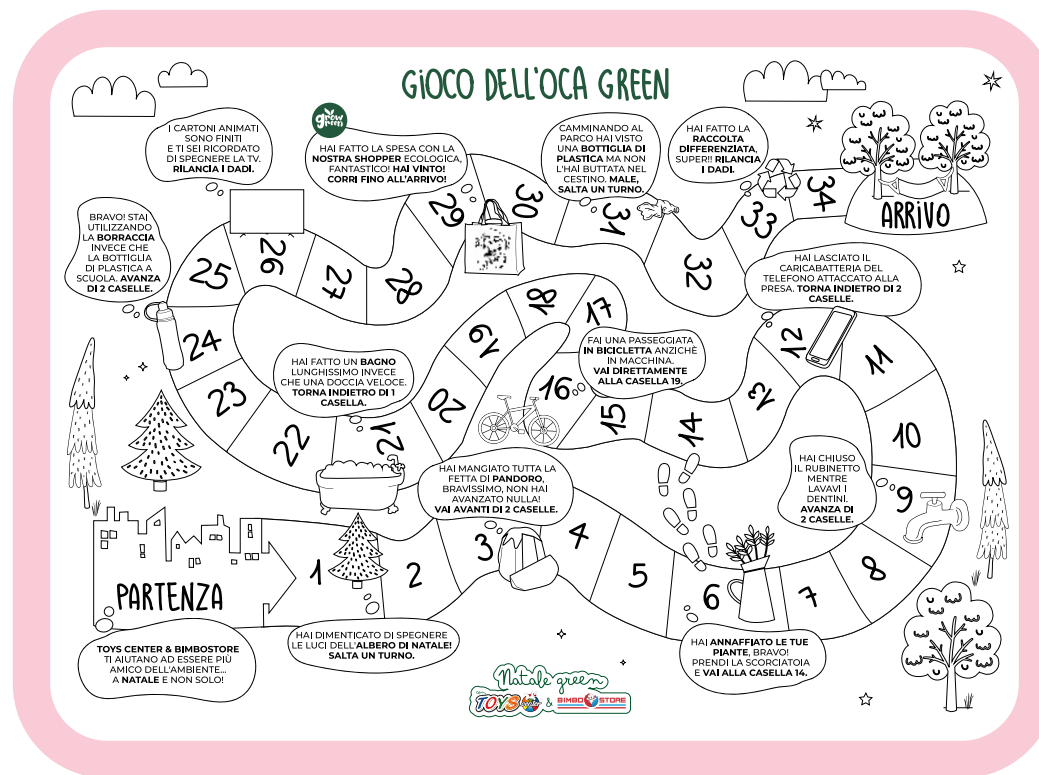
For example, every Monday features a quiz with questions related to Christmas traditions and environmental awareness, such as preferences around decorating the Christmas tree, with answer options that highlight more conscious practices.

#GOOSE GAME

Another activity is an *environment themed* version of the classic **Goose Game**, where children can print and assemble their own game pieces and dice in black and white to reduce ink use. The game includes scenarios that illustrate everyday actions—like forgetting to turn off the Christmas lights (which results in skipping a turn) or turning off the tap while brushing teeth (which allows players to move ahead)—to help reinforce thoughtful habits in a playful way.

On Sundays, the “Play Green” initiative offers video tutorials for crafting decorations without waste, encouraging children to use materials they already have at home to create festive decorations.

Other activities included month planners, riddles for younger children, and storytelling sessions available on Spotify, all designed to foster awareness that every action has an impact and that children can become the change agents the world needs.





#GIOCATTOLO SOSPESO

The Giocattolo Sospeso initiative represents a meaningful commitment to social sustainability and embodies Toys Center's dedication to fostering a culture of giving and support for those in need.

This charitable project, promoted by **Assogiocattoli** in collaboration with the **Gioco per Sempre** campaign and various toy stores, including Toys Center, draws inspiration from the Neapolitan tradition of "caffè sospeso," where customers pay for a coffee in advance for someone less fortunate. In a similar spirit, customers can purchase a toy and leave it "suspended" for a child who may not otherwise receive a gift during the holiday season.

Toys Center plays a pivotal role in this initiative, which involves over 500 toy and early childhood stores, supermarkets, and hypermarkets across more than 300 cities in Italy. With **63** of its locations actively participating, Toys Center ensured maximum accessibility for customers wishing to contribute. Collection points were strategically located in Toys Center and Bimbostore stores, making it easy for the community to engage in this charitable effort. The toys collected were distributed between Christmas and Epiphany, bringing joy to children in foster homes, hospitals, and other care facilities.



In previous editions, the Giocattolo Sospeso initiative successfully collected and donated over 20,000 toys, showcasing the strong sense of solidarity among the Italian people. Toys Center is proud to collaborate with esteemed organizations such as Fondazione Abio Italia, Croce Rossa Italiana, Caritas, and Mission Bambini, which are essential in ensuring that these toys reach those in need. Through this initiative, Toys Center not only reinforces its role as a community leader but also highlights its dedication to making a meaningful impact during the festive season.

SUPPORTING FAMILIES WITH MOMMYPEDIA

An initiative specifically designed to provide full support to families is Mommypedia, a periodically updated online blog, where several hints and valuable suggestions are published covering all the milestones of a mother's journey, from pregnancy to weaning babies.

The Group's commitment to sustainability is also reflected in the product selection available in its stores, where increasing attention is given to items and brands that incorporate specific sustainability-related features, such as:



Toys made with certified raw materials (e.g., FSC certified wood, bioplastic toys)



Toys containing recycled materials (e.g., recycled plastic)



Toys with packaging designed to reduce environmental impact



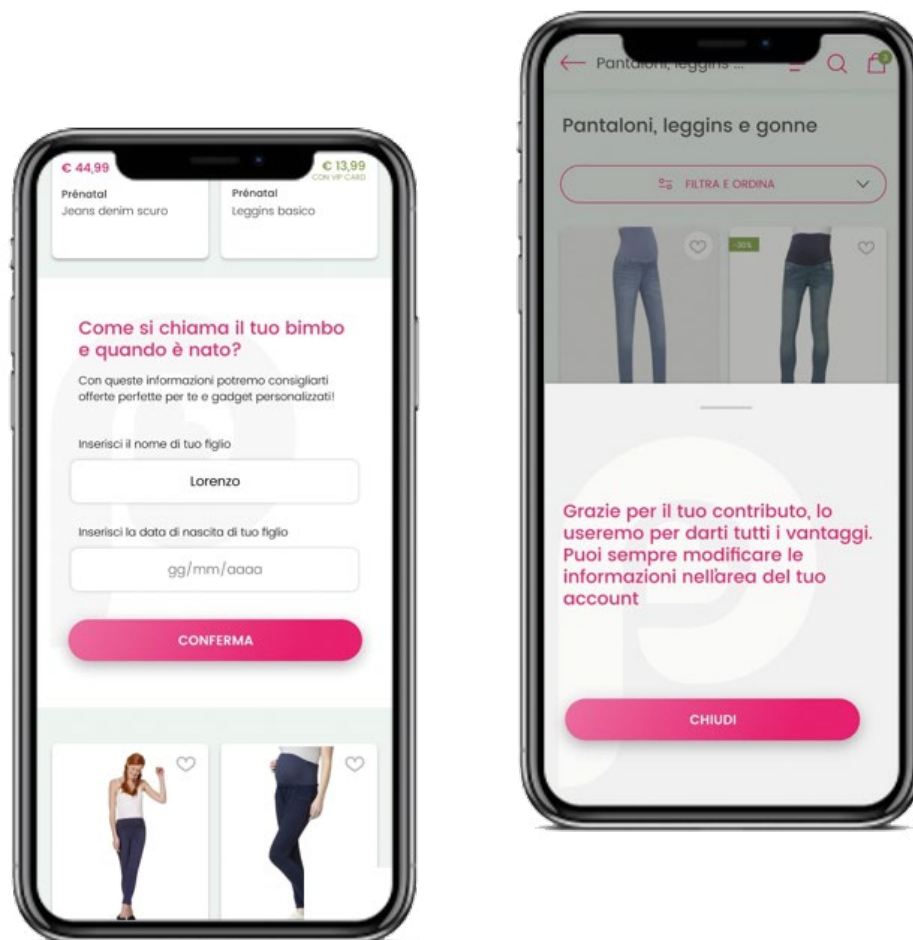
Toys that aim to raise awareness among children about environmental and social topics



In addition to initiatives that raise awareness of sustainability among children and their parents, it's important to note that family satisfaction has always been central to PRG's strategy, aiming to build lasting relationships throughout children's development.

2.1.3 The customer journey experience for PRG customers

Since 2020, the Group has focused on developing a kids and parents hub model to become a key player in addressing the growth and leisure needs of families.



This journey involves interconnected initiatives aimed at enhancing the customer experience. A significant aspect of this is omnichannel marketing, which integrates physical and online channels to foster deeper customer relationships, evolving from customer loyalty to intimacy and advocacy.

FOCUS ON PRG AND PHYGITAL TRANSFORMATION



58 Million*
visitors



259,980*
customers
10 %
omnichannel sales



21 Million*
unique web users

231 Million*
page viewers

776 K*
web orders

Recently, the Prénatal App has been revamped to improve user experience, making purchasing, navigation, and account creation seamless while integrating features like the VIP Card. It serves as a primary touchpoint, utilizing engaging reels for communication and catering to a younger audience's dynamic needs. The app also includes accessibility features, such as a dyslexia-friendly font.

PRG's phygital transformation merges physical and digital experiences, with substantial investments in four key areas:



**User
Experience**



**Logistics
and Packaging**



**Enhanced
Services**



**In-Store
Returns**

* dato approssimato per eccesso



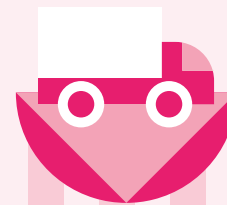
USER EXPERIENCE

The e-commerce platforms for Prénatal, Toys Center, and Bimbostore have been completely redesigned to offer a smoother, more intuitive shopping experience - especially for mobile users. In 2024, PRG continued to enhance product pages using artificial intelligence, improving content quality and relevance. A notable innovation was the use of AI-generated backgrounds for textile product images, reducing the need for on-location photo shoots and thereby cutting travel-related emissions. These improvements help customers make more informed purchasing decisions while also reducing unnecessary returns and environmental impact. Additionally, the introduction of a new size guide and 3D product visualization tools has empowered customers to choose the right items with greater confidence. This not only improves satisfaction but also helps minimize returns due to sizing issues or unmet expectations - further contributing to energy savings and waste reduction.



ENHANCED SERVICES

PRG has expanded its range of services to better support families while promoting more sustainable shopping habits. In 2024, the "Pay and Collect" service was extended to Prénatal stores, allowing customers to check in-store stock online, pay in advance, and pick up their order at their convenience. This avoids unnecessary shipping and reduces the carbon footprint associated with last-mile delivery. Other services such as virtual shopping assistance, click & collect, and locker deliveries offer flexible, customer-centric solutions that also help optimize logistics. Locker services, available 24/7, reduce failed delivery attempts and the need for repeated courier trips, while also offering greater convenience to customers.



LOGISTICS AND PACKAGING

In collaboration with the logistics department, PRG has optimized its e-commerce packaging by introducing envelopes made from 80% recycled plastic. The Group also renewed its partnership with *ClimateLine*, a logistics provider focused on reducing environmental impact. Thanks to this collaboration, PRG has achieved an estimated 40% reduction in greenhouse gas emissions associated with deliveries. Moreover, the introduction of scheduled delivery options allows customers to select a convenient time slot for home delivery, reducing failed delivery attempts and unnecessary trips by couriers - another step toward operational efficiency and lower emissions.



IN-STORE RETURNS

Customers can now return online purchases directly in-store, a service that not only simplifies the return process but also reduces the environmental impact of reverse logistics. By eliminating the need for home pick-ups, this solution helps avoid additional courier trips and allows customers to combine returns with planned store visits - such as exchanging items or making new purchases.

In line with its sustainability goals, in 2024 **PRG Retail Group Spain and PRG Retail Group Portugal** have also introduced **digital receipts** as the default option at checkout. This initiative encourages customers to receive their receipts via email rather than printed copies, significantly reducing paper consumption and waste. Just considering 2024, over **24,000 digital receipts** were issued, and a **30% reduction in paper usage is expected in 2025**. The goal is to achieve 100% digital receipts by 2026. The shift not only supports environmental responsibility but also enhances customer convenience by offering easy access and storage of purchase records.



Another key touchpoint for clients is the dedicated customer service, available 24/7 through phone and online channels. This team assists customers by answering inquiries, resolving issues, handling complaints, providing product information, guiding purchases, and collecting feedback for continuous improvement. To adapt to evolving consumer needs, the Group has established two new service centers focused on order-related inquiries, with PRG staff addressing customer requests.

In a significant enhancement to its customer service capabilities, PRG has integrated AI technologies into its processes. Through the **Zendesk platform**, a new AI module analyzes the sentiment of incoming tickets and helps prioritize cases that require faster intervention, ensuring timely and efficient support for the most urgent customer needs. It provides operators with automated summaries of conversations, suggests procedural guidelines for case management, and offers quick customization options for customer responses. These improvements aim to enhance productivity, personalize interactions, and increase analytical capabilities.

Looking ahead to 2025, PRG is preparing to enhance its digital customer support through the integration of **generative AI** into the Prenatal chatbot. Powered by **Heres/OpenAI**

technology, this new feature will be able to provide personalized product advice by leveraging the full content of product web pages. Initially focused on the online experience, the solution is currently being evaluated for potential in-store deployment and expansion across other brands. The goal is to support customers during the pre-sale phase, improve engagement, and increase conversion rates.

Furthermore, PRG utilizes the Big Profiles platform, which applies machine learning and AI to predict future customer behavior based on historical data from their CRM data lake. This predictive approach helps identify customers at risk of churn and those with a high likelihood of conversion, allowing for more targeted CRM and marketing activities. Toys Center and Bimbostore have also enhanced their shipment notification system, encouraging timely parcel pickups and reducing refunds, excess stock, and unnecessary courier trips. These improvements have led to a decrease in open customer service tickets and garnered positive external recognition, including improved ratings on Trustpilot.

A further key aspect in the relationship with customers refers to the management of their data and their privacy. In this regard, being aware of the sensitivity and confidentiality of the large amount of data it handles, the Group pays utmost attention to its customers' privacy, by adopting a **Privacy Policy**, written according to *Article 13 of EU Regulation 2016/679 (GDPR)* of the European Parliament and of the European Council. Customer's personal data are processed by PRG, for example, in order to collect information and business proposals needed to develop possible international franchising activities. Data processing is carried out both electronically and on paper and the computerized tools used in the processing activities are suitable to ensure the security and the confidentiality of data, which are not subjected to dissemination. As required by GDPR, PRG has also nominated a *Data Protection Officer (DPO)*. Additionally, to exercise the rights provided for by the Regulation, each customer has the possibility of forwarding requests by writing an e-mail to a dedicated email address (privacy@prenatalretailgroup.com). During the reporting period, PRG did not receive any substantiated complaints concerning breaches of customer privacy and losses of customer data.

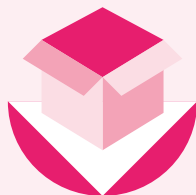
The issue of data protection is also very important for **PRG Retail Group Spain, S.L.** In fact, the "Data Protection Policy" has been developed to inform stakeholders on how the company manages the collection, use, disclosure, transfer and any other processing of information that can be associated with a person. The policy details the possible types of personal information that may be collected and processed, how it is obtained, the purposes of data handling, to whom the data may be disclosed, or security measures used, and information on the handling of any data on the individual's family members and dependents.



