

# ASPIRA, ISPIRA.

OUR SUSTAINABLE  
COMMITMENT  
IN 2022 IN BRIEF

 elica

# MESSAGE TO THE STAKEHOLDERS

**Dear Readers, At Elica we believe that only through effective management and appreciation of all Stakeholders can companies achieve lasting profitability and create and sustain value over the long term. For us this means paying close attention not only to the products and materials used in the production process by employing increasingly innovative solutions and design, but also to the communities in which we operate, our people, processes and necessarily the needs of our customers.**

We may have entered a new year, but the challenges encountered in 2021 persisted into 2022. Despite not affecting the continuity of the Group's supplies, the ongoing global health emergency and the start of the Russian-Ukrainian War caused energy and raw material prices to rise.

To manage the potential impact of the conflict on our operating risks, Elica adopted a monitoring process in 2022 to analyse potential repercussions on business and identify possible mitigation actions.

Despite the challenging geopolitical climate, at Elica we had a successful year and, for the second consecutive period, maintained our leadership position, and beat our own records. At the same time, we doubled down on our Sustainability Roadmap with the creation of a Strategic Plan based on three pillars: Production and Processes with low environmental, social and governance impact.

As for our environmental efforts, we have made a formal commitment to improving energy efficiency in our pro-

duction processes, reducing the environmental impact throughout our supply chain, increasing the energy efficiency of our products, and researching and innovating more sustainable packaging in line with specific targets. As part of our efforts to provide people with attention and care, we will increasingly focus on upskilling employees and investing in training, ultimately becoming a learning organisation.

We have also defined and planned actions to involve our suppliers in the Group's sustainability commitments, as we strive to extend our social responsibility criteria to our entire supply chain. We plan to report our progress in 2023, which is the target year for many of our KPIs. In terms of disclosing our performance to our readers, we remain committed to the significant commitment we made when we published our first Report in 2017, which took further shape in 2022.

This year, we sought to provide a more transparent and comprehensive overview of our economic, environmental,

and social impact on our stakeholders, enabling readers to fully comprehend our performance. As evidence of our commitment to sustainability, we are proud to announce our transition to the "In accordance with" reporting approach, as defined in the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards).

In the sixth edition of our Group's Sustainability Report, we have a number of accomplishments that we wish to share with you.

Without a doubt, one of our most significant achievements is our return – after many years of major commitment and hard work – to rewarding those who have been at our side as patient and trusting partners. In October, Elica distributed a dividend of approximately Euro 3.8 million. Our success in achieving our aspirations has inspired our employees, and the strength of our team has enabled us to embark on a new chapter in our history and create and distribute value to both our shareholders and communities.





We have done this, as always, by maintaining our unwavering commitment to protecting the region in which we operate. Our previous efforts have yielded results, and we have achieved our ambitious yet attainable target.

In 2022, we were able to use 100% renewable energy at almost all of our Italian production sites and our Polish site, resulting in a reduction of approximately 9,900 tonnes of CO<sub>2</sub> emissions. However, we will not settle for that alone. Through our energy efficiency projects, we have reduced our environmental footprint by a further 399 tonnes. And we do not plan to stop there.

We have already begun a new project that involves developing our first GHG (greenhouse gas emissions) inventory for the entire production scope of the Group and its supply chain in 2023. This initiative will help us map our direct and indirect impacts so that we can define medium- and long-term mitigation strategies. The ultimate goal of this roadmap is to achieve “net zero emissions” by 2050, in line with the 2015 Paris Agreement target. While our products play a key role in supporting economic sustainability, we are also mindful of their environmental impact.

We have therefore established a current energy efficiency baseline for our “cooking products” and devised a plan to incorporate motorisation, which could make them up to 70% more efficient than traditional solutions.

In 2023 we also plan to further expand the “Hydrogen 100% Ready” product range and to accelerate in the heat pump segment.

“

*WE HAVE ALREADY OBTAINED CERTIFICATION ON 50% OF THE RANGE OF MOTORS IN THE “PREMIX” SEGMENT FOR 100% HYDROGEN USE. THE ENTIRE RANGE IS ALREADY CERTIFIED TO USE “HYDROGEN 30% READY” BLENDS.*

This will see even more efficient products brought to market in the last quarter of the year. Finally our people are the resource with whom we share our vision and values and we strive to contribute to their well-being. Here too, in 2022, we reaped the fruits of our efforts to inspire our employees, reward merit, and nurture talent. The numbers pay testament to our work in this regard. The Group recorded an increase in the percentage of women in our workforce, from 39% in 2021 to 45% in 2022. We have also invested in the training of all employees, with an increase in training hours per person from 16.8 to 20.

We believe that social responsibility towards our suppliers is an equally important topic. In 2022, we defined and shared the first “Elica Group Supplier Code of Conduct” with our suppliers, and launched a process to monitor its effective adoption. Although this may seem like an obvious step, we believe that our focus on human rights and

working conditions must never waver, especially given the times we are living in.

In 2022, we also set ourselves the goal of obtaining ISO 45001:2018 certification for our Mexican site in Queretaro. We successfully achieved this in May, but are not content with that alone. We also plan to obtain certification for our Polish site by the end of 2023.

These are only a few of the accomplishments we have made and the objectives we seek to fulfil in the near future. Although 2023 will likely present challenges, our innovative products, capacity to predict market trends, and opportunities from an ever-growing Motors Division will enable us to continue expanding and leading change, in addition to promoting sustainable initiatives that satisfy the needs of our Stakeholders. As such, we invite you to read this document in the hope that you will continue to share in our enthusiasm.

**Francesco Casoli** - Chairperson  
**Giulio Cocci** - Chief Executive Officer

# WE INSPIRE SUSTAINABILITY

Every great idea, and every great undertaking, is born of inspiration. Inspiration is the foundation for new projects, visions for the future, and the ability to imagine new and unprecedented solutions. **Elica is a company that both inspires and is inspired.** Which is why our entire production process is designed to reduce our environmental footprint. This is a goal that guides Elica in everything it does, including in its search for innovative and sustainable solutions for the energy transition in the heating and ventilation sectors.

