

**TOGETHER,  
BEYOND.**

2023  
CONSOLIDATED  
NON-FINANCIAL REPORT

**elica**

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# Message to the Stakeholders



Dear Stakeholders, the results of the year just ended once again confirm the Group's strength and ability to act swiftly. In a global environment that remains very complex, and facing adverse market demand for the second consecutive year, we promptly and proactively addressed unforeseen challenges, adopting product, distribution, and communication initiatives that will serve as the foundation for our future endeavours.

We continued to pursue our business and sustainability strategy, achieving excellent results in terms of our sustainability roadmap targets. In addition, the new initiatives we adopted further advanced our progress towards a business model that increasingly aligns with the needs of our customers and business partners.

The significance of our progress is reflected by the positive results we achieved again this year across the main ESG assessment parameters. More importantly, it reflects a culture and approach to sustainability topics that are increasingly integrated into our business dynamics.

In last year's report, we were proud to announce an impressive achievement: the use of 100% renewable energy at almost all of our Italian plants and our site in Poland. In 2023, we finished the job, achieving 100% use of green energy at all of our Italian plants. Thanks to decisions we have made in the past year, our total emissions have reduced by over 600 tonnes of CO<sub>2</sub>. At the beginning of this new year, and in those to come, we will continue to evaluate and adopt solutions targeted at improving energy efficiency and expanding the use of renewable sources.

Last year, we set an ambitious yet essential target: to conduct our very first greenhouse gas (GHG) emissions inventory following the ISO 14064-1 standard for the entire Group.

We completed the project as planned, and the details are available in the dedicated paragraph. Despite its complexity, the project allowed us to deepen our understanding of our organisation, bringing us into closer proximity with the entire value chain and providing us with a means of targeted action. The completion of our first GHG inventory represents an important starting point and provides us with a dataset that will steer us toward targeted action to reduce our Group's carbon footprint.

“In the near future, our products will remain a key asset, guaranteeing the economic sustainability of the Group and all our stakeholders. We will continue to adopt the actions outlined in our strategic roadmap, developing increasingly efficient and safe products with sustainable packaging, and that are in line with the principles of the energy transition”.

We also paid increasing attention to inclusivity, diversity, and the skills and expertise of our employees in 2023. In addition to our efforts to increase the percentage of women working for the Group, we significantly increased the hours of training per capita provided from 20 hours in 2022 to 39 hours per capita in the year just ended.

In November, we achieved yet another of our objectives for 2023 by taking greater care of employee health and safety. In fact, we extended our ISO 45001:2018 certification to our Jelcz Laskovice plant in Poland.

This is an extremely important achievement, as 94% of the people working at Group plants are now covered by management systems certified in accordance with Quality, Environment, and Workplace Safety standards. The safety and well-being of our employees is our top priority, and this milestone further demonstrates our enduring commitment to achieving these objectives.

These are only a few of the accomplishments we have made and the objectives we seek to fulfil in the near future. Although 2024 will likely present challenges, our strategy and clarity of vision will enable us to continue expanding and leading change, in addition to promoting sustainable initiatives that satisfy the needs of our Stakeholders.

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



# Methodological Note and Reporting Scope

## Methodological Note

This Non-Financial Report (or also “Sustainability Report, “Report”, “NFR” or “NFS”) seeks to provide the reader with clear, accurate, transparent and understandable information on the impacts generated by the Elica Group in the environmental and social spheres, in addition to impacts pertaining to personnel, respect for human rights and the fight against corruption caused directly or indirectly by the Company, or to which the Company contributes. In addition, through this document, the Company intends to provide an accurate understanding of the main risks associated with the Group’s business activities, in addition to the results achieved and the performances in the area of sustainability during 2023.

This document, prepared in accordance with Article 4 of Legislative Decree No. 254/2016, was approved by the Board of Directors of the Elica Group on March 14, 2024.

Elica also intends to continue with its approach of constantly improving its ESG practices, sustainability reporting and compliance with applicable regulations.

It has therefore appointed an Internal Team with clearly defined responsibilities. Supported by an external consultant, the team seeks to ensure that the company complies with the requirements of EU Directive 2022/2464 (the “CSRD Directive). It pays particular attention to defining systematic Human Rights Due Diligence practices and analysing climate, physical and transition risks. Its work teams have already established and begun to apply the compliance plan, which is structured into three macro-phases (Overview – Gap Analysis – Compliance action) and will be completed by May 2024.



## Identifying material topics

For reporting upon the year ended December 31, 2023, the materiality analysis was updated in accordance with the new requirements of the GRI Standards 2021 and approved by the Company’s Board of Directors on October 19, 2023.

For a more in-depth look at the process of identifying material topics, please see “Shaping Elica’s Sustainability.”

The reporting scope

This Report has been prepared “in accordance with” the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), defined by the Global Reporting Initiative (GRI) - using the “In accordance” approach. The qualitative and quantitative data and information contained within this document refer to the fiscal year ended December 31, 2023.

The reporting scope, in accordance with Article 4 of Legislative Decree No. 254/2016, coincides with that of the 2023 Consolidated Financial Statements of the Elica Group, i.e. it includes the data for the Parent (Elica S.p.A.) and the fully consolidated companies for non-financial reporting, with certain clarifications for some indicators, summarised in the following table.

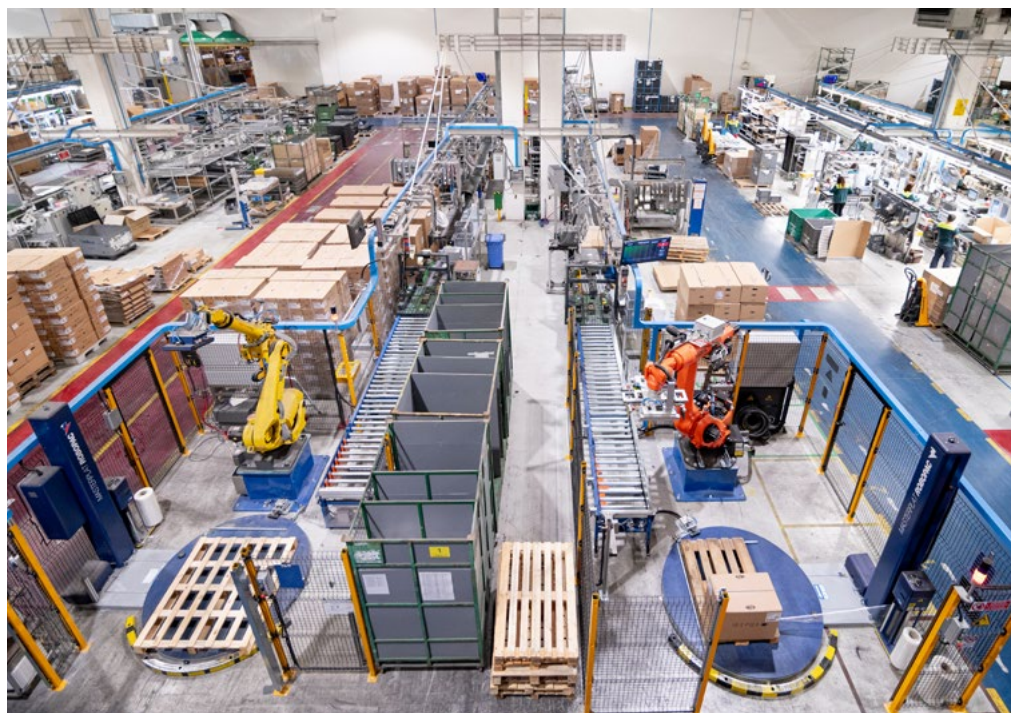
Indicator	Reporting Scope 2023	Note
GRI 2-7: Employees	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	Temporary workers were excluded from the reporting.
GRI 2-21: Annual total compensation ratio	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	
GRI 2-27: Non-compliance with laws and regulations	Elica Group*	
GRI 2-30: Collective bargaining agreements	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S. Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance, Inc., AG International Inc	
GRI 201-1: Direct economic value generated and distributed	Elica Group*	
GRI 205-1: Operations assessed for risks related to corruption	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	
GRI 205-2: Communication and training about anti-corruption policies and procedures	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	
GRI 205-3: Confirmed incidents of corruption and actions taken	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	
GRI 207-1: Approach to tax	Elica Group*	
GRI 301-1: Materials used by weight or volume	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	
GRI 302-1: Energy consumption within the organization	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	The figure for district heating refers only to the Elica Group Polska site.
GRI 302-2: Energy consumption outside of the organization	<b>Travel by car</b> - Elica S.p.A., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd and Elica France S.A.S., Elica GmbH, Air Force S.p.A, Elica Trading LLC, EMC FIME S.r.l. <b>Air travel</b> - Elica S.p.A., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Air Force S.p.A, Elica Trading LLC, EMC FIME S.r.l.	
GRI 305-1: Direct (Scope 1) GHG emissions	Elica S.p.A., Elicamex S.a.d. C.V. S.a.d. C.V, Elica Group Polska Sp.z o.o., Elica Inc., Zhejiang Elica Putian Electric Co. Ltd, Elica Trading LLC, Elica France S.A.S., EMC FIME S.r.l.	
GRI 305-2: Energy indirect (Scope 2) GHG emissions	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	The figure for district heating refers only to the Elica Group Polska site.
GRI 305-3: Other indirect (Scope 3) GHG emissions	<b>Travel by car</b> - Elica S.p.A., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd and Elica France S.A.S., Elica GmbH, Air Force S.p.A, Elica Trading LLC, EMC FIME S.r.l. <b>Air travel</b> - Elica S.p.A., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Air Force S.p.A, Elica Trading LLC, EMC FIME S.r.l.	

Indicator	Reporting Scope 2023	Note
GRI 306-3: Waste generated	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	
GRI 306-4: Waste not for disposal	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	
GRI 306-5: Waste directed to disposal	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	
GRI 308-1: New suppliers that were screened using environmental criteria	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., EMC FIME S.r.l.	
GRI 401-1: New employee hires and employee turnover	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	Temporary workers were excluded from the reporting.
GRI 403-9: Work-related injuries	<b>Work-related injuries</b> - Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l. <b>Near miss</b> - Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Airforce S.p.A., EMC FIME S.r.l.	Temporary workers were excluded from the reporting.
GRI 404-1: Average hours of training per year per employee	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	Temporary workers were excluded from the reporting.
GRI 405-1: Diversity of governance bodies and employees	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	Temporary workers were excluded from the reporting.
GRI 406-1: Incidents of discrimination and corrective actions taken	Elica S.p.A., Elicamex S.a.d. C.V., Elica Inc., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC, EMC FIME S.r.l., Southeast Appliance Inc., AG International Inc	
GRI 414-1: New suppliers that were screened using social criteria	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp.z o.o., EMC FIME S.r.l.	
GRI 416-1: Assessment of the health and safety impacts of product and service categories	Elica S.p.A., Elicamex S.a.d. C.V., Elica Group Polska Sp. z o.o, Air Force S.p.A., Zhejiang Elica Putian Electric Co. Ltd, Aria fina Co. Ltd	
GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Elica S.p.A., Elica Group Polska Sp.z o.o., Zhejiang Elica Putian Electric Co. Ltd, Elica France S.A.S., Elica GmbH, Airforce S.p.A., Elica Trading LLC	
GRI 417-1: Requirements for product and service information and labeling	Elica S.p.A., Elica Group Polska Sp. z o.o, Elica France S.A.S., Elica GmbH, Arafina Co. Ltd	The reporting scope covers the following finished products: extractor hobs, induction hobs and kitchen hoods of the Elica Group.
GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Elica Group*	
Non-GRI indicator: Innovation	<b>Elilnnovation projects</b> - Elica S.p.A. (Cooking business) for the entire Group because the activity is performed for the benefit of all subsidiaries; <b>Patents</b> - Elica S.p.A. (Cooking business and Motors business) for the entire Group because the activity is performed for the benefit of all subsidiaries	
Non-GRI indicator: Quality of after-sales services	Elica S.p.A. for items produced by Elica S.p.A., Elica Group Polska, sold on the market	
Non-GRI indicator: Product Design	Elica S.p.A.	

\* The term “Elica Group” refers to all companies within the reporting scope of this Non-Financial Report.

# Calculation methodologies and assumptions

The main calculation methodologies and assumptions used are indicated below:



## RATE OF DEATHS RESULTING FROM WORK-RELATED INJURIES

This indicator is the ratio of the total number of deaths resulting from work-related injuries to the number of hours worked, multiplied by 1,000,000. Temporary workers and employees of contractors were excluded from the reporting because their respective hours of employment are not directly accounted for by the organisation.

## RATE OF WORK-RELATED INJURIES WITH SERIOUS CONSEQUENCES

This indicator is the ratio of the total number of work-related injuries with serious consequences to the number of hours worked, multiplied by 1,000,000. Specifically, the term “work-related injury with serious consequences” refers to a work-related injury that leads to death or injury from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to pre-injury health within six months. Temporary workers and employees of contractors were excluded from the reporting because their respective hours of employment are not directly accounted for by the organisation.

## RECORDABLE WORK-RELATED INJURY RATE

This indicator is the ratio of the total number of recordable work-related injuries to the number of hours worked, multiplied by 1,000,000. Temporary workers and employees of contractors were excluded from the reporting because their respective hours of employment are not directly accounted for by the organisation; the commuting injuries reported refer to the Elicamex and Elica Group Polska sites where transportation was arranged by the Company.

## ENERGY CONSUMPTION WITHIN THE ORGANISATION

Points c. and d. of the indicator requirements have not been included within the tables in the section “Energy consumption and emissions” within the text, as the value is 0 for all the types mentioned.



## DIRECT (SCOPE 1) GHG EMISSIONS

Fuel consumption was calculated based on data provided by the supplier, invoices and consumption monitoring software.

For natural gas, diesel, petrol, LPG, bioethanol and biodiesel consumption, emission factors from the 2023 report of the UK Department for Environment Food & Rural Affairs (DEFRA) were used. The percentages of global warming potential used (GWP) are expressed in terms of CO<sub>2</sub> equivalent and consider the contributions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O, whose GWPs are derived from the IPCC's 4<sup>th</sup> Assessment Report, as defined within the methodological note of the above report.

## INDIRECT GHG EMISSIONS (SCOPE 2)

Energy consumption was calculated based on data provided by the supplier, invoices and consumption monitoring software.

"Location-based" emissions were calculated by multiplying electricity purchased from the national grid and electricity from district heating by country-specific emission factors, which were taken from the 2023 "Carbon Footprint" report, published at [www.carbonfootprint.com](http://www.carbonfootprint.com). Specifically, for China and Mexico the emission factors used were taken from the 2022 "Climate Transparency" report, and for Poland and Italy from the 2023 report published by the Association of Issuing Bodies (AIB). The global warming potential (GWP) percentages used are defined within the methodological note of the above report.

## OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

For the calculation of kilometres travelled by air, distances were estimated based on routes taken by employees via the [http://www.worldatlas.com/travelaids/flight\\_distance.htm](http://www.worldatlas.com/travelaids/flight_distance.htm). On the other hand, with regard to car miles driven, distances were calculated based on the refuelling done by employees using fuel cards.

Emission factors from the 2023 report of the UK Department for Environment Food & Rural Affairs (DEFRA) were used to calculate emissions generated by business travel by car and plane and diesel and petrol consumption. The percentages of global warming potential used (GWP) are expressed in terms of CO<sub>2</sub> equivalent and consider the contributions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O, whose GWPs are derived from the IPCC's 4<sup>th</sup> Assessment Report, as defined within the methodological note of the above report.



## COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

The term “training” has been identified as any activity that is different and/or additional to the mere communication of policies. For the purpose of quantifying the figure, where the training hours were not identifiable, half an hour/one hour of training per employee was considered. Since the classification of categories is not homogeneous, it cannot be determined and is, therefore, not reported;

## OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

With respect to processes and Group companies subjected to corruption risk assessment, companies that have adopted the 231 Model and/or conducted audits - even if only qualitative - on the subject are considered assessed; while companies that have anti-corruption, similar or equivalent procedures are not considered assessed;

## PRODUCT DESIGN

For eco-design projects related to packaging analysed, the figure was estimated based on projected sales of models for which the new reengineering solutions are applicable. The carbon footprint savings figure, on the other hand, was estimated based on the report “EPS - Environmental impact and life cycle” published by AIPE - Italian Expanded Polystyrene Association.

## EMPLOYEES

The figure for the number of workers was calculated from the payroll of the Companies within the reporting scope of the Elica Group. Temporary employees were excluded from the reporting.

## MATERIALS USED BY WEIGHT OR VOLUME

Figures for the amount of materials purchased were calculated based on information and specifications shared with suppliers or based on best estimates made by Elica S.p.A. Technical Sector.



REQUIREMENTS FOR  
PRODUCT AND SERVICE  
INFORMATION AND  
LABELLING

With respect to the evaluation of products and services in relation to their compliance with the adopted procedures on information and labelling, the product type “Fragrance diffuser” is excluded from the calculation, as subject only to Safety and not to Energy Label and Ecodesign.

In quantitative terms, the percentage of significant product and service categories covered and evaluated for compliance with these procedures was calculated as the ratio of net sales generated by the finished products analysed (scope of finished products) to the Group Elica’s net sales for the following finished product categories: range hoods, extractor hobs and induction hobs.

SCOPE RECONCILIATION TABLE - LEGISLATIVE DECREE NO. 254/2016 - MATERIAL TOPICS - GRI TOPICS

Legislative Decree No. 254/2016 scope	Material topics	GRI Topic	Scope	
				External
The Environment	Combatting climate change	GRI 302   GRI 305	Group	-
	Circular economy and waste management	GRI 301   GRI 306	Group	-
Personnel management	Growth and development of human capital	GRI 401   GRI 404   GRI 405	Group	-
	Health and Safety	GRI 403	Group	-
Human rights	Growth and development of human capital	GRI 406	Group	-
Social Impacts	Consumer health and safety	GRI 416   GRI 417	Group	Customers
	Sustainable supply chain management	GRI 308   GRI 414   GRI 408   GRI 409	Group	Suppliers
	Data privacy and security	GRI 418	Group	Customers
Combatting corruption	Responsible business management	GRI 201   GRI 205   GRI 207	Group	-
-	Product innovation and eco-design	Non-GRI Topic	Group	Customers

For clarification or additional information regarding this document, you may contact the QHSE Assurance & Sustainability Manager by sending an e-mail to the address [elicaehs@sicurezzapostale.it](mailto:elicaehs@sicurezzapostale.it) with “Non-Financial Report” in the subject line or by writing to:

**Elica S.p.A.**  
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FAO: QHSE Assurance & Sustainability Manager

or by phoning:  
**+39 0732 6101**



# Together, beyond.

**Is it possible to go beyond the traditional concept of the green economy? Elica believes it is.**

The company's vision is clear: to overcome expectations, to invent the future and to strive for something bigger and more positive, we must be united.

The only way to achieve our objectives is to bring staff, customers, partners and local communities together in a single, clear purpose. To continue to imagine previously undiscovered solutions, with a strong focus on the most important aspects: the environment, ethics, health, the social element.

Today, the commitment made by Elica and by all of its stakeholders to a sustainable future is also - and above all - a call for collaboration and for togetherness. Because only together can we overcome challenges and go further. Towards meaningful and profound change.



# Elica Group profile

**Elica is an Italian company that sits at the forefront of the design and production of home appliances for modern cooking. It boasts over 50 years of history and global leadership in kitchen extractor systems.**



It is the European benchmark in motors for home appliances and boilers. It employs around 2,600 staff between its headquarters in Fabriano and seven facilities in Italy, Poland, Mexico and China. These are the figures that tell the story of Elica, which is constantly guided by Chairperson Francesco Casoli. The company's results are inspired by values that have always guided every one of its projects, products, and activities: design that combines aesthetics and performance for an extraordinary cooking experience, art as a model for creative processes and working methods, and innovation for technology that brings out the very best in product functionality.

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. EMC FIME develops in-house co-designed solutions with the major industrial groups in the heating and ventilation industry, responding to the growing demands for energy savings, comfort, digitalisation, connectivity and indoor air quality in the environments in which we live.

# Elica globally

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

## EUROPEAN UNION

The Group has been in Italy since 1970 at its long-standing Fabriano (AN) headquarters, alongside the EPL research and development laboratory. Also in the Marche region, Elica's Italian production plant is located in Castelfidardo (AN), the subsidiary company AIR FORCE is based in Cerreto d'Esi and EMC FIME is in Castelfidardo (AN).

The Elica Group is also present in Poland with Elica Group Polska S.p. z o.o. at Wrocław (Jelcz Laskowice), one of Eastern Europe's main industrial hubs. In Germany, the distribution company Elica GmbH directly serves the market, with Elica France S.A.S.U. distributing to the French market. Elica manages the Spanish market through a dedicated organisation.

## CIS (COMMONWEALTH OF INDEPENDENT STATES) ASIA

In 2012, the Company decided to strengthen its direct presence in this market, in which it has operated through its brands since 1995, acquiring full control of Elica Trading LLC, which markets own-brand products, such as those of Elica, Jet Air and Turboair.

In Asia, the Elica Group has been present since 2002, the year of the joint venture with Fuji Industrial Co. Ltd., the leading producer in Japan of aspirating range hoods. Aria fina Co. Ltd. emerged from the joint venture, a flagship brand for the Japanese high-end range hood market, and which Elica has controlled since 2006.

## THE AMERICAS

The Elica Group has a presence in Querétaro, 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. The Mexican site is part of the strategic move by the Group in recent years to operate even closer to customers in this market and to take advantage of significant growth opportunities both through the third party brands business (OEM<sup>1</sup>) and through the launch and development of own brands. Also with this in mind, in 2023 Elica established the US company Southeast Appliances Inc. to distribute own-brand and third-party products in the southeastern United States and also acquired a distribution company in Canada.

In 2010, Elica entered the Chinese market, the world's largest range hood market, by acquiring a majority holding in the Chinese company Zhejiang Elica Putian Electric Co. Ltd., which operates under the PUTI brand and through which the Elica Group manufactures and markets products on the Chinese market. The production site is located in Shengzhou, a major Chinese industrial district for the production of home appliances. In 2012, Elica sold to Fuji Industrial Co. Ltd. a stake in Zhejiang Elica Putian Electric Co. Ltd., now held for over 99% by Elica. The transaction with Fuji, which underlines the strategic importance of having a direct presence in this area, consolidated and strengthened the co-operation with our Japanese partner.

1. Original Equipment Manufacturer.



GROUP COMPANIES AND NUMBER OF EMPLOYEES

Group employees by company	Unit	2023	2022
Elica S.p.A.	No.	628	674
Airforce S.p.A.		100	104
EMC FIME Srl		253	263
Elica Group Polska Sp.z.o.o		792	798
Elica France S.A.S.		19	18
Elica Gmbh		11	9
Elica Trading LLC		25	25
Zheliang Elica Putian Electric Co. Ltd.		107	108
Ariafina Co. Ltd.		-	-
Elicamex S.a.d. C.V.		604	574
Leonardo Services S.a. de C.V.		-	-
Elica Inc.		4	5
Southeast Appliance, Inc.		2	-
AG International Inc		3	-
Total		2,548	2,578

NUMBER OF EMPLOYEES AND CONTRACT TYPE

Employees	Unit	2023					2022				
		Male	Female	Other	Not stated	Total	Male	Female	Other	Not stated	Total
Permanent contract	No.	1,144	944	-	-	2,088	1,158	916	-	-	2,074
Fixed-term contract		223	237	-	-	460	250	254	-	-	504
On-call contract		-	-	-	-	-	-	-	-	-	-
Total		1,367	1,181	-	-	2,548	1,408	1,170	-	-	2,578
Part-time contract	No.	2	33	-	-	36	2	27	-	-	29
Full-time contract		1,365	1,147	-	-	2,512	1,406	1,143	-	-	2,549
Total		1,367	1,181	-	-	2,548	1,408	1,170	-	-	2,578

TOTAL NUMBER OF EMPLOYEES BROKEN DOWN BY EMPLOYMENT TYPE, GENDER, AND GEOGRAPHIC AREA

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Full-time contract	No.	1,365	1,147	2,512	1,406	1,143	2,549
Italy		583	363	946	626	386	1,012
France		13	6	19	11	7	18
Germany		9	2	11	6	3	9
Poland		303	489	792	317	481	798
Russia		11	14	25	11	14	25
The Americas		381	231	612	368	211	579
China		65	42	107	67	41	108
Japan		-	-	-	-	-	-
Part-time contract		2	34	36	2	27	29
Italy		2	33	35	2	27	29
France		-	-	-	-	-	-
Germany		-	-	-	-	-	-
Poland		-	-	-	-	-	-
Russia		-	-	-	-	-	-
The Americas		-	1	1	-	-	-
China		-	-	-	-	-	-
Japan		-	-	-	-	-	-
Total		1,367	1,181	2,548	1,408	1,170	2,578

NUMBER OF NON-EMPLOYEE WORKERS

Workers who are not employees	Unit	2023	2022
Interns	No.	12	16
Temporary staff		110	107
Self-employed workers		-	-
Total		122	123





COOKING



MOTORS

The Group’s revenue is split into two main business lines:

- Production and sale of third-party brand home appliances (accounting for approximately 39% of Cooking revenue)
- Production and sale of own brand home appliances (accounting for approximately 61% of Cooking revenue)
- Production and sale of electric motors (accounting for approximately 23% of total revenue)

The countries served at the commercial level are divided into five main geo-clusters for a total of 109 nations:

GEO CLUSTER	MARKETS SERVED (NO. COUNTRIES)
North America	2
South America	14
Eastern Europe	28
Western Europe	23
Rest of the World	42
Total	109

In particular, the Eastern Europe geo-cluster includes the geographical area that extends from the Balkans to the former Soviet Union, including Turkey and the former Soviet Republics. The “Rest of the World” geo-cluster comprises India, China, APAC, Africa and others.

The main distribution channels served for the sale of own brand products and their weight as a percentage of net revenue are shown below:

COOKING OWN BRAND CLUSTER	SHARE
Kitchen manufacturers	41%
Distributors	40%
Specialised chain stores	8%
Small retailers	7%
Internet	4%
MOTORS CLUSTER	SHARE
Large OEMs	61%
Small OEMs	32%
Other	6%

# Brands and Products

## KITCHEN ASPIRATION SYSTEMS



## ELECTRIC MOTORS

### ELICA

This brand originated alongside the company, over 50 years ago. Every home appliance, from kitchen range hoods to cooktops, ovens and wine coolers, is distinguished by innovative design, quality air, high performance accessible to all, and low energy consumption. Embrace culinary excellence with Elica.

### TURBOAIR

This brand designs mid-to-low-range home appliances for the retail channel in East Asia and the Commonwealth of Independent States (CIS).

### ARIAFINA

Born out of a joint venture with Fuji Industrial, this premium brand of range hoods is tailored for the Japanese market. Ariaфина home appliances harmoniously marry the best Japanese technology with unmistakable Italian design.

### EMC FIME

A leading company in Europe specialising in the design, manufacture, and marketing of electric motors for heating, ventilation, and home appliances. EMC FIME is dedicated to developing increasingly effective, high-performing and energy-efficient motors.

It partners with leading industrial groups (including: Vaillant, BOSCH, BSH, Electrolux, Franke, and Elica).

### ARIETTA

This brand of highly competitive range hoods is designed for the North American market. Each product is distinguished by reliability, functionality, aesthetics, and quality.

### JET AIR

A household name in Russia, this brand is highly appreciated for embodying Made in Italy values. Its designs combine functionality, aesthetics, and cutting-edge innovation.

### PUTI

Acquired through a Chinese joint venture, Puti is a leading brand in its target market, providing range hoods, cooktops, and kitchenware sterilisers. Its range hoods in particular lead in the mid to high-end segment, boasting high-level functionality and design.



# Target-setting and the management model

The Group's strategic objectives, promoted by Elica's top management and approved by the Board of Directors, are formulated in a planning process involving all operating segments, markets, head offices and production sites.

The Group's strategic plan is monitored by setting and verifying (monthly, quarterly and annually) targets for the dedicated commercial organisations (Markets, OEM and Own Brand Channels and the Motors Division), the Operations area (Manufacturing, Logistics, Quality and Purchasing), Research and Development and the staff functions (Finance EHS<sup>2</sup>, Human Resources and IT). From 2022, the goals regarding the strategic plan will be complemented by those regarding the Sustainability topics identified in the Group Roadmap, defined at the same time as the establishment of the Sustainability Board, linked to the various actions that make up the Group Sustainability Plan.

2. Environment Health & Safety.

# Elica's economic network



## VALORE D

The first association of companies in Italy to advocate for gender equality, which has been promoting an inclusive culture for the growth of companies and the country. Valore D provides companies, through an integrated approach, with effective tools and inter-company and institutional comparison.

### Main activities carried out with Elica

Elica partners with Valore D with the goal of **promoting and developing a culture of inclusion to support Elica's innovation**, progress and growth. This partnership provides Elica with a concrete tool to measure the effectiveness of diversity, equality and inclusion policies and to update its managers on training paths and programmes through testimonials, e-learning, talks and newsletters.

## CONFINDUSTRIA

Confindustria is the main association representing manufacturing and service businesses in Italy.

Confindustria's voluntary members include over 150 thousand small, medium and large companies with a total workforce of 5 million.

The association's mission is to support business's role in driving Italy's economic, social and civil growth. To achieve this aim, it designs common strategies, goals and initiatives, in a manner respectful of members' autonomy and sphere of influence, working together with exponents of the economy and finance, Italian, European and international institutions, government, labour, culture and research, science and technology, politics, information and civil society.

### Main activities carried out with Elica

Consulting activities: **labour law and other issues of industrial and customs law.**

## ASSONIME

ASSONIME is an association that represents Italian joint-stock companies. It was founded on November 22, 1910, and pursues the mission of studying and solving problems that directly and indirectly affect the interests and development of the Italian economy. To this end, the association:

- strives for the improvement of industrial, commercial, administrative and tax legislation, with particular regard to company law, including in respect of production activity;
- strives for the cultural elevation of the economic environment and for a deeper understanding, in Italy and abroad, of the Italian legal system and economic situation, including through periodic publications and monographs;
- promotes the protection of the collective interests of its members;
- informs members of legislative and administrative developments and particularly significant international developments in industrial, commercial, administrative and tax matters;
- conducts and promotes – in some cases in coordination with other institutions – studies and publications on economics and the law and oversees the collection of data and information that may be of interest to members;
- provides members with clarification and instructions regarding industrial, commercial, administrative, tax and currency legislation.

### Main activities carried out with Elica

**Institutional relations and networking activity.** Regulatory updates and roundtables on legal matters relevant to the company.



## THE LEONARDO COMMITTEE

The Leonardo Committee was formed in 1993 at the initiative of Confindustria, ICE<sup>3</sup> and a group of businessmen and men of culture, including Gianni Agnelli and Sergio Pininfarina, with the aim of promoting and establishing Italian quality throughout the world.

It is no coincidence that the name “Leonardo” evokes the magical intersection of art, science and technology: three forms of expression of human ingenuity that reflect Italy’s success at an international level. The Committee brings together over 160 renowned businessmen, artists, scientists and men of culture wanting to join together in furtherance of Italy’s development and originality through high-profile cultural and economic events.

In its activity, the Leonardo Committee cooperates with all institutions responsible for promoting Italian companies abroad and their international expansion efforts. Its members also include top government officials such as the Prime Minister, Minister of Foreign Affairs, Minister of Economic Development and Minister for Cultural Heritage and Activities.

## AIDAF

AIDAF – the Italian Association of Family-Owned Companies – was founded in 1997 by Alberto Falck along with a group of like-minded business people. Its members now include over 180 family-owned companies, accounting for approximately 14% of Italy’s GDP and employing 600,000 people. From 2019 until the end of April 2023, Elica S.p.A. Chairperson Francesco Casoli served as Chairperson of the association. The Italian Association of Family-Owned Companies (AIDAF) is the only association specifically dedicated to matters of interest to small, medium and large family businesses, involving all members of business-owning families. The association is active in three main areas:

- training and empowerment of members of associated families;
- institutional projects involving Italian and European politicians aimed at creating and maintaining a legislative and regulatory framework that favours family businesses;
- the exchange of experiences and ideas through the organisation of opportunities to meet to facilitate networking between member business-owning families.