Lavoro, Prénatal has given the initiative a higher purpose by engaging disadvantaged individuals in the provinces of Monza and Brianza to produce the Happy Boxes in accordance with Article 14 of the Law 276/03 agreement³. This social project promotes the integration and employment of five individuals with disabilities, who assist PRG in packing boxes for new parents, which are then distributed in Prénatal stores. In 2024, approximately 140,000 Happy Boxes were produced annually, allowing Prénatal to reach about 40% of the pregnant population, corresponding to approximately 392,590 new mothers per year (AGI 2022 data*).



160,000
requests



140,000
boxes built



130,000
boxes collected
by client



This successful partnership aligned the company's requirements with the goals of social cooperatives, which focus on labor integration for underprivileged individuals, including those with disabilities.

Furthermore, regarding the packaging of the Happy Boxes, all boxes produced in 2024 were crafted from cardboard, ensuring that every packaging component, including those used for transportation to stores, was also made from cardboard. This choice reflects the Group's commitment to sustainability and environmental responsibility. Looking ahead, a new sustainable packaging developed in collaboration with Movopack was set to be officially implemented in the coming months of 2025, further enhancing the initiative's commitment to sustainability.

3. A private employer, in order to fulfill the obligation under the Italian Law 68/99, may award a work order to type B social cooperatives. The cooperative hires one or more disabled workers, who can be counted in the company's obligation quota. In this way, through the conclusion of an agreement signed by the company, the social cooperative and the Metropolitan City, it is possible to cover the obligation to hire people with disabilities within the limits of the ceilings provided by the New Framework Agreement in effect.

Did you know?

Partnership Program: Non-Endemic Brands

PRG has established a partnership program that offers exclusive benefits to customers enrolled in the Loyalty Program. These partnerships represent a key advantage communicated across various touchpoints. The program covers essential sectors that align with the target audience, including families, mothers, and parents, and encompasses areas such as travel, beauty, sports and fitness, wellness, and fashion and luxury, as well as child healthcare.

PRG prioritizes collaborating with brands that emphasize sustainability and aim to "simplify life" for families and new parents. These partnerships are accessible through the respective Customer Areas of their loyalty programs (e.g., card.prenatal.com, card.toyscenter.it). This initiative not only enhances the value offered to customers but also supports a commitment to responsible and family-friendly choices.

2.1.4 Empowering Our Communities

PRG has a long-standing commitment to community support through various donation initiatives. Over the years, the Group has collaborated with organizations such as Bambini delle Fate, supporting inclusion projects for children and young people with autism, and PizzAut, which provides employment opportunities for individuals on the autism spectrum.



FOCUS ON PRG IBERIA SOCIAL INITIATIVES



In 2024, PRG Retail Group Spain and Portugal reaffirmed their commitment to social responsibility by generating over €100,000 through various charitable initiatives.

A key part of these efforts was the sale of *Bebés Pelones* dolls - symbolic toys created to support children with cancer - which were made available in all physical and online stores across the Iberian market. During 2024, 6,200 units were sold, resulting in net proceeds of approximately €93,000.

The funds raised are used to support projects that improve the lives of young cancer patients, including the renovation of pediatric hospital wards, the creation of therapeutic gardens and play areas, and the development of activities that use play as a tool for emotional well-being during treatment.

Additionally, in 2024, the 25th edition of the "A Toy, A Dream" campaign was celebrated. Toys'R'Us participated by offering stores as points of sale for solidarity pens. This campaign that took place during autumn- aims to raise funds to provide toys to underprivileged children, helping them grow and restoring their fundamental right to play. In this campaign, 5,203 solidarity pens were sold, raising a total of €26,015. All proceeds from the sale are directed to the associated charity.



In the past year, the PRG Group has continued to strengthen its philanthropic efforts through meaningful donations to a range of social causes. A portion of these contributions supported charitable organizations such as the **Italian Red Cross, Save the Children, and the Milano Fiera Foundation.**

Another initiative was led by Carolina Toys, which contributed to a fundraising campaign in support of the Hematology and Oncology departments of the **Andrea Tortora Hospital in Pagani (SA)**. This effort, carried out in collaboration with Locanda Almayer, took place across several Toys Center stores in Giugliano, Naples, Nocera, Pompeii, Salerno, and Secondigliano.

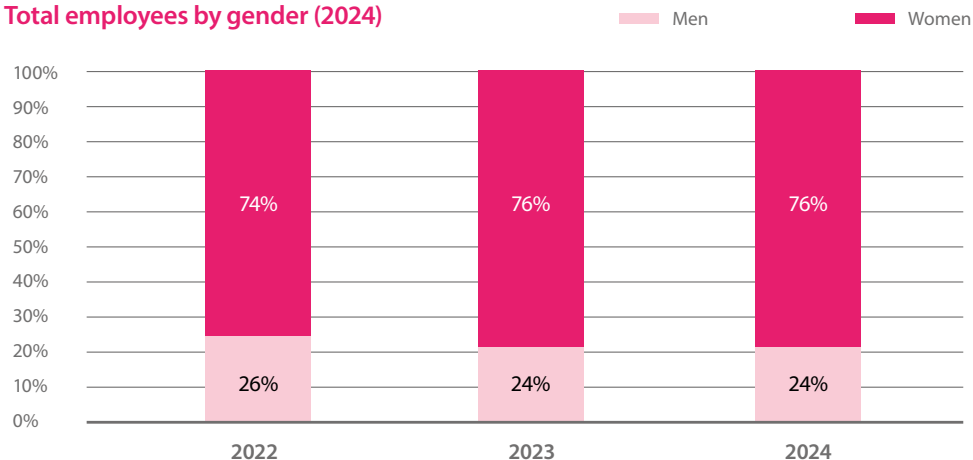
2.2 Our employees

2.2.1 Diversity and inclusion



In terms of gender distribution, PRG proudly declares that a **considerable majority** of its employees are **female** (2912 vs. 907 men in 2024), in a steady proportion that has remained almost unchanged over the last years.

Total employees by gender (2024)



PRG Retail Group is committed to fostering an inclusive work environment that promotes **gender equality, equal opportunities, and diversity**. As a testament to this commitment, the Group obtained the **Gender Equality Certification** in accordance with the **UNI/PdR 125:2022 standard**, issued by KIWA Cermet - an internationally recognized body in the field of Testing, Inspections, and Certifications. Originally awarded in 2023, the certification was renewed in 2024 with an even **higher score**, confirming the Group's continuous progress and dedication to improving its internal policies and practices. The UNI/PdR 125:2022 standard was developed by the Italian National Unification Body (UNI) in collaboration with Valore D, an association of companies that promotes diversity, talent, and female leadership in Italy. Specifically, the standard offers guidelines for organizations to implement gender equality and to assess and certify their progress in this domain.

As part of the actions outlined by the Certification, the Group has adopted a gender equality policy endorsed by top management, and a Gender Equality Committee has been established to provide support and guidance to individuals facing harassment, mobbing, or discrimination. The Committee's responsibilities include collecting complaints, informing individuals about their rights, evaluating cases, proposing solutions, and coordinating with those responsible for workplace safety. Additionally, the Committee develops a strategic plan with measurable objectives for each relevant area, which is shared with Management and updated periodically. This plan encompasses recruitment, career management, pay equity, parenting and caregiving, and work-life balance.

Being among the first retail companies to obtain this certification, PRG Retail Group stands out as one of the Italian companies most committed to Goal 5 of the 2030 Agenda and Mission 5 of the PNRR, which emphasizes the empowerment of women and girls.

2.2.2 Talent development

The provision of training for employees is a significant component of PRG's human resources development activities. The continuous improvement and updating of employees' skills is a critical component in allowing PRG to maintain its competitive advantage.

In fact, a comparison between the HR representatives of the companies revealed common difficulties in recruiting professional figures, such as: Store Manager, Area Manager and Network Figures. To overcome this problem, PRG, together with other organizations, has launched the **Confimprese Academy**, 1st higher technical Institute Retail in Italy.

This important initiative is part of the broader effort promoted by Confimprese to develop innovative business models focused on sustainability in the retail sector. Confimprese member companies, including the PRG Group, are committed to adopting increasingly sustainable practices, in a true revolution in the retail world. This change is the subject of the **Confimprese Manifesto for Sustainability in Retail**⁴, which consists of **ten key points**:



1. People working with member companies are ambassadors of Confimprese's responsible commitment;
2. Creating safe, healthy and inclusive work environment;
3. Working with our partners to have sustainable supply chains;
4. Investing in the development of more efficient logistics;
5. Seeking solutions to minimise packaging;
6. Take measures to reduce the impact of retail outlets on the environment and climate;
7. Offering goods and services in line with megatrends;
8. Listening to and protecting our customers;
9. Collaborating with the local community in which we operate;
10. Creating value through collaboration with the third sector.

The Confimprese Academy project aims to create a qualified and professionalizing course of study that prepares young women and men to work in the Retail sector. At the end of the course of study, the students are ready to become apprentices in the various realities part of the network.

4. For more information, please visit https://www.confimprese.it/wp-content/uploads/2023/04/Manifesto-Confimprese-per-la-Sostenibilita%CC%80_2024.pdf

2.2.3 Close to our families: work-life balance and employee well-being at PRG

In 2024, PRG signed the *Code of Conduct for Responsible Companies in Support of Maternity*, promoted by the Italian Ministry for Family, Birth, and Equal Opportunities.

This commitment reinforces the Group's dedication to supporting employees with children and expectant mothers through policies that promote a balanced approach to work, personal life, and childcare.

Among the initiatives aligned with PRG's commitment to work-life balance and responsible growth is the **Parental Skills at Work** training program, launched in 2020. The project is based on the idea that the skills developed through parenting - such as empathy, communication, conflict resolution, and adaptability - are highly transferable and valuable in professional contexts.

Developed in collaboration with the University of Lugano (USI) and the **Marco Vigorelli Foundation**, the program aims to recognize and enhance these competencies, helping participants apply them effectively both at home and in the workplace. In 2024, PRG organized a series of digital learning sessions led by academic experts, including Professor Lorenzo Cantoni, to explore the practical application of these skills in building trust-based relationships and improving team dynamics.

The course is structured into thematic modules that evolve over time, covering areas such as:

- Communication and empathy;
- Conflict and stress management;
- Creativity and change management;



9,000
enrolled



+27
year on year



75%
of users complete
the courses

- Digital skills and literacy;
- The role of play in learning and development;
- Networking and collaboration.

Each module includes **three sections**: an introduction by one or more academic experts (accompanied by a short bio), in-depth video lessons and reading materials, and a closing section featuring video testimonials from parents and professionals who share their real-life experiences. At the end of each module, participants complete a self-assessment test, which is required to obtain a certificate of participation.

Initially reserved for **VIP Card holders**, the program was extended in 2024 to all **Prénatal customers**, reflecting PRG's desire to make this valuable resource more widely accessible and to promote a culture that values caregiving as a source of strength and growth.

Moreover, as part of its broader commitment to supporting families, PRG has also partnered with **Elty**, a provider of **pediatric telemedicine services**. Since 2024, this service has been made available to members of the Prénatal loyalty program, offering parents quick and qualified access to pediatric consultations directly from home. The initiative, which is expected to be renewed also for 2025, reflects PRG's ongoing effort to combine innovation and care, making everyday parenting more manageable and supported through digital health solutions.

Did you know?

Healthy Eating Initiatives

PRG Retail Group Spain and PRG Retail Group Portugal are committed to promoting the well-being of its employees through healthy eating initiatives. At their headquarters, they provide healthy snacks to encourage better dietary choices among their staff.



Remote Work Policy

Since November 15, 2023, PRG Retail Group Spain and PRG Retail Group Portugal have implemented a remote work policy, allowing headquarters employees

to work from home one day a week. This initiative not only supports work-life balance but also contributes to sustainability efforts.

Work-Life Balance Policy

PRG Retail Group Spain and PRG Retail Group Portugal have always prioritized work-life balance, implementing several measures in collaboration with workers' legal representatives. Key initiatives include up to four months of paid leave for employees undergoing international adoption, paid leave for assisted procreation treatments, and flexible working hours. Additionally, fathers can negotiate their working hours during the eight weeks following paternity leave, and priority is given to geographical mobility for parents in custody arrangements. Unpaid or recoverable leave is also available for employees needing to care for children under 15 or dependents.

Environmental Impact

By adopting remote work, PRG Retail Group Spain and PRG Retail Group Portugal have significantly reduced their carbon footprint. In 2024, they anticipate saving approximately 23.06 tons⁵ of CO₂ emissions per year.

5. This reduction is calculated based on 70 employees commuting 48 weeks a year, with an average round-trip distance of 48 km and emissions of 143 grams of CO₂ per kilometer.

SAFE AND SUSTAINABLE PRODUCTS



3. SAFE AND SUSTAINABLE PRODUCTS

3.1 Products' sustainability

The products represent the hallmark of the PRG brands and, as such, reflect the sustainability principles adopted by the Group.

PRG offers a wide and complete range of items on the market and, recognizing the urgency of significantly reducing its impacts, is currently embarking on an ambitious path of revision of the materials, processes, packaging and life cycle of private label products.

To provide a clear and detailed view of what "Safe and Sustainable Products" means for PRG, the section has been divided into four parts, each of which focuses on different dimensions that characterizes PRG products: the first of these focuses on Health and Safety of the products, the second on Sustainable Raw Materials for Toys and Textile, a focus on Packaging, and a final section on Product End of Life.

The topic of "safe and sustainable products" can be introduced with an overview of the main certifications obtained by the Group, which attest to its commitment to environmental sustainability and the attention paid to its products. The main certifications are:



Better Cotton is the world's leading sustainability initiative for cotton.



The **GRS** is an international, voluntary, full product standard that sets requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions.



OEKO-TEX® STANDARD 100 is a label for textiles tested for harmful substances. It sets the benchmark for textile safety, from yarn to finished product. Every item bearing the STANDARD 100 label is certified as having passed safety tests for the presence of harmful substances.



The Forest Stewardship Council (FSC) certification is an international certification system for forests and forest products that aims to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

3.1.1 Safe products

PRG's commitment to product safety is manifested through its high standards and certifications.



The reconfirmation of the Global Recycled Standard (GRS) certification in 2024 demonstrates the Group's continued engagement in responsible and sustainable practices. This prestigious certification highlights PRG's commitment to sustainable practices, verifying recycled content in products and ensuring socially, environmentally and chemically responsible practices throughout the production process. GRS certification is designed specifically to meet stringent criteria, which include **material traceability, the use of recycled inputs, and compliance with strict environmental and social standards throughout the supply chain**. PRG is focused on expanding its range of GRS-certified products, highlighting the company's drive towards a circular economy and reducing the ecological footprint of its offering.

In addition to the GRS certification, PRG has been compliant with the STANDARD 100 by OEKO-TEX® since 2021. This certification, particularly the Class I designation for items intended for newborns and young children up to the age of 3, is part of PRG's Prenatal brand's initiative to ensure that **textiles are free from harmful substances**.



Every team in charge of PRG's private label products and sourcing is dedicated to gradually improving the sustainability of raw materials, choosing options that have limited social and environmental impact. When manufacturing these materials, it is crucial to consider various aspects, such as water and energy consumption, chemical use and greenhouse gas (GHG) emissions, all within large supply chains where it is crucial to protect workers' rights and ensure health and safety standards. In the following sections, the sustainability initiatives currently implemented by the various Business Units will be examined in detail.

Toys

Toys are a pillar in the 'Safe and suitable products' strategy. In 2024 the Toys product team has continued its work on offering products made with more sustainable materials. In particular, the Wood'N Play collection, the Baby Smile line, and AmiPlush represent the key sustainability principles that PRG is committed to.