**We began by improving air quality. Inspiring people and the target market is the natural, essential next step.**



# ELICA GROUP PROFILE

Elica, a market player for over 50 years, is the leading global manufacturer of kitchen aspiration systems, thanks to the production of range hoods and extractor hobs. It is also the leading European manufacturer of electric motors for home appliances and heating boilers.

Chaired by Francesco Casoli and led by Giulio Cocci, the Group has seven plants, including in Italy, Poland, Mexico and China and employs approx. 2,600 people. **A meticulous care for design and a judicious choice of high-quality materials and cutting-edge technology to guarantee maximum efficiency and low energy consumption are the elements that distinguish the Group on the market** and have enabled the Group to revolutionise the traditional image of kitchen extractor systems: they are no longer seen as a simple accessory but as a design element that improves the quality of life.

Through its subsidiary EMC FIME S.r.l., the Elica Group is also a leading European manufacturer of motors for home appliances and heating boilers for domestic use, developing in-house co-designed solutions with the major industrial groups in the heating and ventilation industry, in order to respond to the growing demands for energy savings, comfort, digitalisation, connectivity and indoor air quality.





## ELICA GLOBALLY

**Over the years, the Elica Group has steadily increased its market share to become a truly global player. It leads the kitchen aspiration systems market and is currently gaining leadership positions in the European heating boilers motor market.**

### EUROPEAN UNION

The Group has been in its long-standing Fabriano (AN) headquarters, alongside the EPL research and development laboratory and the subsidiary Air Force. Also in the Marche region, Elica's Italian production plant is located in Castelfidardo (AN) and the EMC FIME headquarters in Castelfidardo (AN). The Elica Group is also present in Poland with Elica Group Polska S.p.oz.o. at Jelcz Laskowice, in Germany and in France through Elica GmbH and Elica France S.A.S., while in Spain it has a dedicated organization to manage the market.

### CIS (COMMONWEALTH OF INDEPENDENT STATES)

In 2012, Elica strengthened its direct presence in the CIS markets by acquiring 100% of the company Elica Trading LLC, which markets products under its brands, through a dense distribution network served by the offices in St. Petersburg and Moscow.

### THE AMERICAS

The Elica Group has a presence in Mexico, through Elicamex S.A. de C.V., its production and distribution facility for Latin America and North America, with the company Elica Inc. based in Chicago.

### ASIA

Since 2002, Elica has been present in Asia through the joint venture with Fuji Industrial Co. Ltd., which gave rise to the Aria fina Co. Ltd. brand for the Japanese market of high-end range hoods. In 2010, Elica entered the Chinese market, by acquiring a majority holding in the Chinese company Zhejiang Elica Putian Electric Co. Ltd., which operates under the PUTI brand.

In 2012, Elica sold to Fuji Industrial Co. Ltd. a stake in Zhejiang Elica Putian Electric Co. Ltd., consolidating cooperation relations with the Japanese partner. Finally, Elica maintains a stake of approx. 6% in the Indian company Elica PB Whirlpool Kitchen Appliances Private Limited, a subsidiary of Whirlpool.

In markets where it does not have a direct presence, Elica relies on business partnerships that enable a global availability of Group products.



# ELICA'S SUSTAINABILITY FOOTPRINT

To understand the social and environmental value generated by the Elica Group and its responsible management, it is important to define the concept of sustainable footprint.

The sustainable footprint is a method for analysing the economic, environmental and social impacts of an organization's activities, based on specific indicators.

Correct measurement of the effects of the Group's activities is an essential step in acquiring conscious management of the organisation's sustainable footprint. **Elica acts in full compliance with the Code of Ethics**, which serves as a constant reference for:

- the running of an ethical business;
- the continued compliance with various applicable the regulations;
- the undertaking of all activities according to moral and ethical principles;
- the consistently keeping in mind the moral and social responsibility that the Group has to its Stakeholders.

Elica has adapted its sustainability governance

model, in which the objective of sustainable success and the stakeholders become fundamental in the management of the company. The Group has set up a managerial Sustainability Board to maintain a high level of sustainability governance and manage the impacts deriving from its activities and strategies.

The Board is assigned with identifying sustainable development strategies and their integration to the business plan, monitoring indicators associated with detailed actions and determining the need for new actions.

The establishment of the Sustainability Board has enabled greater coordination among the corporate activities related to sustainability and the structuring of the process of assessing and defining initiatives to be presented to the Control, Risks and Sustainability Committee and the Board of Directors.



Elica's current sustainability **governance model** is therefore structured as follows:

- **Board of Directors:** approves the Consolidated Non-Financial Report annually;
- **Chief Executive Officer:** evaluates and approves sustainability proposals;
- **Control, Risks and Sustainability Committee (CRSC):** assists the Board of Directors in assessing and deciding on sustainability issues, with particular reference to the approval of the Non-Financial Report, stakeholder management activities and the Sustainability Plan;
- **Sustainability Board:** comprising the main corporate and business functions, it meets periodically and assesses strategic and operational sustainability-related proposals. It also reviews and validates the draft Consolidated Non-Financial Report, defines stakeholder engagement strategies and assesses actions to support the macro-objectives in the sustainability plan, conducting a review of the plan's progress at the end of the fiscal year;
- **CFO and Sustainability Manager:** calls the Sustainability Board, proposing additional new actions and any emerging priorities on ESG issues.

The Elica Group has placed the centrality of the person, the social and environmental habitat in which they live at the centre of the development of its strategies. **This is therefore where the Sustainability Plan seeks to include sustainability topics in every business activity, centring on the following three pillars:**

- Processes with low environmental impact
- Products with low environmental impact
- People and Governance

The actions of the plan will contribute to the achievement of the following Sustainable Development Goals of the 2030 Agenda:



### REDUCING ENVIRONMENTAL IMPACTS



Elica is committed to increasing energy efficiency and reducing GHG emissions along the entire value chain to achieve the goals related to processes and products. Furthermore, the company intends to promote innovation and sustainability of products and their design, in order to create circularity in the production process.