AIDAF is the Italian Chapter of FBN<sup>4</sup>, - Family Business Network.

### MAIN ACTIVITIES carried out with Elica Institutional relations and networking activity

## ISTAO

The Adriano Olivetti Institute (ISTAO) is one of the longest-running management training schools in Italy. It was founded in 1967 by the economist Giorgio Fuà with the support of the Adriano Olivetti Foundation, the Social Science Research Council and the CNR<sup>5</sup>.

The Institute has always taken inspiration for the culturally and civically oriented training of its managerial students from the figure of Adriano Olivetti himself, who championed entrepreneurship as a moral and productive duty.

The institute’s methodology is based on experimentation and experience within a corporate context, in the conviction that the best way to learn is face to face with the operational and professional world. The formula favours learning by producing over traditional note-taking lessons.

### Main activities carried out with Elica

Elica is a supporting partner of the Adriano Olivetti Institute with the aim of **co-designing training for its own managers and benefiting from an advance selection of master’s candidates** from among recent graduates.

3. Italian Trade Agency. ICE is the Agency for the promotion abroad and international expansion of Italian businesses.

4. Family Business Network.

5. National Research Council.

# The industry network of Elica and the Group

**Elica S.p.A. is a member of the CFI - the “Intelligent Factory” National Technology Cluster, an association of stakeholders (companies, universities, research centres and business associations) active in the advanced manufacturing sector.**

The CFI is acknowledged for its role in driving the sustainable economic growth of communities throughout Italy, fostering innovation and specialisation in national manufacturing systems. Its main areas of activity are: automation, industrial efficiency and sustainability, innovation in production processes and the optimal use of human resources in production facilities.

Elica is also currently represented on its Board of Directors. Elica S.p.A. is also part of the “Marche Manufacturing Cluster - Industrial Innovation Cluster”, which is currently chaired by an Elica representative. The same Elica representative is also Chairperson of the Board of the Marche Cluster Foundation, the operating arm of the Marche Technology Clusters.

Elica S.p.A. is on the Steering Committee of the Industrial Engineering degree courses (Mechanical and Management) of the Marche Polytechnic University and of the Information Technology degree courses at the University of Camerino. One of the main purposes of the Committee is to foster and promote relations between the university and the manufacturing base, bringing university training courses closer to

the needs of the working world and monitoring the adjustment of the curricula offered by the courses to the indications provided by businesses.

It is also a member of APPLiA - the Home Appliances Manufacturers Association. APPLiA Italia contributes to enhancing the competitiveness and sustainable development of industry manufacturers and aims to ensure access to all the knowledge needed to design innovative, sustainable (i.e., energy-efficient) and high-performance products. By complying with the Code of Conduct, members ensure that consumers and customers receive data on product performance (as stated in manufacturer's catalogues and websites) that has been scientifically measured according to a structured testing process in line with European regulations.

Elica S.p.A. is also a member of the “Range Hoods” working group as parent in Italy and Technical Advisor in Europe. In reference to its Motors division, EMC Fime S.r.l. is a member of EVIA - European Ventilation Industry Association, an association of manufacturers and stakeholders focusing on the residential and non-residential indoor ventilation industry.

At European and domestic level, EVIA promotes the application of energy-efficient ventilation systems which closely consider the environmental, health and comfort aspects that ensure good indoor air quality in facilities and buildings.

EMC Fime S.r.l. is also a member of ASSOTERMICA, the association within Confindustria that represents Italian manufacturers of heating system equipment and components.

The association's main goals are promoting energy efficiency and protecting the environment in accordance with European directives.

Elicamex is a member of AERI (Asociación de Ejecutivos de Relaciones Industriales), whose mission is to update salary surveys, report on developments relating to labour laws, keep abreast of new best practices and form a regional network of local companies.

# External initiatives

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

ERMANNO CASOLI  
FOUNDATION

F  
E  
C



The Ermanno Casoli Foundation (FEC), established in 2007 in memory of Elica's founder, promotes initiatives in which contemporary art becomes a means of spreading knowledge and methods capable of improving the working environment and triggering processes of innovation, with the goal of supporting relations between art and business.

A pioneer in exploring the potential for dialogue between art and industry, the Foundation has made a name for itself in Italy as an avant-garde promoter of the use of contemporary art in company training, through increasingly structured, specialised activities capable of spurring interaction between these two worlds in furtherance of their respective goals.

The basis of the Foundation's activities is the conviction that contemporary art, in its role of provoking thought, contributes to breaking traditional paradigms of common thinking, allowing individuals who come into contact with it to enter a mental and emotional state of openness to unexpected possibilities.

This makes contemporary art particularly suited to creating open, innovative experiential environments. The Foundation promotes projects in which art and corporate organisations feed into one another, triggering original processes of innovation that stimulate creativity and reinforce teamwork.

**The works of art in the Elica Corporate Collection are the product of interaction between employees and internationally renowned artists.** This unique, specific collection of works has been featured in the volume Global Corporate Collections (2015), dedicated to the world's one hundred most beautiful corporate art collections.

At Elica the Foundation finds fertile ground for experimenting with the processes and outcomes of all its activities, so that they may then be applied in other settings.

**The Ermanno Casoli Foundation has been collaborating with Elica for many years in order to contribute to the professional growth and well-being of employees,** providing specific training courses to consolidate and enhance the skills and knowledge acquired and organising cultural events and social initiatives in which the latter are actively involved.

Major initiatives involving the FEC in 2023:



SEPTEMBER 2023

## PREMIO ERMANNO CASOLI

Launch of a site-specific lighting installation titled “The Personal is Political”. The art duo Claire Fontaine created the artwork for the iconic piazzetta at Elica’s head office in Fabriano. The name is a spin on a feminist slogan, providing a meaningful message to the entire workforce and thus representing a statement of intent for social innovation and cultural contamination. The artwork was created following a workshop involving Elica managers, who discussed women’s empowerment with Claire Fontaine, emphasising the value each woman brings to their private and professional lives every day.

SEPTEMBER 2023

## ESTRAORDINARIO FOR KIDS

To accompany the Premio Ermanno Casoli launch, the Group also organised a contemporary art workshop for the children of Elica employees. The art duo, Claire Fontaine, engaged children in a creative experience titled “The Runaway Animals”. Participants were encouraged to express themselves freely by drawing their favourite animals on a large piece of paper. The drawings were reworked into a collective composition by the artists, which will be transformed into wallpaper for Elica’s offices.

NOVEMBER 2023

## ELICA EXPLORES NAPLES

Training activity for Elica managers, designed in collaboration with the Fondazione Ermanno Casoli. This edition (in its second year) is titled “*Ma tu over faje?!?*” (“Are you serious?!”). The three-day experience involved a treasure hunt in the city of Naples, where the ancient and the contemporary intermingle seamlessly. The trip also included a tour of contemporary artworks from around the globe (visits to contemporary art projects and initiatives: Stazioni dell’arte, MADRE - Museo d’arte contemporanea Donnaregina, Fondazione Morra Greco, Fondazione Made in Cloister, Galleria Alfoso Artiaco, Casamadre; meet-up with artists living and working in the city: the Bianco-Valente duo and

photographer Antonio Biasucci; visits to places of historical and artistic significance: Cappella di San Severo; Pio Monte della Misericordia). The goal was to encourage participants to engage with lateral thinking, embrace their curiosity, think outside the box, and strengthen their aesthetic sensibilities. The belief is that contemporary art also acts as a powerful tool for education and innovation in the business world.



## IRIS GARDEN LEARNING CENTRE



Having opened in September 2016, Iris Garden is an Italian/English learning centre for children from three to six years of age. A place where various sensibilities, families, educators and Fabriano-area companies come together, Iris Garden is an initiative of high social value with a focus on the youngest members of society. The centre is the brainchild of Francesco Merloni, with support from Ariston Thermo and Elica, and is run by the social cooperative Mosaico.

The initiative is of considerable social value and offers a strategic vision focused on the youngest members of society. The centre, whose teaching staff include native speakers of both English and Italian, is a place where children can develop their cognitive and social abilities and hone the skills required to become bilingual in a setting offering full immersion in the English language. The Reggio Children Approach education project is based on the participation of families, collaboration between all staff, the work of the studio and the studio teacher and combines pedagogic and didactic coordination to encourage a positive, cutting-edge growth path from the early stages of the child's life.

Elica believes that excellence can be promoted by focusing both on the development of people within the company and by promoting growth in the area and social context 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.*



# The supply chain

## 480

tra fornitori  
diretti e indiretti

The Elica Group's global logistics organisation is responsible for managing the entire sequence of businesses processes, from order receipt to delivery of the product to the customer. It plays a central coordinating role aimed at ensuring that all affected processes are fully aligned with the Group's strategies and promote their standardisation and ongoing improvement.

The central organisation has departments dedicated to the two main business divisions, Cooking and Motors.

Its main areas of activity are:

- Customer demand and finished product inventory management, customer support for own brand and third-party brand customers;
- Master Planning Schedule for the production facilities and suppliers of both finished products and spare parts;
- Material Management and logistics supplier management in coordination with the Purchasing department for both production and introduction of new products;
- Shipping, Storage and Distribution;
- Processes and Ongoing Improvement of systems with a focus on information technology instruments and global management platforms (SAP, Air SIOP etc.). In this regard, Q4 2023 saw the introduction of a new portal (HORSA) dedicated to document sharing and guided interaction with almost the entire Group Supply Chain.

The management of finished product stock and customer service is coordinated by headquarters, which sets the relative levels to ensure service to the end customer and the optimisation of production resources.

**The coexistence of a B2B and B2C is an important, distinctive characteristic of the Group that also entails the coexistence of two different management models:** B2B relates to the direct order by the customer of third-party brand products (make-to-order) and B2C relates to the models for forecasting demand for own brand products (make-to-stock).

In order to serve the B2C segment, our distribution organisation is broken down by region (Italy, Germany, France, Russia, Poland and North America etc.), and there is therefore a dedicated team for each geographical area within the organisation.

Products are distributed both directly by the first-tier warehouses located near the production facilities and by the second-/third-tier warehouses located in the various geographical areas.

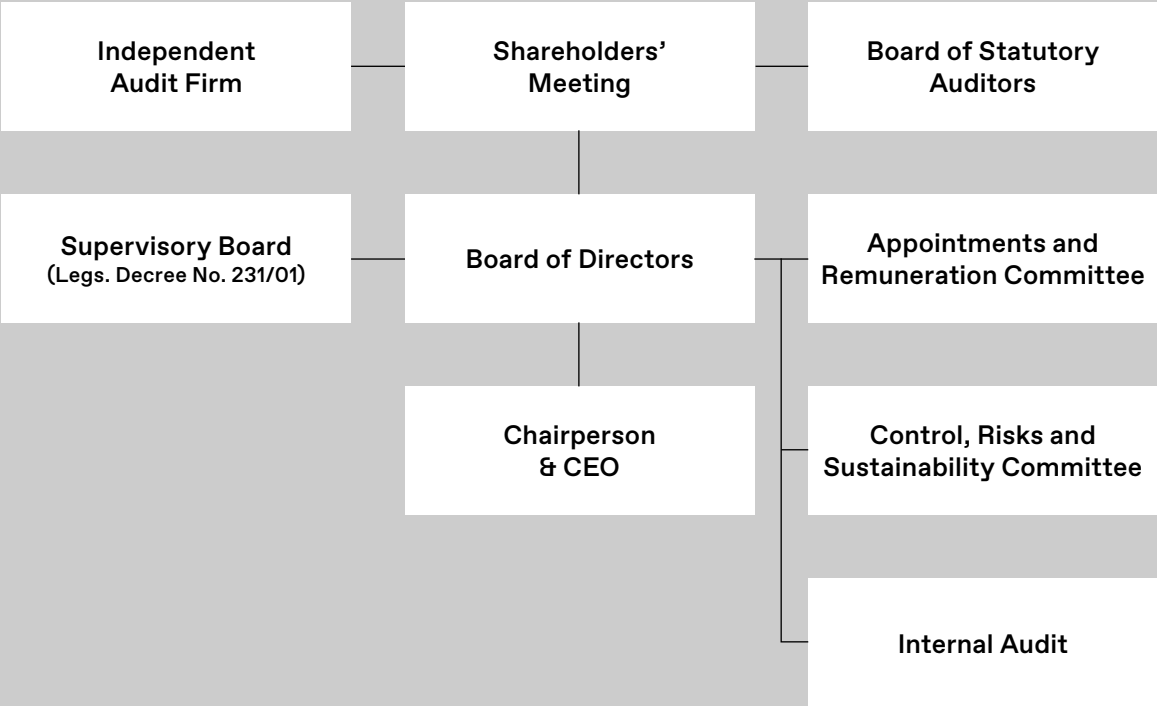
**The extensive variety and complexity of the product line entails the management of approximately 480 direct and indirect suppliers based throughout the world.** Approximately 40% of current spending on the purchase of materials and components originates in low-cost countries (China, Mexico, etc.), whereas the remaining 60% originates with EMEA suppliers.

The Motors business produces approximately 16% of products for internal use, meaning they are used for the cooking products sold by the Group itself (captive production), and 84% for third-party customers.

For this business line, the organisation distributes motors to customers throughout the world directly from the tier-one warehouse.

Regarding the situation arising in February 2022 with the outbreak of the Russian-Ukrainian conflict, since Elica has no suppliers geographically located in the conflict zones (or otherwise affected by the measures decided by the international community against the two states involved), in 2023 there was no negative impact on the continuity of supplies.

# Elica's Governance System and procedural division



Elica S.p.A. is a joint-stock company listed on the Italian Stock Exchange since 2006 on the EURONEXT STAR MILAN segment. The Casoli family exerts control over Elica S.p.A. indirectly through Fintrack S.p.A., the majority shareholder of FAN S.r.l., in turn majority shareholder of Elica S.p.A.

Elica S.p.A. has adopted the Corporate Governance Code of January 2020. A traditional administration and control model is followed:

- corporate management is exercised by a Board of Directors (assisted by internal Board Committees: the Appointments and Remuneration Committee and the Control, Risks and Sustainability Committee);
- the supervisory functions are carried out by a Board of Statutory Auditors;
- the statutory audit and accounting control are carried out by the independent audit firm appointed by the Shareholders' Meeting;
- a Supervisory Board has been set up in accordance with Legislative Decree No. 231/2001.

For further details on the appointment and replacement of Directors and members of the Board of Statutory Auditors, please see the By-Laws available at the following link [Corporate Documents | Elica Corporate](#).

The Company has also adopted specific Governance procedures which guide the operations of the corporate boards. These are assessed annually by top management, the internal Board committees and the Board of Directors, establishing which among them need updating.

In this regard, we note the Shareholders' Meeting Regulations, Board of Directors' Regulation, the Committee Regulations, Internal Dealing Code, Related Party Transactions Policy, Insider Information Policy, and Shareholder Communication Policy, which are subject to periodic assessment by the relative corporate boards.



# Governance at the subsidiaries

As the majority shareholder, Elica constantly monitors the adequacy of governance at the Group companies.

When organisational changes or changes in the corporate structure affecting subsidiary companies occur, Elica assesses and approves the most appropriate changes, taking into account the need for compliance with relevant regulations and business needs.

Most commonly, governance changes involve the issuance of Group policies or the appointment of new Directors at subsidiaries. New Directors are normally chosen from among the Group's senior managers, a choice that helps ensure consistency in management and compliance with shared consolidated guidelines and goals.

With particular reference to changes in the corporate boards of subsidiaries that occurred during 2023:

- The Elica France Shareholders' Meeting resolved to appoint a new Legal Representative effective January 1, 2023;
- A new Legal Representative was also appointed for Elica GmbH effective September 1, 2023;
- The Board of Elica Trading was changed to deal with potential risks relating to the Russian-Ukrainian conflict;
- Elica's Board of Directors approved the establishment of a distribution company in the Southeast U.S.A. called Southeast Appliances Inc., wholly owned by the Elica Group, and the acquisition of a distribution company in Canada.



# Composition of the corporate boards and performance assessment

The Company's Board of Directors is composed of Executive and Non-Executive Directors with adequate skills and professionalism. As per Article 16 of the By-Laws, the Company is administered by a Board of Directors made up of a minimum of 5 members to a maximum of 11 members including non-shareholders.

The current composition of the Board of Directors was approved by the Shareholders' Meeting on April 29, 2021. The Board of Directors comprises seven members, of which five are independent as per the Corporate Governance Code and the CFA<sup>6</sup>. The mandate of the current Board of Directors will expire at the Shareholders' Meeting to approve the 2023 financial statements; the Shareholders' Meeting will therefore be called to renew it.

The Company's By-Laws provide that the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors. It was most recently appointed at the Shareholders' Meeting of April 29, 2021.

For details on the process and the corporate board appointment and replacement criteria, on the Executive Director succession plan and on the experience and expertise of the Directors and the members of the Committees and of the Board of Statutory Auditors, reference should be made to the Corporate Governance and Ownership Structure Report and to the documentation related to the Shareholders' Meeting called to approve the 2023 financial statements, available on the Company's website [Shareholders' Meeting | Elica Corporate](#).



**Francesco Casoli**  
Director and Chairperson BoD



**Giulio Cocci**  
Director and CEO



**Susanna Zucchelli**  
Non-Executive Independent Director



**Elio Cosimo Catania**  
Non-Executive Independent Director



**Liliana Fratini Passi**  
Non-Executive Independent Director



**Angelo Catapano**  
Non-Executive Independent Director



**Monica Nicolini**  
Lead Independent Director

6. Consolidated Finance Act.

# Remuneration Policies

The remuneration of Directors (particularly those holding executive office) and Top Management is a key incentive and control mechanism to ensure the integrity and efficacy of the corporate governance mechanisms.

The remuneration policy that has been developed targets the achievement of the Group strategy and is an essential tool in aligning the interests of shareholders with those of management. The remuneration system is part of a wider framework to retain and motivate the most suitable personnel to ensure the Company's success.

**Development of the individual and equal opportunities, which have always been at the heart of Elica's culture, are the "ethical" base on which the remuneration systems are also built.**

With regards to the instruments utilised, the "Annual Remuneration Policy" comprehensively outlines the Remuneration Policy and its implementation at the company with regards to the members of the management bodies and the Key Managers.

Elica's remuneration system is always based on the principles of the Corporate Governance Code and is a key instrument to:

- **attract, maintain and motivate** a community of women and men of excellent professional standing
- **recognise the responsibilities** undertaken by its managers and award the achievement of results
- **align the actions of management** with the interests of shareholders
- **promote the creation of value** over the medium/long-term



As regards Key Managers, this goal is achieved also through linking a significant part of remuneration to the reaching of the pre-set performance targets, established through "management by objectives" (MBO) and Long-Term Incentive (LTI) plans.

For further details on the content of the Remuneration Policy, please refer to the "Remuneration Policy and Report", approved by the Board of Directors on March 14, 2024, which is available for public consultation at [www.elica.com](http://www.elica.com). Also with regard to the rest of the corporate population, the remuneration policies adopted by the Company are established in terms of content and ways that help attract, reward and retain people and support the Company's sustainable development strategy. **Elica focuses on merit-based policies that encourage the internal growth of employees, fostering the local area in the places where the Group operates.** Fixed remuneration is defined according to the professional and managerial content of the roles and considering market benchmarks with the aim of being competitive in the relative locations.

Variable compensation, awarded to managers, is again based on "management by objectives" plans that incentivise each person's contribution to quantitative and qualitative performance.

RATIO BETWEEN HIGHER COMPENSATION AND TOTAL MEDIAN COMPENSATION

Ratio	Unit	2023	2022
Italy	No.	In Italy, the "Annual Total Compensation" ratio of the employee with the highest compensation and the employee with the median compensation is 55x. Given that a significant component of the highest-paid employee's total compensation relates to variable multi-year performance (LTI Plans), basing the same ratio on fixed compensation and short-term variable incentive (Annual) only returns a figure of 27x.	In Italy, the "Annual Total Compensation" ratio of the employee with the highest compensation - the Chairperson - and the employee with the median compensation is 69x. Given that a significant component of the Chairperson's total compensation relates to variable multi-year performance (LTI Plans), basing the same ratio on Fixed Compensation and Short-Term Variable Incentive (Annual) only returns a figure of 45x.
France		4.75	3.93
Germany		1.48	1.71
The Americas		7.57	9.94
Poland		9.57	11.37
Russia		11.69	12.67
China		31.82	36.79

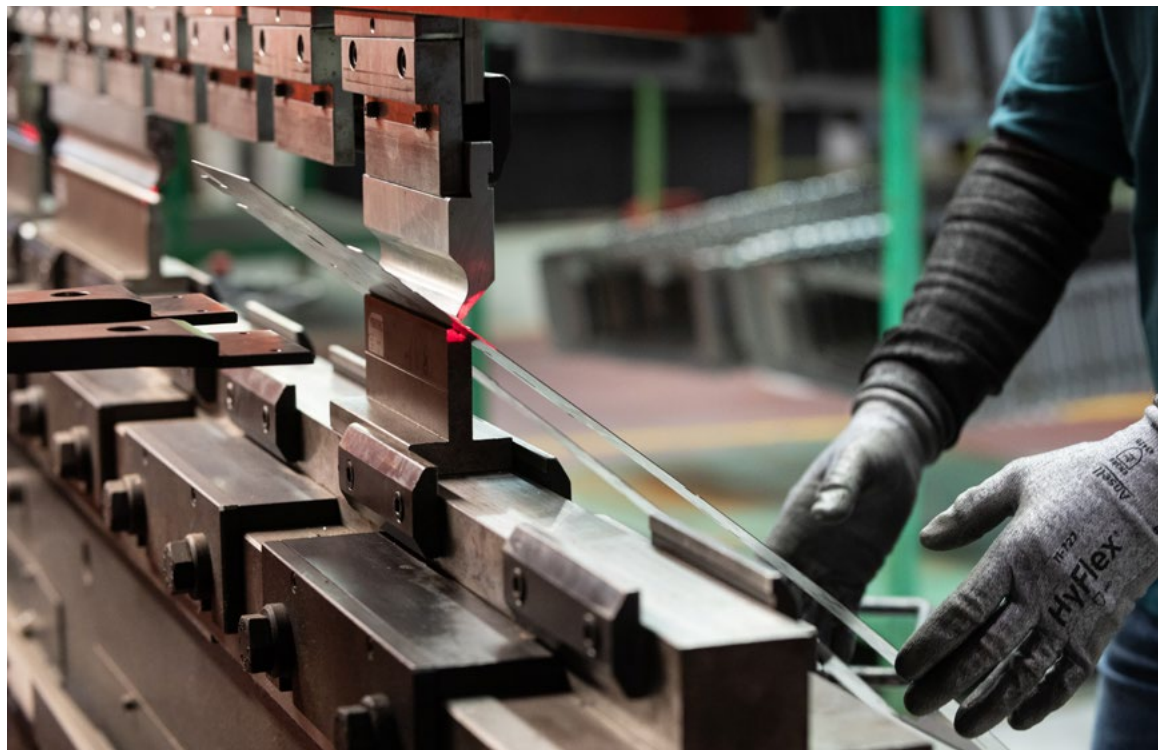
Ratio of the percentage increase in the annual total compensation of the highest-paid individual in the organisation to the median percentage increase in the annual total compensation of all employees (excluding the highest-paid).

Ratio	Unit	2023	2022
Italy	No.	1.89	3.72
France		1.20	1.11
Germany		0.87	0.96
The Americas		0.76	0.35
Poland		0.84	0.86
Russia		0.92	0.78
China		0.86	1.05





# Conflict of interest control policies



All Elica workers are required to comply with the Group's Ethics Code and 231 Model, the principles of which set out rules of conduct that are designed to prevent conflicts of interest, even potential ones.

The Company also encourages the development of a corporate culture that centres around the principles of transparency, ethics, fairness and the respect of applicable rules. The addressees of the 231 Model shall adopt appropriate behaviour to avoid conflicts of interests. Alongside the 231 Model, which is regularly updated, the Company has adopted a Related Party Transactions Policy, in addition to an Anti-Corruption Policy, which outline principles to prevent possible conflict of interests and resolve them where necessary.

The Related Party Transactions Policy (available on the Company's website at <https://corporate.elica.com/it/governance/sistema-di-controllo>), in addition to the Mapping of Related Parties and transactions with the latter, are assessed at least twice a year by the Control, Risks and Sustainability Committee and the Board of Directors.

# Definition of the Group's Strategies, Objectives and Values: the actions of the Board of Directors

The role of the Elica Board of Directors is crucial in identifying and pursuing the Company's strategic objectives.

The By-Laws effectively grant it the widest powers for the management of the Company: it may carry out all acts and operations that it considers necessary to achieve the Company's purpose, except for those attributed by law to the Shareholders' Meeting or arising from specific authorisations required by the By-Laws.

Based on the powers conferred, the Board of Directors:

- on a quarterly basis examines, assesses, and monitors operating performance, the Group's strategic transactions, monitors the exercise of delegated powers, the progress of strategic projects and business plans, the Group's growth and sustainable development strategies, including related risks and, on a semi-annual basis, the adequacy of the Internal Control and Risk Management System, the Governance and Compliance system and the significant transactions for the Group;
- defines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all risks, including those that have an impact on sustainability;

- defines the Company's corporate governance system and the structure of the Group, evaluating the adequacy of the Company's organisational, administration and accounting system, and that of its strategically significant subsidiaries, prepared by the Chief Executive Officers, with particular reference to the Internal Control and Risk Management System;
- ensures maximum transparency to the market and investors, paying special attention to significant changes in business prospects, in addition to risk situations to which the Group is exposed;
- evaluates the general operating performance, taking into account, in particular, the information received from executives, as well as periodically comparing the results with the budgets;
- resolves on transactions of the Company and its subsidiaries, when such transactions have a significant strategic, economic, equity or financial importance for the Company or when the Executive Directors consider the involvement of the Board appropriate.

With regard to the training and skill development of Directors, **the Company encourages the participation of Board members in events dedicated to sustainable development** (such as sharing the Sustainability Roadmap and Plan, Sustainability Board activities, etc.).

The Board of Directors, the Chief Executive Officer and members of the Control, Risks and Sustainability Committee, each in the exercise of their duties, are responsible for assessing and approving the Non-Financial Report as a whole, the letter to the stakeholders, and the results of the materiality analysis, having expertise in sustainability reporting. In this regard, we note the special attention paid by the members of the Board of Directors once again in 2023 to the issue of sustainability, which is understood as a working model to support the business in safeguarding the long-term interests of stakeholders.

The Board of Directors does not currently undergo direct performance evaluation regarding its oversight of the management of impacts on the economy, the environment, and people. However, Elica's Sustainability Plan provides **that an independent company will be entrusted with the task of carrying out the activities for the issuance of a "Solicited" ESG Rating to be used as a method of indirectly assessing its performance, as mentioned above.**



# Effectiveness of the Risk Management Model



## THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Elica has adopted an Internal Control and Risk Management System (“ICRMS”). This system consists of a set of rules, procedures and organisational structures targeted at enabling the identification, measurement, management and monitoring of the main corporate risks. It is also designed to ensure that the Company is run in a sound and proper manner, in line with the objectives set and in compliance with the provisions of the Ethics Code and the Company’s Principles of the Self-Governance Code as approved by the Board of Directors.

The ICRMS works on three levels:

- **FIRST LEVEL:** controls built into operational processes carried out by Management;
- **SECOND LEVEL:** operational, financial and compliance risk monitoring and management controls etc. Carried out through the coordination of the Risk & Compliance Director, the Financial Reporting Officer (as per Law No. 262/05), the individual managers of the Company, and other control and monitoring figures (e.g. Health and Safety, Quality and Legal Officers);
- **THIRD LEVEL:** independent and objective assurance carried out by the Internal Audit service on the adequacy and effective operation of first and second control levels and of the risk management methods.

The Internal Audit activities supplement, monitor and provide assurance on the ICRMS activities. This function is covered by an internal manager reporting directly to the Board of Directors; it is a key role for defining and assessing the internal control system and the risk prevention and management policy.

## RISK MANAGEMENT

Elica has developed and adopted a structured Enterprise Risk Management (ERM) model with the purpose of identifying and assessing potential events which could affect the achievement of the main corporate objectives defined in the Strategic/Annual Plan.

Elica’s ERM model is based on a cyclical process - carried out on an annual basis - and ensures the detection, analysis and monitoring of all significant risks for Elica (Risk Universe) providing Internal Audit with all the elements it requires to conduct its activities.

This process entails an initial Risk Identification phase, understood as the identification of a list of risks that could impact the Company.

In this regard, Elica’s risk mapping is based on a two-level categorisation (Risk Model) and includes 4 first-level categories and 29 second-level categories, as shown below:

OPERATIONAL	STRATEGIC
INFORMATION TECHNOLOGY	GOVERNANCE
HUMAN RESOURCES	REPUTATION AND STAKEHOLDER RELATIONS
PROCESSES AND PROCEDURES	CORPORATE TRANSACTIONS
PRODUCTION PROCESSES	MACROECONOMIC AND SOCIO-POLITICAL CHANGE
HEALTH, SAFETY AND THE ENVIRONMENT	NORMATIVE
LOGISTICS MANAGEMENT	COMPETITION
WAREHOUSE MANAGEMENT	
FRAUD AND ILLICIT INTERNAL BEHAVIOUR	
BUSINESS CONTINUITY	
NATURAL DISASTERS / ACCIDENTS	
SUPPLIERS	
EXTERNAL ILLICIT BEHAVIOUR	
LEGAL & COMPLIANCE	FINANCIAL
LEGAL AND REGULATORY COMPLIANCE	LIQUIDITY
LEGAL DISPUTES	ACCOUNTING AND REPORTING
FINANCIAL DISCLOSURE	FINANCING
ETHICS CODE AND CODE OF CONDUCT	TAX
	EXCHANGE RATES
	INTEREST RATES
	COMMODITIES MANAGEMENT

Rischi con potenziali impatti ESG

Risk mapping is updated annually in consideration of any changes that have taken place in the Company’s internal and external circumstances and is integrated in consideration of the contents of the “Identification of Context” section, an integral part of Elica S.p.A.’s Quality, Environment and Safety Management System.

Downstream of Risk Identification activities, other tasks are undertaken to assess them through the application of a specific reference methodology. Specifically, the methodology applied by Elica includes the following steps:

- Risk assessment at an inherent level on the basis of impact and likelihood of occurrence without Management control measures (i.e. intrinsic to Elica’s business);
- Risk positioning within a matrix (or heat map) representing the level of Inherent Risk;
- Assessment of the overall level of Management oversight;
- Assessment of residual level risks by combining impact and likelihood of occurrence values following implementation of safeguards;
- Risk positioning within a heat map of Residual Risk and identification of Top Risks.

Risk Quantification activities are carried out in parallel, i.e. associating values or indices with key business risks that represent their level of potential risk to the Company.



# Updates since 2023

The Risk Assessment conducted in Q4 2023 showed no major changes from the previous year. Specifically, the benchmark categories included in the Group's Risk Model were confirmed. Meanwhile, additional B2C risks were analysed and evaluated as part of the Risk Assessment.

From a risk profile development point of view, however, the following main points of interest should be noted:

- a general macroeconomic landscape featuring accelerated inflation and the consequent rise in interest rates imposed by the Central Bank partly influenced trends in Elica's market and impacted demand for the Company's products;
- the various supplier management actions taken in 2023 – including, but not limited to – the strengthening of multi-sourcing in specific material categories helped reduce the risk connected to reliance on individual and single-source suppliers.

With specific reference to the developments in the Russian-Ukrainian conflict and given the potential repercussions of this conflict on specific risks related to Elica's operations (e.g. increased commodity costs, increased transportation costs), we also note that in 2023 Elica continued its process to monitor the potential consequences of the conflict, which it began in 2022. This process takes the form of specific meetings held monthly and attended by the Managing Director and the Operations, Logistics, Legal, Administration Finance Controlling, B2C Sales and Risk management functions, with the aim of analysing any repercussions on Elica's situation arising from the current conflict and identifying and directing any mitigation actions to be implemented to reduce the potential negative effects arising from the conflict.