Wood'N Play is PRG's toy collection that focuses specifically on the sustainable qualities of wood. Launched by the Group in 2020, this line is made up of 100% products made from **FSC** (Forest Stewardship Council) certified wood. With a wide range of almost 80 products, it is available in all countries where the Group is active. PRG has chosen to adopt the FSC label because this certification scheme ensures that materials come from responsibly managed sources, following ten globally applicable principles that address the fundamental aspects of sustainable forest management. Achieving third-party certification was key to demonstrating a clear commitment to PRG's customers.

As a testament to PRG's commitment, FSC certification has also been extended to packaging in the Wood'N Play line and to other product lines (e.g., Love Bebè, Miss Fashion, etc.), with the aim of converting all paper and paper-derived products and packaging into FSC-certified materials.

It is important to highlight that while sustainability is at the core of this collection, innovation and tradition also play a key role. In Wood'N Play toys which innovation is manifested through the use of sustainable materials, certified by FSC, the main body for the management of forest resources. However, tradition has had a significant impact on the conception, production and marketing of the Wood'N Play line, as wood is the material of the classic games that have accompanied the childhood of parents and grandparents over the generations.



The Wood'N Play collection is designed to stimulate young children on several dimensions, such as musicality, manual dexterity, movement and hand-eye coordination. Furthermore, the toys ignite children's imagination and creativity, curiosity and the pleasure of discovery.

The Wood'N play collection includes educational, role play and construction games.

The initiative has achieved international success thanks to several factors, including the unique design of the products and the particular attention to the sustainability of materials and packaging.

Customers, who are the real judges of the value of the project, expressed strong satisfaction, as more and more people are unwilling to compromise on product safety and the quality of raw materials and packaging. They found the added value they were looking for in the Wood'N Play line. Given the success of the collection, PRG strives to add new items every year to offer a wide range of themes. In 2024, together with the STANDARD 100 by OEKO-TEX® certified products, the FSC-certified Wood'N Play line represents about 10% of the Group's private label portfolio.

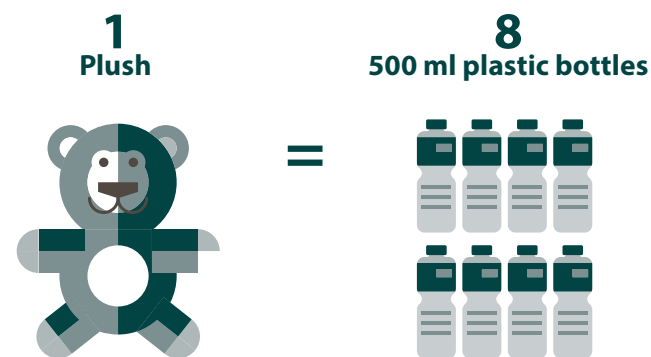
Another toy line that represents PRG's approach to sustainability are the "**Soft Toys**" of the Baby Smile line. In detail, this line has been developed with a gender neutral approach, both in the development of the characters and in the choice of colors.

The products, made from at least 50% recycled material and GRS certified, are made with a variety of fabrics that stimulate children's curiosity and offer different sensations to the touch. Each character features a unique combination of colors and textures. The line's packaging has been designed to be eco-friendly, using FSC-certified paper and without plastic closures. In 2024, PRG is considering increasing the percentage of soft toys made from recycled polyester fiber.

The Ami plush line is also part of PRG's **GRS-certified product range**. Its **distinctive feature** lies in the fact that the products are generated from recycled plastic bottles. For the production of one item, an average of eight 500 ml plastic bottles are used, through a process of collecting the bottles, turning them into pellets, melting them into yarn to create the fibers and the fabric of the plush toys.



This line also has a reduced environmental impact because, in addition to using recycled plastic bottles, large quantities of plastic beans are reused without consuming virgin raw material. Moreover, no plastic eyes are utilised, but embroidery is preferred, such as the use of recycled raw materials for packaging. The use of recycled raw material for packaging is also preferred.



Textile

Beginning in 2021, the Prénatal product team has concentrated its efforts on identifying substitutes for traditional synthetic fibers, which are known for their significant energy consumption and greenhouse gas emissions during the manufacturing process.



Cotton is currently a very important resource for PRG, in fact between 70% and 80% of our production is linked to cotton. Since 2021 PRG has put in place an internal system to calculate and monitor the amount of cotton purchased and has been engaging with its textile suppliers. In February 2022, PRG Group became a member of **Better Cotton**, the world's leading cotton sustainability program managed by a prominent global non-profit organization. PRG is committed to sourcing 80% of our cotton as Better Cotton by 2025. Presently, PRG sources 70% of our cotton as Better Cotton.



>70%
Better Cotton
textiles

Moreover, using recycled polyester allows to "give new life" to materials that eventually become waste. Therefore, Prénatal launched a line of jackets made with post-consumer recycled polyester. In season fall-winter 23 and spring-summer 24, 25% of the jackets and waistcoats were manufactured with post-consumer recycled polyester.

Did you know?

Better Cotton's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. Through its implementing partners, Better Cotton trains farmers to use water efficiently, care for soil health and natural habitats, reduce use of the most harmful chemicals and respect workers' rights and wellbeing. In 2019-2020, Better Cotton licensed over 2.4 million farmers from 23 countries on five continents. Recognizing cotton as a key material in terms of volume, PRG partners with Better Cotton to improve cotton farming globally. Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products, however, Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source.'

3.1.2 Packaging

Another aspect of “Safe and sustainable products” is packaging. The comprehensive strategy for creating eco-friendly products must also consider the packaging aspect. This is addressed in the 'Guidelines for Better Packaging' established in 2021, which focus on the conscientious handling of packaging materials."

The guidelines aim to guide PRG's product, marketing and merchandising teams towards packaging design with a lower environmental impact, while maintaining the key function of packaging, which is to protect the product and communicate its characteristics. The guidelines specify that packaging is considered low-impact when it is:

compact and of the **correct size** for the product to avoid wasting unnecessary material and to reduce the impact of transport;

recyclable, so preference should be given to mono-material packaging, or easy to separate if made of different materials, made of highly recyclable materials;

reusable for the same or different uses from the one it was designed for; at least partially made of **recycled** materials and/or from **sustainable sources** (e.g. FSC).



For private label **toys**, where packaging is of considerable importance, even small improvements can have a significant impact. In recent years, the Toys product team has focused its efforts on repackaging and choosing materials that are less harmful to the environment. Whenever possible, a reduction in the use of plastic in favor of paper and cardboard has been promoted. These efforts have led to an increase in packaging made from non-plasticized paper and board, with **nearly half** (48%) coming from certified sustainable or recycled materials. The use of plastic in packaging has been minimized, with 25% of the plastic used coming from recycled materials. In addition, the product team is exploring innovative packaging solutions, such as design where the product itself serves as packaging, integrating packaging into the gaming experience, or designing packaging intended for reuse.

As part of its commitment to more sustainable packaging solutions, PRG, through the Bimbostore and Toys Center brands, has launched a project aimed at promoting a message of environmental change, with a focus on children's education and involvement. This generation, already oriented towards respecting the environment through its daily actions, represents the heart of a bold and dynamic movement against climate challenges. In a context where many companies are adopting sustainable practices for their products and services, PRG stands out for its sense of responsibility, communicating to the world its deep commitment to social and environmental issues.

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In 2023, PRG launched an innovative initiative: the creation of a line of eco-sustainable shopping bags, designed to start a communication path that would enhance an important social asset, art. From this vision was born the "**TeeLent Art**" contest, which transformed the "**Eco Shopper**" product into an authentic communication project.



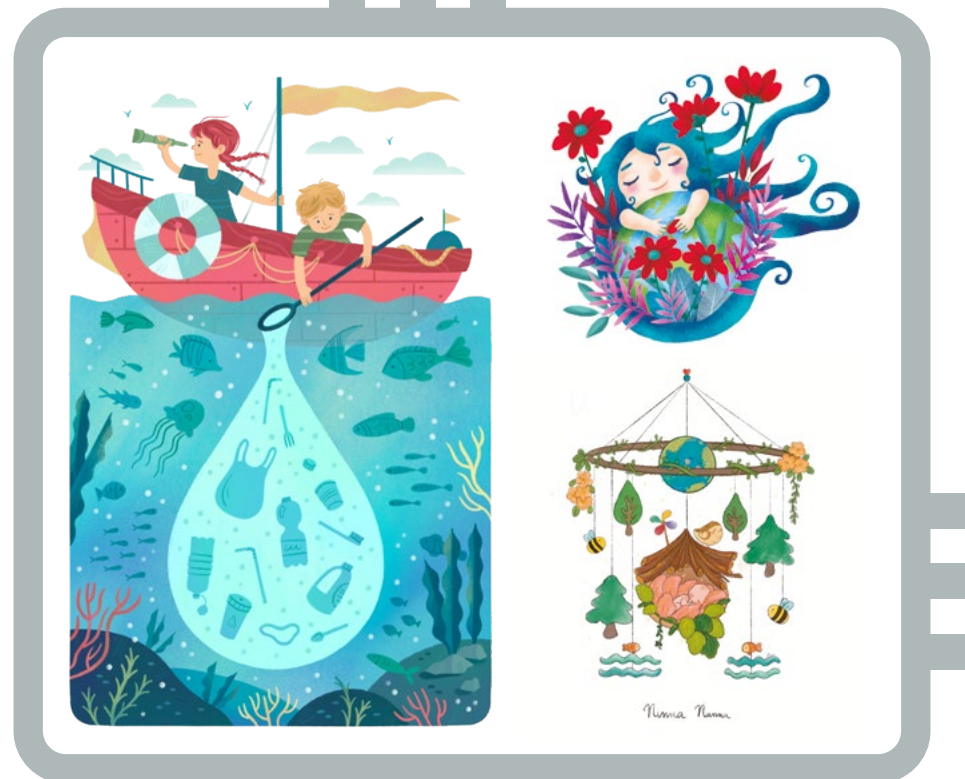
1,100,000
impressions



250
projects from
25 different
countries



20
finalists
3
final winners



The central message of the competition was "**Make it a better place**", an invitation to reflect on fundamental themes such as love, respect and care for our planet.

The initiative was a great success, generating 1.1 million impressions and attracting the attention of 1,720 participants, with 250 projects from 25 different countries being submitted. From the wide selection of entries, 20 finalists were chosen, with the winners earning the opportunity to see their works printed on shopping bags.

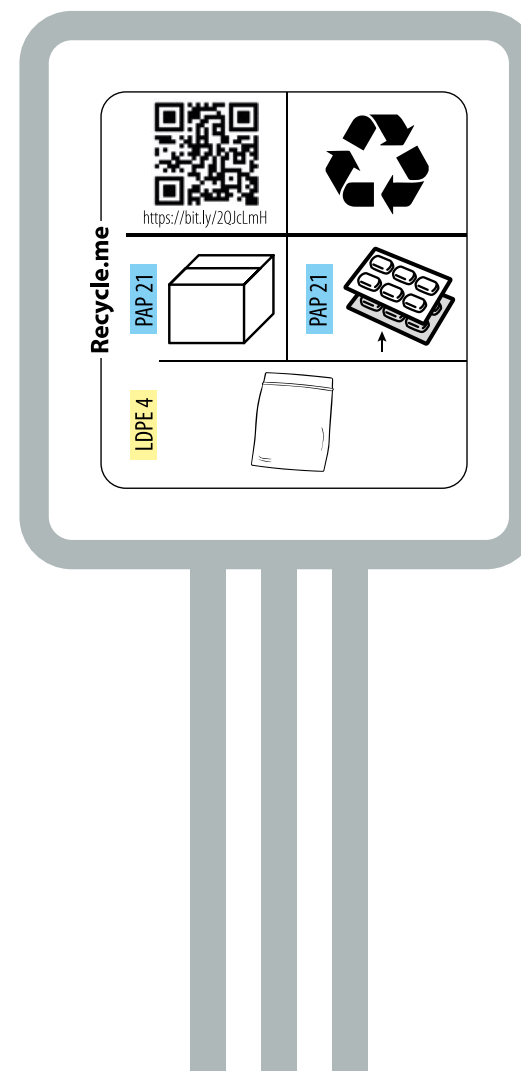
In 2024, the winners had finally been selected, and their works had been printed on the green bags, now available in stores. Finally, part of the proceeds from the shopping bags was donated to support Treedom, a gesture that further amplifies the Group's message of concrete and transparent environmental commitment, all accompanied by innovative and exciting storytelling.

In the case of textiles, packaging has been reduced to a minimum by almost completely eliminating boxes, as items are sold on coat hangers which are then reused at the point of sale.

The Group is also increasing the percentage of FSC-certified and/or recycled paper and introducing increasing percentages of recycled plastic in protective plastic bags.

The last aspect that needs to be addressed is the project related to the **environmental labelling**. Already in 2021 PRG changed all packaging labels in order to be compliant with the new labelling regulations for packaging, which came into force in 2022. PRG revised the labels to show the composition of the packaging, as well as how the packaging should be disposed of. The process also involved the creation of a website, '**Recycle.me**', to which the QR code on the labels directs. The website is a consumer guide explaining in a concise but comprehensive way how to handle the return of packaging material, answering questions such as 'What is it made of? Where do I dispose of it? What are the different parts of the packaging?'. The site also contains information on label logos (e.g. Triman, Green Dot), as well as some general tips for responsible handling of packaging material.

During the year 2024, PRG Retail Group decided to launch a new initiative called **Grow Green**. This initiative was conceived with the intention of promoting conscious and sustainable consumption, encouraging consumers to reflect on their purchasing choices. At the heart of this initiative is the **Green Score**, an evaluation system designed to assist consumers in understanding some crucial aspects of the environmental impact of each product they intend to buy.



FOCUS ON

In Toys Center stores, toys will be easily identifiable thanks to this new indicator, which offers clear and transparent guidance for all those who wish to make more respectful choices towards the planet and future generations. The goal is to raise awareness among customers about the importance of opting for products that are made responsibly.

The Green Score evaluates toys based on three main criteria, each of which plays a key role in the overall evaluation of the product:

Materials: Up to 5 points can be awarded, with a focus on the use of sustainable and/or recycled materials.

Packaging: Up to 3 points can be earned based on the use of reduced, recycled or reusable packaging. This is crucial, as a reduction in the impact of packaging can have a significant effect on the amount of waste generated.

Origin: Up to 2 points can be awarded, with a focus on products manufactured in Europe. This criterion is important because local production tends to limit transport-related emissions, thus contributing to a reduction in the overall environmental impact.

Each product receives a score ranging from 0 to 5, calculated by adding the results obtained for each criterion. Toys that achieve a score of 4 or higher are marked with the Green Score label, easily recognizable on the shelves of Toys Center stores and also on online sales platforms. The label aims to offer clearer and more accessible information on several key aspects of the environmental impact of the products in the assortment, reflecting PRG Retail Group's commitment to transparency and to a greener, more responsible future.

"With Grow Green we wanted to give a concrete response to the growing demand for sustainable products, especially from families and the younger generations, for whom environmental protection is an essential value. The Green Score was created to offer an easy-to-read evaluation tool that allows our customers to make informed choices, oriented towards toys that comply with environmental criteria, from materials to origin. This indicator, while not replacing a complete analysis of the life cycle of products, simplifies and makes accessible key information on the sustainability of some production aspects. Our goal goes beyond the quality of the products: we want to drive a cultural change, starting from the toy sector, demonstrating that even small purchasing choices can contribute positively. Aware of being a leader in the distribution of this category, we want to be a point of reference for those who choose carefully, promoting education in sustainability from the earliest years of life". Claudio Riccardi, **Quality and CSR Director of PRG Retail Group**, comments.