### PROVIDING PEOPLE WITH ATTENTION AND CARE



To achieve the goals related to its people, its partners and the community in which it operates, Elica intends to invest in employee upskilling and training with the aim of becoming a learning organization. Furthermore, the Group is committed to enhancing the target area, extending its social responsibility to the Supply Chain and integrating social responsibility criteria.



# WE INSPIRE VALUE

For us, inspiring value means generating wealth that is more than simply monetary. We believe in our virtuous ability to create value that is also capable of making a social contribution. Because the healthier a company is, the more it benefits the community. We have endured difficult years, achieving our goals, increasing profitability and redistributing value in the local area. This is all thanks to continuous research and a desire to grow through energy-efficient products and increasingly innovative ideas.

**Sustainable thinking is the inspiration that allows us to look to the future, knowing that true wealth involves everyone: employees, suppliers, the community, and the environment.**

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## HIGHLIGHTS 2022

€ 548.6 mln

Total Group revenues  
(€ 541.3 mln on 2021)

€ 56.6 mln

EBITDA  
(€ 57.1 mln on 2021)

€ 528 mln

Economic value distributed  
(€ 512.05 mln on 2021)

€ 11.7 mln

Research and Development  
expenditure (€ 10.7 mln on 2021)

### COOKING DIVISION

280

Patents  
(278 on 2021)

367

Design patents  
(250 on 2021)

### MOTOR DIVISION

98

Patents  
(71 on 2021)

3

Design patents  
(unchanged on 2021)

## OUR ROADMAP

### COOKING DIVISION

Products equipped with sensors to optimise utilisation, improve air quality, and reduce consumption

**Products equipped with energy-efficient motors** that are up to 70% more efficient than conventional products

Expanded range of next-generation **induction hobs that are 40% more efficient** than gas cookers

### MOTORS DIVISION

Complete certification for “Premix” engines for **hydrogen** use (traditional “Heating” segment)

Production of highly energy efficient “**Heat Pump**” segment motors: up to 30% better efficiency than current motors



# THE SUSTAINABILITY FOOTPRINT IN THE ECONOMIC ARENA

## GROUP ECONOMIC PERFORMANCE

Information on the creation and distribution of economic value provides a basic indication of how Elica creates wealth for its stakeholders.

€ 562  
million

of generated  
economic value

€ 529  
million

of distributed  
economic value

€ 3.8  
million

of dividends  
paid to  
shareholders

**The share of the economic value of reclassified operating expenses amounts to Euro 422 million** and mainly includes costs for the purchase of raw materials, services, remuneration of Directors and Statutory Auditors and other operating expenses. **The share of economic value distributed to personnel and collaborators amounts to Euro 93 million and represents 17% of the generated economic value.** A portion of the economic value of 5 million was distributed to the Public Administration, while Euro 3.7 million was allocated to the suppliers of capital. **Euro 156 thousand was allocated to the community in the form of donations, sponsorships, contributions and membership fees.** This amount represents an additional direct and indirect impact on local development for the benefit of its communities.

For the first time, in 2022, Elica distributed dividends to shareholders for a value of Euro 3.8 million in order to recognize the commitment made in recent years to the growth and progress of the Company. Finally, the economic value withheld by the Group amounts to 34 million euros for reserves, amortisation and depreciation, provisions and write-downs.

### STATEMENT DETERMINING THE ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

Values	Unit	2022	2021
<b>A - Economic value directly generated (Revenues)</b>		<b>562,229</b>	<b>564,980</b>
<b>B - Economic value distributed</b>		<b>528,529</b>	<b>512,054</b>
of which Operating Costs		422,393	401,747
of which employee wages and benefits	Euro thousands	93,193	99,879
of which Public Administration remuneration		5,454	7,330
of which paid to lenders		3,558	2,956
of which distributed to shareholders		3,774	-
of which community remuneration		157	142
<b>C - Economic value retained (A-B)</b>		<b>33,700</b>	<b>52,926</b>

### ECONOMIC VALUE DISTRIBUTED BY THE GROUP IN THE REPORTING YEAR

Destination	Unit	2022	2021
Operating costs		79.92%	75.97%
Employees		17.63%	18.89%
Public administration	%	1.03%	1.39%
Lenders		0.67%	0.56%
Shareholders		0.71%	0%
The community		0.03%	0.03%

## THE GROUP'S ECONOMIC "WEIGHT" (FINANCIAL HIGHLIGHTS)

**Elica reports consolidated revenue of Euro 548.6 million for 2022, up 1.3% (+1.6% at constant exchange rates and scope). The increase in sales was driven both by own brand product organic growth in the cooking segment and double-digit motor segment growth.**

Elica recorded an increase in sales supported by the price-mix effect, by the contribution of own brand sales, particularly in EMEA and America, and by the growth of the motor segment, despite market demand slowing down in the second half of the year.

Adjusted EBIT of Euro 33.0 million in 2022 slightly increased with a margin on revenue of 6.0% in line with 6.0% in 2021. The Adjusted Group Net Profit was Euro 20.9 million, compared to Euro 15.9 million in 2021.

Solid cash generation and excellent leverage also ensure a position of strategic advantage, which is critical to consolidating our already robust market leadership and to looking at new M&A growth opportunities.