# Risk Quantification

In line changes in its Enterprise Risk Management Model, Elica introduced a Risk Quantification activity as part of its routine Risk Assessment to estimate the potential economic impacts of the various risks to which the Company is exposed.

During the Risk Assessment phase, quantifiable risks were identified, and the factors driving their quantification were collaboratively defined with the respective Risk Owners, along with specific scenarios of significance.



# Integration of Risk Management and Sustainability

The Enterprise Risk Management Model applied by Elica includes integration with sustainability issues.

Specifically, integration between Risk Management and Sustainability is particularly explicit in the following phases of the Risk Management process:

- **RISK IDENTIFICATION:** in this phase, risks that may have implications for Environmental, Social and Corporate Governance (ESG), beginning with those contained in the Risk Universe, are identified;
- **RISK EVALUATION:** in this phase, the possible impacts of risks are evaluated in relation to the individual ESG areas. In detail, Elica's Risk Management methodology includes specific impact assessment drivers targeted at intercepting the possible consequences of each risk on individual dimensions of ESG relevance.

For further details on the effectiveness of the Risk Management Model, reference should be made to the Corporate Governance and Ownership Structure Report.

## TOTAL NUMBER OF SIGNIFICANT INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS

	Unit	2023	2022
Instances for which fines were incurred	no.	-	-
Instances for which non-monetary sanctions were incurred		-	-
<b>Total</b>		-	-

## TOTAL NUMBER AND MONETARY VALUE OF FINES FOR INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS

	Unit	2023	2022
Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	no.	-	-
Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods		-	-
<b>Total</b>		-	-

## CRITICAL ISSUES RELATED TO ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON THE ORGANISATION'S STAKEHOLDERS GENERATED THROUGH GRIEVANCE MECHANISMS AND OTHER PROCESSES

	Unit	2023	2022
Total number and nature of critical concerns that have been reported to the highest governance body	no.	-	-

# Elica's sustainability footprint



In order to provide a clear, complete account of the social and environmental value created by the Group and how its actions seek to monitor and manage its sustainability footprint as effectively as possible, it will firstly be necessary to clarify what is meant by “sustainability footprint”.

The “**sustainability footprint**” is a way of analysing the management system for an organisation’s activity that can be used to determine its **economic, environmental and social impacts** based on specific indicators.

Properly measuring the nature of the effects and context for the organisation’s activities is essential to an increasingly thorough analysis and increasingly informed management of such a strategic aspect of the Elica Group.

With regards to that outlined above, the **Group’s activities are undertaken in full compliance with the Ethics Code** (approved by the Board of Directors most recently on December 19, 2022) which, through all of the indications contained therein, acts as a reference for:

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

Following the issuance of the Corporate Governance Code for Listed Companies, Elica decided to adapt its sustainability governance model so that sustainable success is now a fundamental objective and stakeholders have a say in corporate decision making. With the entry into force of Legislative Decree No. 254, our organisation has evolved further in relation to sustainability topics and non-financial reporting with the involvement of the Control, Risks and Sustainability Committee (CRSC) and the Board of Statutory Auditors. With the aim of maintaining a high level of Sustainability Governance and appropriately managing any possible impact arising from its activities and strategies, the Group has established its own managerial Sustainability Board reporting directly to the Chief Executive Officer. The Board is assigned with identifying possible sustainable development strategies and their integration to the business plan. The Board, which meets monthly, analyses the progress of actions in the Plan, monitors indicators associated with detailed actions and determines the need for new actions. Minutes are taken at the end of each meeting with decisions made and an indicative agenda for the following month’s meeting.

On a quarterly basis, the Board reports to the Control, Risks and Sustainability Committee and the Board of Directors on the status of actions under the Sustainability Plan and the performance achieved. In particular, the establishment of the Sustainability Board has enabled greater coordination among the functions involved in corporate activities related to sustainability, in addition to 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.

In particular, the establishment of the Sustainability Board has enabled greater coordination among the functions involved in corporate activities related to sustainability, in addition to the structuring of the process of assessing and defining initiatives to be presented to the Control, Risks and Sustainability Committee.

The centrality of the person and the social and environmental habitat in which s/he lives is thus at the heart of the Group's strategy development.

Over the long term, it intends to develop and pursue sustainable growth as much as possible, which is considered a strategic factor in generating social as well as economic value, by integrating the Sustainable Development Goals promoted by the United Nations into its business model in an ever-more structured way. **This is therefore where the Sustainability Plan seeks to include sustainability topics in every business activity, centring on the following key pillars:**

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

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

## REDUCING ENVIRONMENTAL IMPACTS



Process and product-related goals can be achieved through the implementation of actions related to increasing energy efficiency and reducing GHG emissions from its production processes and throughout the value chain, but also by fostering the combination of innovation and sustainability of products and their Design with a view towards circularity.

## PROVIDING PEOPLE WITH ATTENTION AND CARE



Goals centred on our people, the people of our partners, and the communities in which we operate can be pursued with actions aimed at upskilling employees and investing in training, as we increasingly become a learning organisation. Develop the target region by extending our responsibility to integrate social responsibility criteria first and foremost to our Supply Chain.

Confirming the efficacy of the Group's sustainability initiatives, in January 2024, Elica S.p.A. received an "unsolicited" ESG rating of 15.4<sup>7</sup> and was evaluated by Morningstar Sustainalytics as having a "LOW" RISK LEVEL for financial impacts related to ESG factors. The same company had previously (July 2021) awarded a rating of 21.3 points, corresponding to a "MEDIUM" risk level.

7. Under no circumstances should the rating and risk level be considered or interpreted as investment advice or expert opinion, as defined by relevant regulations.



# Who are our stakeholders?



By way of ongoing dialogue, dedicated meetings in conjunction with corporate or industry events, the cooperation of dedicated collaborators, press releases, surveys, etc., the Group continuously reinforces its commitment to improvement and to confirming and extending the approaches that prove to be the most encouraging over time.

For 2023, the Elica Group continued the mapping of its stakeholders and the engagement channels dedicated to them, which were updated in 2022.

Throughout the year, stakeholder categories were clustered according to each stakeholder group's relevance to the Elica Group, based on the degree to which the Group depends on it and the influence it exerts on the Group. These assessments allowed stakeholders to be identified and **subdivided into four groups (promoters - non-critical - critical - strategic)**, for each of which the Elica Group will adopt targeted engagement strategies to understand their needs and - where these are not adequately noted - prevent them from negatively impacting the relationship between the organisation and these stakeholders.

The Elica Group supports and encourages the right of any stakeholder to seek clarification of the Company's responsible business conduct.

Opportunities and direct channels are therefore available in the Group's Companies, **through which various stakeholders can address their reports to Group stakeholders**, requesting information regarding their conduct in business transactions and relationships. The different modes of contact and types of communication channels are presented in the summary table on Group Stakeholders (Modes of Communication, Listening and Engagement).

Internal requests from Group employees can also be sent through multiple channels and modes (see Group Stakeholder table). Specifically, through the methods outlined in Group Policy GP-11 "Whistleblowing" (and related Company Procedures that implement it at the various Companies), which is designed to provide employees with the opportunity to raise concerns about the organisation's conduct without fear of repercussions and with full respect for the privacy of the whistleblower.





In more detail, this reporting mechanism must include a method of escalation in order to ensure that the relevant boards of Elica S.p.A. (e.g. the Supervisory Board) are promptly informed in the event of an alleged violation of human rights, fraud, corruption, coercion, collusion, money laundering, environmental pollution, or any other violation harmful to people, the environment, or the Group’s interests, including its reputation.

Each Company explicitly identifies an internal function/area (or independent third party) to receive any Whistleblowing report irregularities and in charge of the necessary relative investigation, including any escalation to Elica S.p.A. A report of wrongdoing received must be submitted to the Board of Directors or Shareholders’ Meeting, as appropriate, of each Group Company. Any reports remain tracked, each according to type, in accordance with the reporting methods and flows established for the corporate boards to which they are addressed.

The table below summarises the Group’s main stakeholders:



The following table shows the main methods of communication, listening and engagement that Elica implements with its main stakeholders to meet their requirements and expectations in a satisfactory manner.

Stakeholder	Description	Requirements/expectations	Communication, listening & engagement channels
SHAREHOLDERS AND GOVERNANCE	SHAREHOLDERS	<ul style="list-style-type: none"> <li>■ Business continuity</li> <li>■ Return on investment</li> <li>■ Positive cash flow</li> <li>■ Reputation and corporate fair value</li> <li>■ Integrity in business practices</li> <li>■ Compliance with legal requirements</li> <li>■ Absence of injury and work-related ill health reports</li> <li>■ Mitigation of environmental and social impacts/risks related to business strategies and activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Shareholders' Meeting</li> <li>■ Roadshows</li> <li>■ Consolidated Financial Statements</li> <li>■ Sustainability reporting</li> </ul>
MANAGEMENT	BOARD OF DIRECTORS, CEO, GENERAL MANAGEMENT, CONTROL, RISKS AND SUSTAINABILITY COMMITTEE (CRSC), SUPERVISORY BOARD	<ul style="list-style-type: none"> <li>■ Business continuity</li> <li>■ Positive cash flow</li> <li>■ Adequacy of managerial resources</li> <li>■ Reputation and corporate fair value</li> <li>■ Integrity in business practices</li> <li>■ Compliance with legal requirements</li> <li>■ Confidentiality of expertise</li> <li>■ Infrastructure capacity</li> <li>■ Absence of injury and work-related ill health reports</li> <li>■ Mitigation of environmental and social impacts/risks related to business strategies and activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Business Review</li> <li>■ Board meetings</li> <li>■ Board Committee meetings</li> <li>■ Communications with the Supervisory Board</li> <li>■ Internal Audit Report</li> </ul>
EMPLOYEES	GROUP EMPLOYEES	<ul style="list-style-type: none"> <li>■ Health in the workplace</li> <li>■ Occupational health and safety</li> <li>■ Adequate salary</li> <li>■ Benefits/Bonuses</li> <li>■ Infrastructure capacity</li> <li>■ Job stability and well-being/career development</li> <li>■ Inclusion and equal opportunities</li> <li>■ Clarity in roles and objectives</li> </ul>	<ul style="list-style-type: none"> <li>■ Group Policies and Company Procedures</li> <li>■ Corporate organisational communications</li> <li>■ Target allocation process and performance evaluation (PM)</li> <li>■ Development of training plans</li> <li>■ Corporate rewards process (MBO)</li> <li>■ Corporate Intranet and Information Systems</li> <li>■ Vittoria RMS Portal</li> <li>■ "Suggestions" and "EHS Cards" system</li> <li>■ Internal audits</li> <li>■ Company welfare</li> </ul>
TRADE UNIONS	GENERAL WORKERS' REPRESENTATIVE BODIES (RSU), EMPLOYEE HEALTH AND SAFETY REPRESENTATIVES (RLS), AND LOCAL REPRESENTATIVES OF THE RELEVANT LABOUR ORGANISATIONS	<ul style="list-style-type: none"> <li>■ Protection of workers and compliance with contractual conditions</li> <li>■ Attention to feedback</li> <li>■ Participation in improving safety conditions in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>■ Periodic meetings and discussion boards</li> <li>■ Regular safety meetings</li> </ul>

Stakeholder	Description	Requirements/expectations	Communication, listening & engagement channels
CUSTOMERS AND CONSUMERS	B2B/B2C CUSTOMERS, END CONSUMERS (B2C)	<div><div>■ Good value for money</div><div>■ Compliance with mandatory product standards (e.g., RoHS, REACH, SCIP database)</div><div>■ Compliance with contractual requirements and product/service specifications</div><div>■ Reliable and safe products for users</div><div>■ Adequacy of the range</div><div>■ Adequacy of production capacity</div><div>■ Compliance with customer requirements (e.g. IKEA PRG, IWAY, Chemical RML, ESG/Sustainability aspects)</div><div>■ Transparency and truthfulness of marketing information</div><div>■ Protection of customer/consumer proprietary data and information</div><div>■ Respect for on-time delivery</div><div>■ Respect for quality delivery</div><div>■ Timeliness and effectiveness of technical support service</div></div>	<div><div>■ Direct contact (events, dedicated company meetings)</div><div>■ Trade fairs and sector events</div><div>■ Showtrailers</div><div>■ Institutional press releases</div><div>■ Advertising campaigns</div><div>■ Technical assistance service survey</div><div>■ Elica website</div><div>■ Catalogues</div><div>■ Quality contact persons and product quality performance reporting</div><div>■ Complaint management</div><div>■ SAT call centre</div><div>■ SAT survey</div></div>
SUPPLIERS AND PARTNERS	SUPPLIERS OF PRODUCTS AND SERVICES	<div><div>■ Business continuity and profitability</div><div>■ New opportunities</div><div>■ Compliance with contractual terms</div><div>■ Information transparency</div></div>	<div><div>■ Direct contact with purchasing staff, technical and economic bids</div><div>■ Sector events</div><div>■ Technical discussions</div></div>
INVESTORS AND FINANCIAL OPERATORS	INVESTMENT FUNDS, STOCK MARKET OPERATORS, BANKS AND CREDIT INSTITUTIONS, INSURANCE COMPANIES	<div><div>■ Transparency, timeliness and parity of information</div><div>■ Positive share trends</div><div>■ Achievement of business objectives</div><div>■ Ability to pursue sustainability strategies (ESG Strategy)</div><div>■ Mitigation of environmental and social impacts/risks related to business strategies and activities</div></div>	<div><div>■ Consolidated Financial Statements</div><div>■ Roadshows</div><div>■ Shareholders' Meeting</div><div>■ Press releases</div><div>■ Negotiations</div><div>■ Survey on ESG topics</div><div>■ Sustainability reporting</div><div>■ Stock ratings</div></div>
CERTIFICATION BODIES	VERIFICATION BODIES UNI EN ISO 9001, UNI EN ISO 14001, UNI ISO 45001 CERTIFICATIONS	<div><div>■ Compliance with TECHNICAL REGULATIONS/STANDARDS</div><div>■ Compliance with legal requirements</div><div>■ Effectiveness of the Management System and consistency with changing business conditions</div><div>■ Up-to-date communication</div><div>■ Availability and competence of the company personnel/process managers involved in the activity under review.</div></div>	<div><div>■ Direct contact and webinars</div><div>■ Management review</div><div>■ On-site inspections/audits</div><div>■ Reporting and implementation of requirements and improvement action</div><div>■ Sustainability reporting</div></div>
NATIONAL AND INTERNATIONAL STANDARDISATION BODIES	NATIONAL AND INTERNATIONAL LEGISLATIVE BODIES, STANDARDS BODIES AND VERIFICATION OF MANDATORY PRODUCT STANDARDS (E.G. VDE, CCC, UL ETC.)	<div><div>■ Correct assessment of and adaptation to requirements</div><div>■ Compliance with standards</div><div>■ Correct execution of verification audits</div><div>■ Availability and competence of the company personnel/process managers involved in the activity under review.</div><div>■ Up-to-date communication</div></div>	<div><div>■ Observers and publication of legislative measures</div><div>■ Respect for compliance deadlines</div><div>■ On-site checks</div></div>
GLOBAL COMMUNITY	FUTURE GENERATIONS	<div><div>■ Preservation of natural resources, environmental and social sustainability</div><div>■ Enhancing the local area</div></div>	<div><div>■ Sustainability reporting</div><div>■ Pre-/during-/post-event communication system</div><div>■ Recovery/restoration operating procedures</div><div>■ Press releases on sustainability initiatives</div></div>

Stakeholder	Description	Requirements/expectations	Communication, listening & engagement channels
LEGISLATIVE BODIES, LOCAL INSTITUTIONS AND REGIONAL GOVERNMENTS	EU COMMUNITY, COUNTRY, REGIONS/ PROVINCES, HEALTH AND ENVIRONMENTAL AUTHORITIES, LABOUR LAW ENFORCEMENT BODIES, POLICE FORCES ETC.	<div><div>■ Tax legislation compliance</div><div>■ Health and safety legislation compliance</div><div>■ Environmental legislation compliance</div></div>	<div><div>■ Communications and circulars, control reports</div></div>
LOCAL COMMUNITIES	MUNICIPALITIES WHERE PRODUCTION SITES AND HQS ARE LOCATED	<div><div>■ Preservation of natural resources, environmental and social sustainability</div><div>■ Enhancing the local area</div><div>■ Social inclusion</div><div>■ Improvement of socio/economic/environmental conditions</div><div>■ Local area economic development</div></div>	<div><div>■ Press releases</div><div>■ Pre-/during-/post-event communication system</div><div>■ Recovery/restoration operating procedures</div><div>■ Events for social engagement and land recovery/enhancement (FEC Events)</div></div>
THE MEDIA	PRESS AND TRADE MEDIA	<div><div>■ Transparency and accuracy of information.</div><div>■ Develop an ongoing, trusting relationship</div><div>■ Company reputation</div><div>■ Presentation of innovative products</div></div>	<div><div>■ Direct contact and interviews</div><div>■ Press releases</div><div>■ Publications</div><div>■ Pre-/during-/post-event communications</div></div>
TRADE ASSOCIATIONS	CONFINDUSTRIA, AIDAF, ASSOCIATIONS WITH WHICH GROUP COMPANIES CARRY OUT JOINT ACTIVITIES	<div><div>■ Compliance with participation requirements</div><div>■ Transparent and accurate information</div><div>■ Competence and professionalism</div><div>■ Trustworthiness regarding sensitive data</div><div>■ Compliance with the principles and codes of the relevant sectors</div></div>	<div><div>■ Direct contact, Press releases</div></div>
INSURANCE COMPANIES	INSURANCE COMPANIES FOR SPECIFIC RISKS	<div><div>■ Business stability, ability to identify and manage significant risks</div></div>	<div><div>■ Direct contacts (e.g. audits) to share information on risk management</div></div>
SCIENCE HUBS, UNIVERSITIES AND RESEARCH AND DEVELOPMENT CENTRES	UNIVERSITIES AND TECHNICAL INSTITUTES, DEVELOPMENT AND INNOVATION AGENCIES (E.G. SMAU)	<div><div>■ Ongoing collaboration in research programmes</div><div>■ Company reputation</div><div>■ Involvement in corporate internships</div><div>■ Identification of technology trends for new product development</div><div>■ Product performance and reliability research</div><div>■ Joint pathways for youth training</div></div>	<div><div>■ Joint development of protocols/projects</div><div>■ Meetings on specific topics and business presentations</div><div>■ Student involvement in workshops and project work and curricular internships</div><div>■ Career days</div></div>
ESG RATING AGENCIES - NEW	NATIONAL AND INTERNATIONAL INDUSTRY AGENCIES THAT ISSUE ESG RATINGS (E.G. SUSTAINALYTICS, MOODY’S, MSCI, ECOVADIS, CDP ETC.)	<div><div>■ Information transparency</div><div>■ Strategic clarity and governance of ESG Issues</div><div>■ Achievement of declared objectives</div></div>	<div><div>■ Public documents (e.g. Sustainability Reporting)</div><div>■ Joint activities for the issue of “solicited” ratings</div><div>■ Sharing of policies and sustainability practices</div></div>

# The Board of Directors

The Group is managed, according to the traditional governance system, by a Board of Directors with a central role in identifying and achieving the Company’s objectives.

The Board of Directors, comprising seven members whose mandate will expire when the 2023 financial statements are approved, is made up as follows:

Name	Role
Francesco Casoli	Chairperson
Giulio Cocci	Chief Executive Officer
Elio Cosimo Catania	Independent Director
Monica Nicolini	Independent Director and Lead Independent Director
Liliana Fratini Passi	Independent Director
Susanna Zucchelli	Independent Director
Angelo Catapano	Independent Director

For further information on the experiences and competences of the Directors and members of the committees, please refer to the Corporate Governance and Ownership Structure Report and to the paragraph regarding GRI 2-9 and GRI 2-18 of this document.





# Investor relations

Elica Group is aware of the importance of correct information as indispensable for building a relationship of trust with the financial community.

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The Investor Relations department and top management maintain an ongoing dialogue with investors and financial analysts in compliance with the criteria of transparency, timeliness and parity. In order to promote an open and constant dialogue with all of its Shareholders, **the Company has deemed it appropriate to establish a special communication policy governing the methods of involvement and communication.** Effective communication between the Company and its shareholders allows for improved investment stability and the sustainable success of the Company. The “Shareholder Communication Policy” is available at <https://www.elica.com/corporation/it/corporate-governance>.

Financial communications and interaction with investors and analysts continued normally in 2023. More specifically, interactions with the financial community involved the organisation of quarterly conference calls for the presentation of financial results, as well as participation in numerous virtual meetings and in-person meetings. The Group participated in the Mid Cap Conference organised by Mediobanca in January, the Star Conference in Milan in March, ISMO organised by IMI in Paris in May, the Conference Eccellenze del Made in Italy organised by Intermonte in September, and the Banca IMI conference in Paris in October.



# Shaping Elica's Sustainability

**The Materiality Analysis has guided Elica in the choice of topics to be covered, so as to give full and clear representation of the extent of the financial, environmental and social impacts of the Group's activities. For the reporting of the year ended December 31, 2023, the Materiality Analysis was updated in accordance with the new requirements of the GRI 2021 Standard.**

The identification of material topics for the company is linked, according to the requirements of the Standard, to the identification of current and potential significant impacts generated or likely to be generated by the Company on the economy, the environment and people, also including impacts on human rights, through all of the organisation's activities and business relationships. These impacts include negative and positive impacts, short-term and long-term impacts, intentional and unintentional impacts, and reversible and irreversible impacts.

The dedicated working group created at the corporate level, in collaboration with a group of external professionals to support it, structured the materiality analysis process into four different phases<sup>8</sup>:

8. For more information on the materiality analysis process, see the "Methodological Note" chapter.

## UNDERSTANDING THE CONTEXT IN WHICH THE GROUP OPERATES

Analysis of the industry in which Elica operates, taking into consideration different categories of sources, both internal and external to the company.

## IDENTIFICATION OF ELICA'S ACTUAL AND POTENTIAL IMPACTS

Actual impacts are impacts that have occurred over time, while potential impacts could occur in the future.

## EVALUATION OF THE SIGNIFICANCE AND MATERIALITY OF IMPACTS

All impacts were evaluated through a significance assessment process developed in line with the criteria outlined in the Standard.







## PRIORITISATION OF THE MOST SIGNIFICANT IMPACTS FOR REPORTING










The most significant impacts for Elica S.p.A. were prioritised, and the impacts deemed most significant guided the identification of the material topics included in this Non-Financial Report.




In contrast to the Materiality Analysis process carried out in 2021, Elica did not report the frequency of indirect manifestation of stakeholder interest in sustainability topics: based on the new requirements of the GRI 2021 Standard, the Materiality Analysis in fact no longer includes a phase of assessing the internal and external relevance of the material topics. Elica has continued to involve relevant stakeholders within the process, sharing with them the results of the analyses carried out through the methods of involvement described within the section “Who are our stakeholders?” The inputs that emerged as a result of the

comparisons were thus collected, contributing by outlining the ways in which the issues are being addressed by Elica and providing insights for mitigation action to be taken in the future. In this regard, one of the most innovative events was “Elica Talks,” a series of meetings held within the company. The meetings were held in the presence of scientific communities, media, universities and representatives of institutions and local communities and saw Elica set out all the relevant areas (economic, social and environmental) of its Sustainability strategy, gathering important insights and information required to prioritise its approach.

The list of topics that were found to be material as a result of the identification and aggregation of relevant impacts follows. Each material topic has been associated with the relevant GRI Disclosures, and for each individual topic, the appropriate reporting scope has been defined, which will be specifically stated in the “Scope” section in the “Methodological Note.”

GRI	Area	Impacts	Description	Significance
GRI 302 GRI 305		CLIMATE CHANGE	The supply chain and production of home appliances generate greenhouse gas emissions relating to the production and transport of the materials used, to the functioning of production plant and to the sale of final products (storage and transport). Climate-altering emissions contribute to climate change and have global effects.	VERY SIGNIFICANT
GRI 301 GRI 308		USE OF RAW MATERIALS	The sector sources raw materials from mining, petrochemical, supply chains etc. If managed unsustainably, extraction can affect the availability of virgin raw materials and ecosystems, creating significant impacts.	SIGNIFICANT
GRI 306 GRI 308		IMPACTS CAUSED BY PRODUCTION WASTE	The company’s business involves processing various materials, with the related generation of waste (non-hazardous and hazardous) during production and logistics. The extraction and production of raw materials purchased by the Group (e.g. metals) also lead to high waste generation. If not properly managed, waste disposal can have environmental repercussions in the affected areas.	MODERATE
GRI 305 GRI 308		POLLUTANT EMISSIONS	"Some production processes (e.g. painting) cause pollutant emissions to be released into the atmosphere, albeit to a limited extent. These pollutants include sulphur oxides (SOx), nitrogen oxides (NOx) and, in particular, particulate matter (PM), volatile organic compounds (VOC) and carbon monoxide (CO), which can have a negative impact on air quality and ecosystems, including human and animal health. Given the type of raw materials the company uses, it is possible that this topic is more significant in supplier operations."	MINOR
GRI 303 GRI 308		POLLUTING WASTEWATER SPILLAGES	The company’s production activities do not involve significant use of water resources; Elica does, however, own wells for irrigation and utility use. The wastewater produced by the Group therefore mainly derives from sewage systems and fire water and contains no pollutants. Considering the type of purchases from the company, there may be a risk of spills within the supply chain.	MINOR
GRI 303 GRI 308		EXCESSIVE WATER CONSUMPTION	The company’s water consumption is limited to use for sanitation, irrigation and fire drills. Given the type of raw materials the company uses, water consumption may have a greater significance within the value chain.	MINOR

GRI	Area	Impacts	Description	Significance
GRI 403 GRI 414		WORK-RELATED INJURIES	Impacts relating to employee health and safety mainly relate to physical hazards in production activities (e.g. use of heavy machinery and vehicles, manual handling, repetitive work, etc.). Considering the main purchasing categories, health and safety risks can also be considered significant in the operations of suppliers of goods and services.	VERY SIGNIFICANT
GRI 408 GRI 409 GRI 414		HUMAN RIGHTS VIOLATIONS IN THE SUPPLY CHAIN	"The sourcing of raw materials from the manufacturing sector is based on a complex and international value chain. This can expose manufacturing companies to human rights violations and poor working conditions at their suppliers, along with failure to respect employee diversity and violation of freedom of association, especially where suppliers operate in regions with less stringent regulations."	SIGNIFICANT
GRI 401		FAILURE TO ATTRACT AND RETAIN TALENT	The company must be able to safeguard the personal and professional growth of its employees, and ensure their engagement with the business by adopting talent attraction and retention policies to limit turnover rates. For Elica, these rates vary by plant, and are highest in Mexico and Poland.	SIGNIFICANT
GRI 404		DEVELOPMENT OF STAFF SKILLS	The company's business is based on developing employees' technical skills, particularly as regards new technologies: providing appropriate training programmes is therefore imperative. Employee training also contributes to raising skill levels in the communities where Group operations take place.	SIGNIFICANT
GRI 416 GRI 417		DAMAGE TO CONSUMER HEALTH AND SAFETY	"Elica operates in a consumer goods sector which caters directly to consumers. It is therefore necessary to guarantee that checks are constantly carried out on product quality and safety and transparency in labelling. Inadequate controls and/or insufficient communication can cause safety hazards and/or damage the health of consumers."	SIGNIFICANT
GRI 404 GRI 406 GRI 408 GRI 409		VIOLATIONS OF WORKERS' HUMAN RIGHTS	Business activities must be performed with respect for diversity and guaranteeing equal opportunity for all employees. For this to happen, the company must properly assess and address the risk of creating inadequate working conditions and allowing discrimination and/or human rights violations to occur.	SIGNIFICANT
NON GRI		LOW END-OF-LIFE PRODUCT RECYCLABILITY	Products in both of the company's BUs (Cooking and Motors) use a range of materials. This makes it difficult to calculate the disassembly index of the product. The company works with a WEEE entity, which is responsible for the disposal of products at end-of-life. Consumer failure to dispose of products could have negative effects on the environment and human health.	SIGNIFICANT
NON GRI		INCREASED PRODUCT ENERGY EFFICIENCY	"One of the industry's major focuses is ensuring that home appliances are energy efficient, as they account for a significant percentage of building energy consumption. In addition, factors such as increased awareness of the damage caused by climate change have led to growing consumer interest in the issue. This drives companies to expand R&D activities to improve the energy performance of the products they sell."	SIGNIFICANT
NON GRI		USE OF RECYCLED OR RECYCLABLE RAW MATERIALS	Manufacturing companies can help reduce the environmental impact of their products by using recycled materials, furthering the development of a circular economic model. Replacing some or all virgin raw material with recycled alternatives also affects product packaging, also considering the attention and pressure on the company from the end consumer.	SIGNIFICANT

GRI	Area	Impacts	Description	Significance
GRI 205 GRI 414		ADOPTION OF CORRUPT PRACTICES	Corruption in the company’s industry may occur throughout the value chain, given the countries in which the Group and its suppliers operate.	VERY SIGNIFICANT
GRI 201 GRI 207		ECONOMIC IMPACTS	The organisation's impact on the economy relates to the way the value it generates affects economic systems. This includes the management of worker employment practices and the creation of spin-off industries. Finally, contributing to the fiscal system is imperative for the development and growth of the country in which a company operates.	VERY SIGNIFICANT
GRI 418		CYBER SECURITY RISKS	As companies manage an increasing volume of customer data, data breach risks are created. The increased connectivity of home appliances also heightens the risks of data breaches, meaning that protecting cyber security is a top priority for manufacturers. Cyber security risks regarding possible consumer breaches mainly relate to computer hacking, phishing attempts, and all those activities designed to illegally obtain personal data.	MODERATE

As previously indicated, the **Elica Group also strives to address and manage its material impacts on society, the environment and people by formalising its policy commitments to responsible business conduct in public and internal organisational documents.** The Group ensures oversight of Responsible Governance topics by distributing the Group Ethics Code contained in its 231 Organisational Model (please see the “Combatting Corruption” section of this document). The Group Ethics Code and 231 Model are available for consultation in the “Governance” section of Elica’s website.

**Elica has also adopted a new Group whistleblowing policy,** in addition to a dedicated internal procedure in implementation of Legislative Decree 24/2023. Under the new policy, to provide greater protection for the whistleblower, Elica has provided a portal to allow reports to be received. This portal is managed by a third party. Reports may relate to conduct, acts or omissions that harm the integrity of the Company, including offences under Legislative Decree No. 231/2001.

**The Group also has a specific Group Anti-Corruption Policy,** drafted by the Legal & Corporate Affairs function and approved by the Chief Executive Officer, which identifies rules for preventing and combatting

corruption, with the ultimate goal of raising awareness among all Elica Group employees and collaborators of the behaviours to be adopted in order to comply with corporate anti-corruption objectives.

**The protection of human capital and respect for human rights are ensured through the strict application of the aforementioned Group Ethics Code,** which explicitly refers to issues related to respect for fundamental human rights, while an internal Policy (“GP-02 Recruiting principles” Group Policy) is in force to regulate the recruiting process, which is marked by respect for the principles of non-discrimination and equal opportunity (see the “Equal opportunity and anti-discrimination” section of this document).

**Environmental impacts and those related to workers’ health and safety are overseen through the “Elica Quality, Environment, Safety and Sustainability Policy,”** which seeks to eliminate or minimise impacts resulting from operational activities that are potentially harmful to health and safety, safeguard the environment and reduce emissions through efficient consumption of energy carriers, while also moving toward increasing use of renewable energy, and guiding the Group toward the development of increasingly sustainable products, taking into account their relative environmental impact throughout their life cycle.



The Policy, approved by the Chief Executive Officer and available for consultation at HQ and the production sites of Elica S.p.A. and Elica Group Polska Sp.z.o.o., on the Elica website and on the “Vittoria RMS” Quality, Environment and Safety Management System portal (<https://elica.vittoriarms.eu>), seeks to continuously involve the Group’s supply chain in the sharing of common goals to mitigate the main safety risks and impacts on the environment, and to encourage the active participation of stakeholders in the formulation of useful proposals for continuous improvement and the achievement of corporate objectives, and the promotion of a culture of safety and environmental protection.