For more information on the initiative, please refer to the following link:
[Green Score - Toys Center](#)



3.1.3 Product end of life

The "Safe and sustainable" proposition would be incomplete without a focus on the end-of-life of products. This could be considered a secondary aspect, when in fact it is of great importance given that most of the products and materials do not have a second life - often ending up in landfills, incinerators, or worse, discarded into the environment.

PRG has a clear understanding of how proper waste management is a key aspect in ensuring an end-of-life of products with reduced environmental impact, preserving natural resources and mitigating negative effects on the ecosystem. In this sense, the collaboration with **Erion**, Italy's largest Extended Producer Responsibility system for the management of waste associated with electronic products, was born and has been consolidated over time.

The environmental benefits of proper treatment of Household WEEE



803,538 kWh

equal to the electricity consumption of

296 families
in a year



141 t CO_{2eq}

equal to the emissions produced by

19 car laps
around the equator



78 t of recycled materials

equal to the weight of

12 Iron Pillar of Delhi



In 2024, this collaboration made possible to responsibly manage as much as 86.980 kg of WEEE waste, as well as 5.674 kg of waste batteries and accumulators from laptops. The responsible treatment of WEEE and battery and accumulator waste has resulted in several environmental benefits, including significant savings in terms of electricity consumption, GHG emissions and recycled materials.

The environmental benefits of proper treatment of portable Waste Batteries



44,998 kWh

equal to the energy
required by

899
electric vehicles
for their full charge



3,166 t CO_{2eq}

equal to the
emissions produced
by

314
F1 car laps
around the Monza
circuit



3,951 kg
of recycled
materials

equal to the weight of

394
car rims



Did you know?

In 2023, Prenatal took a significant step in its sustainability journey by introducing mannequins crafted from recycled materials across its retail locations. The creation of 850 such mannequins prevented the release of approximately 3 tons of CO₂, showcasing Prenatal's dedication to reducing its carbon footprint. This initiative continued to develop in 2024, highlighting Prenatal's determination to maintain its focus on sustainability and to implement additional green strategies in its operations. In 2024, CO₂ savings are also in line with those of 2023.

A substantial portion of the CO₂ savings, over 40%, was achieved by repurposing waste hangers previously utilized by the company. These mannequins were thoughtfully designed with environmental considerations at the forefront: they are not only free of paint but also composed of 60% recycled content and are fully recyclable after their lifecycle. Thanks to this initiative, it was possible to achieve a significant reduction of 20% in production costs. Not only does this result represent an economic benefit for the company, but it also demonstrates how adopting sustainable practices can help improve operational efficiency. This initiative is a testament to Prenatal's commitment to sustainable business operations and the ongoing enhancement of its environmental strategies.



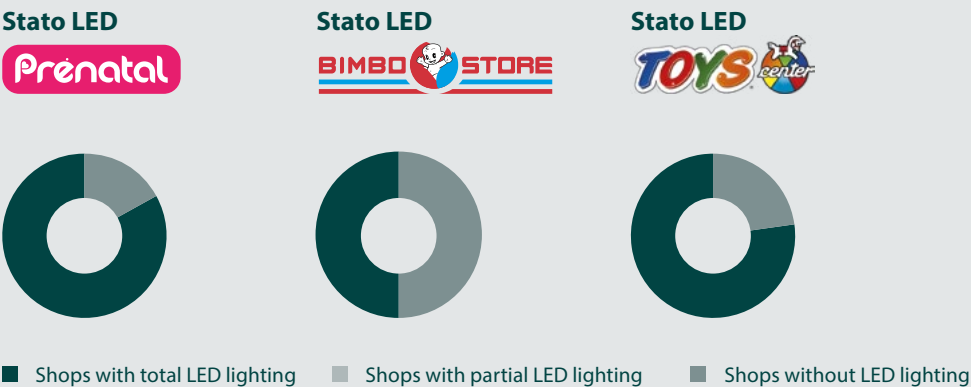
Did you know?

During 2024, PRG launched an important initiative in numerous Prénatal, Bimbostore and Toys Center brand stores. This initiative focused on the **relamping** of several stores, with the aim of replacing traditional light bulbs with LED bulbs, which are more durable and energy efficient. This change not only improves the lighting of the spaces, making them more welcoming for customers, but also contributes to a significant reduction in energy consumption, aligning with PRG's commitment to more sustainable practices.

Throughout 2024, PRG decided to invest in this initiative, recognizing the importance of adopting more sustainable and responsible practices within its stores. This investment not only reflects the company's commitment to environmental sustainability but also represents a strategy to improve customer experience and optimize operational efficiency. In June, an in-depth analysis of the situation was conducted across the brands involved, allowing us to collect valuable data and information on the progress made so far. The percentage of LED bulbs at the stores was:



After the implementation of the interventions, it is possible to notice a significant increase in the percentage of LED bulbs installed in stores. This change not only highlights the effectiveness of the measures taken but also represents a clear demonstration of PRG's commitment and investments made to promote more sustainable and responsible practices.



The **relamping** operations also involved the stores located in the Iberian Peninsula, a strategic area for the activities of **PRG Retail Group Spain**. In particular, the company has undertaken an important initiative aimed at replacing obsolete bulbs with the latest generation LED bulbs. These new bulbs not only offer superior illumination, but are also characterized by high energy efficiency, thus contributing to a significant reduction in electricity consumption. In parallel with this relamping activity, two other complementary initiatives have been launched. Store signs have been updated, replacing traditional neon lamps with modern **LED lamps**, which provide better visibility and reduced environmental impact. In addition, **LED screens** were installed inside and outside the stores, used to effectively communicate promotional activities and special offers.

These strategic changes have not only improved the aesthetics and functionality of the stores but have also made it possible to significantly reduce the production of paper materials.

3.2 Our contribution to the fight against climate change

Strategy for cutting GHG emissions

PRG is conscious of the impacts on the environment, people and economy generated by its operations and more significantly along its value chain.

While the environmental impact from retailing activities is primarily due to energy usage and logistics, the Group is engaged in constantly monitoring its energy consumption and its suppliers' compliance to the best environmental standards, in order to establish strong partnerships that can lead to improved efficiency and reduced environmental impacts.

In line with the path recommended by the most widely adopted standards for carbon neutrality, the Group is committed to abating its GHG emissions, through a three-level strategy including energy saving initiatives, the purchase of energy from renewable sources and carbon offsetting for that part of operations still not decarbonized.

Three levers for Group's carbon neutrality



**Energy efficiency
initiatives**



**Electricity
from renewable
sources**



**Carbon
offsetting
projects**

PRG's commitment to an efficient use of energy sources is primarily testified by the constant effort to reduce energy consumption through, for instance, **re-lamping interventions**, such as the gradual replacement of old lighting installations with new LED lights and the revamping initiatives for the **replacement of old air-conditioning systems** with new systems in existing shops and installation of state-of-the-art air-conditioning systems in new shops.

In 2024, the Group purchased the entirety of Prenatal's energy from the **Guarantees of Origin (GO)** to cover electricity consumption, and the **photovoltaic module** installed on the roof of some stores continued to operate throughout 2024. From 2020 on the Group decided to purchase carbon credits in order to offset its overall GHG Scope 1 and Scope 2 on the activities falling within the reporting perimeter. In fact, as a complement to PRG Group's initiatives to manage and reduce its absolute greenhouse gas ("GHG") emissions, the Company has since (2020) purchased carbon credits to neutralise ("offset") its residual Scopes 1 and 2 operational emissions. The Company's primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, PRG also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the removal of one ton of CO₂ equivalent (CO₂e), the Company can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its residual emissions.

From the outset, the two projects from which PRG has purchased carbon credits are the “Great Bear Forest Carbon” and the “Guatemalan Conservation Coast” projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

Great Bear Forest Carbon project⁴, Canada

The Great Bear Rainforest is one of the world’s largest remaining, intact rainforests. Stretching across 6.4 million hectares on British Columbia’s northern coast, it contributes to carbon absorption on a massive scale. This landscape is home to diverse wildlife, including the rare Spirit Bear. First Nations communities have protected and cared for this rainforest for over 14,000 years.

The Great Bear Forest Carbon Projects protect the ecological and cultural integrity of the Great Bear Rainforest and Haida Gwaii. Revenue from these projects funds vital initiatives such as forestry planning, marine and biodiversity management, and investment in sustainable industries – including renewable energy, tourism, shellfish aquaculture, and non-timber forest products. By purchasing carbon offsets from the Great Bear Forest Carbon Projects, buyers contribute to a globally recognized conservation effort that safeguards ancient forests, upholds Indigenous rights, and supports resilient communities.

Guatemalan Conservation Coast project⁵, Central America

The Guatemalan Conservation Coast programme works to address the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of 30 threatened tree species including the Baird’s tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 487 jobs for indigenous and local communities.

Data related to Guatemalan Conservation Coast Project



30
threatened species
protected
including the Baird’s tapir
and West Indian manatee



54,157
hectares of threatened
forest protected
in the Mesoamerican
Biological Corridor



487
jobs for indigenous
and local
communities

4. The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

5. The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra’s Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation.

FOCUS ON NEW SUSTAINABLE MADRID HEADQUARTERS AND THE ACTIVITY

Over the past year, PRG Retail Group Spain has successfully completed the relocation operations, which had been started in 2023, concerning both its headquarters and warehouse located in Madrid.

The new facilities not only offer larger and more functional spaces, but are also characterized by high energy efficiency, thus helping to reduce the company's operating costs and environmental impact. In addition to these significant innovations, PRG Retail Group Spain has undertaken numerous initiatives in the field of sustainability during 2024.

In the context of the new activities undertaken, a significant initiative has been launched to **collect used batteries** in all Toys "R" Us stores. **Alongside this**, a **compactor for cardboard recycling** has been introduced, and is currently in use in both Toys "R" Us and Prenatal stores. In addition, a circulating stock of 7,000 pallets is available, which are reused to optimize the flow of goods to the warehouse and the return of trucks to the logistics center.

The news also concerned the **group's logistics**. In fact, all 16 cars in the fleet now carry an **ECO label**. The environmental benefits of vehicles with this categorization are as follows:

- Reduction of CO2 emissions.
- Lower fossil fuel consumption.
- They reduce noise pollution.
- Reduced carbon footprint.

Additionally, textile products are now jointly transferred to a single point on the logistics platform twice a week. This approach helps to **reduce the environmental impact** through the systematized delivery of goods in a single point and delivery to stores by parcel or truck.



SUPPORTING A RESPONSIBLE VALUE CHAIN



4. SUPPORTING A RESPONSIBLE VALUE CHAIN

PRG's ambition is to grow together with its suppliers, evolving in the journey of sustainability and forging strong partnerships to manage procurement in an increasingly responsible manner⁶.

The Group is well aware that the path initiated some time ago towards sustainability, responsibility, and ethics is complex. Despite that, it is a journey shared by all supply chain stakeholders, who are united in their commitment to these fundamental principles.

4.1 Code of Conduct for suppliers

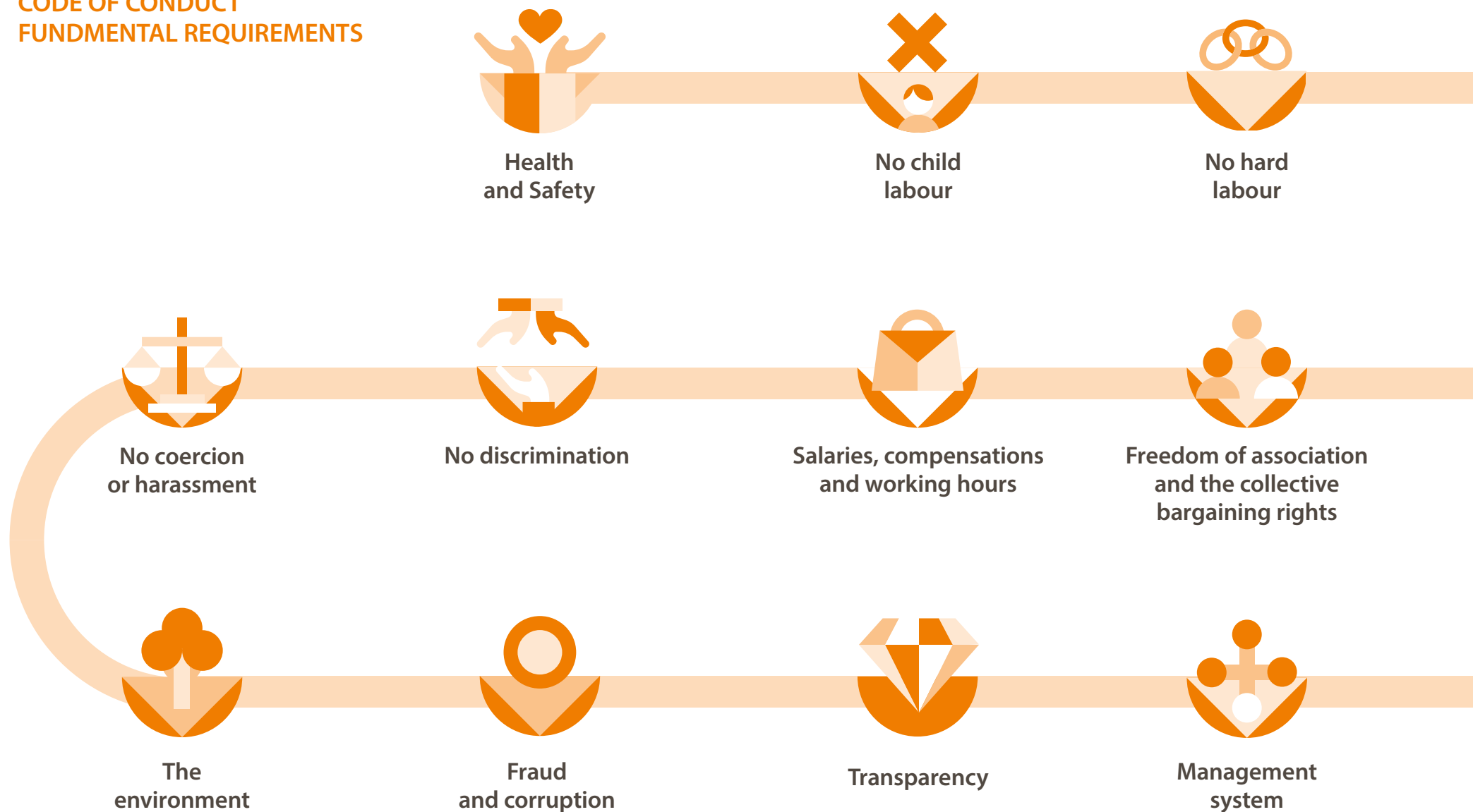
Over 300 partners are involved in the supply of PRG's private label products, most of whom are based in the Far East (China, India, and Bangladesh), Europe, Central Asia, Pakistan and Turkey.

Given the diversity of suppliers and the range of national regulations to which they are subject, the Group established a set of fundamental behavioural requirements that must be communicated to all suppliers, regardless of location, as a necessary condition for developing any business relationship. These standards are stated in the **Code of Conduct for Supplier**, to which all suppliers must conform and which strives to promote and guarantee the fundamental rights of employees, the safety of buildings, and respect for the environment. Within the scope of PRG's private label products supply chain, all new suppliers wishing to enter business relations with the Group are screened using environmental and social criteria. All of the Business Units (toys, textile and childcare) are subject to the PRG Code of Conduct for Supplier, which has been created in accordance with the major internationally acknowledged standards such as the Universal Declaration of Human Rights and the ILO (International Labour Organization) Conventions.