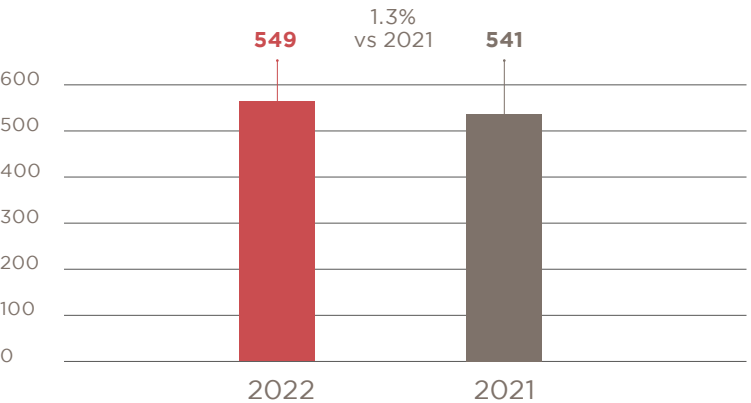
**€ 548.6 million**  
OF REVENUES  
+1.3% vs. 2021





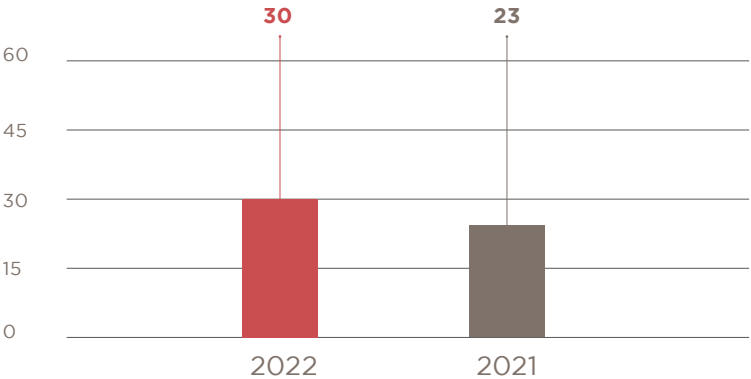
CONSOLIDATED NET REVENUE

Euro million



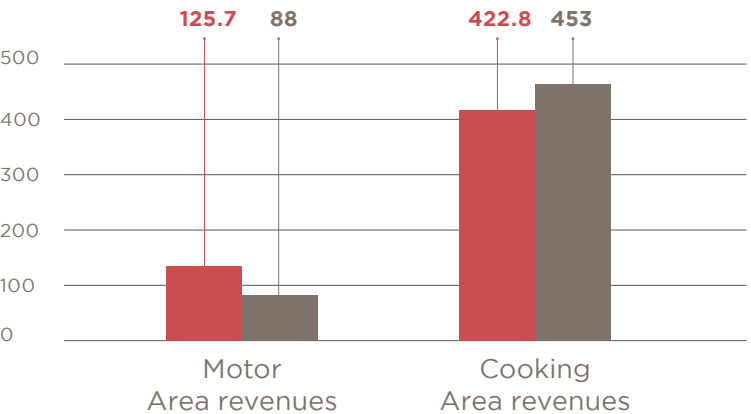
NET FINANCIAL POSITION

Euro million



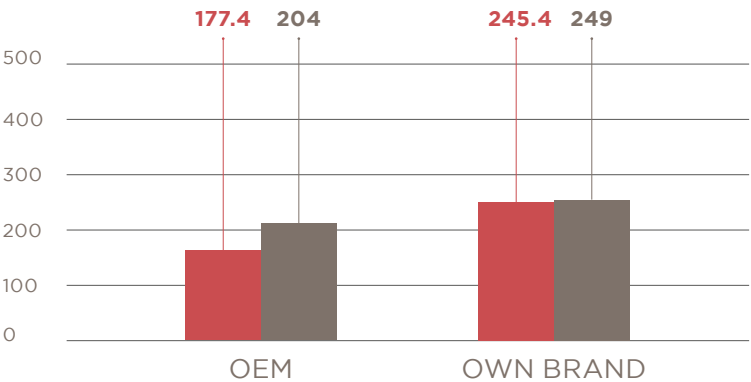
BREAKDOWN REVENUES NET REVENUES

Euro million



BREAKDOWN NET COOKING REVENUE BY BUSINESS MODEL

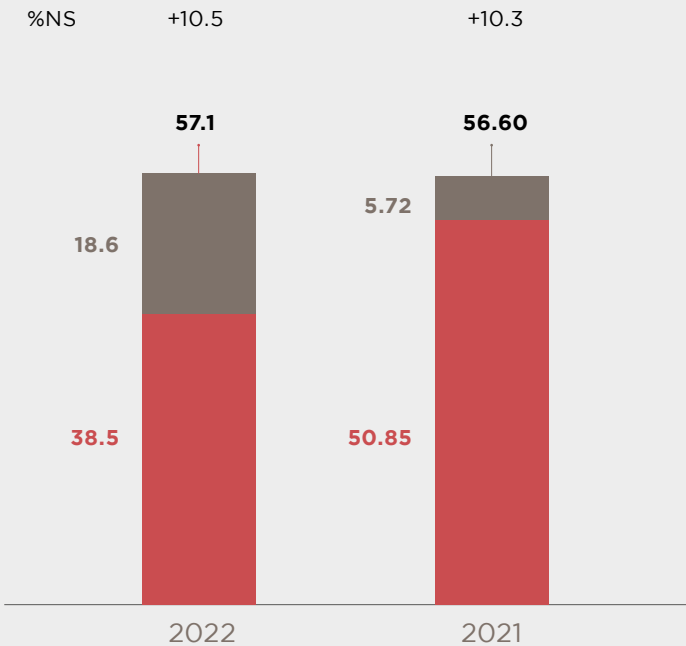
Euro million



■ 2022 ■ 2021

MARGIN: ADJUSTED EBITDA

Euro million



■ EBITDA ■ ADJUSTMENT

# SUPPORTING CONTINUOUS INNOVATION

Technological innovation is the driving force behind the Elica Group's development. In the interests of fostering continuous value creation, the Company has an Innovation Department that is actively engaged in designing new products and services to ensure the highest standards of quality, safety and performance.