With a view to increasing the involvement of the entire value chain in the management of the organisation’s impacts on society, the environment and people, in 2022 Elica drew up and sent to its suppliers its own “Elica Group Supplier Code of Conduct,” requesting formal adherence and signature. The code was prepared and drafted by the QHSE Assurance, General Counsel and Risk Management functions and has been formally approved by Elica’s CEO (see section “Suppliers assessed according to environmental and social criteria” in this document).

Managers, employees, external collaborators, suppliers and each of the stakeholders have access to information regarding the rules of conduct that the Group intends to adopt for the ethical conduct of its activities and to mitigate potentially harmful impacts generated by them. In particular, managers and employees receive specific information and training regarding the rules to be observed and the operating procedures for carrying out activities related to their functions. External stakeholders have access to public documents that can be accessed on the websites of the individual Group companies.



# Methodological Approach

The contents of the Sustainability information described in the “GRI Content Index” in this document were defined based on the results of the materiality analysis described above (p. 47).

In the materiality analysis process, Elica considered the issues referred to in Legislative Decree No. 254/2016 (which transposed European Directive 2014/95/EU in Italy) following the new provisions of the reporting framework used (GRI Standard 2021).

9. Irremediable character was considered only for the assessment of negative impacts as outlined in GRI Standard 2021.

As in 2022, the Group conducted a materiality analysis, based on identifying the actual and potential impacts generated on the economy, the environment, and people, considering possible human rights violations with regard to negative impacts, and assessing the contribution to sustainable development with regard to positive impacts.

In general, an impact can be actual or potential, negative or positive, short-term or long-term, intentional or unintentional, reversible or irreversible.

Actual impacts are those that have already occurred, while potential impacts are those that could occur but, at the time of analysis, have not yet occurred.

The assessment of each positive impact considered the Elica Group’s direct and indirect contribution to the Sustainable Development Goals (SDGs) in line with the commitment made and taking into account the management tools put in place to monitor the goals set. Regarding the assessment of potential negative impacts, all policies, procedures and activities enacted by the Company in the last year to prevent and mitigate the identified negative impact were considered.

The prioritisation activity enabled the Company to determine the material topics for reporting. At the methodological level, the main negative and positive impacts identified were prioritised and evaluated according to their degree of severity and probability of occurrence, respectively. The significance of an actual negative impact is determined by its severity, while the significance of a potential negative impact is determined by the severity and likelihood of the impact.

Specifically, the severity of an impact was assessed by taking into consideration three aspects:

## 1. SCALE

how grave the impact is and the external context in which the impact occurs, including geography;

## 2. SCOPE

how widespread it is. Can be measured in terms of its impact on the value chain;

## 3. IRREMIEDIABLE CHARACTER<sup>9</sup>

how hard it is to counteract or make good the resulting harm.

The list of material topics was reviewed and approved by the Board of Directors on October 26, 2023, following review by the Control, Risks and Sustainability Committee at its meeting of October 19, 2023.

# Reporting changes

During the year covered by this Non-Financial Report, the organisation made no changes to the nature of its activities, measurement methodologies, or changes in the scope of the company to affect the data in previous reports.

The only revisions needed and to be made to the reporting for the year 2022 were generated by calculation errors. The effects of these errors are shown in the tables below:

Custom topic: After-sales service	Unit	Published data NFR 2022	Revised data
Service Level: Days between the customer’s 1st call and issue resolution	Work days	13.6	15.9
Speed of Service: Days between the customer’s first call and first customer appointment	Work days	11,5	13,4
Right First Time: percentage of technical issues resolved on the first visit to the customer	%	76%	72%

The errors identified were caused by calculation errors in the database used to account for the interventions.

GRI Topic 301 - Materials	Unit	Published data NFR 2022	Revised data
Aluminium	t	2,259	1,927
Copper		4,725	2,858

The errors identified were caused by calculation errors in the database used to account for the interventions. As a result of these errors, total materials purchased for production decreased from 55,573 t to 53,373 t.

GRI Topic 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Unit	Published data NFR 2022	Revised data
Incidents that caused injury to users of products	No.	13	6

The error was caused by the incorrect inclusion of claims not originating from products placed on the market by the Group in the calculations.

GRI Topic 102-38 Ratio of the annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees	Unit	Published data NFR 2022	Revised data
Figure: Italy	No.	45x	42x
Figure: Americas	No.	12.72	9.94

GRI Topic 102-39 Ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	Unit	Published data NFR 2022	Revised data
Figure: Italy	No.	0.80	3.72
Figure: Americas	No.	0.45	0.35

Data errors in the “Italy” and “Americas” scopes were both caused by the incorrect inclusion of increased compensations from “Airforce” and “Elicamex” in the calculation framework.



# Together to create even more value.

## Elica believes in a sustainable and interconnected world.

The interplay between environmental, social and economic factors creates an extraordinary level of complexity which, perhaps counterintuitively, is the only way to generate true value.

We are certain that sustainability can and must combine with productivity and corporate growth, which is why we continue to innovate with highly energy efficient products and audacious ideas for the future. Creating wealth means more than simply increasing profits: it also means developing the world we inhabit, together.

Contributing to creating value for the local area, for people, for communities. Always aware that this is the type of wealth that society needs.



Highlights

2023

€ 473.2 million

Total Group revenues  
(€ 548.6 mln in 2022)

€ 48.1 million

EBITDA  
(€ 56.6 mln in 2022)

€ 450.2 million

Economic value distributed, equal to 95%  
(€ 528.5 mln in 2022, equal to 94%)

COOKING

283

Patents  
(280 in 2022)

402

Design patents  
(367 in 2022)

MOTORS

97

Patents  
(98 in 2022)

3

Design patents  
(unchanged in 2022)



Extraordinary goals

Roadmap 2024

COOKING PRODUCTS

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

ELECTRIC MOTORS

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.

The economic value generated and distributed expresses in monetary terms the relationship between Elica and the socio-economic system, measuring the economic impact and the ability to create and distribute wealth among the main categories of Stakeholders such as personnel, shareholders, lenders, the community and the public administration. The Group generated an economic value in 2023 of over Euro 474.2 million, while distributing over Euro 450 million.

The share of the economic value of reclassified operating expenses amounts to Euro 349 million and mainly includes costs incurred for the purchase of raw, ancillary and consumable materials and goods, service costs, rent, lease and similar costs, the remuneration of Directors and Statutory Auditors and other operating expenses. The share of economic value distributed to personnel and collaborators amounts to Euro 82.7

million and represents 18% of the overall economic value generated. Economic value of Euro 7.5 million was distributed to the Public Administration during the year. Providers of capital were allocated Euro 6.0 million due to financial expenses. Euro 171 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.

In 2023, dividends were paid to shareholders in the amount of Euro 4.4 million, recognising their commitment to the growth and progress of the Company over a number of years.

Finally, an economic value of Euro 23.9 million was retained by the Group, mainly in terms of the profit for the year allocated to reserves, amortisation and depreciation and provisions and impairment.

## 474.2 mln

of generated economic value

## +450 mln

of distributed economic value

## 4.4 mln

of dividends paid to shareholders

**STATEMENT OF THE ECONOMIC VALUE GENERATED,  
DISTRIBUTED AND RETAINED**

Values	Unit	2023	2022
<b>A - Economic value directly generated (Revenue)</b>	Euro thousands	<b>474,186</b>	<b>562,229</b>
<b>B - Economic value distributed</b>		<b>450,247</b>	<b>528,529</b>
of which Operating Costs		349,399	422,393
of which employee wages and benefits		82,745	93,193
of which Public Administration remuneration		7,550	5,454
of which paid to lenders		6,003	3,558
of which distributed to shareholders		4,378	3,774
of which community remuneration		171	157
<b>C - Economic value retained (A-B)</b>		<b>23,940</b>	<b>33,700</b>

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

Destination	Unit	2023	2022
Operating costs	%	77.60%	93.82%
Employees		18.38%	20.70%
Public administration		1.68%	1.21%
Lenders		1.33%	0.79%
Shareholders		0.97%	0.84%
The community		0.04%	0.03%



# The Group's economic "weight" (Financial Highlights)

## IN 2023, ELICA GENERATED CONSOLIDATED REVENUE OF EURO 473.2 MILLION

Down 13.7% on FY 2022 due to the persistent decline in demand, mainly stemming from the uncertainty generated by the economic slowdown, worsened by the high cost of money and the ongoing geopolitical tensions. This situation has significantly impacted both the Cooking and Motor segments. Continued weak market demand compared to the previous year, together with significant promotional activity and reduced consumer purchasing power, has led to a declining price mix, which has impacted the Own Brands area.

Against this backdrop, the company has defended its market share and invested in itself by expanding its product offerings and also its distribution network. It will thus be ready to react very quickly once a market recovery emerges.

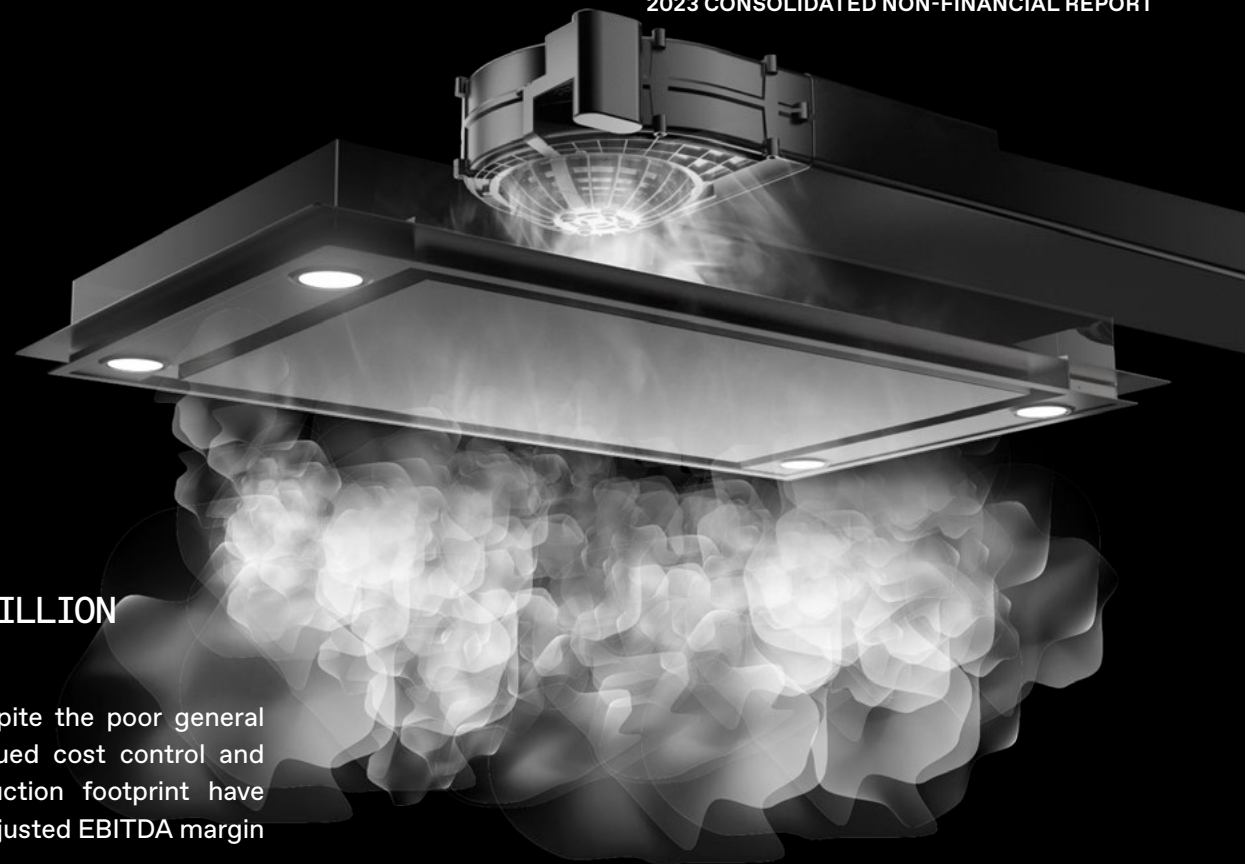
## ADJUSTED EBIT WAS EURO 24.3 MILLION (-26.5% VS FY 2022)

It came to 5.1% of revenue (6% in 2022). Despite the poor general marketplace and reduction in volumes, continued cost control and operational flexibility through the new production footprint have maintained margins, as also highlighted by an Adjusted EBITDA margin of 10.2% in line with the previous year.

## THE ADJUSTED PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT WAS EURO 11.9 MILLION, COMPARED TO EURO 20.9 MILLION IN 2022

The profit attributable to non-controlling interests was Euro 1.5 million.

**A SOLID FINANCIAL POSITION AND GOOD LEVERAGE** also ensure a strategic advantage, which is critical to consolidating our already robust market leadership and to looking at new M&A growth opportunities.

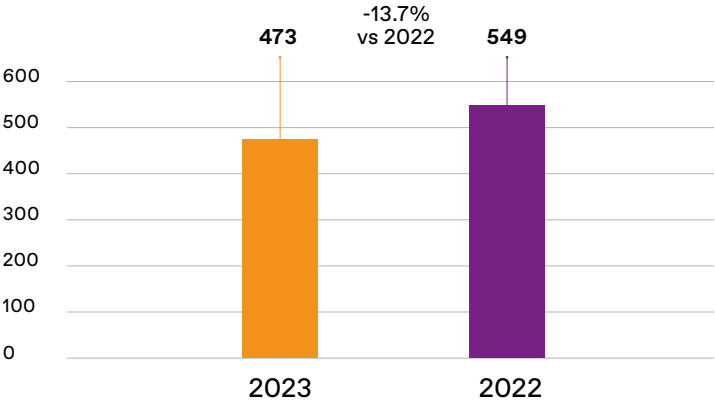


# € 473.2 mln

of Revenues

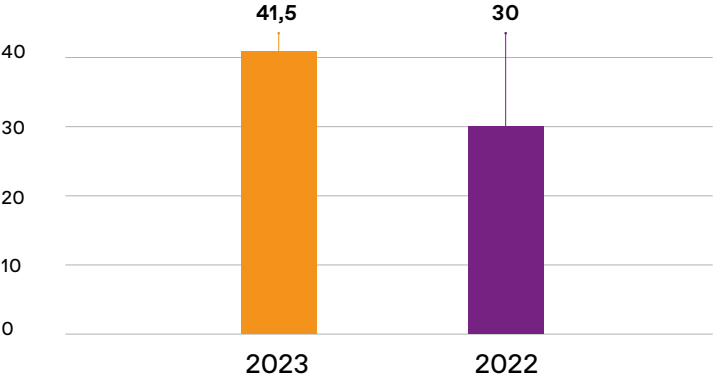
CONSOLIDATED NET REVENUE

Euro millions



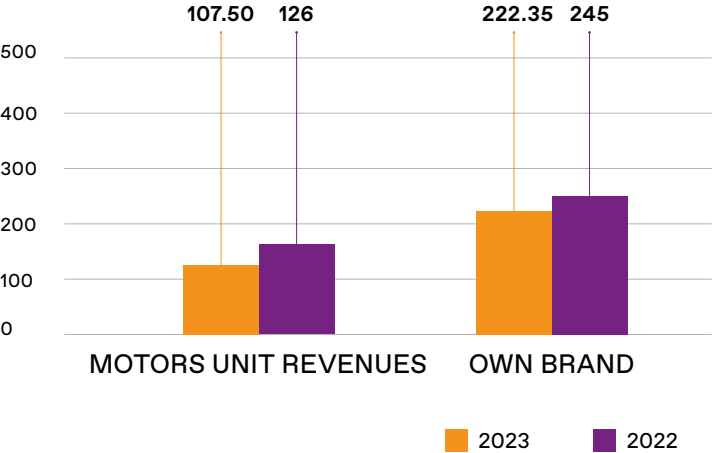
NET FINANCIAL POSITION

Euro millions



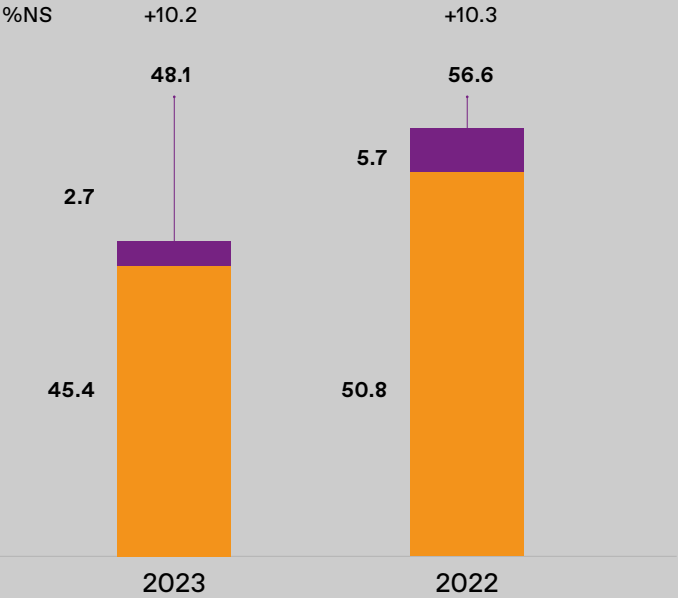
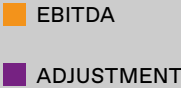
BREAKDOWN NET COOKING REVENUE BY BUSINESS MODEL

Euro millions



PROFIT MARGIN: ADJUSTED EBITDA

Euro millions



# Group tax compliance

The Company's tax compliance and approach has always been guided by transparency and legality. The Group is keenly focused on full compliance with current tax regulations in order to appropriately respond to stakeholder expectations, while also contributing, again in compliance with law, to the sustainable development processes of the countries and communities in which it operates through the payment of taxes.

The Group approach to tax also centres on taking opportunities provided by law to support, in particular, the commitment to innovation and the pursuit of continued excellence, for example through processes linked to the research and development tax break and the benefits under the "Industry 4.0" programme. **The Group in this context operates in full collaboration, dialogue and transparency with the Tax Agency in Italy and the other relative tax agencies in the countries in which it operates.**

This approach is operationally evident in the full co-operation undertaken with the relevant financial authorities. In order to ensure the continuous monitoring of the tax measures and to ensure regulatory compliance, the Group has local Tax Departments (linked to local tax consultants) to identify, manage and mitigate tax risks/opportunities, in the wider context of the Group's finance department, which ultimately reports to the Board of Directors.

An organisation's tax approach defines how the organisation balances tax compliance with its business activities and the ethical, social and sustainable development expectations of its stakeholders.

The channels made available by the Group to encourage the reporting of any illegal or suspicious conduct in tax matters, as well as the communication of any concerns in this regard, are important for mitigating risk factors in the tax area. These include the reporting channels available for the communication of relevant unlawful conduct pursuant to Legislative Decree No. 231/2001 ("whistleblowing").

The Group Companies's Financial Statements and Group's Consolidated Financial Statements are regularly audited by the independent audit firm and transparently report the Group's tax management.

During the year, transactions between the Group companies, the Parent and the subsidiaries took place. All transactions were conducted on an arm's length basis in the ordinary course of business. With regards to transfer prices - applied to transactions between Elica S.p.A. and Elica Group Polska and Elicamex - specific Ruling agreements were signed with the National Tax Authorities. New ruling agreements are being drawn up with the Italian tax authorities to govern further inter-company transactions. On December 21, 2023, an Advance Pricing Agreement was signed with the Tax Agency National Directorate for transactions with Elica France, Elica GMBH, Elica Trading and Elica S.O. Spain.

In compliance with local (and international) regulations, the Group companies also prepare transfer pricing documentation to provide "penalty protection" in the event of disputes by tax authorities. (e.g. in Italy, Poland, and Mexico).



## COUNTRY-BY-COUNTRY INFORMATION

Company included in the scope	Reporting cycle, if different	Country	2023					
			Third party revenue (Euro thousands)	Group revenue (Euro thousands)	Profit before taxes (Euro thousands)	Income taxes paid (Euro thousands)	Income taxes as per Income Statement (Euro thousands)	Employees no. (excluding temp. workers)
Elica S.p.A.		Italy	205,715	52,390	12,134	-33	-3,239	628
Airforce S.p.A.		Italy	25,810	66	-12		-40	100
EMC FIME Srl		Italy	107,424	45,944	8,831	-428	-1,976	253
Elica Group Polska Sp.z.o.o		Poland	620	136,695	2,034	-144	-436	792
Elica France S.A.S.		France	28,581	174	8	-265		19
Elica Gmbh		Germany	8,357	495	134			11
Elica Trading LLC		Russia	10,837		895	-111	-222	25
<b>Europe</b>			<b>387,345</b>	<b>235,765</b>	<b>24,024</b>	<b>-981</b>	<b>-5,913</b>	<b>1,828</b>
Zheliang Elica Putian Electric Co. Ltd.		China	2,523	7,295	4			107
Ariaфина Co. Ltd.		Japan	20,116		4,619	-1,507	-1,564	
<b>Asia</b>			<b>22,638</b>	<b>7,295</b>	<b>4,623</b>	<b>-1,507</b>	<b>-1,564</b>	<b>107</b>
Elicamex S.a.d. C.V.		Mexico	62,575	1,151	-7,673	-160	2,928	604
Leonardo Services S.a. de C.V.		Mexico						
Elica Inc.		United States		1,189	44	-26	-26	4
Southeast Appliance, Inc.		United States	272		-363			2
AG International Inc		Canada	374		8			3
<b>The Americas</b>			<b>63,221</b>	<b>2,340</b>	<b>-7,984</b>	<b>-187</b>	<b>2,902</b>	<b>613</b>
<b>Total</b>			<b>473,204</b>		<b>20,663</b>	<b>-2,674</b>	<b>-4,552</b>	<b>2,548</b>

## COUNTRY-BY-COUNTRY INFORMATION

Company included in the scope	Reporting cycle, if different	Country	2022					
			Third party revenue (Euro thousands)	Group revenue (Euro thousands)	Profit before taxes (Euro thousands)	Income taxes paid (Euro thousands)	Income taxes as per Income Statement (Euro thousands)	Employees no. (excluding temp. workers)
Elica S.p.A.		Italy	241,398	62,682	20,978	-3,069	-5,076	674
Airforce S.p.A.		Italy	30,395	127	-692	-51	180	104
EMC FIME Srl		Italy	122,669	50,609	4,098	-75	-1,296	263
Elica Group Polska Sp.z.o.o		Poland	716	136,801	1,976	-79	935	799
Elica France S.A.S.		France	10,162	22	-94		-167	9
Elica Gmbh		Germany	27,963	12	453	-86		18
Elica Trading LLC		Russia	13,759	68	297	-208	-143	25
<b>Europe</b>			<b>447,061</b>	<b>250,320</b>	<b>27,017</b>	<b>-3,568</b>	<b>-5,566</b>	<b>1,892</b>
Zheliang Elica Putian Electric Co. Ltd.		China	3,526	7,555	-1,106			108
Ariafina Co. Ltd.		Japan	22,715	20	4,907	-1,708	-1,661	
<b>Asia</b>			<b>26,240</b>	<b>7,576</b>	<b>3,801</b>	<b>-1,708</b>	<b>-1,661</b>	<b>108</b>
Elicamex S.a.d. C.V.		Mexico	75,273	87	1,329	-1,185	-800	574
Leonardo Services S.a. de C.V.		Mexico						
Elica Inc.		United States		1,536	54	-4	-24	5
Southeast Appliance, Inc.		United States						
AG International Inc		Canada						
<b>The Americas</b>			<b>75,273</b>	<b>1,623</b>	<b>1,383</b>	<b>-1,189</b>	<b>-825</b>	<b>579</b>
<b>Total</b>			<b>548,574</b>		<b>32,201</b>	<b>-6,464</b>	<b>-8,052</b>	<b>2,579</b>

# Supporting continuous innovation

As part of its technological innovation activities, Elica collaborates with various technological partners (e.g. universities, research centres, and start-ups). It has established two-way collaborative relationships with these organisations over time through training courses and co-design activities.

The NTS Department bases its operations on the NTI working model (New Technology Introduction).

The NTI focuses its key priorities on general product features, such as: Low Noise, Air Treatment, Space Management and Cooking performance. In addition, a cross-cutting topic called “Sensors and Connectivity” has been included. For each of them, the aim is to improve or generate new features while at all times having the consumer as the central consideration.

The synergy between Elica’s Design Center, NTS and R&D departments have led to the development of the LHOV product. This is an innovative, all-new cooking system that integrates an electric oven and an induction vacuum cooktop within a single product. It is an example of extreme innovation in the industry that best represents the Group’s innovative and sustainable DNA, a product that brings together Elica’s know-how and sustainable soul. During the year, a significant portion of the resources and research activities for innovative solutions was devoted to preparing and developing the high-tech and end-customer utility solutions that are the hallmarks of the LHOV system.

Research and innovation are incorporated into the processes of the R&D area of the business management system MOS<sup>10</sup>; various types of monitoring tools are applied and all information is recorded.

10. Management Operation System.

Technological innovation is the driving force behind the Elica Group’s development. To foster continuous value creation, the Company has established the NTS (New Tech Solutions) department. This is actively engaged in developing new technical solutions, ensuring that future Elica products are always at the forefront in all areas.



The NTI is divided into six phases of progress and oversight:

<b>SPECIFICATION DEFINITION</b>	the minimum specifications (performance, timing, cost) needed before beginning the next phase are defined and discussed together with marketing;
<b>ORIENTATION PHASE</b>	potential technologies and product architectures are identified through the pre-selection and positioning of the available technologies in what are known as the Innovation roadmaps;
<b>TECHNOLOGY FEASIBILITY</b>	the appropriate technology is selected and the product layout is studied through preliminary tests in a laboratory environment;
<b>TECHNOLOGY VALIDATION</b>	a preliminary functional prototype is created with a detailed product architecture layout, primarily tested in a laboratory environment;
<b>PROTOTYPE VALIDATION</b>	a complete functional prototype is created, meaning that a detailed prototype designed is created and requirements are identified through testing in real conditions (as well as in the laboratory);
<b>DELIVERY</b>	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.).

During their time in the system, all projects may be halted at any phase of development if performance is not consistent with objectives, the cost of the final product or of development is too high or it does not meet usability, safety and aesthetic requirements.

Progress through the various phases is monitored using the following tools:

<b>DOCUMENT MANAGEMENT SYSTEM</b>	through the use of CAD <sup>11</sup> and Windchill PDM Link <sup>12</sup> technical documents, used to store the three-dimensional models deriving from projects in their partial or definitive forms.
<b>EPL TEST SYSTEM</b> (Elica Propulsion Laboratory)	where all tests generated during the prototyping and testing phases are stored.

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

	Unit	2023	2022
New patent applications filed	No.	5	11
Number of overall active documents (granted and subject to evaluation)		380	378
Percentage of new existing patents generated during the reporting year	%	1.32%	2.91%

In recent years, increasing attention has been paid to sustainability issues. This has allowed Elica to foster the development of more environmentally sustainable technological solutions which can contribute significantly to reduced energy consumption and atmospheric emissions. The Innovation team made significant contributions to the development of primary R&D solutions, which encompass extractor hobs and the broader use of sensors for automated and optimised operations.

11. Computer-Aided Design.  
12. Data, document and product development process management software.

# Supporting after-sales service quality

Elica Group considers it a priority to maintain the high quality of its offering of products and related services, in response to the evolving needs of consumers and in line with the highest standards on the market.

Such practices also contribute to protecting the Company’s image and good reputation, as set out in the Group Ethics Code. The need for an After-Sales process is synonymous with “Customer Orientation”, going far beyond mere legal obligations. The contact centre network employs a dedicated Customer Relationship Management system to manage support requests from end-consumers and to provide product information and continuous support, in order to constantly improve the customer journey.

The Technical Support Service is offered by Service Providers throughout Europe and support centres directly managed by Elica After-Sales (180 in Italy, approx. 80 in Spain and 90 in Russia). The After-Sales department constantly monitors and promotes the service quality of technical support teams and contact centres through regular inspections and dedicated training for Service Provider and Support Centre specialist operators, with traditional courses, on-line training and qualification tests. Special training courses are also organised for the launch of new products. In 2023, both web-based and in-person training was delivered in the Italian, Portuguese, Irish, English, Russian and Slovenian markets by making documents, presentations, and videos available on the SAAM++ portal<sup>13</sup>. Additionally, the After-

Sales Team provides training sessions each year to call centre operators strictly dedicated to Elica, in order to focus attention on a variety of issues (e.g. updating of the functions of the SAAM++ management system, installation methods, solutions to technical issues, call avoidance).

In collaboration with the Marketing functions, 2023 saw a call centre training course provided to present all the new products in the Elica “Truck” used for Roadshows. Each training session concludes with a technical learning test with a relative evaluation to assess the effectiveness of the training.

The performance of our Service Providers is constantly monitored using multiple KPIs relating to the management of issues, including in particular:

- Service Level:** time (in work days) between the customer’s first call and the final resolution of the issue.
- Speed of Service:** Time (working days) between the first call and the first appointment arranged with the customer.
- Right First Time:** percentage of technical issues resolved on the first visit to the customer.

PERFORMANCE INDICATORS

	Unit	2023	2022
Service Level: Days between the customer’s 1st call and issue resolution	Work days	15.0	15.9
Speed of Service: Days between the customer’s first call and first customer appointment	Work days	12.6	13.4
Right First Time: % of technical issues resolved on the first visit to the customer	%	74%	72%

180  
support centres in Italy

80  
in Spain

13. Specialist after-sales management software.



# Combating corruption

On the subject of corruption, no incidents were identified in 2023.

The main tool used to prevent all kinds of corruption is the 231 Organisational Model (adopted in accordance with Legislative Decree No. 231 of June 8, 2001) along with the Group's Ethics Code, both of which are regularly updated.

Compliance with the Group Ethics Code, which is based on the fundamental principles of legality, honesty, fairness, integrity, confidentiality and transparency, is critical for the prevention of corruption. Just as important are the essential duties of workers and civil, criminal, administrative and contractual legislation. The Code is available on the corporate website: <https://corporation.elica.com/it/governance/sistema-di-controllo>.

The subsidiaries EMC FIME S.r.l. and Air Force S.p.A. also have a 231 Model, which is periodically updated.

The subsidiary in Mexico, a country with a high risk of corruption, is aligned with the Group's principles and operates in accordance with the Ethics Code. It has also obtained CTPAT<sup>14</sup> certification, whose goal is to strengthen supply chain security, identify security gaps and implement specific security measures and best practices.

Generally speaking, there are then efforts within the Group to mitigate this risk, such as implementing specific induction and training programs. Operational, financial and compliance-related audits are also conducted. For each potential irregularity, legal and other consultants are called upon for ongoing support in order to ensure compliance with applicable laws and regulations.

Elica has, in addition, prepared a specific policy, also shared with the various subsidiaries, which expressly states that the purpose of the document is to set out the rules for preventing and combatting corruption, with the ultimate goal of ensuring that all employees and associates are aware of the rules to be followed and the behaviour to be adopted to avoid involvement in cases of corruption. For tenders, the Policy specifies that the Group's relations with representatives of the Public Administration (P.A.), in all possible forms, must be based on strict compliance with the Anti-Corruption Regulations and may not in any way compromise the integrity and reputation of the Group.

Generally, specific control standards are set with regard to the following categories of activities at risk of commission of acts of corruption:

- relations with the Public Administration (in all possible configurations);
- gifts, gratuities and hosting and entertainment expenses;
- facilitating payments;
- relations with political and trade union organisations;
- award of consultancy, specialist and professional contracts;
- award of works and goods and services contracts;
- acquisition of investments in other companies and Joint Ventures (M&A)<sup>15</sup>;
- recruitment and hiring of Personnel;
- non-profit initiatives and sponsorships;
- accounting records.