PRG began to work on drafting the first **Environmental Policy**, which would include standards and guidelines for suppliers to follow regarding the environmental impact of production and the sourcing of raw materials.

6. All information, data and figures in this chapter are related exclusively to Prénatal Retail Group S.p.A. and Prénatal S.p.A. except where expressly indicated.

CODE OF CONDUCT FUNDAMENTAL REQUIREMENTS



4.2 Supplier qualification and monitoring procedure

A structured approach was developed by PRG, with inspiration from the Organization for Economic Cooperation and Development (OECD) Due Diligence guidance for Responsible Business Conduct, in order to ensure constant and close monitoring over the entire supply chain and to prevent any potential risk caused by improper conduct of the business partners.

The approach is paramount to combating child labour and forced labour, phenomena that respectively affect 160 million children and 28 million adults globally⁷. In keeping with the preceding process, PRG's supply chain management is divided into the following four connected steps:



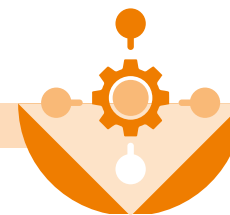
7. International Labour Organization (ILO), *Child Labour – Executive summary - Global estimates 2020, trends and the road forward*, 10 June 2021, available at <https://www.ilo.org/publications/major-publications/child-labour-global-estimates-2020-trends-and-road-forward>, and International Labour Organization (ILO), *Walk Free, International Organization for Migration (IOM), Global Estimates of Modern Slavery - Forced Labour and Forced Marriage – Executive Summary*, 12 September 2022, available at <https://www.ilo.org/publications/major-publications/global-estimates-modern-slavery-forced-labour-and-forced-marriage>.



1. VERIFICATION OF MINIMUM REQUIREMENTS

The process begins by collecting documents related to economic aspects, such as the financial stability and reliability of the supplier. During this phase, the evaluation focuses on factors like the presence of management systems, third-party audits, and valid certifications. Special attention is given to assessing social responsibility systems like SA 8000 or social compliance audits such as BSCI (Business Social Compliance Initiative) by Amfori, SMETA audit by SEDEX, ICTI audit by Ethical Toy Programme, and WRAP certification (Worldwide Responsible Accreditation Production).

If a supplier lacks such an assessment, an additional auditing phase is planned to thoroughly evaluate their compliance with mandatory criteria. This audit may be conducted either by PRG staff or by second-party providers. The responsible teams are currently scheduling audits with suppliers who do not possess a valid assessment to ensure full coverage of social compliance topics. If any non-conformities are identified, the qualification process may be halted unless the supplier commits to resolving them within a reasonable timeframe. Critical non-compliances are typically considered warning signs and indicate a high risk associated with starting a business relationship with the supplier.



2. ONBOARDING

After successfully completing the qualification stage, the onboarding process for suppliers commences. As part of this process, the Group requires suppliers to provide information and documentation regarding their production profile. This includes details such as the number of employees, manufacturing facilities, potential subcontractors, and the specific processes involved. Additionally, suppliers are expected to disclose any relevant certifications or memberships they hold that could be of interest to PRG, such as FSC (Forest Stewardship Council), STANDARD 100 by OEKO-TEX®, GRS, Better Cotton, and others.

Furthermore, all suppliers are required to formally acknowledge and commit to the Code of Conduct for Suppliers. This document serves as a contractual agreement between the supplier and PRG, outlining the expected ethical and responsible business practices. Suppliers must also meet PRG's stringent safety and quality requirements for their products. Failure to adhere to these standards may result in a breach of the supply contract between PRG and the supplier.



3. MONITORING

Each supplier is added to a Supplier Index where all relevant information is tracked, including social compliance audits, prospective environmental efforts (such as ISO 14001, Amfori BEPI, internal environmental audit), and any certifications or initiatives the supplier is a member of. Additionally, the Index takes into account factors like volume produced and supplier turnover to make it simple to identify the major suppliers for the various business units. All internal assessments of suppliers and related items are supported by this data.

In order to make sure the standards and criteria evaluated at entrance are maintained, suppliers undergo regular evaluations through desktop reviews and/or regular on-site inspections conducted by both Group personnel and independent third parties.

Currently, social and ethical issues are primarily monitored. The relationship with PRG must be maintained by resolving any potential non-compliances found during this phase by a certain deadline. A thorough CAP (Corrective Action Plan) with supporting documentation, visuals, and a description of the actions is always required from suppliers, as part of PRG's commitment to closely monitor these non-compliances.

4. FOLLOW-UP AND DATA UPDATE

The Supplier Index is a useful tool for keeping track of the validity of audits or certifications since it indicates when a revised version is needed. The Group asks all suppliers to provide the follow-up social audit report annually depending on their priority and significance in terms of volume and turnover in order to ensure an updated assessment of PRG's supply chain.

In this regard, PRG has the objective of continuing to strengthen the qualification and monitoring system, developing a vendor rating system based on suppliers' social and environmental performance.

FOCUS ON FASHION IN BANGLADESH

In 2024, PRG renewed its commitment to join forces with over 200 fashion companies worldwide, united in creating a safe and healthy working environment within textile factories in Bangladesh.



This bold initiative, the International Accord for Health and Safety in the Textile and Garment Industry was formerly known as the Accord on Fire and Building Safety in Bangladesh. Since September 2021, this accord has represented a ground-breaking alliance between the International Labour Organization (ILO), prominent global retailers, local garment industry leaders, and trade unions, all unified by the common goal of ensuring safety standards in Bangladeshi textile manufacturing factories.

While the primary focus remains on occupational health and safety in Bangladesh, the scope of this agreement aims to extend beyond its borders. Ambitious feasibility studies are presently underway, exploring the possibility of implementing this ground-breaking scheme in other countries.

PRG has embraced its role in this international collaboration, actively engaging with the dedicated team of the International Accord and working closely with the RMG Sustainability Council (RSC) in Bangladesh. Together, PRG and the Council work to carry out meticulous technical inspections and extensive training initiatives.

This united front is dedicated to set up innovative improvement plans which entail regular inspections, the evaluation of the structural integrity of facilities, the enhancement of

fire prevention systems and electrical infrastructure, and the implementation of rigorous training programs covering vital safety procedures and precautions. Most importantly, they empower workers to voice their concerns and actively participate in activities that ensure their own safety. Recognizing the financial challenges some manufacturers face in rectifying non-compliance issues, the accord also offers vital support, providing assistance to those unable to bear the full burden of necessary costs and investments.

PRG remains loyal in their commitment to the International Accord. Furthermore, the Group maintains a steadfast commitment to exclusively partnering with suppliers who demonstrate the implementation of robust safety management systems within their premises. Together, the Group strives to shape a future where the well-being of workers is a non-negotiable condition, both in Bangladesh and beyond.

In 2024, Prenatal took part in a major initiative in Bangladesh: the Employment Injury Scheme (EIS) project. Launched as a pilot program in 2022, this initiative aims to compensate for injuries and families of workers who died in the export-oriented RMG sector due to occupational accidents. As of 1 July 2024, the project has been expanded to include commuting accidents—injuries sustained by workers while traveling to and from work. This expansion is part of the Ministry of Labour and Employment's EIS pilot initiative. After analyzing two years of data from the pilot phase and assessing economic sustainability, the EIS Board of Directors decided to include commuting accidents in the coverage of the EIS GDP. This decision was made to align with the EIS global standards set out in ILO Convention 121. Given the context of Bangladesh, the inclusion of commuting injuries in the EIS Pilot will provide workers with adequate protection, as commuting accidents are often more frequent than workplace accidents in the RMG sector. To ensure effective management, verification and monitoring, the Board has developed and approved a detailed Standard Operating Procedure (SOP). The application process remains the same as for workplace injuries, but additional information must be provided in the factory certificate to distinguish commuting accidents from other road accidents.




Currently, more than 55 brands have joined the EIS-Pilot, covering about 32% of the total export market from Bangladesh. In 2024, Prenatal decided to participate in this initiative and is committed to supporting the project by contributing to its funding.

As a demonstration of its commitment to monitoring its suppliers, PRG has integrated a technical document of a physico-chemical nature entitled "Product safety and quality requirements" into its supplier contracts.

This document is constantly updated to comply with the most stringent legislative updates, such as EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), and the highest industry standards. The handbook sets out specific technical criteria that must be met for each product category, including toys, textiles, durable goods and baby products, ensuring compliance with current regulations and imposing even stricter requirements for textiles.

To ensure adherence to these standards, PRG has implemented a verification process that includes a series of performance, chemical and mechanical tests, conducted regularly both internally and by specialized third party laboratories. In the reporting year, tests carried out for hard goods, toys and textiles amounted to 15,840. These controls are based on a risk analysis that takes into account the different product categories.

These tests are complemented by inspections, which in the reporting year 2024 reached the remarkable number of 10,861.

	 Hard Goods	 Toys	 Textile
Number of Inspections	606	5,273	4,982
Number of Test	105	6,450	9,285

PRG pays great attention to the reports received from consumers and proactively collaborates with the authorities in charge of market surveillance to promptly investigate any batches of products that present suspicions of non-compliance, proceeding with their withdrawal from the market if necessary. In fact, if a product does not reach the expected quality levels, PRG may decide to preemptively remove it from sale, even if it does not explicitly violate any laws. During the period under review, PRG proceeded to remove one item. However, this action was not classified as a formal recall of the product and there were no major incidents among consumers related to that product. As a result, there have been no instances of non-compliance with regulations or voluntary guidelines affecting the health and safety of the products offered.

FOCUS ON PRG RETAIL GROUP SPAIN, S.L.: VALUE CHAIN APPROACH

To maintain high levels of activity and quality, PRG Retail Group Spain, S.L. collaborates with a vast network of suppliers who know the organization and are able to respond to the commitments they have made.

The company's ambition is to establish strategic partnership with suppliers who are able to constantly increase the quality of their work and who have the necessary flexibility to deal with the changes required by the market.

The company manages relationships with most of its suppliers in a centralized and automated manner, which makes it an efficient management where quality processes are guaranteed. In addition, this facilitates the creation of a relationship based on ethical behavior and mutual trust. The supplier selection policy is based on the quality, price, variety and distribution of its products and services and compliance with ethical principles, within the limits established by PRG Retail Group Spain's independence rules.

In this regard, the company promotes suppliers compliance with the applicable regulations on Safety, Health and the Environment. In fact, the framework agreement defined by the Group is used as a general rule in the formalization of contracts with suppliers and contains a clause requiring suppliers to explicitly commit to adhering to all applicable environmental legislation related to the activities covered by the contract.



PRG Retail Group Spain's Code of Conduct establishes a framework of behavioral rules governing the company's interactions with suppliers, producers, manufacturers, and subcontractors.. The main rules are:

Treat your employees with respect and dignity. No employee may be subjected to physical, sexual, psychological, or verbal abuse or harassment;

Recognize and respect the legal rights of free association, unionization and collective bargaining, with the express commitment not to interfere, penalize or limit the legitimate initiatives of its workers;

Comply with local, national or international laws, not tolerating any form of corruption, bribery or extortion.

5. APPENDIX

5.1 Governance

5.1.1. Governance, Policies, compliance, and associations

For PRG responsible management means operating according to high quality standards and managing its business activities responsibly.

To this end, a governance structure based on a system of proxies that report to a Board of Directors and to the Group CEO has been implemented.

The Board comprises **6 members** (2 male executive, 3 male non-executives and 1 female non executive) and it is endowed with the highest responsibility in the achievement of corporate objectives. There are two representatives who is considered internal. Three representatives are appointed by shareholders who do not engage in operational management, while one representative is completely external. The term of office lasts for three years. There are **no conflicts of interest** resulting from overlapping positions. Processes to prevent conflicts of interest comply with current regulations. The competences are the ordinary ones expected of a management body. The Artsana shareholder appoints the highest governing body according to two criteria: **independence** and important **competences** in relation to the organisation's impacts. The Board appoints its chairman and elects the Chief Executive Officer. The chairman of the Board is not a high executive of the organisation.

The Board is not involved in due diligence but evaluates the results. Among its responsibilities, it is in charge of the **final review of the effectiveness of the organisation's processes**. With respect to sustainable development policies, the highest governing body serves a **steering role**. On the other hand, sustainability reporting does not fall directly on the highest governing body. This responsibility has been entrusted to a specific function, the CSR one which reports directly to the Executive Vice President.

One of the responsibilities of the CSR function is to increase the knowledge and capabilities of the highest governing body with regard to sustainable development, and to this end, the head of function organises regular and frequent meetings that are an opportunity for growth and education on sustainable development.

The evaluation of the highest governing body is carried out by the shareholder. The frequency of the evaluation is annual. Consistently, the shareholders' meeting also decides on the remuneration of the board members. Concerning executives, the remuneration is determined by taking into account various factors including market comparison, experience, performance against objectives and available resources. The variable part is earned when a threshold set by the annual budget objectives is reached. The benefits are those foreseen by the category contract plus the company car and supplementary health coverage.

In addition, a Board of 5 **Statutory Auditors** operates in complete independence from the Board of Directors. The Board of Statutory Auditors represents the Group's control body, and it is responsible for overseeing the activities of the directors and for monitoring compliance with the law and the articles of association.

In addition, an essential element of the Group's governance is the **Organizational, Management and Control Model**, in accordance with the requirements of the Italian Legislative Decree no. 231 dated 8 June 2001, approved by the Board of Directors of PRG S.p.A. and continuously updated in order to comply with the latest legal provisions. The Model defines the rules, responsibilities, control measures and mitigation actions to be implemented having identified certain risk areas. An autonomous **Supervisory Board (SB)** has been set up to oversee the management of the Company. The Supervisory Board has the function of overseeing, monitoring, and controlling the requirements of the 231 Model and must be promptly informed of acts, behaviours or events that may lead to a breach of the Model. In this regard, a **whistleblowing procedure** is in place with a guarantee of anonymity, for reports of any wrongdoing. Moreover, PRG S.p.A., in compliance with the regulations on whistleblowing, has set up an additional information channel. In fact, the reports can also be sent to the personal e-mail addresses of the members of the Supervisory Board, which are communicated by the Company to all those concerned. In general, **critical issues** are communicated to the highest governing body in accordance with current regulations. During 2024, 2 whistleblowing reports were received and managed. Indeed, the two reports were carefully handled by the internal committee, which undertook an in-depth process to analyse in detail the circumstances

and implications of each report. This analysis work aimed to verify whether there were valid and justified reasons to proceed with an escalation of the situation, thus ensuring that every aspect was considered with the utmost seriousness and professionalism. In compliance with the Code of Ethics and Model 231, PRG has also adopted a **privacy policy** for the protection of personal data, in compliance with the provisions of EU Regulation 2016/679 General Data Protection Regulation (GDPR).

Conducting business in a responsible manner is a commitment enshrined in the various policy documents adopted by the Group.

Among the main policy documents is the **Corporate Code of Ethics** of the parent company Artsana, which is also binding for the PRG Group as a subsidiary. The second policy document is the **Code of Conduct for suppliers** of private brands of the Group, which was drawn up taking into account the UN Global Compact, as well as the OECD Due Diligence Guidance for Responsible Business Conduct and the International Labour Organisation (ILO) Guidelines. The policy documents envisage the presence of due diligence mechanisms through second- and third-party audits, which are fundamental tools for verifying the conduct of suppliers. In the documents, human rights violations are considered a zero-tolerance area. The Code of Conduct covers the human rights contained in the UN Universal Declaration of Human Rights and the fundamental rights of workers as defined by the ILO. Children and women are the categories of stakeholders that the Group gives particular attention to in the commitment. The commitments made are shared and approved by the CEO to whom the CSR function reports directly. In other words, policy commitments are approved at the most senior level of the organisation.