Elica collaborates with partners for technological innovation, with two-way relationships and co-design activities. The Innovation Department uses the NTI work model, which focuses on macro-features such as Low Noise, Air Treatment and Space Management, with the aim of improving or creating new features for consumers. Research and innovation are incorporated into the processes of the business management system MOS<sup>1</sup>; various types of monitoring tools are applied and all information is recorded. The NTI is divided into six phases of progress and oversight:

- **Specification Definition:** the minimum specifications needed before beginning the next phase are shared and defined together with marketing;

- **Orientation Phase:** where technologies and product architectures are defined through innovation roadmaps;
- **Technology Feasibility:** the appropriate technology is selected and the product layout is studied through preliminary tests in a laboratory environment;
- **Technology Validation:** a preliminary functional prototype is created with a detailed product architecture layout, primarily tested in a laboratory environment;
- **Prototype Validation:** a complete functional prototype is created, meaning that a detailed prototype designed is created and requirements are identified through testing in real conditions;
- **Delivery:** the component/module validated by way of the ETRL moves to the next phase (engineering and

production) by providing all documentation (designs, wiring diagrams, golden samples, etc.).

The product development system provides for the possibility of stopping projects at any stage, in case of unsatisfactory performance, too high costs or failure to meet the needs of usability, safety and aesthetics.

The main feature of 2022 was a strategic project that drained a great deal of energy from the Innovation team, and which has not yet been implemented into the business, leading to a decrease in the total number of projects. As a result, the implementation index has increased, due to the strategic choice of projects driven by market needs and EPL/R&D support projects.

1. Management Operation System.



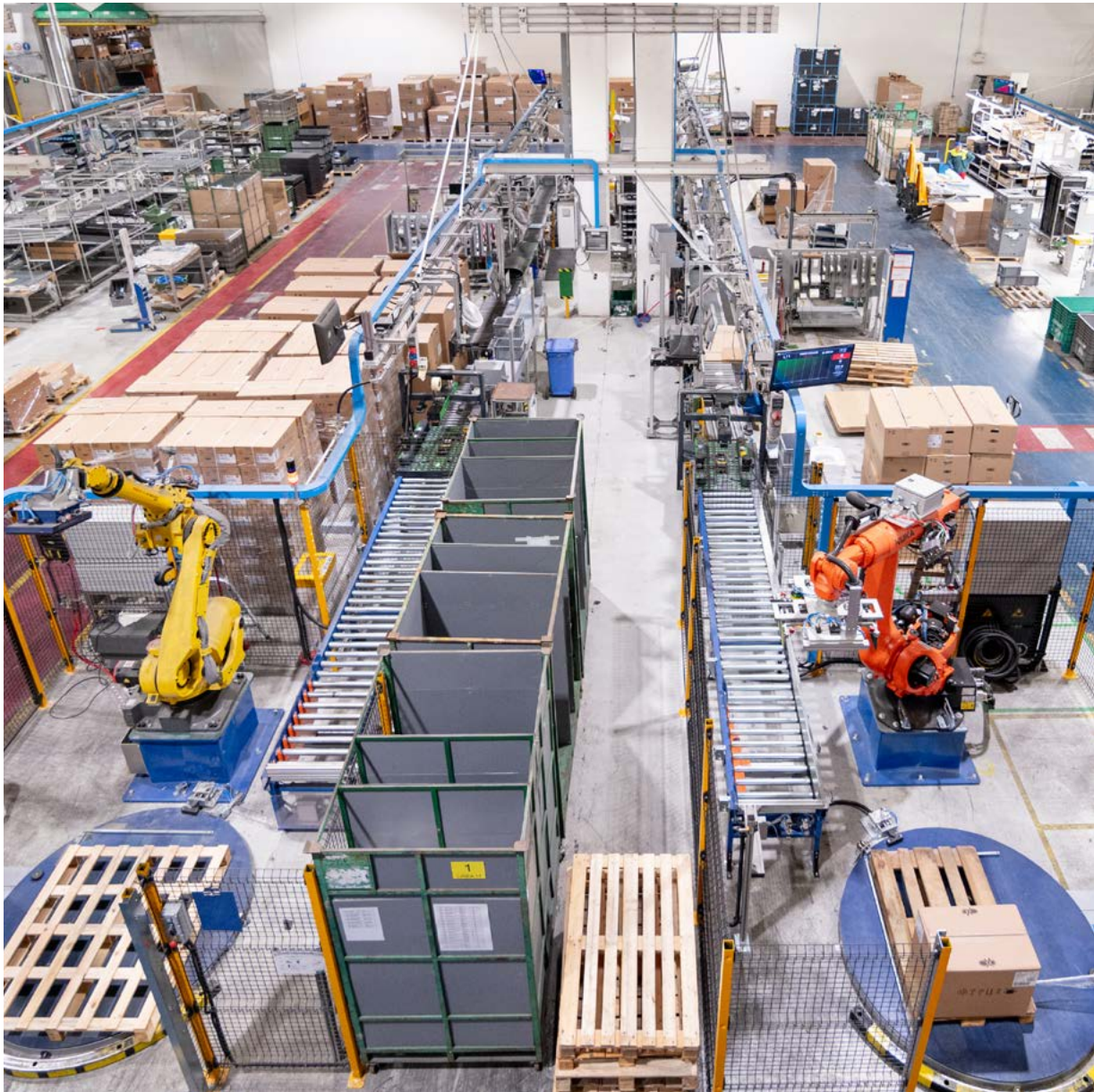
TOTAL NUMBER OF INNOVATION PROJECTS EFFECTIVELY IMPLEMENTED  
INTO THE BUSINESS AND IMPLEMENTATION INDEX

	Unit	2022	2021
Innovation projects introduced into business	No.	4	6
Innovation projects developed		26	49
Number of persons employed		6	7
Index (%) of effectively implemented innovation.	%	15%	12%

LEVEL OF CREATION OF PATENTS FOR TECHNICAL OR TECHNOLOGICAL  
SOLUTIONS INVENTED BY THE ORGANISATION

	Unit	2022	2021
New patent applications filed	No.	11	6
Number of overall active documents (granted and subject to evaluation)		378	349
Percent of new existing patents generated during the reporting year	%	2.91%	1.72%

In recent years, Elica has paid increasing attention to sustainability issues, developing more environmentally sustainable technological solutions that contribute to the reduction of energy consumption and emissions into the atmosphere. Among the main solutions developed in R&D, thanks also to the Innovation team, are the extractor hobs and the application of sensors for automatic and optimized operation.