14. Customs Trade Partnership Against Terrorism.

15. Merger and Acquisition.

For privacy purposes, all Group companies are required to abide by the following principles in the organisation of personnel and the definition of company processes:

- **segregation of duties:** the person responsible for an operating activity is different from the person who controls the activity concerned (and/or from the person who authorises it, where applicable), particularly in issuing orders and executing payments;
- **formalisation and definition of signing authority;**
- **impartiality and absence of conflicts of interest:** those subject to the policy must act with professionalism, transparency and impartiality, in accordance with anti-corruption legislation, and must report all situations that may give rise to a conflict of interest;
- **traceability:** all activities performed and the relevant controls must be traced and verifiable after the fact;
- **know your partner:** all company departments responsible for a given process must:
  1. implement, within their process of competency, methods of monitoring the reliability and reputation of those who come into contact with the Company,
  2. include specific contractual clauses requiring third parties to comply with the principles laid down in the Group Ethics Code, including the adoption of behaviour aimed at preventing corruption,
  3. ensure that services rendered by third parties under contracts with the Company are genuine and determine that the consideration to be paid is fair.

In addition to the adoption of the dedicated Policy, various processes have been implemented to prevent and mitigate issues of corruption, including limitation of the use of cash, monitoring of the selection of suppliers and indirect purchases, even if not regulated by specific procedures, policies to regulate the receipt of gifts, benefits and invitations from third parties, and control of employee recruiting and rewarding, transfer pricing and sponsorship deals that Elica S.p.A. usually does not stipulate.

The control of the Group by bodies independent from management is an additional measure for the prevention of offences. Elica S.p.A.’s internal auditing activities serve as a further means of control.

Finally, Elica has recently adopted a new Group whistleblowing policy, in addition to a dedicated internal procedure in implementation of Legislative Decree No. 24/2023 Under the new policy, to provide greater protection for the whistleblower, Elica has provided a portal to allow reports to be received. This portal is managed by a third party. Reports may relate to conduct, acts or omissions that harm the integrity of the Company, including offences under Legislative Decree No. 231/2001.

PROCESSES AND GROUP COMPANIES SUBJECT TO CORRUPTION RISK ASSESSMENT

Year	Unit	2023	2022
Total number of processes assessed*	No.	4	4
Total number of processes**		7	10
Percentage of processes assessed	%	57%	40%

Year	Unit	2023	2022
Total number of Group companies assessed*	No.	4	4
Total number of Group companies		7	10
Percentage of Group companies assessed	%	57%	40%

\* At least one process has been identified for each Group company, directly or indirectly aimed at preventing the risk of corruption.

\*\* Companies that have adopted Model 231 and/or carried out audits are considered assessed - even if only qualitative - on the subject, while companies that have are not considered evaluated anti-corruption, similar or equivalent procedures.


#### EMPLOYEES INFORMED ABOUT THE ANTI-CORRUPTION POLICIES AND PROCEDURES

Category	Unit	2023	2022
<b>Employees informed about the anti-corruption policies and procedures</b>	<b>no.</b>	<b>2,103</b>	<b>1,530</b>
Europe	no.	1,019	1,084
Asia	no.	105	31
The Americas	no.	979	415
<b>% Employees informed about the anti-corruption policies and procedures</b>	<b>%</b>	<b>82.5%</b>	<b>59.3%</b>
Europe	%	40.0%	42.0%
Asia	%	4.1%	1.2%
The Americas	%	38.4%	16.1%
<b>Employees who have received anti-corruption training</b>	<b>no.</b>	<b>1,094</b>	<b>550</b>
Europe	no.	100	104
Asia	no.	15	31
The Americas	no.	979	415
<b>% Employees who have received anti-corruption training</b>	<b>%</b>	<b>42.9%</b>	<b>21.3%</b>
Europe	%	3.9%	4.0%
Asia	%	0.6%	1.2%
The Americas	%	38.4%	16.1%
<b>Anti-corruption training</b>	<b>no.</b>	<b>1,429</b>	<b>932</b>
Europe	no.	385	401
Asia	no.	15	31
The Americas	no.	1,029	500

#### SUBSTANTIATED INCIDENTS OF CORRUPTION

Category	Unit	2023	2022
Total number of substantiated incidents of corruption	no.	-	-





# Together to continue to grow while respecting the environment.

**Elica is aware that only through effective management and consideration of all stakeholders is it possible to grow while respecting the planet, pursuing lasting value over time.**

Our strategy is based on strong environmental awareness. Ever greater efficiency in resource use thanks to reduced CO<sub>2</sub> emissions from production processes, use of renewable energy, data collection regarding the Group's carbon footprint and use of energy carriers are just some of the measures the company has taken.

Reducing our impact is the motivation that drives us to do better and better. Because we are convinced that sustainability is an extraordinary driver of growth. Our real opportunity.



# Highlights

## 2023

WE HAVE CARRIED OUT OUR FIRST GHG INVENTORY IN ACCORDANCE TO ISO 14064-1

We have calculated the carbon footprint of our Group for categories 1-2-3-4 (Scope 1-2-3)

THE PLAN HAS STARTED OF INTRODUCTION OF PLASTICS RECYCLED

Use of polymers coming from the cycle of circular economy (post industrial/post consumer

-605 ton CO<sub>2</sub>

Thanks to the use of 100% Green Energy (Market Based energy)

-325 ton CO<sub>2</sub>

Thanks to the use of energy produced at Photovoltaic plants in Italy



# Extraordinary goals

## Roadmap 2024

EXTENSION OF THE MEASUREMENT OF GHG EMISSIONS AT CAT.5

Measurement of indirect emissions GHG associated with the use of products coming from to the Organization (Scope 3)

ACTIONS FOR REDUCTION OF EMISSIONS GHG CAT.3-4

Projects aimed to reduce impacts generated from inbound/outbound transport and use of raw materials and components for production

SUSTAINABLE PRODUCT DEVELOPMENT IN THE MOTOR SEGMENT

Motors hydrogen ready certification path from the «Premix» range  
Development of high efficiency energy motors for the heat pump segment

PRODUCT MATERIC FOOTPRINT\*

For all ELica products  
\*(weight of materials in products sold)

PLASTIC FREE PRODUCTS

Design and/or redesign of product packaging without using of EPS and/or disposable plastics

SALE OF HIGH EFFICIENCY PRODUCTS ON COOKING SEGMENT

By 2025, approx. 8,500 tonnes eq. reduction in CO<sub>2</sub> emissions by selling products with “Brushless” motors



# The sustainability footprint in the environmental arena

Our Group has long been committed to viewing the environment as an important – and indeed essential – resource to safeguard and preserve. Elica S.p.A. was one of the first Italian companies to be ISO 14001<sup>16</sup> certified.

At present, all of Elica Group's production sites associated with significant environmental risks relating to transformation and production activities – with the exception of the Air Force facility – have adopted 14001:2015 compliant Environmental Management Systems.

**The planet we live on and impact is a finite resource, and we have an obligation to deliver it to future generations in conditions that will not compromise their well-being.**

The Group's business processes have been designed and organised and are conducted with utmost respect for the environment, with a view to implementing strategies that minimise the risk of environmental damage through the progressive reduction of impacts generated by its business activities.

The significant environmental impacts relate to the processes of transformation, distribution and use of the Group's products. The data and information presented refer to various reporting scopes depending on the indicator being analysed.

Every Group process that generates an environmental impact is conducted in full compliance with applicable laws and regulations, as

well as with other environmental provisions, prescriptions, norms and standards contractually or voluntarily signed.

**Every year, the Group sets goals for the achievement of ever greater sustainability in relevant business processes**, so as to protect the natural environment of its production sites and promote optimal relations with local communities.

In view of these goals, in addition to ensuring that its certified Environmental Management System is constantly implemented, it circulates and facilitates the understanding by its management of the procedures and contents of the Ethics Code drafted in accordance with Legislative Decree No. 231/2001 and the Group's Policies and Procedures.

The environmental management systems at the certified sites provide for the rolling out of improvement plans which, on the basis of assessments of the environmental aspects and impacts associated with the processes and activities carried out, focus on the objectives of reducing waste or inefficiencies which, for the environmental topics, translate into a more responsible use of resources employed in a more significant manner in the transformation processes. The

systems also employ internal auditors qualified in accordance with ISO 14001:2015 standard, who conduct planned internal audits. In addition to compliance with legislative requirements, these audits verify the appropriate level of operating conditions, the implementation of control requirements, the monitoring of indicators and objectives and the effectiveness of procedures to reduce the risk of incurring harmful events for the environment or for the containment of possible emergencies.

The Group is constantly committed to ensuring compliance with environmental regulations, whether they are in force at local, national or international level or are part of the supply contracts with customers. This is primarily, but not exclusively, to minimise the risk of administrative and/or criminal sanctions for its Directors and to protect its reputation.

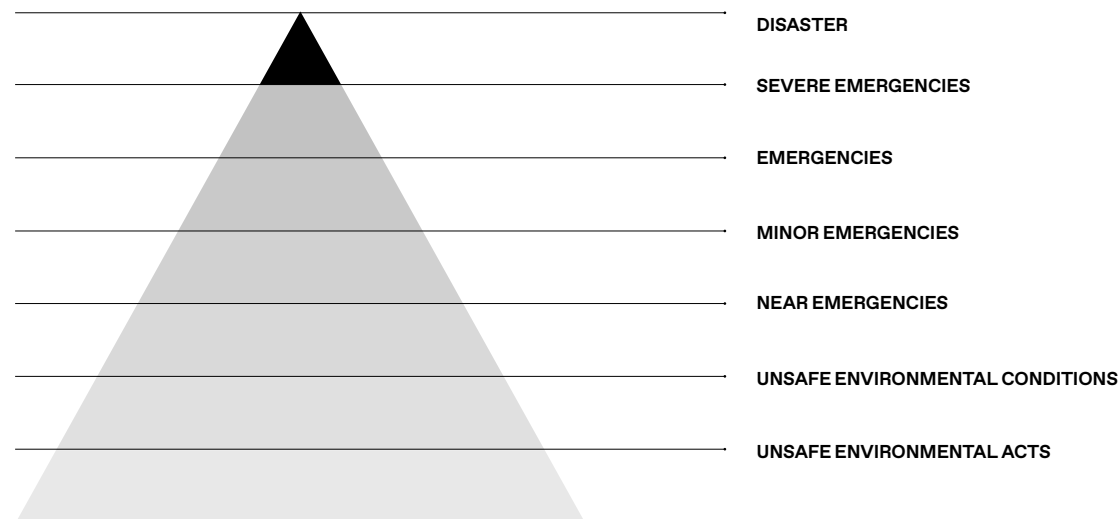
To support systems and make them effective, the Group is committed to raising the level of awareness and competence of those who, through their work activities, can make real a difference regarding specific environmental aspects.

16. International standard indicating requirements for an effective Environmental Management System.

# The Heinrich Pyramid - Environment

As part of the programme for continuous improvement, the sites in Italy, Poland, Mexico and China systematically use the Heinrich Pyramid tool (the same method that is also used in the field of health and safety promotion) which classifies all events related to:

- ENVIRONMENTAL DISASTERS;
- EMERGENCIES;
- NEAR MISSES;
- ENVIRONMENTALLY HAZARDOUS CONDITIONS;
- ENVIRONMENTALLY HAZARDOUS ATTITUDES.



The events recorded in the Pyramid are collected through the completion of special forms by all the staff involved and by dedicated internal audits. The combination of the above activities during 2023 produced **2,371 environmentally related reports**. The reports were analysed at the respective sites by the EHS teams who, with a view to continuous improvement, developed appropriate actions to remove the causes of the events reported.

Again in 2023, in confirmation of the efficacy of the environmental management systems, there were no incidents of non-compliance, fines or proceedings against the Elica Group with regards to environmental laws and/or regulations.

## Zero

**cases of non-compliance, fines or proceedings against the Elica Group in 2023**

# Product Eco 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. Fruit of this constant commitment is the continuing development of **Elica's Eco-friendly Packaging Design System**.

In those years in which environmental sustainability topics were considered less relevant, Elica's product packaging design strategy was based on a substantially reactive approach that, against outside requests (mainly from customers), triggered an analysis of the feasibility/advisability of redesigning existing packaging to better meet the needs indicated by the customer.

## MILESTONES

### EVOLUTION OF ELICA'S ECO-COMPATIBLE PACKAGING DESIGN SYSTEM



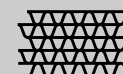
**2015**

**Eco-compatible Packaging design**



**2018**

**Integrated approach to improve Packaging System**



**2019**








**Quick Prototyping of corrugated cardboard packaging**



**2020**

**Validation of solutions by Videotesting**

The Packaging Design System developed over the years 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	
	RAW MATERIAL SAVING	Containment of raw materials used in packaging and consequent reduction of weight against similar product and performance
	REUSE	Concerns reusing the packaging several times, for the same use for which it was conceived
	USE OF RECYCLED MATERIAL	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
	LOGISTICS OPTIMISATION	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
	FACILITATING RECYCLING ACTIVITIES	All innovations to simplify the recovery and packaging recycling phases, such as the production of single material packaging
	PACKAGING SYSTEM FACILITATIONS	Achieved by integrating multiple functions in a single packaging component, eliminating elements and thus simplifying the system
	ENERGY SAVING / CO <sub>2</sub> REDUCTION	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.

17. The trial-and-error approach is a heuristic methodology aimed at identifying a solution to a problem by making an attempt at a solution and then checking whether that attempt has produced the desired effect.

18. Design For Manufacturing.

19. Finite Element Analysis.

The strategic Packaging Design approach aimed at assessing the overall “process” impact is guiding Elica towards a redesign of the packaging for the existing range, starting with the most relevant SKUs in terms of volumes.

The mechanisms and guidelines related to the integrated and Design-For-Environment (DFE) approach generated in recent years to support the re-engineering of existing packaging have made it possible to assess the environmental validity of new projects, setting environmental sustainability as one of the significant parameters to be used when validating packaging solutions. In order to support the process and make it even more robust right from the initial stages of development, in addition to the existing trial-and-error approach<sup>17</sup> (with the use of the DFM<sup>18</sup> and FEA<sup>19</sup> approaches to assess robustness virtually) on-the-spot stress testing was undertaken using a video camera inside the packaging during the testing phase.

Thanks to the approach described above, in 2023, several reengineering projects (“Plastic-Free Packaging”) were successfully adopted, leading to a substantial reduction in the use of Expanded Polystyrene (EPS) packaging components. This resulted in a significant decrease in emissions, quantified at approximately 150 tonnes of CO<sub>2</sub>.

150 tonnes of CO<sub>2</sub> saved

thanks to the re-engineering projects

PERFORMANCE INDICATORS

	Unit	2023
Number of completed eco-design re-engineering projects	No.	3

ECO-DESIGN PACKAGING PROJECTS ANALYSED

Projects	Unit	2023
		equivalent tonnes of CO <sub>2</sub> saved
Equivalent tonnes of CO <sub>2</sub> saved due to re-engineering projects	t.	150.4

# Energy consumption and emissions



To assess trends and projects to improve efficiency, the consumption of energy carriers used in the processing steps is constantly monitored. Motive Power, which is used in production processes, auxiliary equipment and lighting of offices and outdoor areas, accounts for almost all primary consumption.

Total consumption in 2023 reflects the changes in production volumes (which decreased, particularly in the last quarter of the year). A further portion is the result of activities involving the transfer of some machinery from the Mergo site to the Jelcz Laskowice site (particularly in February-August).

In 2023, Elica used energy from renewable sources certified with Guarantee of Origin at all its Italian sites and the Polish facility. In addition, three photovoltaic plants are in operation at our Italian sites. Together, they produced a total of 1,035,204 kWh (equal to approx. 3,127 GJ) in 2023, saving approx. 325 tonnes of CO<sub>2</sub> emissions.

Thanks to these choices, in 2023 the Group's electricity mix comprises approx. 78.1% renewable energy (of which 4.2% self-generated). Thanks to the supply contract that was also signed for the Airforce site, the Group's share of renewable energy used in 2023 in Italy reached the target of 100%, as defined by management (of this, 9% was generated at the three photovoltaic plants at the sites).

Throughout 2023, the Group avoided releasing an additional 605 tonnes of CO<sub>2</sub> into the atmosphere, reducing emissions deriving from electricity and thermal energy by 86% compared to the 2021 baseline year. The Group also reduced its total emissions by 63% compared to 2021.

**325** tonnes CO<sub>2</sub>

saved thanks  
to relamping projects

**100%**

renewable energy in Italy



# OUR FIRST ISO 14064-1 GHG INVENTORY

*ANOTHER STEP TOWARDS ACHIEVING THE SUSTAINABILITY ROADMAP WILL BE TO ADHERE TO SCIENCE BASED TARGET (SBT) PROTOCOLS IN THE COMING YEARS. THESE WILL DEFINE AND VALIDATE ACHIEVABLE TARGETS TO REDUCE CLIMATE-CHANGING EMISSIONS.*

**The Elica Group considers it an urgent priority to address climate change and to as far as possible achieve decarbonisation of the economy.**





The Elica Group considers it an urgent priority to address climate change and to as far as possible achieve decarbonisation of the economy. We are aware that our activities have significant repercussions. After defining our sustainability roadmap, we realised that we needed to learn more about the aspects and activities that have the greatest influence on our carbon footprint. We then established a baseline for the Group's total Scope 1, 2 and 3 emissions. To do this, we set ourselves the objective of preparing our first Organisation GHG Inventory in 2023, using the methodology of the ISO 14064-1 Standard.

The inventory was prepared in order to account for emissions related to categories 1, 2, 3 and 4. In 2024 we will extend it to also include category 5 (indirect GHG

emissions associated with the use of the Organisation's products).

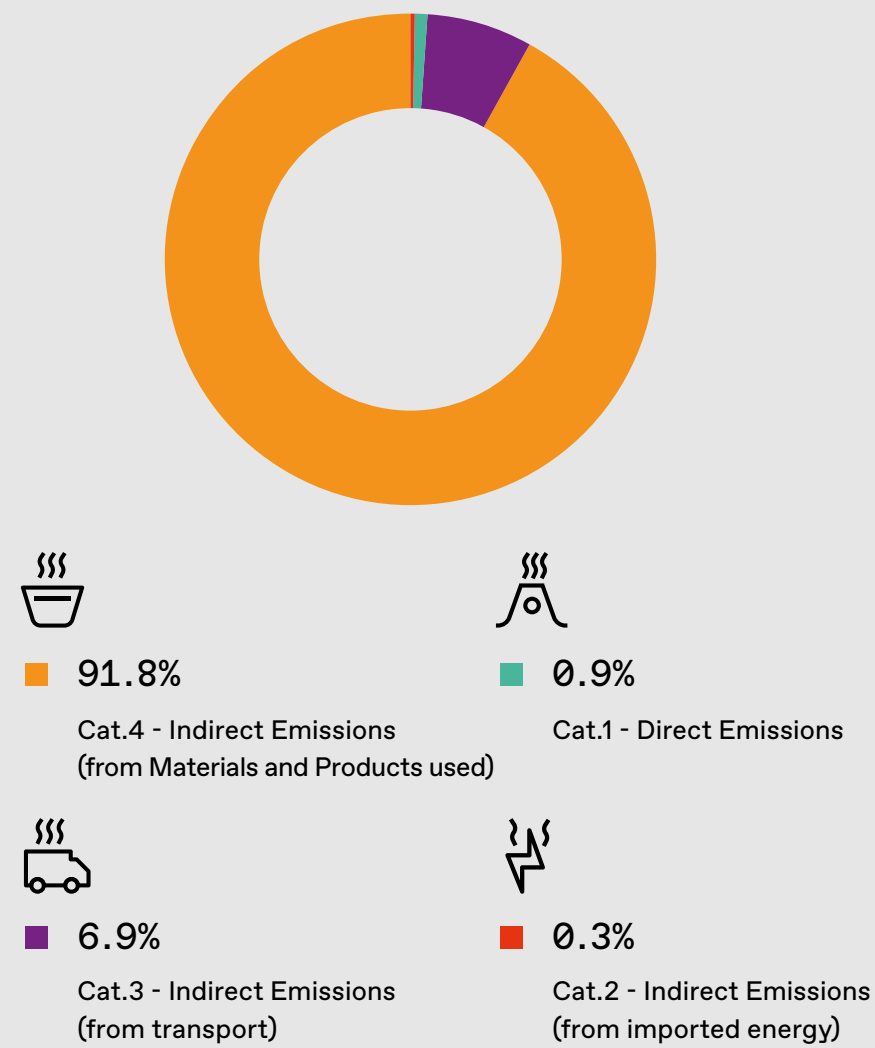
This process involved various technical and managerial functions, both at our headquarters and production sites, in an extremely complex and multi-pronged task. Over a number of months, we collected extensive and detailed data that also allowed us to create reporting and monitoring standards. These will form the basis for objectively and systematically tracking and accounting for the reduction projects created as part of the emission reduction plan. We have already identified those areas for which action is planned to evaluate and identify solutions, which will swiftly lead to significant savings in CO<sub>2</sub> emissions. This action will be carried out in the first few weeks of 2024.

The graph below shows the distribution of emissions calculated under the ISO 14064-1 GHG inventory:

GHG EMISSIONS INVENTORY IN ACCORDANCE WITH ISO 14064-1				%
Emissions "Scope 3"		Cat.4 - Indirect Emissions (from Materials and Products used)	%	91.8%
		Cat.3 - Indirect Emissions (from transport)	%	6.9%
Emissions "Scope 1 & 2"		Cat.1 - Direct Emissions	%	0.9%
		Cat.2 - Indirect Emissions (from imported energy)	%	0.3%

Another step towards achieving the sustainability roadmap will be to adhere to Science Based Target (SBT) protocols in the coming years. These will define and validate achievable targets to reduce climate-changing emissions.

GHG EMISSIONS INVENTORY  
IN ACCORDANCE WITH ISO 14064-1





**In 2023, EMC Fime S.r.l.'s motors business segment carried out development and testing activities to obtain certification for 75% of the "Premix" heating segment motors range capable of using a 100% hydrogen mix.**

Development activities will continue in 2024 until 100% of the range is certified. This will allow EMC Fime S.r.l. to consolidate its range of sustainable products for home heating, consistent with the energy transition goals set by the European Commission with the "Fit for 55" package (reducing greenhouse gas emissions by 55% from 1990 levels and achieving climate neutrality by 2050).



TOTAL FUEL CONSUMPTION TO POWER OFFICES AND PRODUCTION SITES  
(E.G. FUEL FOR GENERATORS AND BOILERS)

Fuel consumption from non-renewable sources	Unit	2023	2022
Natural gas	m³	1,896,887	2,350,110
Diesel	Litres	-	-
Petrol		-	-
LPG		21,433	33,819
Natural gas	Gj	63,885	79,148
Diesel		-	-
Petrol		-	-
LPG		509	803
Total		64,394	79,952

TOTAL FUEL CONSUMPTION TO POWER OFFICES AND PRODUCTION FACILITIES

Fuel consumption from renewable sources	Unit	2023	2022
Bioethanol	Litres	440	522
Biodiesel			
Other			
Total		440	522
Bioethanol	GJ	9	11
Biodiesel		-	-
Other			
Total		9	11

FUEL EMISSIONS FROM NON-RENEWABLE SOURCES

Fuel emissions from non-renewable sources	Unit	2023	2022
Natural gas	t CO <sub>2e</sub>	3,870	4,747
Diesel		-	-
Petrol		-	-
LPG		33	53
Total		3,903	4,800

FUEL EMISSIONS FROM RENEWABLE SOURCES

Fuel emissions from renewable sources	Unit	2023	2022
Bioethanol	t CO <sub>2e</sub>	0.004	0.005
Biodiesel		-	-
Other		-	-
Total		0.004	0.005

INDIRECT ENERGY CONSUMPTION

Energy consumption	Unit	2023	2022
Electricity purchased (LOCATION-BASED)	kWh	4,567,740	4,909,041
Electricity purchased from renewable sources (MARKET-BASED)		15,384,109	16,727,624
Electricity from renewable sources produced and consumed		869,268	1,020,369
District heating		1,182,484	1,022,911
Other		-	-
Total		22,003,600	23,679,946

EMISSIONS FROM THE USE OF BOTH RENEWABLE AND NON-RENEWABLE SOURCES OF ELECTRICITY AND THERMAL ENERGY TO POWER OFFICES AND PRODUCTION SITES

Indirect emissions	Unit	2023	2022
Electricity purchased (LOCATION-BASED)	t CO <sub>2e</sub>	1,533	2,174
Electricity purchased from renewable sources (MARKET-BASED)		-	-
District heating		210	175
Other		-	-
Total		1,744	2,349

NUMBER OF FLIGHTS

Number of flights and km travelled	Unit	2023	2022
Flights	No.	876	999
Air km travelled	Km	2,248,660	2,683,612

LITRES OF CAR FLEET FUEL

Litres of car fleet fuel	Unit	2023	2022
Car - Diesel	Litres	287,973	274,079
Car - Petrol		64,838	56,755
Total		352,810	330,835

EMISSIONS GENERATED BY TYPE OF VEHICLE USED

Emissions generated by type of vehicle used	Unit	2023	2022
Car - Total	t CO <sub>2eq</sub>	918	873
Car - Diesel		766	740
Car - Petrol		152	133
Airplane		509	477
Total		1,428	1,350

# Use of materials

Elica uses a significant number of raw materials originating from different industrial sectors. As a processing industry, no minerals are directly imported from conflict areas (Conflict Minerals).



THE MAIN RAW MATERIALS USED IN THE PRODUCTION PROCESSES ARE:

- **FERROUS METALS**  
(mainly carbon steel, stainless steel, etc.);
- **NON-FERROUS METALS**  
(mainly copper cables, aluminium breads, tin wire etc.);
- **COMPONENTS FOR THE PACKAGING OF FINISHED PRODUCTS**  
(corrugated cardboard, polystyrene and expanded/extruded polyethylene, plastic strapping, wooden pallets etc.);
- **THERMOPLASTIC POLYMERS**  
(Polycarbonate granules, Polypropylene, ABS, Nylon etc.).



COMPLETING THE PICTURE ARE THE MATERIALS USED TO ASSEMBLE THE FINISHED PRODUCTS:

- **ELECTRICAL/ELECTRONIC COMPONENTS;**
- **GLASS;**
- **SMALL PARTS;**
- **SEMI-FINISHED METAL PRODUCTS;**
- **PLASTIC MOULDED COMPONENTS;**
- **FILTERING MATERIALS;**
- **PAPER COPY DOCUMENTS.**



Although the major producers of raw materials from the metal transformation sector use a significant portion of recycled material and the same can be assumed for materials used for packaging (in particular for cardboard and wood components), Elica is not able to provide precise data on the content of recycled and/or renewable materials for every type of material used in its production processes.

However, based on information received from Elica's stainless steel suppliers, the content of raw material from recycling circuits can be estimated at around 70-75%. In view of the above considerations, all types of materials listed in the reference table should be considered "non-renewable".

**Elica is concerned with carefully selecting that comply with applicable laws, putting together supply agreements and gathering information from suppliers to guarantee product quality from the outset.** During the year it therefore created a web platform-based service which streamlines and keeps track of all communications and evidence exchanged with the Supply Chain. This ensures ongoing compliance with those regulations to which Group products are subject (e.g. EU RoHS Directive, EU REACH SVHC, EU Waste Framework Directive - SCIP).

In terms of the packaging supply chain, ELICA prefers suppliers who are in possession of FSC certifications for a supply deriving from environmentally friendly, socially useful and economically sustainable forest management.

The results of the first ISO 14064-1 GHG inventory confirm that the majority of the organisation's emissions are Category 4 emissions relating to the use of raw materials and components required for production. **In the coming years, a significant portion of projects geared toward reducing emissions will undoubtedly focus on identifying and using more sustainable raw materials from the circular economy with a low carbon footprint.** As per the 2023 target, multiple commodity classes related to the products used were modified and refined as part of the data collection required to calculate the GHG inventory. This enabled a more detailed analysis of the material composition of the finished products. At the same time, work continued on approving sustainable polymers (with recycled raw materials from post-industrial and post-consumer sources) with a recycled raw material content up to 30% (maximum usable portion in accordance with Elica product safety compliance). This will enable a significant and progressive reduction in the use of plastics containing "virgin" as the first few months of 2024.

# ~70-75%

of stainless steel  
from recycling circuits



# Transparency and traceability of environmental information regarding elica products sold in french territory (decree no. 748/2022)

Decree No. 2022-748 of April 29, 2022, on consumer information regarding the environmental qualities and characteristics of waste-generating products, was published in the French Official Journal on April 30, 2022.

This decree seeks to regulate the environmental labelling of waste-generating products and applies to all manufacturers, importers and retailers of consumer products, in physical stores and online.

Responding to the publication of this decree, Elica took immediate action to provide and communicate the environmental information and characteristics of the products it sells on the French market.

In line with the Decree’s applicability to its products and the deadlines stipulated in it regarding the communications that must be provided, as early as the end of 2022 and throughout 2023, Elica provided this information to its customers through special statements and detailed data regarding the products it supplies.

As of January 1, 2024, also by virtue of the temporary applicability criteria stipulated in the decree, Elica has provided a database dedicated to the French market on a special section of the website [www.elica.com](http://www.elica.com). This database contains the following information:

- Product code
- Production description
- Recyclability of product packaging
- Recyclability of the product
- Recycled raw material content (for both packaging and product)
- Type and content of hazardous substances in products
- Type and content of rare earth elements in products
- Type and content of precious metals in products

The data collection was not limited merely to compliance with the decree but also proved a significant opportunity to introduce a structured method **for accurately and extensively analysing the material composition of the range of products sold in Europe and the rest of the Company’s key markets**. The volume of this information has provided the organisation with an increasingly detailed repository of information to identify materials and components that are increasingly sustainable and safe for users.

## PURCHASE OF GOODS FOR PRODUCTION

Type of good	Unit	2023	2022
Iron	t	19,155	23,185
Stainless steel		7,270	11,597
Copper x		3,189	2,858
Plastics		1,263	2,064
Aluminium		1,752	1,927
Tin		7	4
Cardboard for packaging		6,672	7,669
Wood packaging materials		1,963	2,421
Plastics for packaging		728	1,294
Epoxy powder coatings		366	353
Other		-	-
Total		42,365	53,373

# Waste management



The ELICA Group uses for its production processes raw materials essentially from the metal transformation industry (carbon steels, stainless steels, copper, aluminium, etc.).

During the internal processing and to complete its range on the market, mostly components from the electrical and electronic (printed circuit boards, transformers, power cables, power supplies, transformers, etc.) and primary packaging chains (corrugated cardboard boxes, expanded polystyrene components, wooden pallets and polyethylene bags) are used. For the transport and delivery of these materials, the supply chain uses wooden pallets for packaging or secondary containers and packaging (corrugated cardboard boxes or mixed packaging).

Consequently, most of the waste produced as a result of the production activities is composed of:



#### **FERROUS OR OTHER METAL SCRAP**

(scraps from moulding works, mechanical blanking or laser cutting, shavings or die-casting residues);



#### **PACKAGING**

(paper/cardboard, mixed packaging, wood packaging from secondary packaging);



#### **ELECTRICAL AND ELECTRONIC COMPONENTS**

(components discarded during production processes).

**Almost all ferrous waste is sent to the recycling stream.** Liquid waste deriving mainly from the powder coating process (washing/degreasing water from components sent for painting) and waste oil emulsions and exhausted mineral oils generated by maintenance work on machine tools in the mechanical processing departments (step presses, press brakes and mechanical punching machines) account for much smaller quantities.

A small amount of WEEE (waste electrical and electronic equipment) is also considered - generated during the remanufacturing of non-working products or products returned from the market. **At all ELICA plant, all waste generated by the company's activities is collected separately by type and disposed of in compliance with law**, giving priority to authorised parties for transport and disposal at destination plants that carry out treatment for the recovery of materials or energy.

**Separate waste collection is carried out in offices** (both in plant equipped with canteens and in refreshment areas) with bins for paper, plastic, organic waste, glass and cans and undifferentiated waste. All staff have been trained on and informed of the importance of correctly sorting and disposing of waste.

To minimise the impact of waste generation, Elica has always carefully designed its products and production processes to optimise the use of raw materials and minimise the waste associated with transformation processes.