The policies are currently not available on websites but distributed to stakeholders in a controlled form through electronic acceptance or by signing hard copies that are subsequently digitised.

The Group is aware that negative impacts, whether actual or potential, are necessarily associated with its activities, and it endeavours to remedy these impacts. The Group's approach to remediation of negative impacts is based on the implementation of a **mechanism to identify and address grievances**. All necessary instructions and contacts to seek advice or raise concerns about the organisation's business conduct are in a section of the Code of Conduct for private brand suppliers. The document is also translated into the local language and posted on factory notice boards with an e-mail address for reporting violations.

The Code of Conduct for private brand suppliers of the PRG Group applies to suppliers of private brand products located in non-European countries because they are considered to be at higher risk. For suppliers in the European Union, it is considered that the level of protection provided by European legislation is already adequate and effective. With regard to third-party brand suppliers, our commitment is to source from reasonably responsible and reliable suppliers.

There were **no significant instances of non-compliance** with laws and regulations during the reporting period. Ultimately, no incidents of corruption or significant non-compliance **with regulations and/or voluntary codes** concerning product and service information and labelling during the reporting period.

The Group is a member of and actively participates in the activities of several trade associations, the main ones being **Confcommercio**, **Confimprese** and **Assogiocattoli**.

Among the national or international organisations in which PRG participates are **UNI - Ente Italiano di Normazione**, **Employment Injury Scheme (EIS) project** and **International Accord for Health and Safety in the Textile and Garment Industry**.

5.1.2 Stakeholders

Stakeholders	Tools and channels for engagement and communication
Consumers & Families	<ul style="list-style-type: none"> • Company website/e-commerce • Brochures and catalogues • Customer service and customer care • Email marketing, SMS • Chat and chatbots • Sustainability Report • Assistance at stores • Social media • Shopping experience surveys • Instore communication • Remote personal assistants from stores
Employees	<ul style="list-style-type: none"> • Intranet • Conventions and meetings • Trade unions • Conferences • Benefits • Code of Conduct • Training • Direct communication (e-mail) • Policies • Annual Report • Sustainability Report
Suppliers	<ul style="list-style-type: none"> • Code of Conduct • Sustainability Report • Meetings • Company website • Audit E-mails and communications
Retailers, Trade & Shops	<ul style="list-style-type: none"> • Meetings and events • Conventions • Company website • Brochures and catalogues • Training • Targeted communication • Sustainability Report
Shareholders	<ul style="list-style-type: none"> • Meetings • ESG Questionnaire • Collaborations • Sustainability Report

Stakeholders	Tools and channels for engagement and communication
Regulators, Authorities and Institutions	<ul style="list-style-type: none"> • Round tables • Multi stakeholders Initiatives and projects • Follow-up on request • Sustainability Report
Competitors	<ul style="list-style-type: none"> • Round table • Multi stakeholder initiatives • Company website • Sustainability Report
E-commerce intermediaries	<ul style="list-style-type: none"> • Projects and meetings • Sustainability Report • Shopping assistance
Media	<ul style="list-style-type: none"> • Post in social media • Advertising • Social media interaction • Projects • PR activities • Sustainability Report
Local communities	<ul style="list-style-type: none"> • Projects and events • Sustainability Report • Donations • PR activities
Trade associations	<ul style="list-style-type: none"> • Round tables • Sustainability Report • Meetings and events

5.2 Environment

5.2.1 GHG Inventory 2024

PRG's commitment to an increasingly comprehensive and transparent disclosure is directed to the progressive extension of its greenhouse gas (GHG) inventory, by gradually enlarging the scope of reporting.

As part of this effort, PRG renewed the calculation of its GHG inventory for 2024 and carried out the calculation of Category 3 'Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2'. This category encompasses the emissions associated with the production of fuels and energy purchased and consumed by a company that are not covered in Scope 1 (direct emissions from owned or controlled sources) or Scope 2 (indirect emissions from the generation of purchased energy). It includes the extraction, production, and transportation of fuels and energy, as well as emissions from the generation of purchased electricity, heat, steam, or cooling that do not physically occur at the reporting company's facility. Moreover, the Group is currently defining the methodology for the calculation of additional emission categories.

The management of the points of sale, headquarters and central warehouses and logistics represent the most environmentally impactful activities. These activities

primarily consume electricity for lighting and air conditioning in stores and offices, as well as diesel and natural gas for heating. Additionally, the Group's car fleet uses fuel, including gasoline and diesel. Furthermore, many of the Group's premises in Italy are heated by district heating systems.

The total **energy** consumed by PRG in 2024 amounted to 197,934 GJ, with a net decrease compared to 2023.



ENERGY CONSUMPTION (GJ)	2022	2023	2024
Energy consumption for buildings	308,813	213,141	194,083
of which from electricity	250,840	178,274	160,249
of which from natural gas	52,056	28,305	26,720
of which from diesel	1,901	2,439	2,478
of which from district heating	4,018	4,123	4,637
Energy consumption for car fleet	14,567	4,642	3,851
Total energy consumption	323,382	217,783	197,934



The main energy source is **electricity** drawn from the national grid for lighting and cooling systems, which accounted, in 2024, for 81% of the total energy consumption. In 2024, all Italian companies purchased renewable energy through the Guarantees of Origin (GOO) system, demonstrating a significant commitment to sustainability and the energy transition.

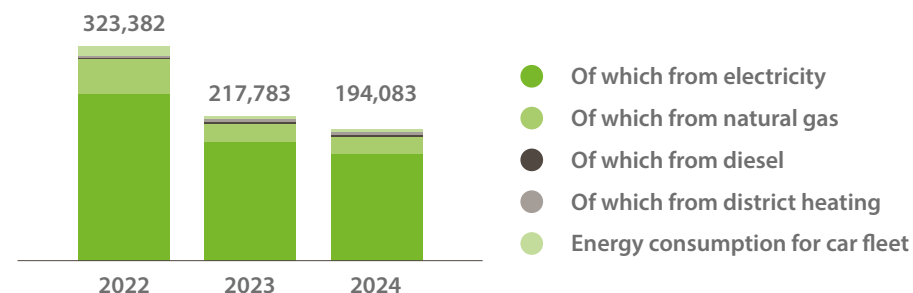


Another relevant source (13%) is **natural gas**, used in many points of sales and offices for boilers and heating systems. For the same use, a limited number of stores also use diesel, which accounted for just over 1% of total consumption. A further equal of about 2% is represented by energy consumed by district heating systems in use in many Italian stores and locations.



Lastly, a further 3% is represented by the consumption of **fuel** (for both diesel and gasoline vehicles) used to power the company's car fleet, which remained stable compared to the previous year. In this regard, the Group is moving towards the gradual introduction of so-called full-hybrid models in the car fleet, as in the case of PRG Spa, in order to contain emissions.

Trend of energy consumption by source (GJ)



In 2024, out of the total of 26,704 tons of CO₂eq of emissions calculated according to the location-based method, a larger share (50%) was generated outside the Group's boundaries, by emissions from home-work commute and by upstream and downstream logistics; emissions associated with the extraction, production, and transportation of fuels and energy and, to a lesser extent, by business travels (*Scope 3*). A significant share (42%) came from electricity consumption in stores, offices and premises (*Scope 2 Location Based*). Lastly, 8% was related to refrigerant gases from air conditioning systems, boiler fuels and the corporate cars fuel (*Scope 1*).

Distribution of PRG's GHG emissions in 2024



PRG GHG EMISSIONS SOURCES

SCOPE 1

Heating and
cooling systems

Car fleet

Refrigerant gases

SCOPE 2

Electricity
District heating

SCOPE 3

Fuel-and Energy-Related
Activities Not Included
in Scope 1 or Scope 2

Upstream
and downstream
logistics

Business travels

Commuting

The GHG Protocol provides guidance for calculating *Scope 3* indirect emissions, encouraging companies to report their emissions along the entire value chain, following the principle of maximum completeness of information. In line with this provision, the Group is committed to progressively expanding the scope of its GHG inventory, in order to provide an increasingly complete disclosure of the GHG emissions related to its value chain. Presently, the Group calculates some of the most relevant categories, specifically upstream and downstream transportation and distribution (categories 4 and 9), business travels (category 6) and emissions from employees' commuting (category 7). As already mentioned, since 2023 PRG began calculating Category 3 of Scope 3: Fuel-and Energy-Related Activities Not Included in Scope 1 or Scope 2.

In view of next reporting years, PRG is committed to calculating the emissions generated by all purchased goods (category 1).

ENERGY CONSUMPTION (GJ)	2022	2023	2024
Scope 1	3,626	2,503	2,102
Scope 2 Location Based	17,511	12,368	11,320
Scope 2 Market Based	23,967	21,375	6,952
Scope 3 – Category 3		4,913	1,865
Scope 3 – Category 4	6,275	4,554	6,507
Scope 3 – Category 6	167	311	291
Scope 3 – Category 7 ⁸	6,581	3,943	4,411
Scope 3 – Category 9	352	264	209
Total S1 + S2 LB + S3	34,512	28,855	26,705
Total S1 + S2 MB + S3	40,968	37,863	22,336

Comparing the current reporting year and the previous one, the total emissions for 2024. The significant reduction in Scope 2 MB emissions is attributable to the increase in the purchase of energy from Guarantees of Origin (GOO) in 2024.

8. The calculation for the category is based on a survey submitted to the following countries: Italy, Spain, Portugal and Greece, investigating the distance travelled every day by the employee to get to the workplace, the means of transportation and the days in smart working.

5.2.2 Water consumption

Water consumption	Unit	2022*	2023**	2024***
Total water consumption for domestic use in offices and shops	m³	131,821	131,373	160,147

* Data for 2022 refer to PRG Retail Group S.p.A., Prénatal S.p.A., Prénatal S.A., PRG Retail Group Spain S.L., Prénatal sociedade unipessoal LDA, PRG Retail Group Portugal LDA, Prénatal A.E.B.E., Prénatal Moeder in kind BV, King Jouet S.a.s., New LTB S.r.l., New MTB S.r.l., New MTF S.a.s., Maxi Toys Luxembourg S.a.s. and Sire S.r.l.

** Data for 2023 refer to the entire group with the exception of the companies that have left the perimeter, such as: Prénatal Moeder en kind and the exit and subsidiaries King Jouet S.a.s., King Jouet Suisse S.a., New MTB S.r.l., New LTB S.r.l., New MTF S.a.s., Maxi Toys Luxembourg S.a.s. Data 2023 do not include Etruria Giochi (Italy), and Nemi srl (Italy).

*** The estimate of water consumption has been made based on the average cost of water per cubic meter. It is important to note that precise data regarding the average cost of water in Portugal is not available, as prices can vary significantly across different regions. Therefore, the average cost applied in Spain has been utilized for the evaluations.

5.2.3 Waste production

Waste production	Unit	2022*		2023**		2024	
Total waste generated	Metric tons	4,764.3	100%	2,111	100%	2,335	100%
<i>Of which sent to recycling/reuse</i>	Metric tons	3,913.6	82.1%	1,938	91.8%	2,183	94%
<i>Of which sent to landfill</i>	Metric tons	850.7	17.9%	171.6	8.2%	152	6%

* Waste produced in Stores, offices and Warehouses. Data refer to PRG Retail Group S.p.A., Prénatal S.p.A., PRG Retail Group Spain S.L., PRG Retail Group Portugal LDA, Prénatal A.E.B.E., Prénatal Moeder in kind BV, King Jouet S.a.s., New LTB S.r.l., New MTB S.r.l., New MTF S.a.s. and Maxi Toys Luxembourg S.a.s. All waste generated refers to packaging (e.g., Cardboards and pallets).

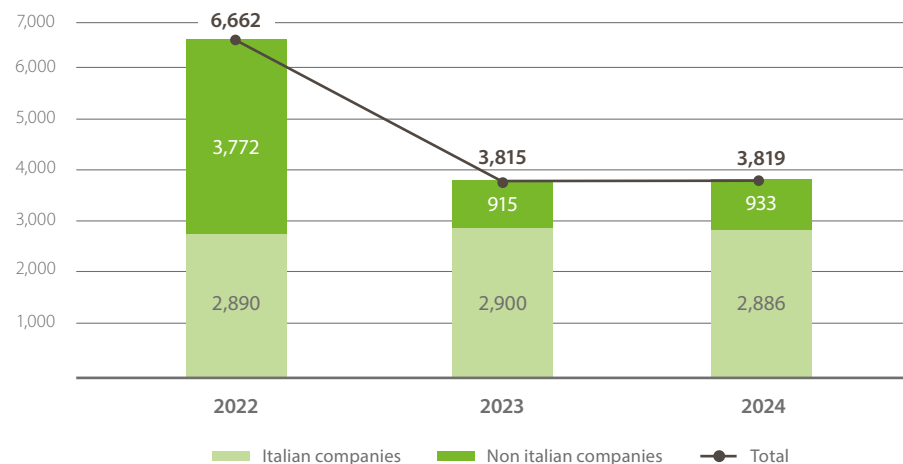
** The decrease in the number compared to 2022 is due to the exit of Prénatal Moeder en kind from the perimeter of the Prénatal Group in December 2023 and the exit of the subsidiaries King Jouet S.a.s., King Jouet Suisse S.a., New MTB S.r.l., New LTB S.r.l., New MTF S.a.s., Maxi Toys Luxembourg S.a.s, which left the Group's perimeter in November 2023. Data 2023 do not include Etruria Giochi (Italy), and Nemi srl (Italy).

5.3 Social

5.3.1 Our employees

The total number of employees at PRG Group at the end of 2024 was 3819; this represents an increase of **0,1%** from 2023 and a decrease of 42.6% from 2022.

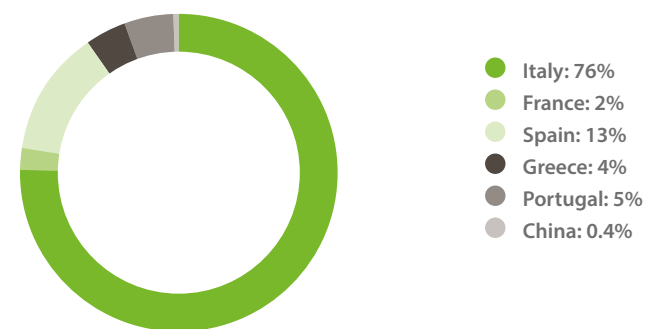
Group Employees



The Group's workforce is distributed across 6 different countries and is employed either directly by PRG Spa or by its several subsidiary businesses. In 2024, the Group's Italian businesses employed around 76% of the total workforce, while the remaining 24% was split between Greece, Spain, Portugal, China and France.

These figures give an idea of the Group's **international outreach**, while **maintaining solid foundations in Italy**.

Employees by region (2024)



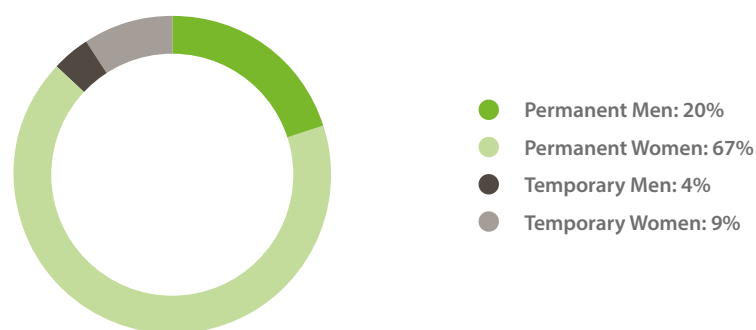
To the total number of employees, a considerable fraction of interns, agency workers must be added (95 and 8). On the other hand, there are no warehouse workers in 2024.