# WE ARE INSPIRED BY THE ENVIRONMENT

For us, being inspired by the environment means being a part of it, both by constructing and conserving. To do this, we have made a concrete and unwavering commitment that demonstrates our values. Since the very beginning we have worked to reduce our environmental impact, promoting sustainable development and virtuous conduct to inspire each of our stakeholders.

**Because we believe that only through full respect for the environment can value be created and sustained in the long term.**



We believe that only  
through full respect  
for the environment  
can value be created  
and sustained  
in the long term.

## HIGHLIGHTS 2022

### -9,900 tonnes CO<sub>2</sub>

Through the use of 100%  
Market-Based energy with  
Guarantees of Origin  
(-52% vs. total emissions in 2021)

### -399 tonnes CO<sub>2</sub>

Thanks to the use of energy produced  
at Photovoltaic plants in Italy  
(unchanged on 2021)

### Conai “Ecopack” Award

Thanks to sustainable packaging  
design

### 30% “Hydrogen Ready” motors

100% of “Premix” range certified to  
use 30% methane/hydrogen blend

## OUR ROADMAP

### GHG INVENTORY IN ACCORDANCE WITH ISO 14064-1 BY 2023

A plan to establish a solid baseline for  
reporting emissions in the interests  
of consistency, transparency and  
credibility in relations with our  
Stakeholders. (Scope 1-2-3)

### IMPROVE ENERGY EFFICIENCY

Through further projects involving  
production sites and processes

### USE OF GREEN ENERGY

**100% renewable energy**  
at all Italian sites **by 2023**

### 100% “HYDROGEN READY” MOTORS

**100% certification of the**  
**“Premix” range by 2024**

### SALE OF HIGH-EFFICIENCY PRODUCTS

**By 2025, approx. 8,500 tonnes eq.**  
**reduction in CO<sub>2</sub> emissions** (equal to  
the emissions reported in 2022) by  
selling products with “Brushless”\*\*  
motors

### FOCUS ON BOILERS

Sale of high-efficiency motors  
by Q4 2023

\* = blowers used to ensure the correct mix of air/gas or air/hydrogen  
for combustion inside condensing boilers, burners, etc.

\*\* = “brushless” direct current electric motor with permanent magnet rotor.

# ECO PRODUCT DESIGN

Design has always been one of Elica Group’s most distinctive features and strategic processes. Bringing an environmentally sustainable approach to this pervasive element in all our products, especially those intended for end-consumers, was a natural choice.

Elica has developed an **Eco-friendly Packaging Design System** to guarantee the environmental sustainability of its products. In the past, the packaging design strategy was primarily reactive, in response to customer requests. However, with the increasin-

gly attention to sustainability, Elica has adopted a more proactive approach to ensure maximum eco-sustainability of its packaging.

## THE MILESTONES

DEVELOPMENT OF ELICA  
PACKAGING’S ECO-COMPATIBLE  
DESIGN SYSTEM



2015

Eco-compatible  
Packaging  
Reengineering of  
existing range



2018

Integrated approach  
to improve  
Packaging system



2019








Quick Prototyping  
of corrugated  
cardboard packaging



2020

Validation of  
solutions by  
Videotesting

The Packaging Design System includes a series of environmental guidelines for approaching eco-compatible design from a product and process standpoint by applying **the seven Design for Environment criteria** set out below.

CRITERION	PARAMETERS	
	<b>RAW MATERIAL SAVING</b>	Containment of raw materials used in packaging and consequent reduction of weight against similar product and performance
	<b>REUSE</b>	Concerns reusing the packaging several times, for the same use for which it was conceived
	<b>USE OF RECYCLED MATERIAL</b>	Substitution of a portion or the totality of virgin raw material with recycled material to contribute to a reduction in the use of natural resources
	<b>LOGISTICS OPTIMISATION</b>	All innovative actions that improve the operations of storage, the optimisation of loads on pallets and transport and improve the relationship between primary, secondary and tertiary packaging
	<b>FACILITATING RECYCLING ACTIVITIES</b>	All innovations to simplify the recovery and packaging recycling phases, such as the production of single material packaging
	<b>PACKAGING SYSTEM FACILITATIONS</b>	Achieved by integrating multiple functions in a single packaging component, eliminating elements and thus simplifying the system
	<b>ENERGY SAVING / CO<sub>2</sub> REDUCTION</b>	Concerning the upstream and downstream phases of the production line, thanks to the use of new production processes, the use of recycled materials and the reduction of energy consumption on the supply chain. This is also achieved by reducing the means used for the distribution of the product from the production point to the point of sale, the use of renewable energy and the reduced use of raw materials.

Elica has adopted a strategic approach of redesigning the existing packaging, using tools and guidelines for the integrated approach and the DFE, Design For Environment, to place **environmental sustainability as one of the significant parameters to be used when validating packaging solutions**. In 2022, this made it possible to implement a reengineering project that led to less use of raw materials (15 tons less corrugated cardboard) and savings of around 4 tons of CO<sub>2</sub>. On-the-spot stress verification methods have also been undertaken with the use of a video camera in the approval test phase.

Thanks to the approach described above, **in 2022 it was possible to implement a reengineering project consisting of a solution with a lower use of raw materials** (15 tonnes less corrugated cardboard), thus saving approximately four tonnes of CO<sub>2</sub>.