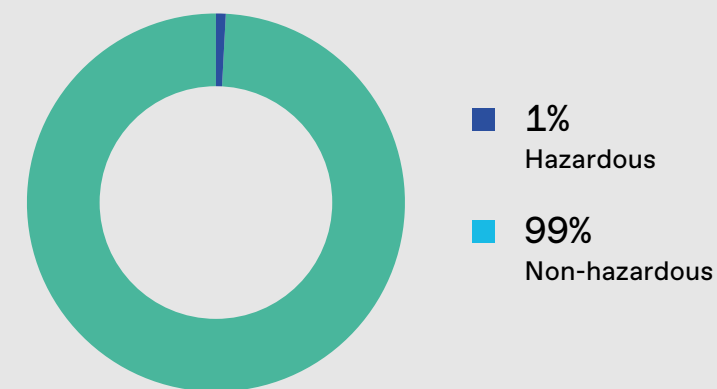
Where possible, Elica has enacted policies to reduce the use of secondary packaging by setting out - in collaboration with its partners in the supply chain - special supply rules that prioritise the use of reusable containers (in particular with suppliers involved in the "milk-run" flow, which therefore ensures just-in-time supply).

Specific reusable containers are also used for the internal handling of high turnover components, thus further reducing the use of secondary packaging.

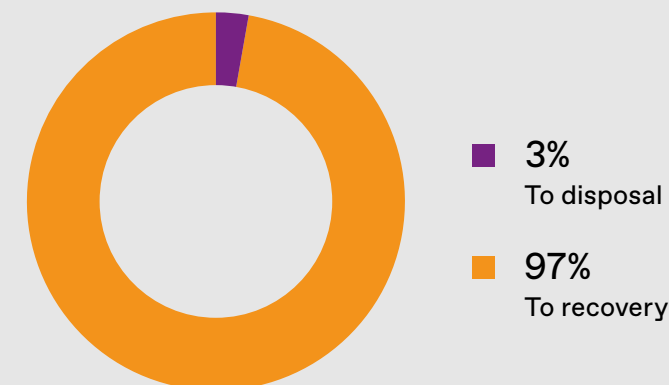
The EHS departments at each plant and the Corporate EHS department constantly monitor monthly waste production data, focusing in particular on packaging-related waste and the liquid waste generated by the painting processes at the sites in Mergo (Italy), Jelcz Laskowice (Poland), and Queretaro (Mexico), which have the potential to produce more significant environmental impacts.

In 2023, the Group's production plants generated a total of 12,299 tonnes of waste, 99% of which was non-hazardous. Of the total waste generated, approx. 97% was sent for recovery while the remaining 3% was sent to disposal.

## TOTAL WASTE PRODUCED



## TOTAL WASTE PRODUCED







96% percent of non-hazardous waste and 43% of hazardous waste was sent for recovery. Just 1.2% of total waste was sent to landfill. The percentage breakdown of waste recovery and disposal operations is shown in the summary tables given below. **100% of the waste produced by the Elica Group was treated offsite.**

DISPOSAL TYPE

Total weight of HAZARDOUS waste (tonnes)	Ton	%
Other collection operations	56.18	68.03%
Physical-chemical treatment	13.40	16.23%
Preparation for reuse	-	0.00%
Incinerated (with energy recovery)	13.00	15.74%
To landfill	0.004	0.005%
Total	82.58	100%

Total weight of NON-HAZARDOUS waste (tonnes)	Ton	%
Metal recycling	9,378.68	77.20%
Other collection operations	1,362.79	11.22%
Organic material recycling	732.42	6.03%
Physical-chemical treatment	170.55	1.40%
Preparation for reuse	22.60	0.19%
Inorganic material recycling	135.94	1.12%
Incinerated (with energy recovery)	179.78	1.48%
To landfill	142.45	1.17%
Other disposal operations	15.08	0.12%
Incinerated (without energy recovery)	8.00	0.07%
Total	12,148.29	100%

TABLE 1. WASTE BY COMPOSITION, IN TONNES (T) - GRI 306-3

Total weight of hazardous waste	Unit	2023	2022
Waste diverted from disposal	t	36	39
Waste directed to disposal		47	49
Total		83	89
Total weight of non-hazardous waste	Unit	2023	2022
Waste diverted from disposal	t	11,632	12,953
Waste directed to disposal		516	751
Total		12,148	13,703

TABLE 2. WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS, IN TONNES (T) - GRI 306-4

Total weight of hazardous waste	Unit	2023	2022
Preparation for reuse	t	-	4
Metal recycling			
Organic material recycling			
Inorganic material recycling			
Other recovery operations		36	36
Total		36	39
Total weight of non-hazardous waste	Unit	2023	2022
Preparation for reuse	t	23	
Metal recycling		9,379	10,434
Organic material recycling		732	777
Inorganic material recycling		136	243
Other recovery operations		1,363	1,499
Total		11,632	12,953

TABLE 3. WASTE DIRECTED TO DISPOSAL THROUGH DISPOSAL OPERATIONS, IN TONNES (T) - GRI 306-5

Total weight of hazardous waste	Unit	2023	2022
Incinerated (with energy recovery)	t	13	13
Incinerated (without energy recovery)			
Sent to landfill		0	0
Lagooning			
Biological treatment			
Physical-chemical treatment		15	16
Other disposal operations		19	21
Total		47	49
Total weight of non-hazardous waste	Unit	2023	2022
Incinerated (with energy recovery)	t	180	191
Incinerated (without energy recovery)		8	10
Sent to landfill		142	165
Lagooning			
Biological treatment			
Physical-chemical treatment		171	311
Other disposal operations		15	75
Total		516	751



# Suppliers assessed according to Environmental and Social criteria

For Elica, supply chain management has always been an essential priority in ensuring that supplies are provided in full compliance with locally applicable regulations. Particular attention is paid to protecting the environment, workers' rights and the territories that house its suppliers' production facilities.

Our Group prefers a structured chain of suppliers, which is why we periodically check the certifications possessed by the relevant management systems. 67% of suppliers have an ISO 9001-certified management system, 32% have an ISO 14001 or EMAS-certified Environmental Management System, and 16% have an ISO 45001-certified Occupational Health and Safety Management System. 5% of suppliers also have ISO 50001 certification, while 17% hold other more technical certifications (e.g. IATF, FSC, ISO 28000 etc.).

## 67%

of suppliers  
have an ISO 9001

## 32%

of suppliers  
have an ISO 14001

## 16%

of suppliers  
have an ISO 45001



# Supplier selection and screening

**When selecting its suppliers, the Elica Group uses a structured assessment and approval process.**

The process begins by asking suppliers to complete self-assessment questionnaires about their manufacturing processes during the “Early Approval” phase. This allows Elica’s management (Purchasing and Supplier Development Quality Department) to assess the level of risk associated with a supplier’s capabilities. Once complete, the supplier is asked to complete an “ESG Survey” during the approval stage, which the Group’s Quality and Sustainability Manager uses to determine the risk index associated with ethical, environmental, and social topics.

Once the supplier has been approved and can start supplying goods and services to Elica, audits are carried out at the supplier’s site to directly assess their capabilities and/or degree of reliability, in addition to any ESG-related risks. In particular, the protection of workers’ rights, anti-corruption, and the minimisation of environmental risks are considered. Suppliers who do not meet the minimum requirements are not permitted to conduct business with Elica.

The activities described above also seek to preemptively identify any critical issues related to potential new suppliers and adopt corrective action. Existing suppliers within the supply chain are also routinely required to complete the self-assessment process via the ESG Survey. We adopt this approach to foster a culture of continuous improvement, whereby we share and adopt particular action plans based on the audit outcomes.

# Monitoring and improvement

Once suppliers have been approved, they can start to fulfil orders. Their capacity to secure compliant raw materials and components is monitored. On a monthly basis, the Supplier Development Quality Department issues a “Vendor Rating” report, which is shared with the Purchasing Department, Quality Management, and the suppliers themselves. The Supplier Development Quality Department drafts improvement plans, sharing them with suppliers whose indicators do not meet the capability requirements. The department monitors each individual action and drafts an annual audit plan.

Similarly to the process of improving supplier quality performance, Elica also uses an auditing process to evaluate ESG-related risks, specifically regarding ethical, social, and environmental issues. Group suppliers are also expressly required to adhere to and sign the “Elica Group Supplier Code of Conduct.” The code, which is based on the Elica Ethics Code, has been formally approved by Elica’s CEO. The Group’s Supplier Code of Conduct is expressly inspired by Elica’s Ethics Code. It also

contains specific references to the protection of basic human rights, as envisaged by the principles of the ILO<sup>20</sup>, and minimisation of the environmental impact of production activities.

**Audits with an ESG focus were also carried out during 2023.** Similarly to the Quality Capability audits, at the end of ESG audits, improvement plans are shared with suppliers to minimise any potential related risks and encourage them to place greater emphasis on sustainability topics.

To date, the Group has involved more than 240 active suppliers in activities focusing on ESG issues. At least 195 of these were involved in completing the “ESG Survey” (73% response rate) while 135 suppliers (56%) have already signed the Code of Conduct. Surveys are delivered and signatures are requested continuously throughout each year.

20. ILO = International Labour Organization.

## 195

suppliers involved in completing the “ESG Survey”

## 135

suppliers have signed the Code of Conduct



# Together for the well-being of people.

**Taking care of people is a commitment which concerns Elica, but which involves the entire company.**

We believe in well-being as a condition to always strive for, both at work and in private.

This is why we carry out growth programs where art meets the Company and we finance specialization courses in Universities to train the young engineers of the future. Because satisfied women and men they generate wide-ranging ideas, projects and visions. And because the well-being of the individual has a positive and bright effect on the entire society.

Our people are our greatest asset: it is only together with them that we can build lasting success over time.



## Highlights

### 2023

#### 46.4% Women

on total nr. of employees (45% in 2022)

#### 50% Women

of Senior Executives (unchanged vs. 2022)

#### 39 Hours

average training per capita (20 hours in 2022)

#### -22.4%

Injuries at workplaces index reduction vs. 2022

#### SITES WITH ISO 45001:2018 CERTIFICATION

With the certification obtained at Jelcz Laskowice site, 86% of sites have a certified Health & Safety Management Systems

#### CASOLI PRIZE

Awarded to the duo Claire Fontaine focused on the theme of female empowerment



## Extraordinary goals

### Roadmap 2024

#### 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 ERMANNOCASOLI FOUNDATION

Projects to support the local communities in which the company operates

Elica Group's people strategy is based on three pillars: attraction, development and engagement. Our mission is to attract individuals who share Elica's company culture, encourage self-improvement, reward merit and create motivation.

The Group pursues this mission by encouraging internal growth and providing responsive, performance-related economic incentives, by creating a work environment geared toward trust, self-development, and widespread accountability, promoting teams that are cohesive, focused and engaged on clear, shared, cross-functional goals, with ongoing investment in welfare and well-being policies and projects.

THE SUSTAINABILITY FOOTPRINT IN THE SOCIAL ARENA

Supporting  
our employees

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



ATTRACTION



DEVELOPMENT



ENGAGEMENT

At December 31, 2023, Elica Group personnel numbered 2,548<sup>21</sup>, of which approx. 46% women, with 74% involved in support staff activities and 26% involved in white-collar roles; permanent contracts at the end of the year numbered 2,088 and fixed-term contracts 460. During the year, 854 people were hired, with an incoming personnel turnover rate of 12% and outgoing turnover of 16.5% (comparison of the number of new hires or departures against the total number of employees). 2022’s trend in support staff remains essentially unchanged.

The data show an increase in permanent employment contracts for white-collar workers and increased recourse to temporary employment for support staff workers, as compared to 2022. This dynamic is the result of a complex and ever-changing scenario and enables the organisation to be more industrially flexible and deal more effectively with market peaks.

The turnover rate is primarily affected by the extremely competitive nature of the Mexican labour market and by the restructuring plan launched in December 2021. This envisaged a reduction in staff across most of the Group’s countries of operation and concluded in 2023.

**Compared to 2022, outgoing employee turnover decreased by 6.5 percentage points. This is the result of management policies geared towards promoting internal growth, including globally, and the creation of a climate of trust and well-being,** which have contributed to reducing turnover and the risks associated with the loss of corporate expertise.

2,548  
employees of which

46%  
women

21. Excluding temporary workers.



Each country has set up specific initiatives which include activities focusing on employee well-being and engagement within the organisation. Specifically:

## ELICA ITALIA

The Company's high regard for the well-being of its employees was reflected in a **range of policies and benefits this year, which prioritise prevention and care beyond company walls**. Such incentives include life insurance policies and health insurance. In 2023, the Group sought to invest more heavily in health and well-being services, extending to all staff the insurance coverage previously provided only for Executives.

## ELICA AMERICAS

Elica Americas has carried out **labour equality projects**, receiving a special certification (STPSEQ) issued by the Mexican region where the company operates. Furthermore, in confirmation of the importance that the Mexican company attaches to employees' physical well-being, the company received an award given by the Mexican Social Security Institute (IMSS). Elicamex also supports the value of staff retention by celebrating employees with more than 10 years of corporate seniority each year.

## ELICA GROUP POLSKA

Elica Group Polska To support and recognise the importance of the local community in which it operates, **the company has taken part in a number of charitable events** involving frontline employees. These activities have sought to provide activities for children who have grown up in disadvantaged conditions, animal welfare associations, and associations that provide care for the elderly. Several activities were also organised to foster a positive atmosphere, including open days and group festivities.

## ELICA PUTIAN

Elica Putian concentrated on **improving corporate space**, renovating the canteen and creating a relaxation area surrounded by greenery near the company headquarters.

In line with the talent retention and internal growth promotion policies enacted by the Group, **the period 2021-23 saw the promotion to senior roles of employees with extensive knowledge of the company's business**. Elica's management today comprises staff with extensive business knowledge and diverse business experience. Elica's belief in the value of internal mobility through job rotation within Group subsidiaries and international offices has been an enabling factor in acquiring cross-cutting skills and comprehensive business knowledge.



Elica adopts reward systems and tools that were revised in 2022, with a view to process simplification and flexibility of use. These changes sought to:

- focus more on immediate recognition and quarterly overperformance;
- increase the accountability of people managers by giving them the option to distribute salary increases across all four quarters;
- develop the role of HR as a business coach and guarantor of fairness and transparency

The Salary Review process, which is used to determine fixed pay increases, was managed in 2023 as it was in the previous year. The Salary Review is distributed across the year using a quarter-by-quarter budget based on Group results and opportunities. The criteria that inform salary reviews still include individual salary rankings and annual performance.

In 2023, Group Elica renewed its smart working policy. This is designed to create a system of increasingly flexible and sustainable organisational models, extending the monthly number of days usable by the worker in 2024 from 2 to 4.

This extension was possible since the Company has invested heavily since 2022 in dedicated training to enable its employees to work remotely and its people managers to effectively manage remote teams. We also note the great sense of responsibility with which the corporate population responded to this new opportunity.

#### TOTAL NUMBER OF EMPLOYEES BY AGE GROUP, GENDER, AND ROLE

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
<b>Employees engaged in production activities</b>	No.	875	869	1,744	904	843	1,747
<i>below 30 years of age</i>		195	146	341	202	154	356
<i>between 30 and 50</i>		420	449	869	435	436	871
<i>over 50 years of age</i>		260	274	534	267	253	520
<b>Employees engaged in support activities</b>		492	312	804	504	327	831
<i>below 30 years of age</i>		68	74	142	74	86	160
<i>between 30 and 50</i>		265	191	456	278	189	467
<i>over 50 years of age</i>		159	47	206	152	52	204
<b>Total</b>		<b>1,367</b>	<b>1,181</b>	<b>2,548</b>	<b>1,408</b>	<b>1,170</b>	<b>2,578</b>

#### TOTAL NUMBER OF EMPLOYEES BY AGE GROUP, GENDER, AND ROLE

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
<b>Executives</b>	No.	28	4	32	27	4	31
<i>below 30 years of age</i>		-	-	-	-	-	-
<i>between 30 and 50</i>		15	3	18	15	3	18
<i>over 50 years of age</i>		13	1	14	12	1	13
<b>Managers</b>		54	20	74	53	21	74
<i>below 30 years of age</i>		-	-	-	-	-	-
<i>between 30 and 50</i>		30	14	44	28	16	44
<i>over 50 years of age</i>		24	6	30	25	5	30
<b>White-collar</b>		390	282	672	408	290	698
<i>below 30 years of age</i>		68	73	141	74	84	158
<i>between 30 and 50</i>		211	172	383	228	167	395
<i>over 50 years of age</i>		111	37	148	106	39	145
<b>Blue-collar</b>		895	875	1,770	920	855	1,775
<i>below 30 years of age</i>		195	147	342	202	156	358
<i>between 30 and 50</i>		429	451	880	442	440	882
<i>over 50 years of age</i>		271	277	548	276	259	535
<b>Total</b>		<b>1,367</b>	<b>1,181</b>	<b>2,548</b>	<b>1,408</b>	<b>1,170</b>	<b>2,578</b>

PERCENTAGE OF EMPLOYEES BY AGE GROUP, GENDER, AND ROLE

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Executives	%	2.0%	0.3%	1.3%	1.9%	0.3%	1.2%
below 30 years of age		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
between 30 and 50		53.6%	75.0%	56.3%	55.6%	75.0%	58.1%
over 50 years of age		46.4%	25.0%	43.8%	44.4%	25.0%	41.9%
Managers		4.0%	1.7%	2.9%	3.8%	1.8%	2.9%
below 30 years of age		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
between 30 and 50		55.6%	70.0%	59.5%	52.8%	76.2%	59.5%
over 50 years of age		44.4%	30.0%	40.5%	47.2%	23.8%	40.5%
White-collar		28.5%	23.9%	26.4%	29.0%	24.8%	27.1%
below 30 years of age		17.4%	25.9%	21.0%	18.1%	29.0%	22.6%
between 30 and 50		54.1%	61.0%	57.0%	55.9%	57.6%	56.6%
over 50 years of age		28.5%	13.1%	22.0%	26.0%	13.4%	20.8%
Blue-collar		65.5%	74.1%	69.5%	65.3%	73.1%	68.9%
below 30 years of age		21.8%	16.8%	19.3%	22.0%	18.2%	20.2%
between 30 and 50		47.9%	51.5%	49.7%	48.0%	51.5%	49.7%
over 50 years of age		30.3%	31.7%	31.0%	30.0%	30.3%	30.1%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%





TOTAL NUMBER OF EMPLOYEES BROKEN DOWN BY CONTRACT TYPE, GENDER, AND GEOGRAPHIC AREA

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Fixed-term	No.	223	237	460	250	254	504
Italy		9	8	17	13	12	25
France			1	1		1	1
Germany							
Poland		125	171	296	161	194	355
Russia							
The Americas		56	39	95	42	29	71
China		33	18	51	34	18	52
Japan							
Permanent		1,144	944	2,088	1,158	916	2,074
Italy		576	388	964	615	401	1,016
France		13	5	18	11	6	17
Germany		9	2	11	6	3	9
Poland		178	318	496	156	287	443
Russia		11	14	25	11	14	25
The Americas		325	193	518	326	182	508
China		32	24	56	33	23	56
Japan							
Total		1,367	1,181	2,548	1,408	1,170	2,578



NUMBER OF NEW HIRES BY AGE GROUP, GENDER, AND REGION

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Italy	No.	28	13	41	159	106	265
below 30 years of age		11	7	18	12	15	27
between 30 and 50		13	6	19	66	45	111
over 50 years of age		4	-	4	81	46	127
France		2	-	2	4	2	6
below 30 years of age		-	-	-	1	-	1
between 30 and 50		1	-	1	2	2	4
over 50 years of age		1	-	1	1	-	1
Germany		3	-	3	-	2	2
below 30 years of age		-	-	-	-	1	1
between 30 and 50		2	-	2	-	1	1
over 50 years of age		1	-	1	-	-	-
Poland		88	99	187	155	152	307
below 30 years of age		37	37	74	61	57	118
between 30 and 50		43	51	94	76	80	156
over 50 years of age		8	11	19	18	15	33
Russia		1	-	1	-	1	1
below 30 years of age		1	-	1	-	1	1
between 30 and 50		-	-	-	-	-	-
over 50 years of age		-	-	-	-	-	-
The Americas		376	231	607	141	88	229
below 30 years of age		225	120	345	84	63	147
between 30 and 50		149	111	260	55	25	80
over 50 years of age		2	-	2	2	-	2
China		5	8	13	14	8	22
below 30 years of age		2	4	6	2	2	4
between 30 and 50		3	4	7	10	5	15
over 50 years of age		-	-	-	2	1	3
Japan		-	-	-	-	-	-
below 30 years of age		-	-	-	-	-	-
between 30 and 50		-	-	-	-	-	-
over 50 years of age		-	-	-	-	-	-
Total		503	351	854	473	359	832
below 30 years of age		276	168	444	160	139	299
between 30 and 50		211	172	383	209	158	367
over 50 years of age		16	11	27	104	62	166





NUMBER OF EMPLOYEES WHO LEFT THE GROUP, BY AGE GROUP, GENDER, AND REGION

Employees	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Italy	No.	60	40	100	269	177	446
below 30 years of age		3	4	7	10	5	15
between 30 and 50		23	13	36	98	68	166
over 50 years of age		34	23	57	161	104	265
France		-	1	1	1	1	2
below 30 years of age		-	-	-	-	-	-
between 30 and 50		-	1	1	-	1	1
over 50 years of age		-	-	-	1	-	1
Germany		-	1	1	3	4	7
below 30 years of age		-	-	-	1	1	2
between 30 and 50		-	-	-	-	3	3
over 50 years of age		-	1	1	2	-	2
Poland		100	88	188	113	89	202
below 30 years of age		48	40	88	46	32	78
between 30 and 50		41	38	79	59	45	104
over 50 years of age		11	10	21	8	12	20
Russia		1	-	1	-	3	3
below 30 years of age		-	-	-	-	1	1
between 30 and 50		1	-	1	-	2	2
over 50 years of age		-	-	-	-	-	-
The Americas		363	214	577	226	141	367
below 30 years of age		200	111	311	132	101	233
between 30 and 50		156	101	257	90	37	127
over 50 years of age		7	2	9	4	3	7
China		7	7	14	21	13	34
below 30 years of age		1	2	3	3	2	5
between 30 and 50		6	3	9	12	9	21
over 50 years of age		-	2	2	6	2	8
Japan		-	-	-	-	-	-
below 30 years of age		-	-	-	-	-	-
between 30 and 50		-	-	-	-	-	-
over 50 years of age		-	-	-	-	-	-
Total		531	351	882	633	428	1,061
below 30 years of age		252	157	409	192	142	334
between 30 and 50		227	156	383	259	165	424
over 50 years of age		52	38	90	182	121	303





## INCOMING TURNOVER RATE

Incoming turnover rate	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Italy	%	2.05%	1.10%	1.61%	11.29%	9.06%	10.28%
France		0.15%	0.00%	0.08%	0.28%	0.17%	0.23%
Germany		0.22%	0.00%	0.12%	0.00%	0.17%	0.08%
Poland		6.44%	8.38%	7.34%	11.01%	12.99%	11.91%
Russia		0.07%	0.00%	0.04%	0.00%	0.09%	0.04%
The Americas		27.51%	19.56%	23.82%	10.01%	7.52%	8.88%
China		0.37%	0.68%	0.51%	0.99%	0.68%	0.85%
Japan		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>		<b>36.80%</b>	<b>29.72%</b>	<b>33.52%</b>	<b>33.59%</b>	<b>30.68%</b>	<b>32.27%</b>

Note: The ratios shown in the table summarise the ratio of people hired in an individual country as a percentage of the total number of Group employees.

## OUTGOING TURNOVER RATE

Outgoing turnover rate	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Italy	%	4.39%	3.39%	3.92%	19.11%	15.13%	17.30%
France		0.00%	0.08%	0.04%	0.07%	0.09%	0.08%
Germany		0.00%	0.08%	0.04%	0.21%	0.34%	0.27%
Poland		7.32%	7.45%	7.38%	8.03%	7.61%	7.84%
Russia		0.07%	0.00%	0.04%	0.00%	0.26%	0.12%
The Americas		26.55%	18.12%	22.65%	16.05%	12.05%	14.24%
China		0.51%	0.59%	0.55%	1.49%	1.11%	1.32%
Japan		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>		<b>38.84%</b>	<b>29.72%</b>	<b>34.62%</b>	<b>44.96%</b>	<b>36.58%</b>	<b>41.16%</b>

Note: The ratios shown in the table summarise the ratio of people leaving the company in an individual country as a percentage of the total number of Group employees.



# Equal opportunities and anti-discrimination



The Group's Ethics Code - with which all subsidiaries must comply - sets out Elica's commitment to human rights in its business activities, specifically relating to fundamental human rights issues such as the non-exploitation of minors, the non-use of forced labour, harassment in the workplace etc.

All company employees, as well as any other party carrying out business in its name of or on its behalf, regardless of the scope of their work, are bound by this Ethics Code for these and for other issues.

Furthermore, certain contractual agreements with customers envisage the Elica Group's adherence to principles contained in their Codes of Conduct and compatible with its own Ethics Code. Consistent with these codes and internal policies, Elica had no instances of discrimination throughout the whole of 2023. Human Resources Management at Elica has always been compliant with employee diversity and equal opportunity guarantees, with a zero-tolerance policy on discrimination.

The Organisation and Management Model (231 Model) envisages various methods for employees to report any episodes of discrimination.

Confirmation of Elica's commitment to non-discrimination is its personnel selection process that objectively assesses candidate skills without regard to strictly personal characteristics. An approach which targets an objective assessment of a candidate's skills is particularly important in countries with potentially higher risks of discrimination. Indeed, a specific internal policy is implemented to regulate the entire recruiting process. Likewise, the same principles are applied in staff appraisal, reward and training processes.

## Zero

instances of discrimination in 2023

# Training

## +49,000

training hours vs previous year

## 30

women who participated  
in the Ermanno Casoli Foundation  
workshop

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.

In 2023, Elica once again began delivering its training activities mainly in-person. Approximately 49,000 more hours of training were provided than in the previous year, mainly due to the introduction of the new performance appraisal system. The company believed it necessary to invest more in this important tool through continuous training sessions. The change on 2022 is also due to the introduction of training activities carried out in Italy. These focused on training plans submitted to the Marche Region under the ASSIST call for proposals to support the development of new skills related to the culture of widespread innovation for corporate staff and to support the new industrial organisation with a focus on quality, production and continuous improvement processes.

The new pathway for young trainees also continued in 2023, focusing on future managers. "Breakfast with" continues to take the form of informal weekly meetings, during which trainees have the opportunity to meet managers and Elica representatives from different departments, allowing them to get to know the Company and its people in an unconventional way.

An innovative training path was also introduced targeting the Italian under-35 population who have been at the company for between two and six years. The initiative, named "Elica Business Game," uses gamification to enable participants to test their technical, managerial and management skills for the duration of the project (approx. six months). With this latest approach, Elica has once again demonstrated a willingness to experiment, making innovation the cornerstone of all its business processes.

Also in 2023, Elica collaborated with the Ermanno Casoli Foundation to organise a workshop comprising 30 Elica women who were asked to speak on the issue of women's empowerment. The objective of the initiative was to emphasise the value that each of them brings every day, both at work and to their families. At the unveiling of the artwork created as part of this workshop, the company opened its doors to employees' families to fully share the moment.

The Group has set the goal of training excellence. Finally, its choice of qualified teachers is underpinned by verifying qualifications and accreditations. The training programmes are furthermore based on mapped needs, in line with projected needs and levels of priority.

The Group places particular emphasis on managerial and multidisciplinary training, with the objective of training multifaceted personnel capable of moving into different roles, responding rapidly to the changes affecting the industry.

All investments in managerial training are designed to develop skills for the optimal coverage of roles and succession planning.

Elica provides on-the-job training at production sites for its employees, allowing them to transition into different roles and make the organisation more flexible. At Elica, the objective is to develop a peaceful and encouraging environment, in which employees feel empowered to learn and take responsibility.



TRAINING HOURS BY EMPLOYEE CATEGORY AND GENDER

Total number of training hours	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Executives	Hours	332	81	413	171	4	175
Managers		2,998	1,508	4,505	775	167	943
White-collar		25,239	16,447	41,686	10,899	5,831	16,730
Blue-collar		30,592	23,801	54,393	20,165	13,550	33,714
Total		59,161	41,836	100,997	32,009	19,552	51,561

Average training hours by gender and personnel category	Unit	2023			2022		
		Male	Female	Total	Male	Female	Total
Average training hours provided to executives	Hours/ no.	11.9	20.3	12.9	6.3	1.0	5.6
Average training hours provided to managers		55.5	75.4	60.9	14.6	8.0	12.7
Average training hours provided to white-collar workers		64.7	58.3	62.0	26.7	20.1	24.0
Average training hours provided to blue-collar workers		34.2	27.2	30.7	21.9	15.8	19.0
Total		43.3	35.4	39.6	22.7	16.7	20.0



# Health and safety

The Elica Group, in accordance with its Sustainability, Quality, Environment and Safety Policy and its Ethics Code, has made occupational health and safety protection a cornerstone of its business and its way of being. It works on an ongoing basis to guarantee a fair, safe and non-discriminatory workplace for its employees, collaborators and the people who work at its facilities and offices.

In this regard, it acts within the local and international regulatory framework for each of the Group's sites, based on the Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). This commitment translates into the organised management of health and safety. This approach seeks, on the one hand, to respond positively and concretely to the needs of all stakeholders, and on the other, to ensure increasingly safe working conditions designed to prevent incidents such as injuries, first aid requirements, near misses and work-related ill health for employees and all those who access the work environment in any capacity.

Adopting an increasingly structured approach, **Elica guarantees better health and safety standards for its staff, especially in the workplace, beginning with the assessment of risks related to production activities.** To achieve this goal, the Group carries out its activities at its production plants in compliance with local legislative requirements, promoting constant discussion with its employees and ensuring that access to all company facilities and all outsourced processes take place in complete safety.

At all sites, risk assessments have been conducted through the various safety organisations present on site, engaging the worker safety representatives and the workers themselves through meetings and interviews in the workplace. Assessments are revised when changes are made to production processes or where work is significantly reorganised, corresponding to the degree of change in technology, prevention or protection, or following significant injuries or work-related ill health or when the results of health monitoring suggest such re-evaluations are necessary.

Risk assessment is carried out in accordance with Legislative Decree No. 81/2008 (at Italian sites, while at foreign sites in accordance with current legal provisions), which requires the preparation of a Risk Assessment Document (DVR or H&S Risk Assessment).

Risk assessments are subject to analysis in conjunction with the annual meetings that are held at each site, during which the benefits of implementing current measures are assessed and areas of potential improvement are planned.

The significant risks inherent in production processes are mainly associated with manual processes in mechanical work and assembly, or concerning the operation or use of machine tools and transport equipment.

In order to limit significant risks, adequate technical, organisational and procedural measures are implemented, and an ongoing focus is placed on research and the proper provision, to all personnel involved, of the most effective personal protective equipment.

**The Group has adopted an internal procedure to safeguard its employees' health, specifically by overseeing the health monitoring protocol at its sites.** This protocol aligns with Legislative Decree No. 81/2008 and includes a designated company doctor at each site, a health monitoring plan, and regular medical check-ups to assess employees' job suitability.

At other foreign sites, onboarding and routine health checks are provided in accordance with local regulations.



# The path to ISO 45001:2018 certification



In order to ensure health and safety in the workplace, the Group adopts an ISO 45001-2018 certified management system. **Maintaining ISO 45001-2018 certification and extending it to new sites was one of the Elica Group’s major achievements in 2023, and represents a key step in providing an increasingly systematic risk management methodology by providing priority elements in identifying risks and determining business decisions.** In line with the annual objective, in November 2023 certification was obtained for the Jelcz Laskowice (Poland) site. As such, as of December 31, 2023 the plants with a Certified Management System are: Fabriano, Mergo, Castelfidardo (EMC Fime S.r.l.), Shenghzou (China), Queretaro (Mexico) and the site in Jelcz Laskowice (Poland). Below is a summary table of sites in possession of ISO Quality, Environment, and Safety certifications.