Workers who are not employees (2024)



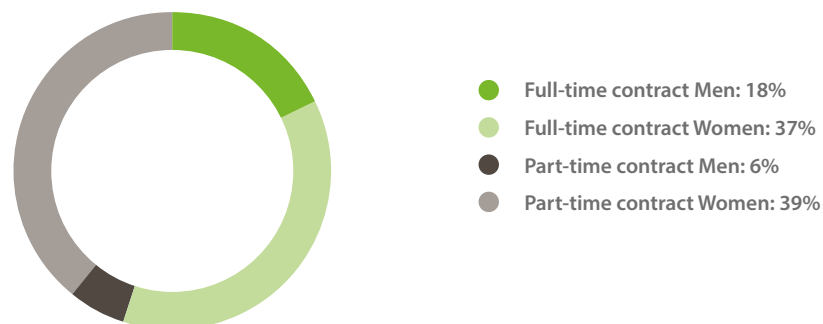
Regardless of age, region and professional category, PRG strives to build **solid and long-lasting relationships** with its employees, as a fundamental element of trust and commitment for a stable growth of the communities where it operates. Temporary contracts primarily concern staff hired during peak periods, in order to meet the need for additional labour that typically arises at certain times of the year, such as Easter and Christmas. **87%** of PRG employees had permanent contracts at the end of 2024.

Employees per type of contract (2024)



In terms of employment type, the majority of employees are **full-time** (55%), but part-time is seen as an important lever for meeting employees' private and family needs and thus ensuring a healthy work-life balance: 45% of the workforce has a **part-time contract**, and almost all of them are women (over 87%). All employees of the PRG Group indicated their gender. No other genders were reported.

Employees per type of employment (2024)



According to National legislations, the relationship with employees may include **collective bargaining agreements**, which cover, on the whole, **93%** of Group's workforce.

Furthermore, for PRG Spa and Prénatal Spa, since 2022 employees enjoy a number of benefits from a framework agreement, the main ones being:

- possibility of smart working for head office staff (with additional concessions for those with children under three);
- solidarity holidays and leave, to support employees who have used up any remaining holidays and leave and who are in health situations requiring care or who are caring for children or parents in need;
- work leave for parents to facilitate the introduction of their children to nursery or pre-school;
- initiatives to combat sexual harassment and violence in the workplace;
- group employees who have become fathers are entitled to two additional paid parental leave days in addition to the national contract in force;
- commitment to 100% supplement sickness and accident compensation by the Group;
- support for an employee with a family member waiting to benefit from the leave granted by Law 104, the Italian framework legislation on disability.

To this framework agreement must be added the measures provided for in the Supplementary Company Agreement, also in force since 2022. It guarantees the possibility of increasing the value of the performance bonus by 30% for all those who have opted for this bonus in welfare mode. Finally, it should be emphasised that, as a further effort by the company to support its employees in a historical period characterised by high inflation and economic uncertainty, the Group has adopted two income support measures, recognising more than €218,000 in total in welfare payments to its employees, as well as increasing the monthly compensation of interns by 30%.

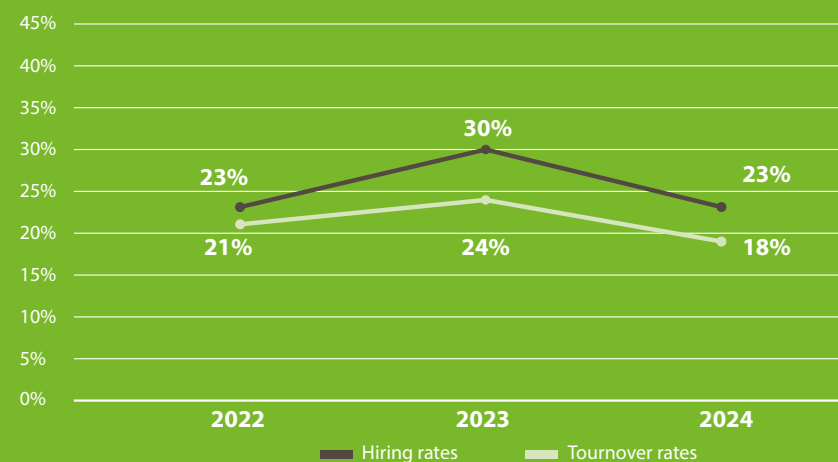
Some of the collective agreements currently in force for each company, such as those covering Italian firms, establish the obligation to inform employees of any significant changes in labor matters, although they do not necessarily specify a minimum notice period.

Hiring and turnover rates fluctuate considerably based on overall trends and sales volumes in stores. In 2024, hiring experienced a slight decline compared to the previous year, with rates of 34% in 2024, 41% in 2023, and 32% in 2022⁹.

The key driver of both hiring and termination rates is the extensive use of temporary resources, which strengthens Group forces in stores to meet strong customer demand during peak season, particularly around Christmas. This becomes evident when analysing hiring and turnover rates excluding seasonal workers. For the sole PRG Spa for instance, 2024 rates are **23%** for hirings and **18%** for terminations.

⁹ Hiring and turnover rates are calculated as the number of hirings and voluntary and non-voluntary terminations respectively per year over the number of total employees at the end of the reporting period.

Hiring and Turnover rates among permanent employees in PRG

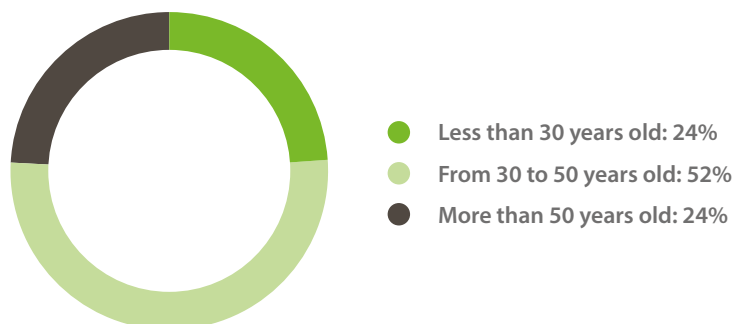


5.3.2 Diversity and inclusion

The Group has a significant degree of diversity in its age range composition because it recognizes the need of having an equal balance of experienced and youthful resources with the appropriate growth potential.

The majority of employees are in the **30-50 age group** (52%). The under-30 age group remained unchanged compared to 2023 (29% in 2022, and 24% in the 2023). The 50-plus age group has remained unchanged compared to 2023 (24%), a higher percentage when considering the 2022 figure (19%).

Employees by age group (2024)



Employees by category (2024)



Concerning the categories of employees, **92%** are **blue collar** and **white-collar workers** (1,081 and 2,774 respectively), with responsibilities in local shops, the first ones mainly as salespersons and shop assistants, the second ones mainly as shop managers. The remaining 7% are **managers** (293) and **executives** (26), of whom 58% and 15% respectively are women. As far as blue collar and white-collar workers are concerned, women represent the majority of employees (75% and 79% respectively).

GRI 2-7 Employees¹⁰

Employees per employee category and gender ¹⁰		2022			2023			2024		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy	Permanent	2,004	615	2,619	1,961	583	2,544	2,034	625	2,659
	Temporary	193	78	271	197	75	272	154	73	227
	Full-time	119	583	702	112	551	663	1,124	574	1,698
	Part-time	1,003	110	1,113	1,038	107	1,145	1,064	124	1,188
	Total	2,197	693	2,890	2,158	658	2,900	2,188	698	2,886
France	Permanent	639	375	1,014	-	-	-	16	15	33
	Temporary	143	103	246	-	-	-	18	12	30
	Full-time	644	437	1,081	-	-	-	26	22	48
	Part-time	137	42	179	-	-	-	10	5	15
	Total	781	479	1,260	-	-	-	34	27	61
Switzerland	Permanent	14	8	22	-	-	-	-	-	-
	Temporary	1	1	2	-	-	-	-	-	-
	Full-time	9	6	15	-	-	-	-	-	-
	Part-time	6	3	9	-	-	-	-	-	-
	Total	15	9	24	-	-	-	-	-	-
The Netherlands	Permanent	289	29	318	-	-	-	-	-	-
	Temporary	318	10	329	-	-	-	-	-	-
	Full-time	52	31	83	-	-	-	-	-	-
	Part-time	555	8	564	-	-	-	-	-	-
	Total	607	40	647	-	-	-	-	-	-

10. Following a refinement of the calculation methodologies, the data related to the years 2022 and 2023 has undergone a modification.

Employees per employee category and gender ¹⁰		2022			2023			2024		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Spain	Permanent	318	90	408	277	80	357	251	63	314
	Temporary	165	56	221	153	61	214	149	40	189
	Full-time	120	65	185	108	61	168	98	44	142
	Part-time	363	81	444	318	84	403	302	59	361
	Total	483	146	629	430	141	571	400	103	503
Greece	Permanent	147	23	170	135	25	160	127	20	147
	Temporary	2	1	3	2	0	2	0	0	0
	Full-time	134	23	157	129	25	154	118	20	138
	Part-time	15	1	16	8	0	8	9	0	9
	Total	149	24	173	137	25	162	127	20	147
Portugal	Permanent	142	48	190	89	31	120	121	43	164
	Temporary	36	15	51	44	18	62	32	11	43
	Full-time	74	37	111	61	25	86	60	29	89
	Part-time	104	26	130	72	24	96	93	25	118
	Total	178	63	241	133	49	182	153	54	207
China	Permanent	-	-	0	10	5	15	5	15	15
	Temporary	-	-	0	0	0	0	0	0	0
	Full-time	-	-	0	10	5	15	5	10	15
	Part-time	-	-	0	0	0	0	0	0	0
	Total	-	-	0	10	5	15	5	10	15

10. Following a refinement of the calculation methodologies, the data related to the years 2022 and 2023 has undergone a modification.

Employees per employee category and gender ¹⁰		2022			2023			2024		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Belgium	Permanent	292	308	600	-	-	-	-	-	-
	Temporary	110	89	198	-	-	-	-	-	-
	Full-time	219	336	555	-	-	-	-	-	-
	Part-time	183	60	243	-	-	-	-	-	-
	Total	402	396	798	-	-	-	-	-	-
PRG Group	Permanent	3,845	1,474	5,171	2,327	694	3,021	2,559	771	3,332
	Temporary	968	352	1,318	394	154	548	353	136	489
	Full-time	1,372	1,495	2,733	281	636	917	1,410	694	2,130
	Part-time	2,366	330	2,682	1,428	216	1,644	1,478	213	1,691
	Total	4,813	1,825	6,662	2,721	848	3,815	2,912	907	3,819

GRI 2-8 Workers who are not employees

Non-employee workers	Unit	2022	2023	2024
Total	n	370	294	103

10. Following a refinement of the calculation methodologies, the data related to the years 2022 and 2023 has undergone a modification.

GRI 401-1 New employee hires and employee turnover¹⁰

Hirings					Terminations				
	Unit	2022	2023	2024		Unit	2022	2023	2024
By gender									
Women	n	1,707	655	848	Women	n	610	2,560	793
Men	n	569	304	305	Men	n	213	1,348	349
By age group									
Less than 30	n	1,494	608	678	Less than 30	n	488	2021	571
From 30 to 50	n	711	304	407	From 30 to 50	n	305	1348	444
More than 50	n	71	47	68	More than 50	n	30	404	127
By region									
China	n	0	–	15	China	n	0	102	0
France	n	747	0	111	France	n	621	1,260	50
Greece	n	111	91	62	Greece	n	112	102	77
Italy	n	855	868	818	Italy	n	727	858	825
Portugal	n	51	0	72	Portugal	n	31	59	47
Spain	n	14	0	75	Spain	n	65	58	143
Netherlands	n	36	0	–	Netherlands	n	89	647	–
Belgium	n	459	0	–	Belgium	n	520	798	–
Switzerland	n	3	0	–	Switzerland	n	5	24	–
Total	n	2,276	959	1,153	Total	n	823	3,908	1,142

10. Following a refinement of the calculation methodologies, the data related to the years 2022 and 2023 has undergone a modification.

Hirings					Terminations				
	Unit	2022	2023	2024		Unit	2022	2023	2024
By gender									
Women	%	24%	28%	25%	Women	%	20%	19%	25%
Men	%	8%	13%	9%	Men	%	7%	10%	11%
By age group									
Less than 30	%	21%	26%	20%	Less than 30	%	16%	15%	18%
From 30 to 50	%	10%	13%	12%	From 30 to 50	%	10%	10%	14%
More than 50	%	1%	2%	2%	More than 50	%	1%	3%	4%
By region									
China	%	0%	0%	0%	China	%	0%	0%	0%
France	%	3%	-	-	France	%	2%	-	-
Greece	%	2%	2%	1%	Greece	%	2%	2%	2%
Italy	%	9%	18%	15%	Italy	%	8%	14%	13%
Portugal	%	5%	9%	6%	Portugal	%	5%	8%	6%
Spain	%	6%	11%	11%	Spain	%	2%	3%	14%
Netherlands	%	5%	-	-	Netherlands	%	6%	-	-
Belgium	%	1%	-	-	Belgium	%	0%	-	-
Switzerland	%	1%	-	-	Switzerland	%	1%	-	-
Total	%	32%	41%	41%	Total	%	27%	28%	36%

GRI 404-1 Average hours of training per year per employee

Average training hours by gender and employee category	Unit	2022	2023	2024
Men	h/employee	7.3	10.2	6.8
Women	h/employee	7.2	8.8	4.8
Executives	h/employee	10.6	4.2	25.2
Managers	h/employee	7.2	8.7	6.2
White collars	h/employee	8.3	7.3	8.1
Blue collars	h/employee	4.7	10.2	6.4

During 2024, the headquarters benefited from 1,740 hours of training, focused on the use of work tools such as PowerPoint and Excel (208 hours), mandatory training (836 hours) and on language learning (696 hours). The training also covered the network with 7,826 hours of mandatory training provided.

5.3.3 Health and safety

PRG has always valued its employees' health and safety as crucial factors. As a result, the Group is constantly committed to ensuring a healthy and safe workplace, launching a number of initiatives aimed at raising internal awareness about these issues.

The Group's entities located in Italy complies with Italian law, and more specifically, with the demands of Legislative Decree 81/2008, with regards to the protection of health and safety at work. As a result, Safety Meetings are routinely held to discuss workplace safety issues. Participants include the Employer or its representative, the Prevention and Protection Service Manager (RSPP, for its acronym in Italian), the occupational physician and also the Human Resources and the Technical Department.

The Group has a formalized health and safety policy that outlines the foundational values of PRG's commitment to these issues. The Policy aims to regulate business operations in accordance with legal requirements for health and safety. It additionally intends to improve the performance of the Group by making all employees more aware of these issues.

Additionally, PRG has voluntarily implemented a **Health & Safety Management System** in order to manage all health and safety-related aspects. This system serves as an essential road map for all employees' actions and behaviours with the aim of reducing unsafe conditions through a continuous improvement approach. The H&S Management System documentation includes the procedure for managing injuries, which states that the Human Resources department is in charge of looking into and reporting any dynamics following an injury, and that in the event of non-compliance, it works with the Technical Department to take corrective action.

In terms of numerical data, the number of work-related accidents to employees amounted to 54, plus 3 accident to a non-employee.

Work-related injuries - Employees	2022	2023	2024
Number of recordable work-related injuries	134	53	57
of which high-consequence work-related injuries	0	0	0
Hours worked	8,009,938	6,166,924	5,171,757
Rate of recordable work-related injuries	16.7	8.6	11
Rate of high-consequence work-related injuries	0.0	0.0	0.0

Amongst other workers who are not employees, three injuries were recorded in 2024. As a result, the rate of recordable work-related injuries went from in 2024 stands at 19.5. Furthermore, no fatalities among employees and not employees were recorded over the three-year period¹¹.