-15 tonnes  
of corrugated  
cardboard in  
packaging

-4 tonnes  
of CO<sub>2</sub>  
saved

PERFORMANCE INDICATORS

	Unit	2022
Number of completed eco-design re-engineering projects	n.	1

ECO-DESIGN PACKAGING PROJECTS ANALYSED

Projects	Unit	2022
		Tonnes of CO <sub>2</sub> saved
“Dekor Glass” packaging family	t	3.9
Tonnes of CO <sub>2</sub> saved	t	3.9



# ENERGY CONSUMPTION AND EMISSIONS

The consumption of energy carriers during transformation phases are constantly monitored in order to analyse trends and benchmark specific efficiency improvement projects.

Primary consumption is represented almost entirely by P<sup>2</sup> used in production processes (including auxiliary plants) and to light offices and outdoor areas.

78.3%  
renewable energy  
consumed

In 2022, **total consumption reflected the trends in production volumes**, with an additional share due to the movement of machinery between production sites. In addition, the plastic moulding process has not be in operation at the Mergo site since August.

99.1%  
renewable  
energy in Italy

Elica has made a clear choice in favour of sustainability, starting from 2022 purchasing electricity from certified renewable sources with **Guarantee of Origin (“Market Based” energy)**, and extending the supply agreements also to the Polish site. Three photovoltaic plants are in operation at our Italian sites. Together, they produced a total of 1,235,758 kWh in 2022, saving 399 tonnes of CO<sub>2</sub> emissions. The Group’s electricity mix in 2022 is made up of 78.3% renewable energy (of which 4.5% self-produced) and at the Italian site the share of renewable energy rises to 99.1% (of which 9.1% from photovoltaic plants).

9.1%  
energy from  
photovoltaic plant  
and consumed in  
Italy

In 2022, the Group avoided emitting more than 9,900 tonnes of CO<sub>2</sub>

into the atmosphere, an approximately 81% reduction compared to the emissions produced in 2021 and a 52% reduction compared to the total emissions produced by the Group in 2021.

Notwithstanding the use of renewable energy sources, **Elica’s energy team has implemented further energy efficiency projects with the objective to mitigate the impact of rising energy costs and make more environmentally friendly choices.** At our Italian, Polish, and Mexican sites, relamping projects and the task of fitting auxiliary plants with sensors were completed. The projects avoided the emission of approx. 650 tonnes of CO<sub>2</sub>.

Furthermore, the **“H2O Plastic Free”** project was implemented with the installation of water dispensers connected to the network in the canteens and offices of the Mergo sites and in the Fabriano headquarters, eliminating plastic bottles and allowing further savings about 15 tons of CO<sub>2</sub>. The dispensers are equipped with a network connection that allows real-time control of water consumption and the consequent saving of emissions.

-650 tonnes CO<sub>2</sub>  
saved thanks  
to relamping projects

-81% CO<sub>2</sub>  
from electricity  
and thermal  
energy vs.2021

2. P = Power.

2022 PROVED PIVOTAL FOR US AS WE COMPLETED A **SIGNIFICANT STRATEGIC MANOEUVRE CONCERNING EMC FIME S.R.L.'S MOTORS BUSINESS DIVISION**. BY JANUARY, KIWA<sup>20</sup> HAD CERTIFIED THE USE OF HYDROGEN/METHANE MIXES BY A SIGNIFICANT PORTION OF THE “PREMIX” MOTOR RANGE INTENDED FOR DOMESTIC HEATING BOILERS<sup>3</sup>. TESTING ACTIVITIES CONTINUED THROUGHOUT 2022 AND APPROXIMATELY **50% OF THE ENTIRE AVAILABLE RANGE WAS CERTIFIED AS A RESULT**.

This move will enable EMC Fime S.r.l. to **improve its product range**, particularly in the domestic heating segment. As a result, the Company will be able to meet the targets set by the European Commission with its “Fit for 55” package (-55% greenhouse gas emissions compared to 1990 and the achievement of “carbon neutrality” by 2050) on schedule.

3. A leading Testing, Inspection and Certification (TIC) company.





# WE INSPIRE PEOPLE

For us, inspiring our people means sharing our vision and values, supporting and stimulating talent, and rewarding initiative. This forms the basis of our philosophy of ensuring the welfare of our people not only within the company, but also outside the work environment. Our projects are designed to broaden horizons, to mix art with business, to constantly shift perspectives and generate new ideas, to create connections and discussion.

**Seeing our people as our most essential resource will always be our greatest inspiration.**



Seeing our people  
as our most essential  
resource will always be  
our greatest inspiration.

## HIGHLIGHTS 2022

2,578

Worldwide employees

45% Women

on total nr. of employees  
(39.7% on 2021)

of which 50%

among the strategic executives  
(unchanged on 2021)

20 Hours

average training per capita  
(16.8 hours on 2021)

58.7%\*

Dedicated HSE training hours  
(35% on 2021)

Marshy

The Ermanno Casoli prize promoted  
by the Fondazione Ermanno Casoli  
(FEC) a demonstration of making art  
through the use of recycled materials

## OUR ROADMAP

### UPSKILLING OUR PEOPLE WITH THE “ASPIRATION LAB”

A broad plan, not limited to technical  
role skills

### IMPROVING WORK-LIFE BALANCE

Through targeted monitoring  
of employee needs

### SPREADING A CULTURE OF SAFETY

Projects to be launched in collaboration  
with local schools

### SUSTAINABILITY-ORIENTATED TRAINING PLAN

Increased training hours  
on sustainability topics

### COLLABORATION WITH UNIVERSITIES AND RESEARCH CENTERS

To design new educational  
pathways

### PROMOTE THE INITIATIVES OF THE ERMANNO CASOLI FOUNDATION

Projects to support the local  
communities in which the company  
operates

\* = scope Elica S.p.a./Elica Group Polska/Elicamex.

# THE SUSTAINABILITY FOOTPRINT IN THE SOCIAL ARENA SUPPORTING OUR EMPLOYEES



## MISSION

OUR MISSION IS TO ATTRACT INDIVIDUALS WHO SHARE ELICA'S COMPANY CULTURE AND ENCOURAGE SELF-IMPROVEMENT, REWARDING MERIT AND CREATING MOTIVATION.