% OF SITES WITH A CERTIFIED QUALITY, ENVIRONMENT AND SAFETY MANAGEMENT SYSTEM

	Unit	2023	2022
Management system certified to ISO 9001:2015	%	86%	86%
Management system certified to ISO 14001:2015		86%	86%
Management system certified to ISO 45001:2018		86%	71%

NUMBER AND % OF PARTNERS OPERATING AT SITES WITH A CERTIFIED QUALITY, ENVIRONMENT AND SAFETY MANAGEMENT SYSTEM

	2023		2022	
Employees	N°	%	N°	%
Management system certified to ISO 9001:2015	2,384	94%	2,417	96%
Management system certified to ISO 14001:2015	2,384	94%	2,417	96%
Management system certified to ISO 45001:2018	2,384	94%	1,619	64%
Non-Employees				
Management system certified to ISO 9001:2015	119	100%	107	100%
Management system certified to ISO 14001:2015	119	100%	107	100%
Management system certified to ISO 45001:2018	119	100%	33	31%

NB: the reporting scope used when calculating the percentages of sites and employees covered by certified management systems includes all the production sites over which Elica S.p.A. exercises full control on December 31 of each reporting year.



The policies adopted by Elica to manage employee health and safety can be summarised in the cardinal principle that states *“Health and safety in the workplace is everybody’s responsibility, manifest not only in the safe and proper conduct in one’s own work, but also by constantly creating the ideal conditions for this to happen”*.

This principle is expressly referred to in the document **“OUR POLICY: SUSTAINABLE DEVELOPMENT, QUALITY, ENVIRONMENT AND SAFETY”**, updated in June 2021.

The approach that Elica has defined within the Health and Safety Policy means analysing potential risks to its employees and introducing the most effective action to prevent, reduce and, where possible, eliminate these risks: from the appropriate management of substances and processes to the proper operation, maintenance and control of facilities.

**The Group’s commitment to overseeing Occupational Health and Safety issues is also formalised in a systematic approach to monitoring injury trends, first aid, near misses, unsafe acts and objective conditions.** Inspired by the principles of problem solving, where indicators exist that are not in line with the goals set or where there are critical issues at Elica sites, each individual plant creates improvement plans and takes action, establishing ad hoc working groups if necessary. Once the action taken has proved to be effective, this is shared within the Group to enable every plant to promptly introduce the same

solutions in a preventive manner where necessary. The added value of this process lies in the continuous search for improvement by involving all workers in gathering ideas and suggestions regarding occupational health and safety.

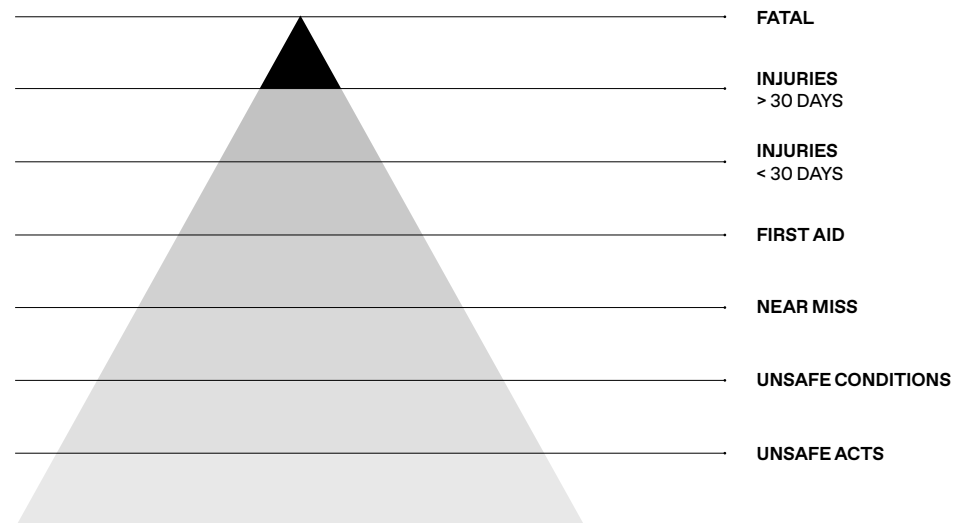
Ensuring a working environment that complies with the strictest health and safety requirements for every one of Elica’s staff is one of the Group’s most fundamental responsibilities. To achieve this, Elica carries out constant checks and periodic reviews to ensure that its employees’ health and safety are effectively safeguarded. The main tool that is systematically adopted in this area is known as the Heinrich Pyramid, which classifies all events involving: accidents, use of first aid, near-misses, unsafe conditions, and unsafe behaviour.

These events are recorded, evaluated and analysed to identify their root causes. These, when processed with appropriate corrective and/or preventive measures, allow the local EHS teams to constantly improve the Health and Safety conditions at their company site. Of particular importance is the presence at the corporate level of an EHS department, which provides a governance structure to overview and centrally coordinate health and safety aspects. This structure makes it possible to constantly monitor the various activities that are discussed periodically at monthly meetings (“Monthly EHS Staff Meetings”) where the progress of the improvement projects introduced is evaluated and shared.

# The Heinrich Pyramid - Safety

In the context of efforts for continuous improvement, the Heinrich Pyramid tool is systematically fed with all events related to:

- INJURIES;
- FIRST AID TREATMENT;
- NEAR MISSES;
- UNSAFE CONDITIONS;
- UNSAFE ACTS.



Events recorded on the Pyramid are collected by filling out special forms by all personnel appropriately involved and through observations from Internal Audit, which during 2023 produced 9,641 reports. These become an active part of continuous improvement as they are analysed to identify the root cause and to develop appropriate corrective and/or preventive actions that local Health & Safety teams will then implement at sites.

## 9,641

safety reports produced  
thanks to the Pyramid

# Training, a culture of safety, and promoting workers' and people's health

Elica is committed to ensuring all company employees tasked with managing occupational health and safety undergo professional development. The Group also undertakes to update the contents of its training materials, in line with risk assessments and training needs. In most cases, Elica makes use of external trainers (chosen once their qualifications, skills, and experience have been vetted). It also organises specific sessions delivered by qualified internal trainers.

Throughout 2023, Elica was committed to ongoing employee training through practical and theory-based courses, both in the classroom and online, and through specific workshops. Training activities focused on health and safety topics and promoting their observance of safe conduct, including through widespread training tools, such as the weekly publication of “EHS Lessons” (training and awareness-raising tips sent to all employees involved in operational activities). In 2023 Elica also promoted specific educational initiatives in Schools, encouraging constant reflections on a Culture of Safety in living environments that enable children to adopt healthy and safe behaviours for every moment of their daily lives.

**-2**

injuries vs previous year

**-22.4%**

Injuries's Frequency  
Index vs previous year

## INJURY INDICATORS

Significant recordable events (not including commuting injuries) that occurred in 2023 were specific injuries involving bruises/sprains and a cut (in one case). The number of injuries decreased (-2 compared to 2022) while the FI (Frequency Index) of 1.095 was an improvement of 22.4% on the figure recorded in 2022 (1.411). This improvement is very positive even considering the decrease in hours worked during the year (-8%).

EMPLOYEE WORK-RELATED INJURIES

Injuries	Entity		Unit	2023			2022		
				Male	Female	Total	Male	Female	Total
Number of deaths	Elica S.p.A.	Iso 45001	No.	-	-	-	-	-	-
	Airforce S.p.A.			-	-	-	-	-	-
	Elica Group Polska Sp.z.o.o	Iso 45001		-	-	-	-	-	-
	Elicamex S.a.d. C.V.	Iso 45001		-	-	-	-	-	-
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	-	-	-
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				-	-	-	-	-	-
Number of work-related injuries with serious consequences*	Elica S.p.A.	Iso 45001	No.	-	-	-	-	-	-
	Airforce S.p.A.			-	-	-	-	-	-
	Elica Group Polska Sp.z.o.o	Iso 45001		-	-	-	-	-	-
	Elicamex S.a.d. C.V.	Iso 45001		-	1	1	1	-	1
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	-	-	-
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				-	1	1	1	-	1
Number of recordable work-related injuries	Elica S.p.A.	Iso 45001	No.	-	2	2	3	1	4
	Airforce S.p.A.			-	-	-	-	1	1
	Elica Group Polska Sp.z.o.o	Iso 45001		1	1	2	1	-	1
	Elicamex S.a.d. C.V.	Iso 45001		-	1	1	1	-	1
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	-	-	-
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				1	4	5	5	2	7

\* Work-related injury with serious consequences = A work-related injury that results in death or an injury from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to preaccident health within 6 months.  
The tables present the facilities with a certified Management System in accordance with the UNI EN ISO 45001:2018 standard.





## EMPLOYEE WORK-RELATED INJURIES

Injuries	Entity	Unit	2023			2022		
			Male	Female	Total	Male	Female	Total
On-commute injuries*	Elica S.p.A.	Iso 45001	-	-	-	-	-	-
	Airforce S.p.A.		-	-	-	-	-	-
	Elica Group Polska Sp.z.o.o	Iso 45001	-	-	-	-	-	-
	Elicamex S.a.d. C.V.	Iso 45001	4	7	11	3	3	6
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001	-	-	-	1	-	1
	EMC FIME Srl	Iso 45001	-	-	-	-	-	-
Total			4	7	11	4	3	7
Total number of injuries	Elica S.p.A.	Iso 45001	-	2	2	3	1	4
	Airforce S.p.A.		-	-	-	-	1	1
	Elica Group Polska Sp.z.o.o	Iso 45001	1	1	2	1	-	1
	Elicamex S.a.d. C.V.	Iso 45001	4	8	12	4	3	7
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001	-	-	-	1	-	1
	EMC FIME Srl	Iso 45001	-	-	-	-	-	-
Total			5	11	16	9	5	14
Hours worked	Elica S.p.A.	Iso 45001	596,019	363,460	959,479	702,172	404,429	1,106,601
	Airforce S.p.A.		94,056	53,507	147,563	97,853	64,981	162,834
	Elica Group Polska Sp.z.o.o	Iso 45001	648,979	896,209	1,545,188	650,585	975,877	1,626,462
	Elicamex S.a.d. C.V.	Iso 45001	880,183	395,451	1,275,634	949,185	387,695	1,336,880
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001	120,058	80,038	200,096	159,912	89,950	249,862
	EMC FIME Srl	Iso 45001	258,409	179,905	438,314	287,636	192,438	480,074
Total			2,597,704	1,968,570	4,566,274	2,847,343	2,115,370	4,962,713

\* Work-related injury with serious consequences = A work-related injury that results in death or an injury from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to preaccident health within 6 months.  
The tables present the facilities with a certified Management System in accordance with the UNI EN ISO 45001:2018 standard.

EMPLOYEE WORK-RELATED INJURY RATE

Injuries	Entity		Unit	2023			2022		
				Male	Female	Total	Male	Female	Total
Death rate	Elica S.p.A.	Iso 45001	No.	-	-	-	-	-	-
	Airforce S.p.A.			-	-	-	-	-	-
	Elica Group Polska Sp.z.o.o	Iso 45001		-	-	-	-	-	-
	Elicamex S.a.d. C.V.	Iso 45001		-	-	-	-	-	-
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	-	-	-
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				-	-	-	-	-	-
Rate of work-related injuries with serious consequences (excluding deaths)	Elica S.p.A.	Iso 45001	No.	-	-	-	-	-	-
	Airforce S.p.A.			-	-	-	-	-	-
	Elica Group Polska Sp.z.o.o	Iso 45001		-	-	-	-	-	-
	Elicamex S.a.d. C.V.	Iso 45001		-	2.529	0.784	1.054	-	0.748
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	-	-	-
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				-	0.508	0.219	0.351	-	0.202
Recordable work-related injury rate (commuting injuries NOT INCLUDED)	Elica S.p.A.	Iso 45001	No.	-	5.503	2.084	4.272	2.473	3.615
	Airforce S.p.A.			-	-	-	-	15.389	6.141
	Elica Group Polska Sp.z.o.o	Iso 45001		1.541	1.116	1.294	1.537	-	0.615
	Elicamex S.a.d. C.V.	Iso 45001		-	2.529	0.784	1.054	-	0.748
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	-	-	-
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				0.385	2.032	1.095	1.756	0.945	1.411
Total injury rate (commuting injuries NOT INCLUDED)	Elica S.p.A.	Iso 45001	No.	-	5.503	2.084	4.272	2.473	3.615
	Airforce S.p.A.			-	-	-	-	15.389	6.141
	Elica Group Polska Sp.z.o.o	Iso 45001		1.541	1.116	1.294	1.537	-	0.615
	Elicamex S.a.d. C.V.	Iso 45001		4.545	20.230	9.407	4.214	7.738	5.236
	Zheliang Elica Putian Electric Co. Ltd.	Iso 45001		-	-	-	6.253	-	4.002
	EMC FIME Srl	Iso 45001		-	-	-	-	-	-
Total				1.925	5.588	3.504	3.161	2.364	2.821

NEAR MISSES RECORDED

Country	Unit	2023	2022
Italy	No.	76	76
Poland		21	35
Mexico		48	69
China			
Total		145	180

# Industrial relations

In recent years, through dialogue and shared goals, the Group has effectively tackled unforeseen critical situations that have impacted all of its sites, such as the COVID-19 pandemic. This approach has ensured maximum continuity, strong relationships, and full protection of the workforce. By adopting the same approach, in 2023 we were able to manage an organisational change that led to a restructuring of production announced in 2021 for the Italian sites. This move enabled the Group to become even more competitive on the international market.

COLLECTIVE BARGAINING AGREEMENTS

	Unit	2023	2022
Number of employees covered by collective bargaining agreements	No.	1,588	1,590
Total number of employees		2,548	2,578
Percentage	%	62%	62%

Elica considers industrial relations to be a fundamental value based on constant dialogue between the parties and on mutual respect for roles and prerogatives with a view to achieving Company competitiveness.



# Supporting our customers and quality



All Group companies with production sites (except Air Force) implement management systems certified to standard ISO 9001:2015<sup>22</sup>.

As regards finished products (range hoods, cooktops, fragrance diffusers and air quality monitoring systems), our policy is essentially to bring to market products that are fully compliant with all applicable local and international legislation.

Each year the Group certifies all new products brought to market and re-certifies all products that have seen changes in materials and/or components to ensure that they comply with health and safety standards and with all Regulations, Directives and Rules applicable in the countries of sale.

PERCENTAGE OF CATEGORIES OF PRODUCTS AND SERVICES FOR WHICH HEALTH AND SAFETY IMPACTS ON CONSUMERS ARE ASSESSED (E.G. PRODUCT TESTING)

Products/Services	Unit	2023	2022
Products analysed for risks relating to consumer health and safety	No.	2,461	3,884
Products in the portfolio		7,772	9,019
Products previously analysed for risks relating to health and safety		5,311	5,135
Percent of products analysed for health and safety (current year)	%	32%	43%
Percent of products analysed for health and safety (total)		100%	100%

22. International standard indicating requirement for an effective quality management system.



At all of the Group's production sites, both finished products and motors are 100% tested in terms of safety and functionality with the use of suitable testing stations.

For more than 10 years there has been extensive collaboration with UL INTERNATIONAL<sup>31</sup>, an organisation that certifies products for safety and electromagnetic compatibility and a global leader in appliance certification for the EU, US and Canadian markets.

Elica constantly focuses on product safety, certification and innovation, particularly through the activities of its EPL Laboratory, which is internationally certified<sup>23</sup> for the testing of safety, electromagnetic compatibility, energy consumption, performance, acoustics and the reliability of finished products, in addition to materials and components.

It has been certified CTF Stage 3<sup>24</sup> by UL for the issuance of CB<sup>25</sup> and DEMKO<sup>26</sup> certificates, CTDP<sup>27</sup> by UL for the issuance of UL and cULus<sup>28</sup>

certificates, WMT<sup>29</sup> by CQC<sup>30</sup> for the issuance of the CCC mark and Chinese Energy Label. The Laboratory is also certified by Accredia<sup>31</sup> and is therefore part of the mutually recognised internationally ILAC-MRA test laboratories for Safety, Performance and Electromagnetic and Acoustics Compatibility of finished products and Components certification (issued by the Italian Government and recognised worldwide).

This policy also covers the finished products of the Chinese subsidiary sold within the European Union.

Elica has begun to develop a new process of testing finished products that, by involving employees with roles external to production, aims to simulate customer experience. The objective of this process is to reveal eventual defects or malfunctioning prior to market release and reduce the rate of latent defects, above all in terms of safety, but also in terms of reliability of products over time.

23. UNI EN ISO/IEC 17025 Certificate by Accredia ([www.accredia.it](http://www.accredia.it)), certified CTFst3 and CTDP compliant by UL International and certified WMT compliant by CQC.

24. The Customer Testing Facilities (CTF) programme was established by the Institute of Electrical and Electronics Engineers to enable use of the manufacturer's in-house laboratory for testing and Customer Testing Facility (CTF) | IEEE purposes (see note 39). CTF Stage 3 level is the highest level possible for a company laboratory, accepted by all states worldwide (in accordance with European and IEC standards).

25. CB is the certificate issued by UL as evidence of the Safety of products in conformity with European IEC standards, valid in all non-European countries, except the USA and Canada.

26. DEMKO is the certificate and marking issued by UL as evidence of the safety of products in conformity with European standards (EN).

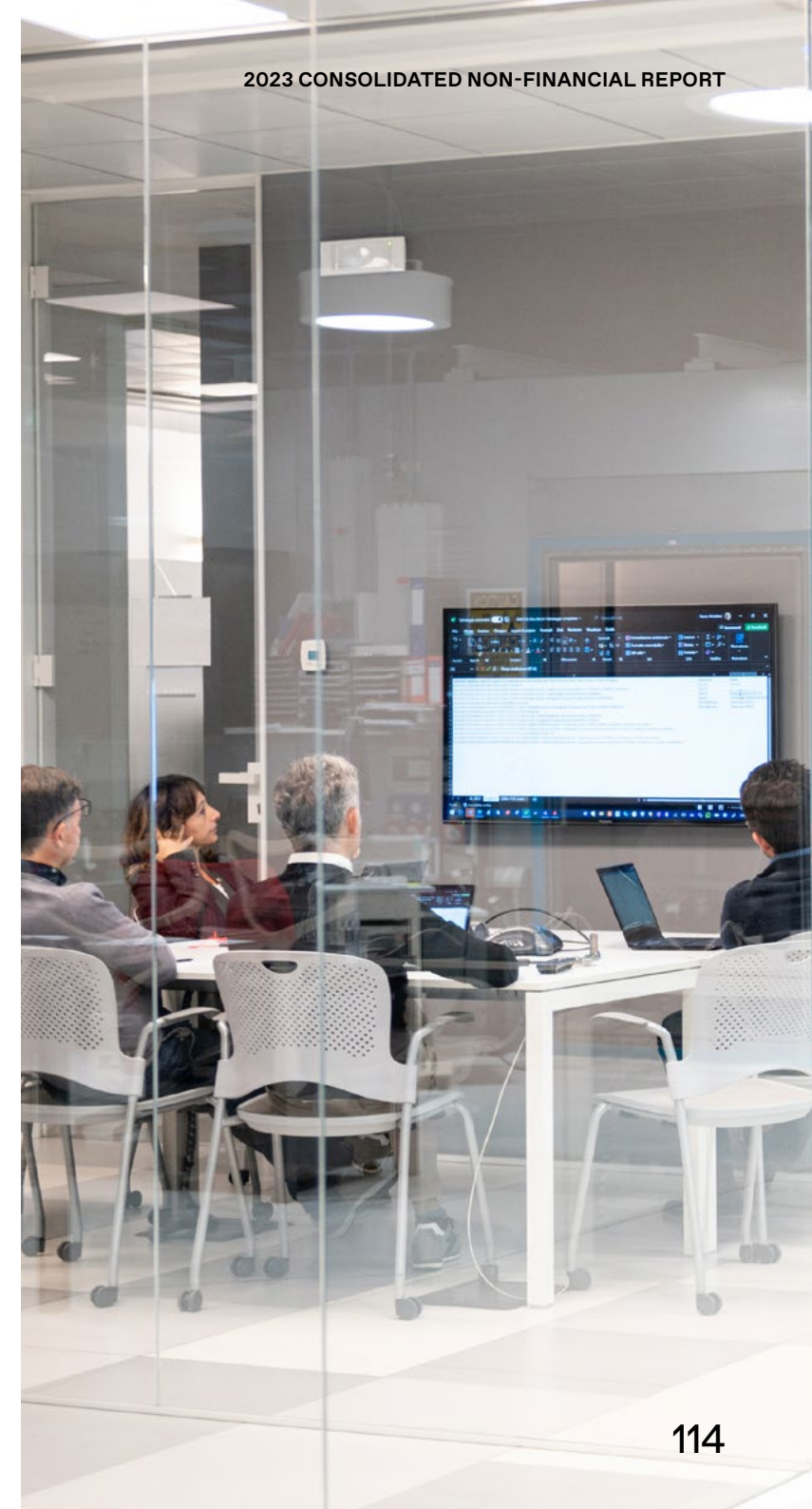
27. UL's Customer Test Data Program is the equivalent of CTF Stage 3, but for the markets of the USA & Canada (therefore in accordance with UL standards).

28. The cULus certificate is issued by UL as evidence of the Safety of products in conformity with US standards (established by UL) extended to Canadian standards, for the markets of the USA and Canada.

29. WMT is the Witness Manufacturer Testing Programme of CQC (see note 44), the highest level of accreditation granted by CQC to laboratories not under their direct control, of which EPL is currently the only one located outside of China.

30. CQC is the certification body, or National Competent Body, for China. For further information, please see [www.cqc.com.cn/www/english](http://www.cqc.com.cn/www/english).

31. ILAC-MRA Accredia accreditation, the Italian Accreditation Body is the only national organisation authorised by the State to carry out accreditation activities. Accredia is the only National accreditation body authorised by the Italian government to certify that certification and inspection bodies, as well as testing, calibration and food safety laboratories, have the necessary expertise to adequately evaluate the conformity of products, processes and systems to reference standards. International agreements attest to the validity and credibility of accreditation as an effective tool in the qualification of Conformity Assessment Operators for European and global marketplaces, ensuring recognition of the equivalence of accreditation activities carried out under all signatory members within the accreditation system administered by IAF-ILAC internationally and by EA at the regional (European) level.







## THE ELICA PROPULSION LABORATORY’S MISSION

- verifying the safety, reliability, energy efficiency, performance and electromagnetic compatibility of finished products and components;
- enabling access to global markets;
- supporting research and innovation.

Based on the standard procedures used to design its platforms and study product manufacturing feasibility, the Group also conducts analyses of residual product risks with the aid of EPL and external certification bodies (e.g. UL, VDE etc). On the basis of the findings, the potential residual risks are:



ELECTRICAL



MECHANICAL



THERMAL



CHEMICAL

Some of them may be associated with possible risks of fire or electromagnetic disturbances.

As a result of the aforementioned monitoring and certification system, the number of episodes of non-conformity is not particularly significant. If loss claims filed with insurers are taken as the basis for evaluation, in 2023 there were six cases.

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES REGARDING THE IMPACT ON HEALTH AND SAFETY OF PRODUCTS/SERVICES

Non-Conformity	Unit	2023	2022
Incidents of non-compliance with regulations entailing a penalty	No.	6	6
Incidents of non-compliance with voluntary codes		-	-
Total		6	6



# We protect customers by providing accurate information

## COOKING BUSINESS UNIT

For finished products in the cooking unit (extractor hobs and induction hobs) and for kitchen hoods, the Elica Group provides consumers with a set of information aimed at protecting their main rights (health, safety, quality of products and services and adequate information). This information is provided in the form of labels affixed directly to the product or packaging and documentation accompanying the product, enabling safe use of the products and services and providing information about the contents and, in particular, about the substances that could generate a social impact, how to dispose of the product and the related environmental and social impacts and the product's energy consumption (Energy Label, Product Sheet and Ecodesign).

The origins of product components are not disclosed to consumers but is available from the company as it is included in specific certifications (appendix 1 to the CB test report on Safety certification).

Product managers determine the documents and labels that are to accompany products. The company's Windchill PDM Link system is used to begin the process of designing the documentation and labelling.

In the cases of Elica S.p.A., Elica Group Polska Sp.z o.o, Elica GmbH, Elica Trading LLC and Elica France S.A.S., all documentation (e.g., installation, use and maintenance manuals) and labels affixed to products and packaging are prepared by the technical services and EPL (e.g.: Energy Label).

All products are validated by the EPL laboratory. They are also certified by a third-party organisation, even when marketed solely in the EU, where the EC self-certification would be sufficient. This procedure also applies to finished products from the Chinese subsidiary sold within the European Union.

In the case of Elicamex S.a.d. C.V, the accredited local internal laboratory validates and provides the documentation for the customer, in concert with local certification, with support and coordination from EPL Italy.

In the case of Zhejiang Elica Putian Electric Co. Ltd, products intended for the Chinese market and for the markets of South-East Asia are CCC certified by external laboratories.

In the case of Ariaфина Co. Ltd, product documentation and labels comply with local legislation.

MOTORS BUSINESS UNIT

EMC FIME S.r.l. operates according to a business-to-business model, meaning that the products it supplies are assembled by its customers into their products (such as boilers, water heaters, ovens, refrigerators and kitchen hoods) to then in turn be brought to market for end consumers.

Accordingly, the unit designs, sells and produces based on the information requested by the customer on the agreed technical specifications and, where applicable, the contract signed. This information may be included in the product label or provided in separate technical documentation: designs, certificates of approval by third parties relating to product safety, preferred origin of the product, quality specifications, logistical specifications and/or specifications of another kind.

On the basis of the agreed specifications for each order, the set of direct or indirect information required for the project is entered into the Windchill PDMLink management system and the Product Development Procedure is applied to ensure that the information is verified and available.

The Project Manager is then responsible for initiating the preparation of the documents and labels of a technical nature that are to be provided with the product and for monitoring and coordinating project progress until each project is concluded.

In 2023 Elica did not receive any sanctions and was not held liable for disputes arising out of information on and labelling of the products and services it provides.

PRODUCT AND SERVICE INFORMATION AND LABELLING REQUIREMENTS

Category	Description	COOKING	MOTORS
Requirements for company disclosure and product labelling and services policies	Origin of components	YES	YES
	Content, and in particular substances that could generate an environmental or social impact	YES	YES
	Safe use of products and services	YES	YES
	Product disposal methods and the related environmental and social impacts	YES	n/a
	Energy Label; Product Sheet and Ecodesign	YES	n/a
Unit	Category	2023	2022
Cooking	Percentage of significant categories of products and services covered and assessed for compliance with the above procedures	66.5%	65.6%
Motors	Percentage of significant categories of products and services covered and assessed for compliance with the above procedures	99.5%	99.5%

# Cyber risks and protecting customer privacy

When assessing cyber risks to information security or cyber security, the central objective is the preservation of data RID, i.e. the confidentiality, integrity and availability of information processed by corporate information systems. This must be ensured while at the same time taking into account the necessary operability of that information in achieving an organisation's business objectives.

## IT RISKS

Cyber risks mainly concern:

- Improper use by Elica employees and contractors of the IT infrastructure and devices (computers, communications networks, smartphones etc.) that the Company makes available for the performance of their work duties;
- The Company's exposure to cyber attacks, which could compromise the normal course of business processes/activities and/or the theft or loss of sensitive data, even going so far as to compromise business continuity.

Elica's IT Department has appointed specific internal and external professionals with experience in cyber security and annually defines a risk assessment and management programme that includes:

- a system of internal policies and procedures that outline the main rules for the use of corporate IT resources by employees, including the regulation of physical and digital access to data and information;
- continuous updates to IT infrastructure at both the HW and SW level to ensure the best active and passive protection solutions against external attacks (viruses, ransomware, phishing, etc.);

- a programme of penetration testing and vulnerability assessment, designed to identify potential vulnerabilities that could jeopardise the security of corporate data and/or possible gaps in the services provided by the company, suggesting remediation plans related to detected non-conformances.

Ongoing and extensive training for all employees with digital identities on cyber risks, through the provision of targeted training usable on an online platform that verifies the effectiveness of that training. Geopolitical events, especially in recent years, have seen Cyber Risk increase significantly. Elica has therefore acted swiftly to strengthen its infrastructure, equipping itself with specialised application suites, intensifying control activities and bolstering the related safeguards, while maintaining a risk profile in line with the best benchmarks.

# Privacy Protection

In terms of personal data protection, the greatest risks for Elica Group companies continue to be those related to the intensification of computer hacking events, countless and repeated phishing attempts and, in particular, all those fraudulent activities carried out over the network which target the illegal misappropriation of confidential information and personal data, therefore exposing the privacy of customers, consumers, suppliers and employees to possible harm.

Following in the footsteps of Elica S.p.A. (which adopted and formalised such models in 2021), in 2023 **Emc Fime S.r.l., Elica Group Polska and Airforce also formalised and adopted an Organisational Model in the area of Data Protection.**

New training sessions on Personal Data Protection were also held for all white-collar employees and managers of Elica S.p.A., its subsidiaries Airforce S.p.A. and Emc Fime S.r.l., focusing in particular on presenting the various Organisational Models mentioned above. The training campaign on phishing in all its forms and on the subject of cyber security continued steadily throughout the year, and also began and was extended to Airforce S.p.A. This training continued for all employees of Elica S.p.A., Elica Group Polska, Elicamex and Emc Fime. In 2023, Zhejiang Elica Subsidiary Putian Electric Co. Ltd. drafted and subsequently adopted a General Privacy Policy, which contains the basic principles regarding the protection of personal data in accordance with PIPL (Personal Information Protection Law). It also

appointed an internal manager to preside over and protect personal data, in addition to other privacy documentation as required by the applicable Chinese regulations (e.g. employee consent collection). At the IT level, existing security measures were extended and reinforced, both through new policies and the introduction of new products. New security measures were also introduced at the Chinese subsidiary to guarantee and protect IT systems, storage databases and therefore the personal data stored there.

The Data Processing Record was constantly maintained and updated for Elica S.p.A. and its European Subsidiaries. Elica S.p.A. also drafted and finalised its procedure for the management of the Data Processing Record, simultaneously revising and updating the procedure on the exercise of interested parties' rights, previously formalised in 2018.

Compliance activities at the European subsidiaries are managed by the same privacy consultant appointed by the Parent Elica S.p.A., with the support of local consultants.

For 2023, Elica S.p.A., Elica France, Elica GmbH and Elica Group Polska renewed the appointment of the Data Privacy Officer (DPO - Data Protection Officer). They were joined by Emc Fime S.r.l., which formalised this appointment, again on an outsourced basis.

In 2023, a data breach was reported by Elica Group Polska to the Polish Data Protection Authority. This breach was found to be the result of the misappropriation by an employee of other employees' personal data. This IT incident was swiftly handled and did not result in any disclosure of the personal data involved. To date there have been no complaints and/or requests from the Data Subjects, who were duly notified.



# GRI Content Index

Declaration of use	Elica publishes this report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1 - Foundation - 2021 version
Relevant GRI Standards Sector	N/A

GRI standard/other source	Disclosure	Where cited	Omission			Note
			Omitted requirement(s)	Reason	Explanation	
General Disclosures						
GRI 2 General Disclosures 2021 version	2-1 Organizational details	Elica Group profile Elica’s Governance System and procedural division				This Non-Financial Report was drafted in accordance with the requirements of Legislative Decree No. 254/2016 and the materiality analysis, which has been updated to meet the new requirements of the GRI 2021 Standard and was approved by the Company’s Board of Directors on October 26, 2023. To ensure compliance with reporting procedures and timelines, the data collection process was carried out in accordance with the Group Policy GP-22 Procedure “Drafting the Non-Financial Report”.
	2-2 Entities included in the organization’s sustainability reporting	Methodological Note and Reporting Scope				
	2-3 Reporting period, frequency and contact point	Methodological Note and Reporting Scope				
	2-4 Restatements of information	Reporting changes				
	2-5 External assurance	Methodological Note and Reporting Scope				
	2-6 Activities, value chain and other business relationships	The supply chain				

GRI standard/other source	Disclosure	Where cited	Omission			Note
			Omitted requirement(s)	Reason	Explanation	
GRI 2 General Disclosures - 2021 version	2-7 Employees	Elica Group profile				
	2-8 Workers who are not employees	Elica Group profile				
	2-9 Governance structure and composition	Elica's Governance System and procedural division Composition of the corporate boards and performance assessment				For further information on the experiences and competences of the Directors and members of the committees, please refer to the Corporate Governance and Ownership Structure Report.
	2-10 Nomination and selection of the highest governance body	Elica's Governance System and procedural division				
	2-11 Chair of the highest governance body	Elica's Governance System and procedural division				
	2-12 Role of the highest governance body in overseeing the management of impacts	Definition of the Group's Strategies, Objectives and Values: the actions of the Board of Directors				
	2-13 Delegation of responsibility for managing impacts	Message: Elica's sustainability footprint				
	2-14 Role of the highest governance body in sustainability reporting	Methodological Note and Reporting Scope				
	2-15 Conflicts of interest	Conflict of interest control policies				
	2-16 Communication of critical concerns	Effectiveness of the Risk Management Model				
	2-17 Collective knowledge of the highest governance body	Definition of the Group's Strategies, Objectives and Values: the actions of the Board of Directors				
	2-18 Evaluation of the performance of the highest governance body	Definition of the Group's Strategies, Objectives and Values: the actions of the Board of Directors				
	2-19 Remuneration policies	Remuneration policies				
	2-20 Process to determine remuneration	Remuneration policies				
	2-21 Annual total compensation ratio	Remuneration policies				
	2-22 Statement on sustainable development strategy	Message to the Stakeholders				
	2-23 Policy commitments	Shaping Elica's Sustainability				
	2-24 Embedding policy commitments	Shaping Elica's Sustainability				
	2-25 Processes to remediate negative impacts	Who are our stakeholders?				