11. Work related injury: negative impacts on health arising from exposure to hazards at work.
Rate of recordable work-related injuries: ratio between total number of recordable work-related injuries and the total number of hours worked in the same period, multiplied by 1,000,000.
High-consequence work-related injury: work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
Rate of high-consequence work-related injuries: ratio between total number of high-consequence work-related injuries and the total number of hours worked in the same period, multiplied by 1,000,000.

5.4 Note on methodology

PRG Group has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2024. The fifth PRG Sustainability Report presents the key performance indicators for the entire 2022-2024 period, except where explicitly stated. This report is not subject to external assurance.

This sustainability disclosure is referred to PRG Retail Group S.p.A. and its subsidiaries:

- Prénatal S.p.A.
- Prénatal S.A.
- PRG Retail Group Spain S.L.
- Prénatal sociedade unipessoal LDA
- PRG Retail Group Portugal LDA
- Prénatal A.E.B.E.
- Prénatal Retail Group Asia Pacific Ltd
- Joys S.r.l.
- Carolina Toys S.r.l.
- Etruria Giochi S.r.l.
- Sire S.r.l.
- Ca.Re. S.r.l.
- Ne. Mi Toys S.r.l.
- TokiLab S.r.l.

5.4.1 Principle for defining the content and quality of the reporting

This sustainability disclosure has been prepared according to the principles for defining the contents of the report defined by the GRI:

- Accuracy:** the level of detail of the contents reported in the document is adequate for understanding and assessing the Group sustainability impact in the reporting period.
- Balance:** the contents of this document report in a balanced way PRG's impacts, both negative and positive, in the reporting period.
- Clarity:** the choice of a clear language and the use of infographic contributions to represent the performance of the Group make this document available and easy to understand for stakeholders.
- Comparability:** the indicators are reported for the 2020-2022 three-year period and are presented with comments relating to their impacts in order to allow comparison and comparability of the Group's impact over time.
- Completeness:** the material issues discussed in the report are covered in their entirety and represent the most relevant environmental, social and economic impacts of the Group's activities, thus allowing for a complete assessment of PRG performance in the reporting year.
- Sustainability context:** the impacts resulting from the company's activities are fully described in the disclosure.
- Timeliness:** the sustainability disclosure takes into consideration events occurring after 31 December 2022 that may be significant for the assessment of the Group sustainability performance by stakeholders.
- Verifiability:** the information contained in the disclosure is supported by elaborations on the decision-making processes of sustainability reporting, as well as complemented by descriptions of the assumptions and calculations supported by evidence and clarifications of possible uncertain points, all with the aim of making the information verifiable for the stakeholder concerned.

5.4.2 Material topics

The contents of this document reflect the results of the materiality analysis, as required by GRI Standards 2021 and described in the Chapter *“Let’s grow together”*.

Material topics identified, which represent all the main organization’s significant economic, environmental, and social impacts, including human rights, are covered within the report chapters.

For each material issue, PRG has mapped the links between the GRI topic-specific Standard.

PRG Material Topic	GRI Material Topic
Logistics Management and Energy and Transport efficiency, and fight against Climate Change	GRI 302: Energy 2016
	GRI 305: Emissions 2016
Sustainable Supply Chain Management	GRI 308: Supplier environmental assessment 2016
	GRI 414: Supplier social assessment 2016
Sustainable Design for product and packaging, and Circular Economy	GRI 301: Materials 2016
Customer Health and Safety	GRI 416: Customer Health and Safety 2016
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018
Marketing and Labeling	GRI 417: Marketing and Labeling 2016
Human Rights, Child Labour and Forced or Compulsory Labour	GRI 408: Child Labour 2016
	GRI 409: Forced or Compulsory Labour 2016
Sustainability Education for employees and customers	Non GRI topic
Employment and Labour / Management Relations	GRI 401: Employment 2016
	GRI 402: Labour/Management Relations 2016
Skills development	GRI 404: Training and Education 2016
Business Integrity and Anti-corruption	GRI 205: Anti-corruption 2016
Customer privacy	GRI 418: Customer privacy 2016
Digitalization and Technological progress	Non GRI topic
Customer satisfaction and Loyalty	Non GRI topic

5.4.3 Reporting process and methodology

The data presented in the report has been collected through internal interviews and with the support of specific sustainability package reporting package comprising various sections and spreadsheets, including the selected GRI indicators to represent material aspects in line with GRI Standards. Operating and governance qualitative and quantitative information and that concerning the environment, employees and the other aspects addressed in the document were gathered in interviews and data collection processes.

The present report was subject to the approval by the Board of Directors.

The main calculation methodology and assumptions used to determine performance

indicators and figures have been reported below, in addition to those that are already indicated in the specific related sections.

Employees related figures are represented as headcount as at 31 December of the reporting periods .

For environmental data, whenever not available, the Group adopted a conservative approach in the assumptions made, resulting in the adoption of the worst environmental performance of PRG and its related companies. Specifically, greenhouse gas emissions calculations have been carried out based on principles included in the GHG Protocol Corporate Accounting and Reporting Standard and determined as follows. As for energy consumption, and therefore the related emissions, data covers the whole Group.

Any restatement of information will be reported in the Sustainability Report.

CONVERSION FACTORS USED	
Fuel density (Diesel conversion from liters to tons)	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022, 2023 and 2024
Net Calorific Value (Natural gas and diesel)	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022, 2023 and 2024

DIRECT (SCOPE 1) GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, Natural gas for heating and other purpose	Fuel consumption	Ministero dell'Ambiente e della Tutela del Territorio e del Mare (MATTM), Table of national standard parameters, 2019, 2020, 2021	Only CO ₂ emissions were considered
Companies' car fleet	Fuel consumption	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent
Leakages from air-conditioning systems of refrigerant gases	Leakage	-	Global Warming Potentials (GWPs) are taken from both DEFRA, Conversion factors database (2022,2023 and 2024)

INDIRECT ENERGY (SCOPE 2) GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid – location-based method	Electricity consumption /-	Terna, Confronti Internazionali, 2019 (Total gross production) / IEA Emissions Factors 2022	Only CO ₂ emissions were considered
Electricity purchased from national grid – market-based method	Electricity consumption /-	For European countries: AIB - European Residual Mixes, 2020 and 2021. For China: Terna, Confronti Internazionali, 2019 (Total gross production) / IEA Emissions Factors 2022	Only CO ₂ emissions were considered
District-Heating Purchased	Heat consumption	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2020, 2021 and 2022)	CO ₂ equivalent

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Fuel- and Energy Related Activities Not Included in Scope 1 or Scope 2 (Cat. 3)	Distance / Electricity Consumption / Fuel Consumption	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022, 2023 and 2024	CO ₂ equivalent
Upstream transportation and distribution (Cat. 4) and Downstream transportation and distribution (Cat. 9)	Distance/ Distance per weight transported	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022,2023 and 2024	CO ₂ equivalent
Business travels by air, train and car (Cat. 6)	Distance per passenger	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022, 2023 and 2024	CO ₂ equivalent
Employee commuting (Cat. 7)	Distance per commuter	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022,2023 and 2024	CO ₂ equivalent

Scope 3 emissions comprise a selection of categories chosen according to relevance and data availability. Calculations carried out rely on the following assumptions:

- Category 3 Fuel- and Energy Related Activities not Included in Scope 1 or Scope 2 data refer to the the perimeter previously mentioned for the Environmental Data of the Group.
- Category 4 Upstream transportation and distribution and category 9 Downstream transportation and distribution and category emissions data refer to private label products in relation to Prénatal Retail Group S.p.A., Prénatal S.p.A., Prénatal S.A., Prénatal sociedade unipessoal LDA and Prénatal A.E.B.E., while PRG Retail Group Spain S.L., PRG Retail Group Portugal LDA, Prénatal

Retail Group Asia Pacific Ltd, Joys S.r.l., Carolina Toys S.r.l., Etruria Giochi S.r.l., Sire S.r.l., Ca.Re. S.r.l., Ne.Mi Toys S.r.l. are not included.

Category 6 Business travels data refer to the the perimeter previously mentioned for the Environmental Data of the Group.

Category 7 Employee Commuting emissions data refer to the entire Group while Prénatal Retail Group Asia Pacific Ltd is not included.

For further information and comments to the report, please contact:

sustainability@prenatalretailgroup.com

5.5 Content Index

Statement of use	PRG has submitted a report in accordance with the GRI Standards for the period 01.01.2024-31.12.2024.
Title of GRI 1 used	GRI 1 – Foundation 2021
GRI Sector Standard(s) that apply to the organization's sector(s)	N/A

GRI Standard		Disclosure		Location	Requirement(s) omitted	Omission	
						Reason	Explanation
General Disclosures							
GRI 2 – General disclosures 2021	2-1 Organizational details	1.1	Identity, brands and market presence				
	2-2 Entities included in the organization’s sustainability reporting	1.1 5.4	Identity, brands and market presence Note on methodology				
	2-3 Reporting period, frequency and contact point	5.4	Note on methodology				
	2-4 Restatements of information	5.4	Note on methodology				
	2-5 External assurance	5.4	Note on methodology				
	2-6 Activities, value chain and other business relationships	1.1 4.1	Identity, brands and market presence Code of conduct for suppliers				
	2-7 Employees	5.3.1	Our employees				
	2-8 Workers who are not employees	5.3.1	Our employees				
	2-9 Governance structure and composition	5.1.1	Governance, Policies, compliance, and associations				
	2-10 Nomination and selection of the highest governance body	5.1.1	Governance, Policies, compliance, and associations				
	2-11 Chair of the highest governance body	5.1.1	Governance, Policies, compliance, and associations				

GRI Standard		Disclosure		Location		Requirement(s) omitted		Omission	
								Reason	Explanation
General Disclosures									
GRI 2 – General disclosures 2021	2-12 Role of the highest governance body in overseeing the	5.1.1	Governance, Policies, compliance, and associations						
	2-13 Delegation of responsibility for managing impacts	5.1.1	Governance, Policies, compliance, and associations						
	2-14 Role of the highest governance body in sustainability reporting	5.1.1	Governance, Policies, compliance, and associations						
	2-15 Conflicts of interest	5.1.1	Governance, Policies, compliance, and associations						
	2-16 Communication of critical concerns	5.1.1	Governance, Policies, compliance, and associations						
	2-17 Collective knowledge of the highest governance body	5.1.1	Governance, Policies, compliance, and associations						
	2-18 Evaluation of the performance of the highest governance body	5.1.1	Governance, Policies, compliance, and associations						
	2-19 Remuneration policies	5.1.1	Governance, Policies, compliance, and associations						
	2-20 Process to determine remuneration	5.1.1	Governance, Policies, compliance, and associations						
	2-21 Annual total compensation ratio		Omission			2-21	Confidentiality constraints	PRG considers the information required to cover the indicator as confidential and therefore did not proceed with publication for this reporting year. Furthermore, unlike companies subject to mandatory non-financial reporting by current legislation, PRG is not requested by law to report this information in other instruments.	
2-22 Statement on sustainable development strategy		Letter from the CEO							

GRI Standard		Disclosure		Location		Requirement(s) omitted	Omission	
							Reason	Explanation
General Disclosures								
GRI 2 – General disclosures 2021	2-23 Policy commitments	5.1.1	Governance, Policies, compliance, and associations					
	2-24 Embedding policy commitments	5.1.1	Governance, Policies, compliance, and associations					
	2-25 Processes to remediate negative impacts	5.1.1	Governance, Policies, compliance, and associations					
	2-26 Mechanisms for seeking advice and raising concerns	5.1.1	Governance, Policies, compliance, and associations					
	2-27 Compliance with laws and regulations	5.1.1	Governance, Policies, compliance, and associations					
	2-28 Membership associations	5.1.1	Governance, Policies, compliance, and associations					
	2-29 Approach to stakeholder engagement	1.2.1 5.1.2	Stakeholders Stakeholders					
	2-30 Collective bargaining agreements	5.3.1	Our employees					
Material topics								
GRI 3 – Material topics 2021	3-1 Process to determine material topics	1.2.2	Material topics					
	3-2 List of material topics	1.2.2	Material topics					
Anti-corruption								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 5.1.1	Material topics Governance, Policies, compliance, and associations					
GRI 205: Anti-corruption 2016	205–3 Confirmed incidents of corruption and actions taken	5.1.1	Governance, Policies, compliance, and associations					
Materials								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 3.1	Material topics Products’ sustainability					
GRI 301: Materials 2016	301–3 Reclaimed products and their packaging materials	3.1	Products’ sustainability					

GRI Standard		Disclosure		Location		Omission	
						Requirement(s) omitted	Reason Explanation
Energy							
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 5.2.1	1.2.2 Material topics 5.2.1 GHG Inventory 2023				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.2.1	5.2.1 GHG Inventory 2023				
Emissions							
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 5.2.1	Material topics GHG Inventory 2023				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.2.1	GHG Inventory 2023				
	305-2 Energy indirect (Scope 2) GHG emissions	5.2.1	GHG Inventory 2023				
	305-3 Other indirect (Scope 3) GHG emissions	5.2.1	GHG Inventory 2023				
Supplier Environmental Assessment							
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 4.1	Material topics Code of conduct for suppliers				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	4.1	Code of conduct for suppliers				
Employment							
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 5.3.1	Material topics Our employees				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.3.1	Our employees				
Labour/Management Relations							
GRI 3 – Material topics 2021	401-1 New employee hires and employee turnover	1.2.2 5.3.1	Material topics Our employees				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.3.1	Our employees				

GRI Standard		Disclosure		Location		Requirement(s) omitted	Omission	
							Reason	Explanation
Occupational Health and Safety								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 5.3.3	Material topics Health and safety					
	403-1 Occupational health and safety management system	5.3.3	Health and safety					
	403-2 Hazard identification, risk assessment, and incident investigation	5.3.3	Health and safety					
	403-3 Occupational health services	5.3.3	Health and safety					
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3.3	Health and safety					
	403-5 Worker training on occupational health and safety	5.3.3	Health and safety					
	403-6 Promotion of worker health	5.3.3	Health and safety					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.3	Health and safety					
	403-9 Work-related injuries	5.3.3	Health and safety					
Training and Education								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 5.3.1	Material topics Our employees					
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.3.1	Our employees				
Child Labour								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2 4.2	Material topics Supplier qualification and monitoring procedure					
	GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	4.2	Supplier qualification and monitoring procedure				

GRI Standard		Disclosure		Location		Omission		
						Requirement(s) omitted	Reason	Explanation
Forced or Compulsory Labour								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics					
		4.2	Supplier qualification and monitoring procedure					
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.2	Supplier qualification and monitoring procedure					
Supplier Social Assessment								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics					
		4.1	Code of conduct for suppliers					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	4.1	Code of conduct for suppliers					
Customer Health and Safety								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics					
		3.1.1	Safe products					
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.1.1	Safe products					
Marketing and Labeling								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics					
		5.2	Environment					
GRI 417: Marketing and Labeling 2016	417–2 Incidents of non-compliance concerning product and service information and labeling	5.2	Environment					
Customer Privacy								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics					
		2.1.1	The education of our customer base					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1.1	The education of our customer base					

GRI Standard		Disclosure		Location		Requirement(s) omitted	Omission	
							Reason	Explanation
Sustainability Education for employees and customers								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics	2.1.1	The education of our customer base			
Digitalization and Technological progress								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics	2.1.1	The education of our customer base			
Customer satisfaction and Loyalty								
GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.2	Material topics	2.1.1	The education of our customer base			



GROW WITH US