2,578  
employees  
of which  
45% are women

The Group is committed to achieving its mission **through the enhancement of internal growth, the offer of rapid economic incentives linked to performance, the creation of a working environment based on trust, self-development and shared responsibility, the promotion of cohesive teams, focused and on clear and shared objectives, with a continuous investment in welfare & well-being policies and projects.**

The Elica Group has a workforce of 2,578 employees, of which 45% are women. The majority of employees work in productive activities and there are 2,074

permanent and 504 temporary employees. During the year, 832 people were hired and the outgoing turnover rate was 33%, while incoming was 24%. The company has seen an increase in fixed-term contracts in the Polish branch and a decrease in temporary workers. Despite this, management policies aimed at promoting internal growth and employee well-being have helped to contain voluntary turnover and safeguard corporate know-how. This phenomenon was mainly caused by the industrial restructuring plan launched in December 2021, which led to workforce reductions in most of the countries in which the Group operates.

ELICA GROUP'S PEOPLE  
STRATEGY IS BASED ON  
THREE PILLARS:



ATTRACTION



DEVELOPMENT



ENGAGEMENT



# TRAINING

The Group's companies draft their own bespoke training plans for managerial and operations personnel based on their individual requirements and development goals, prioritising their business goals.



**Elica increased its investments in both remote and in-person training in 2022.** Despite this, 3,000 fewer hours of training were provided compared to last year. This is due solely to a restructuring project in the industrial area. In Italy, the focus of training topics was mainly on managerial and technical areas, in line with HR strategy. Elica has inaugurated Casa Elica, a multifunctional space dedicated to the personal and professional growth of employees, as part of the Elica Aspirations Lab program launched in 2021.

In 2022, Elica inaugurated “**Breakfast with**”, a new path dedicated to young trainees which aims to train future managers. These are weekly informal meetings where trainees can meet Elica managers and testimonials

from different functions, to get to know the company and its people in an unconventional way.

Elica is committed to providing training of excellence, making sure to choose qualified teachers and to deliver training interventions based on mapped needs and priority levels. The company pays particular attention to managerial and multidisciplinary training to train versatile figures able to adapt to changes in the sector and to ensure solid succession plans. Furthermore, Elica provides on-the-job training plans in the plants to make its organization more flexible. The objective is to develop a peaceful and encouraging environment, in which employees feel empowered to learn and take responsibility.

## Casa Elica

Opened in 2022 for all “Education & People development” activities



# EXTERNAL INITIATIVES AND ROLE OF THE FOUNDATION

The main charitable-giving initiatives in which Elica participates are described below.

## Fondazione Ermanno Casoli

### ERMANNOCASOLI FOUNDATION

The Ermanno Casoli Foundation (FEC), created in memory of the founder of Elica, promotes initiatives in which contemporary art becomes a didactic and methodological tool for improving work environments and launching innovative processes, fostering dialogue between the art world and that of companies. The FEC is a reference model in the field of corporate training through contemporary art, promoting creativity and teamwork. The Foundation believes that contemporary art can help break the traditional paradigms of common knowledge, promoting innovation and professional growth of employees. The FEC collaborates with Elica to organize training courses, cultural events and social initiatives in which employees are actively involved. The Elica Corporate Collection, a collection of works of art, is the result of the interaction between employees and internationally renowned artists, and represents an example of how art can enrich the work environment and stimulate employee creativity.



## MAJOR INITIATIVES INVOLVING THE FEC IN 2022

F  
E  
C



### SEPTEMBER 2022 ESTRAORDINARIO FOR KIDS

Two years after the pandemic, Elica is back with a learning initiative dedicated to the children of its employees, using contemporary art as a teaching tool. The children have been involved in a creative workshop led by the artist Marta Roberti.



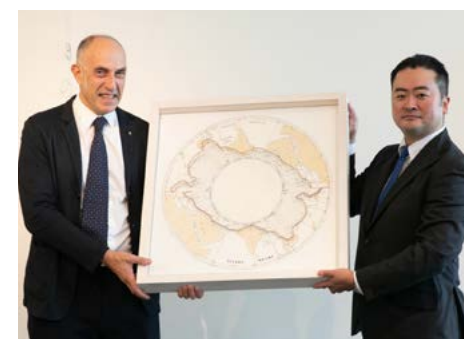
### OCTOBER 2022 ELICA AT THE VENICE BIENNALE

Elica's management took part in a tour of the Venice Biennale and three days of workshops with the aim of strengthening lateral thinking, creativity and aesthetic sensitivity, using art as a personal and professional tool.



### OCTOBER 2022 ERMANNO CASOLI AWARD

The artist Eugenio Tibaldi created the "Marshy" environmental artwork in the EMF FIME headquarters in Castelfidardo, using only waste from the company's production. This creation demonstrates how art can meet innovation in business, involving for the first time the whole Elica world in a project that promotes environmental sustainability and the reuse of waste materials.



### NOVEMBER 2022 IRIDE ARIAFINA

Elica celebrated the twentieth anniversary of the Joint Venture with Fuji by donating the "Iride" artwork, created in collaboration with the Ermanno Casoli Foundation. The composition ideally represents two eyes, a symbol of a common and shared vision, and of a strong bond between the two companies.





### IRIS GARDEN LEARNING CENTRE

Iris Garden is a bilingual learning center for children aged three to six, inaugurated in 2016 with the support of Elica and Ariston Thermo. The centre uses the Reggio Children Approach educational project and promotes the participation of families and the collegial work of the staff. Elica supports the project for its social value and the promotion of excellence in the area in which the company operates.

*ACCORDINGLY,  
THE GROUP IS COMMITTED TO FACILITATING  
THE DEVELOPMENT OF TOOLS AND ACTIONS AIMED  
AT ACHIEVING WELL-BEING BOTH IN THE WORKPLACE  
AND IN SOCIETY AS A WHOLE.*



Editorial Project Coordination  
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Art direction and graphic project  
COMMON





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