GRI standard/other source	Disclosure	Where cited	Omission		Note
			Omitted requirement(s)	Reason	
GRI 2 General Disclosures - 2021 version	2-26 Mechanisms for seeking advice and raising concerns	Who are our stakeholders?			
	2-27 Compliance with laws and regulations	Content Index			There were no significant cases of non-compliance with laws and regulations in 2023.
	2-28 Membership associations	Elica’s economic network The industry network of Elica and the Group			
	2-29 Approach to stakeholder engagement	Who are our stakeholders?			
	2-30 Collective bargaining agreements	Industrial relations			
Material topics					
GRI 3 Material topics - 2021 version	3-1 Process to determine material topics	Shaping Elica’s Sustainability Methodological Note			
	3-2 List of material topics	Shaping Elica’s Sustainability			
Material topic: Combatting climate change					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica’s Sustainability Energy consumption and emissions			
GRI 302 Energy	302-1 - Energy consumption within the organization	Energy consumption and emissions			
	302-2 - Energy consumption outside of the organization	Energy consumption and emissions			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica’s Sustainability Energy consumption and emissions			
GRI 305 Emissions	305-1 - Direct (Scope 1) GHG emissions	Energy consumption and emissions			
	305-2 - Energy indirect (Scope 2) GHG emissions	Energy consumption and emissions			
	305-3 - Other indirect (Scope 3) GHG emissions	Energy consumption and emissions			
Material topic: Waste management					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica’s Sustainability Use of materials			
GRI 301 Materials	301-1 - Materials used by weight or volume	Use of materials			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica’s Sustainability Waste management			

GRI standard/other source	Disclosure	Where cited	Omission		Note
			Omitted requirement(s)	Reason	Explanation
GRI 306 Waste	306-1 Waste generation and significant waste-related impacts	Waste management			
	306-2 Management of significant waste-related impacts	Waste management			
	306-3 Waste generated	Waste management			
	306-4 Waste diverted from disposal	Waste management			
	306-5 Waste directed to disposal	Waste management			
<b>Material topic: Protection and development of human capital</b>					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Supporting our employees			
GRI 401 Employment	401-1 - New employee hires and employee turnover	Supporting our employees			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Training			
GRI 404 Training and education	404-1 - Average hours of training per year per employee	Training			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Supporting our employees			
GRI 405 Diversity and equal opportunity	405-1 - Diversity of governance bodies and employees	Supporting our employees			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Equal opportunity and anti-discrimination			
GRI 406 Non-Discrimination	406-1 - Incidents of discrimination and corrective actions taken	Equal opportunity and anti-discrimination			
<b>Material topic: Responsible business management</b>					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Group economic performance			
GRI 201 Economic performance	201-1 - Direct economic value generated and distributed	Group economic performance			

GRI standard/other source	Disclosure	Where cited	Omission		Note
			Omitted requirement(s)	Reason	Explanation
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Combatting corruption			
GRI 205 Anti-corruption	205-1 - Operations assessed for risks related to corruption	Combatting corruption			
	205-2 - Communication and training about anti-corruption policies and procedures	Combatting corruption			
	205-3 - Confirmed incidents of corruption and actions taken	Combatting corruption			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Group fiscal compliance			
GRI 207 Tax	207-1 - Approach to tax	Group fiscal compliance			
<b>Material topic: Data privacy and security</b>					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability IT risks and protecting customer privacy			
GRI 418 Privacy dei clienti	418-1 - Substantiated complaints concerning breaches of customer privacy and losses of customer data	IT risks and protecting customer privacy			
<b>Material topic: Consumer health and safety</b>					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Supporting our customers and quality			
GRI 416 Customer health and safety	416-1 - Assessment of the health and safety impacts of product and service categories	Supporting our customers and quality			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Supporting our customers and quality			
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability We protect customers by providing accurate information			
GRI 417 Marketing and labeling	417-1 - Requirements for product and service information and labeling	We protect customers by providing accurate information			
<b>Material topic: Sustainable supply chain management</b>					
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Suppliers assessed according to environmental and social criteria			



GRI standard/other source	Disclosure	Where cited	Omission			Note
			Omitted requirement(s)	Reason	Explanation	
GRI 308 Supplier environmental assessment	308-1 - New suppliers that were screened using environmental criteria	Suppliers assessed according to environmental and social criteria				
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Suppliers assessed according to environmental and social criteria				
GRI 408 Child labor	408-1 - Operations and suppliers at significant risk for incidents of child labor	Content Index				Elica did not identify any suppliers at risk of child labour in 2023.
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Suppliers assessed according to environmental and social criteria				
GRI 409 Forced or compulsory labor	409-1 - Operations and suppliers at significant risk for incidents of forced or compulsory labor	Content Index				Elica did not identify any suppliers at risk of forced or compulsory labour in 2023.
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Suppliers assessed according to environmental and social criteria				
GRI 414 Supplier social assessment	414-1 - New suppliers that were screened using social criteria	Suppliers assessed according to environmental and social criteria				
<b>Material topic: Health and safety</b>						
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica's Sustainability Health and safety				
GRI 403 Occupational health and safety	403-1 - Occupational Health and Safety Management System	Health and safety				
	403-2 - Hazard identification, risk assessment, and incident investigation	Health and safety				
	403-3 - Occupational health services	Health and safety				
	403-4 - Worker participation, consultation, and communication on occupational health and safety	Health and safety				
	403-5 - Worker training on occupational health and safety	Health and safety				
	403-6 - Promotion of worker health	Health and safety				
	403-8 - Workers covered by an occupational health and safety management system	Health and safety				
	403-9 - Work-related injuries	Health and safety				

GRI standard/other source	Disclosure	Where cited	Omission			Note
			Omitted requirement(s)	Reason	Explanation	
Material topic: Product innovation and Eco Design						
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica’s Sustainability, Supporting continuous innovation Eco Product Design				
Custom Topic (NON-GRI)	Product innovation and eco-design	Supporting continuous innovation Eco Product Design				
Material topic: Supporting after-sales service quality						
GRI 3 Material topics - 2021 version	3-3 Management of material topics	Shaping Elica’s Sustainability, Supporting after-sales service quality				
Custom Topic (NON-GRI)	After-sales services	Supporting continuous innovation Supporting after-sales service quality				

# Communications pursuant to Regulation (EU) 2020/852 (Taxonomy)

The EU Taxonomy Regulation (EU Regulation 2020/852 dated June 18, 2020, hereafter also the “Regulation”) provides a unified system for classifying economic activities that can be considered environmentally sustainable.

The Regulation is part of the European Commission’s overall efforts to achieve the goals of the European Green Deal and make Europe climate neutral by 2050. Specifically, the Taxonomy provides a classification system for defining which economic activities can be considered environmentally sustainable and therefore contribute substantially to the achievement of one of the following six goals:



**CLIMATE CHANGE  
MITIGATION**



**CLIMATE CHANGE  
ADAPTATION**



**USE AND PROTECTION  
OF WATER AND MARINE RESOURCES**



**TRANSITION TO  
A CIRCULAR ECONOMY**



**POLLUTION PREVENTION  
AND CONTROL**



**PROTECTION AND RESTORATION  
OF BIODIVERSITY AND ECOSYSTEMS**

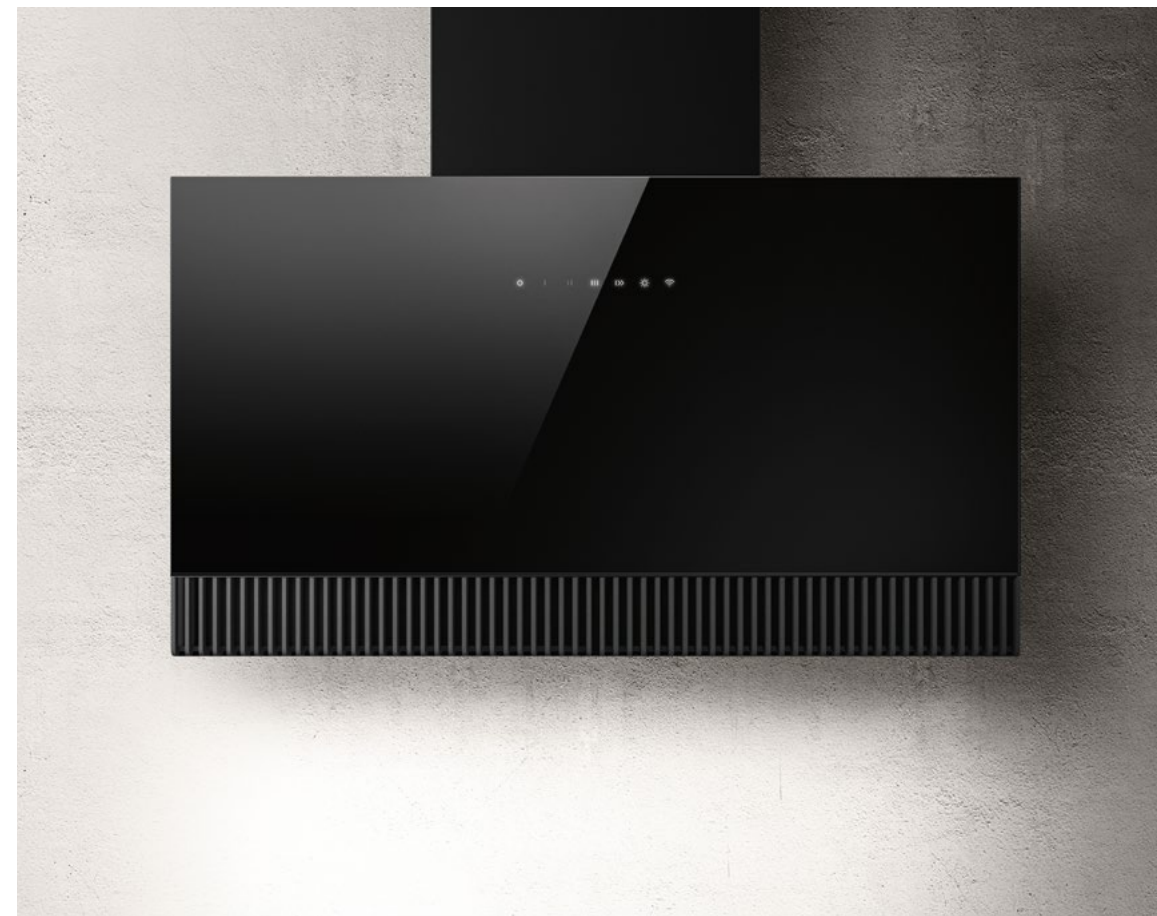


An activity can then be considered eligible<sup>32</sup> according to the Taxonomy (“Taxonomy-eligible”), i.e. potentially contributing substantially to one of the six environmental objectives, if it is described in the list of activities identified by the Regulation itself. In order to be able to define whether an eligible activity is aligned<sup>33</sup> to the Taxonomy (“Taxonomy-aligned”), the following criteria must be jointly met:

- **MAKE A SUBSTANTIAL CONTRIBUTION WITH REFERENCE TO THE IDENTIFIED ECONOMIC ACTIVITY;**
- **TECHNICAL SCREENING CRITERIA;**
- **DO NO SIGNIFICANT HARM (“DNSH”), I.E. AVOID ADVERSE EFFECTS ON OTHER ENVIRONMENTAL GOALS;**
- **CARRY OUT ACTIVITIES IN COMPLIANCE WITH MINIMUM SAFEGUARDS, RECOGNISING THE IMPORTANCE OF HUMAN RIGHTS AND LABOUR STANDARDS.**

Pursuant to the regulatory requirements set out in the Delegated Regulation relating to Article 8 of EU Regulation No. 2020/852, the Elica Group is required to include in its Non-Financial Report (NFR) information on how and to what extent its business is associated with environmentally sustainable economic activities within the meaning of the EU Taxonomy. The Regulations require that items of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) associated with activities considered eligible and aligned with the Taxonomy be reported.

For the 2023 reporting year, assessments of eligibility and alignment with the Taxonomy were conducted with reference to the objectives governed by the Delegated Regulation on Climate, which includes the **climate change** adaptation and mitigation objectives. In addition, eligibility assessments were performed with reference to the objectives outlined in the annexes (Annex I, II, III, IV) to the Delegated Regulation on the Environment, published by the Commission in June 2023.



32. Economic activity eligible for the taxonomy: an economic activity as described in the Delegated Regulations, as per Articles 10 (3), 11 (3), 12 (2), 13 (2), 14 (2) and 15 (2) of EU Regulation 2020/852, regardless of whether that economic activity meets one or all of the technical screening criteria set out in those Delegated Regulations.

33. Taxonomy-aligned economic activity: an economic activity that meets the requirements of Article 3 of Regulation (EU) 2020/852.

# Elica's contribution to the European Commission's environmental goals

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

## THE ANALYSES CARRIED OUT

### ELIGIBILITY

To determine the eligibility of economic activities, the descriptions of the activities outlined in Annexes I and II of the Delegated Regulation on Climate and Annexes I, II, III, and IV of the Delegated Regulation on the Environment were analysed.

The Elica Group is the leading global manufacturer of range hoods and extractor hobs and the leading European producer of motors for domestic ventilation. Again in 2023, activities related to the production of range hoods and extractor hobs ("Cooking Business Unit") were considered as eligible in terms of the EU Taxonomy ("Taxonomy-eligible"), as they can be traced back to the economic activity description "3.5 Manufacture of energy efficiency equipment for buildings" with reference to the climate change mitigation objective. In addition, part of

the activities of the Motors Business Unit were also considered eligible, in terms of the production of motors for the products distributed by the Cooking unit, which also relate to the economic activity "3.5 Manufacture of energy efficiency equipment for buildings." In fact, the description of activity 3.5 given in the technical screening criteria refers to the economic activity of manufacturing products and related key components, among which the motors produced by the Motors Business Unit were deemed to be included.

Some activities were identified as eligible under the Taxonomy, including in reference to the transition to a circular economy objective (Delegated Regulation on the Environment - Annex II). Activities related to the manufacture of kitchen range hoods and extractor hobs and the sale of related spare parts ("Cooking Business Unit") were considered eligible ("Taxonomy-eligible"). This is because the former can be

attributed to the description of economic activity "1.2 - Manufacture of electrical and electronic equipment", given that kitchen range hoods and extractor hobs with electrically powered motors fall under this category. Meanwhile, the latter can be associated with the description of economic activity "5.2 - Sale of spare parts", as it involves the sale of spare parts used in the above-mentioned home appliances.

### ALIGNMENT

The methodological steps that were taken to assess the alignment of activities previously identified as eligible against the EU Taxonomy are described below, retracing the approach taken to assess the criteria of Substantial contribution to climate change mitigation, Do No Significant Harm, and minimum safeguards.



## ACTIVITY 3.5

### MANUFACTURE OF ENERGY EFFICIENCY EQUIPMENT FOR BUILDINGS TECHNICAL SCREENING CRITERIA

- **Criteria of substantial contribution to climate change mitigation:** the assessment sought to determine whether the identified economic activity contributes substantially to the achievement of the climate change mitigation objective based on specific quantitative and/or qualitative parameters defined in the Regulation. The analysis conducted showed that a portion of the Group's activities is aligned with the substantial contribution criterion in (f) of this activity ("household appliances that fall into the two highest energy efficiency classes in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and Delegated Regulations adopted pursuant to that Regulation"), as a portion of the appliances made by the Cooking unit fall into the two highest energy efficiency classes, identified by Regulation (EU) 2017/1369 above. As regards the production of motors, these were considered key components, and for the purpose of assessing alignment with the substantial contribution criteria, only the portion of motors installed on Cooking Unit production appliances distributed by Elica belonging to the two highest energy classes was considered.
- **Do No Significant Harm:** The analysis of compliance against the DNSH criteria made explicit within the Delegated Regulations is intended to determine that the identified activity does not cause harm to the remaining environmental objectives. The Group analysed compliance with the DNSH criteria made explicit within Annex I of the Climate Delegated Regulation through the analysis of specific internal documentation. Specifically, regarding Activity 3.5, the following analyses were carried out:

- **Climate change adaptation:** the criteria set out in Appendix A require the organisation to conduct an analysis to identify the physical climate risks weighing on the business by conducting a robust climate risk and vulnerability assessment based on a specific procedure defined in the Delegated Regulation itself. In line with the above, the activity was reviewed to identify which physical climate risks, among those listed in Section II of Appendix A, could influence the performance of economic activity during the expected lifecycle, taking into account the entire value chain. Specifically, the risk analysis concerned (i) all Group sites (productive and non-productive), including logistics provider warehouses; (ii) the most relevant suppliers (selected based on their impact on the Group's total expenditure); (iii) the most relevant customers (selected based on their impact on the Group's total revenue). The assessment of climate risk and vulnerability is proportionate to the expected duration of activities. For activities with a duration of more than 10 years, the assessment must be applied using advanced climate projections with the highest available resolution within the existing series of future scenarios, including climate projection scenarios spanning 10 to 30 years as a minimum. The most advanced climate projections made available by the Intergovernmental Panel on Climate Change (IPCC) were applied. These projections take into account the latest scientific knowledge to analyse vulnerability and risk, along with their respective methodologies, peer-reviewed scientific publications, and the most recent open-source models. In the case of Elica, the assessment was conducted using 2050 climate projections and the pessimistic RCP8.5 scenario for activities with a duration of more than 10 years. In the final stage, adaptation solutions were assessed to mitigate the relevant physical risks. The adaptation solutions assessed do not negatively impact adaptation efforts or the level of resilience to physical climate risks of other individuals,

nature, cultural heritage, assets, or other economic activities. They align with local, sector-based, regional, or national adaptation strategies and plans, and consider the use of nature-based solutions. Alternatively, they rely on green infrastructure, where possible. In the coming years, Elica is committed to updating its adaptation plan if additional risks are identified, in the hope of defining strategies that can be adopted in response to future climate risks. With this in mind, considering the recent adoption of the standard and as part of continuous improvement on the issue of climate change, the Group has adopted an interpretation that takes into account the activities carried out and planned activities on the issue of climate change mitigation and adaptation.

- **Sustainable use and protection of water and marine resources:** the criteria set out in Appendix B require that the organisation has identified and addressed risks of environmental degradation related to the conservation of water quality and the prevention of water stress in accordance with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan developed thereunder. Appendix B was incorporated through an amendment to the Appendix concerning Climate Change Mitigation (dated June 27, 2023). This amendment additionally requires the execution of an environmental risk assessment focused on protecting seawater, in order to maintain its ecological status. The assessment should follow the methods and criteria outlined in Directive 2008/56/CE. The Elica Group conducted a thorough analysis of the potential environmental risks linked to the preservation of water quality and the prevention of water stress, based on various criteria. The screenings revealed the absence of major environmental risks related to the Group's production activities, as they do not rely heavily on water resources.

When assessing the significance of potential environmental degradation risks, various key factors were taken into account. First of all, the total quantity of water withdrawn was analysed, both from the water network and through its extraction from groundwater wells. The expected use of withdrawn water was also taken into account, distinguishing between its use for production processes and use for toilets and the canteen, for example.

Another relevant aspect involved analysing the management of discharges, evaluating whether they flow into the public sewage system or are directly discharged into surface waters, primarily rivers. The concentration of pollutants in discharged waters was monitored through analysis conducted by accredited laboratories on a yearly basis.

Additional elements considered in the analysis include the quantity of liquid waste generated, such as water/oil emulsions or water/detergent emulsions, and the nature of the waste, classified as hazardous or non-hazardous, along with the respective treatment methods. The presence or absence of on-site treatment plants was also included in the overall analysis.

Based on this detailed assessment, the Elica Group concluded that there are no significant environmental risks associated with preserving water quality and preventing water stress or risks that could compromise the ecological status of seawater with regard to its production activities. In addition, Elica is not subject to the application of Directive 2011/92/EU of the European Parliament and of the Council, which requires companies in certain sectors to carry out an environmental impact assessment: in fact, its activities are not among the activities listed in Annex II of the Directive (as per Article 4, point 2).

■ **Transition to a circular economy:** the stated criteria require that when products are manufactured, an evaluation is conducted on the feasibility of techniques that support:

1. the reuse and use of secondary raw materials and reusable components;
2. design that guarantees high durability, recyclability, ease of disassembly, and adaptability;
3. waste management that prioritises recycling over disposal;
4. information on potentially hazardous substances and their related traceability, throughout the lifecycle.

With reference to these criteria, the Group adopts such practices where possible in R&D and product manufacturing activities.

To consistently ensure a high level of quality and performance in its products, Elica does not resort to the extensive use of secondary raw materials. However, some raw materials used (e.g. stainless steel) contain a significant percentage of waste recovered from the waste recycling circuit, and most suppliers from whom Elica purchases them are able to certify the quantities present in the relevant materials.

Nevertheless, with a view to creating increasingly sustainable products and responding to the advice of its stakeholders, the Group launched and is currently overseeing the adoption of a project that will guarantee the use of polymers containing up to 30% recycled materials (recovered from post-consumer and post-industrial circuits). This strategic decision reflects the Group's balanced approach to innovation and environmental sustainability, allowing it to effectively combine high-level performance with the responsible adoption of recyclable materials.

For more information, see the "Use of Materials" section of this document.



In addition, the Company provides specific user manuals (also available online) to accompany its products. These manuals identify the individual components and provide information concerning their assembly and the safe and durable use of the appliance (criterion B). With regard to waste management (criterion C), the Group prioritises recycling over disposal, as evidenced by the percentages declared in the dedicated “waste management” section.

Finally, per the obligatory regulations under Regulation 1907/2006/EU and Directive 2011/65/EU, Elica provides information on potentially hazardous substances that may be present within its products, ensuring their traceability throughout the entire lifecycle (from cradle to grave).

For more in-depth information on current initiatives, reference should be made to the “The Sustainability Footprint in the Environmental Arena” and “Supporting Continuous Innovation” sections of this document.

■ **Pollution prevention and control:** the criteria set out in Appendix C require that the activity does not involve the manufacture, placing on the market or use of certain types of chemical pollutants. Elica conducts its business in full respect of the applicable regulations and does not use any of the substances listed in points A to F or the new paragraph (incorporated with the 2023 amendments to replace the former paragraph G) included in Appendix C<sup>34</sup>.

Specifically, regarding the requirements outlined in point F and the newly added paragraph, Elica conducted a significance assessment concerning potentially hazardous substances, taking into account:

- Regulation 1907/2006/EU (REACH). Specifically, Elica presents products that belong to the “Complex Objects” category mentioned in the Regulation, and based on this definition, fulfils all declaratory obligations by uploading them to the ECHA portal and sharing the SCIP codes when requested by customers;
- Regulation 2011/65/EU (RoHS) and subsequent amendments. Specifically, Elica monitors suppliers through annual analysis to ensure they do not supply homogeneous materials with concentrations by weight of prohibited substances exceeding the regulatory limit, except through the currently applicable exemptions outlined in the decree.

There is no current alternative to use of the listed substance types, which are nevertheless present in products within the limits prescribed by Regulations 1907/2006/EU and 2011/65/EU in any case. In addition, we note that Elica products brought to market do not emit potentially hazardous substances that may be present at the material level in the chemical composition of the raw materials used for certain components. Given the Group’s focus on compliance with applicable regulations, and on the basis of the aforementioned assessments, Elica believes that it can reasonably consider itself aligned with the

concept of prevention and reduction of pollution regarding the use and presence of chemicals.

■ **Protection and restoration of biodiversity and ecosystems:** the criteria set out in Annex D require that the organisation has proceeded with an environmental impact assessment (EIA) or review in accordance with Directive 2011/92/EU. As a result of a screening carried out, Elica has not identified any elements that would require a specific assessment on these issues, and furthermore, it is not subject to the application of the Directive, which requires companies belonging to certain sectors to carry out an environmental impact assessment: in fact, the activities carried out by the Elica Group are not among those listed in Annex II of the Directive itself (as per Article 4, point 2). In addition, Elica has no factories in protected areas, so it was not necessary for the Group to conduct an environmental impact assessment (EIA) on this issue.

34. Appendix C requires that the activity does not involve the manufacture, placing on the market or use of (a) substances, either in their pure state or within mixtures or items, listed in Annex I or II of Regulation (EU) 2019/1021; (b) mercury and its compounds or mixtures; (c) substances listed in Annex I or II of Regulation (EC) No.1005/2009 of the European Parliament and of the Council; (d) substances listed in Annex II of Directive 2011/65/EU of the European Parliament and of the Council, except when full compliance with Article 4(1) of that Directive is ensured; (e) substances, either in their pure state or within mixtures or items, listed in Annex XVII of Regulation (EC) No. 907/2006 of the European Parliament and of the Council, except where full compliance with the conditions set out in that Annex is ensured; (f) substances, be they pure or used in mixtures or goods, in concentrations exceeding 0.1% weight/weight, which meet the criteria set out in Article 57 of Regulation (EC) No. 1907/2006, identified in accordance with Article 59, paragraph 1 of this regulation for a period of at least 18 months, unless operators assess and document that no other substance or alternative technology suitable for use is available on the market, and they are used under controlled conditions; new paragraph) additionally, the activity does not involve the manufacturing, presence in the final product or result, or selling of other substances, be they pure or used in mixtures or goods, in concentrations exceeding 0.1% weight/weight, meeting the criteria of Regulation (EC) No. 1272/2008 for any hazard class or hazard category specified in Article 57 of Regulation (EC) No. 1907/2006, unless operators have assessed and documented that no other substance or alternative technology suitable for use is available on the market, and they are used under controlled conditions.

# Minimum safeguards

The Minimum Safeguards criteria made explicit within the Regulations refer to an organisation’s practices designed to ensure that it is in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Group then carried out an analysis of the elements made explicit in the above documents by considering nine categories of requirements<sup>35</sup> in the areas of: human rights, consumer interests, corruption, competition and taxation. In particular, with regard to the issues of consumer interest protection, taxation, competition, and anti-corruption, the Group has policies and procedures in place to prevent and mitigate any potential negative impacts. With regard to areas closely related to the issue of human rights, Elica is committed to ensuring the implementation of ethical business in accordance with the various applicable regulations, conducting its business in accordance with the moral and ethical principles set out in the Ethics Code and always taking into consideration the Group’s moral and social responsibility towards its stakeholders. For more information, see the following sections of this document: “Equal opportunity and anti-discrimination”, “Health and Safety”, “Suppliers assessed according to environmental and social criteria”, “Supporting our customers and quality”, and “We protect customers by providing accurate information”.

In addition, the Elica Group as defined a due diligence process for

**human rights**, using the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP) to identify, prevent, mitigate, and remedy potential impacts on human rights.

With reference to the control of respect for human rights within the supply chain, the Group has developed an audit process on its suppliers, with the aim of assessing and minimising risks related to ethical, social and environmental issues, alongside the adoption of its own Code of Conduct (“Elica Group Supplier Code of Conduct”). For further information, please refer to the “Suppliers assessed according to environmental and social criteria” section in this document.

**The Group provides stakeholders with the opportunity to file a complaint if they have a legitimate concern about actual or potential human rights violations** arising from the Group’s business activities or along its value chain. A whistleblowing mechanism is in place (governed by the Group Policy GP-11 “Whistleblowing”), accessible from the Group’s corporate website: Internal Control System | Elica Corporate.

Finally, for the reporting year 2023,

- there were no incidents of non-compliance related to the issues of human rights, consumer interests, corruption, competition and taxation. For more information, see the sections concerning GRI 2-26: “Mechanisms for seeking advice and raising concerns” and GRI 2-27 “Compliance with laws and regulations” of this document.
- As a result of the work to assess the significant negative impacts on human rights, confirming the importance the Group attaches to respect for human rights, Elica has defined improvement targets for these issues.

Based on current practices and defined improvement goals, the Group believes it can reasonably be considered to be aligned with the minimum safeguards.

35. The assessment in accordance with the requirements in Article 18 of the Regulations was carried out by evaluating: the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, The Eight Core Conventions of the ILO, and the International Bill of Human Rights.

The nine categories evaluated were as follows: human rights policies, human rights due diligence and risk assessment, management of human rights impacts, grievance mechanisms, consumer interests, anti-corruption, competition, and taxation.



# Disclosure of KPIs from the taxonomy

Pursuant to the regulatory requirements found in the Delegated Regulation relating to Article 8 of Regulation 2020/852, the following table (prepared according to the provisions of Annex II to the Delegated Regulation (EU) 2021/2178) illustrates the proportion of aligned economic activities (A.1), eligible, not aligned (A.2) and ineligible (B) for the Taxonomy within the framework of revenues, capital expenditure and total operating expenditure.

With reference to the disclosure pursuant to Article 8, paragraphs 6 and 7 of Delegated Regulation (EU) No. 2021/2178, which requires the use of the templates provided in Annex XII for the disclosure of nuclear and fossil gas-related activities, it is noted that the Group has not reported such as no eligible and/or aligned activities have been identified with reference to these areas.

For further details regarding the analysis of economic activity and the composition of quantitative performance indicators, please refer to the section “Additional contextual information and applied accounting standards”.

As regards the KPIs relating to the proportions of eligible Turnover, CapEx and OpEx for the environmental objectives included in the annexes (Annex I, II, III, IV) by the Delegated Regulation on the Environment, while the some activities were found to be eligible, as described in the paragraph “Eligibility”, Elica has chosen not to provide the related indicators in the tables provided for under Annex II of Delegated Regulation (EU)2021/2178. This is in order to adopt a prudential approach to the interpretation of regulatory provisions on double counting, since these activities overlap with those already considered for activity 3.5 relating to the objective “climate change mitigation”.

The proportions of eligible Turnover, CapEx and OpEx relating to the “transition to a circular economy” objective required by Delegated Regulation (EU) 2021/2178 will therefore only be given as part of the section “Additional contextual information and applied accounting standards.” We reiterate that the decision to adopt this approach is based on the information and requirements that are currently available, and which may be subject to future revisions.





TABLE - PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023  
Amounts shown are in €/000

FINANCIAL YEAR N		2023		SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)											
Economic activities		Code	Turnover	Proportion of Turnover	Climate change mitigation	Climate change adaption	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	"Category transitional activity"	
TEXT		K EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmental sustainable activities (Taxonomy-aligned)																					
Manufacture of energy efficiency equipment for buildings	3,5	23,017	4.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	6%	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		23,017	4.8%	4.8%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	6%			
Of which enabling		23,017	4.8%	4.8%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	6%	E		
Of which transitional		0	0%	0%	0%	0%	0%	0%	0%									0%		T	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																					
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Manufacture of energy efficiency equipment for buildings	3,5	346,407	72.5%	AM	N/AM	N/AM	N/AM	N/AM	N/AM									%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		346,407	72.5%	72.5%	0%	0%	0%	0%	0%									%			
A. Turnover of Taxonomy eligible activities (A.1+A.2)		369,424	77.3%	77.3%	0%	0%	0%	0%	0%									70%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		108,596	22.7%																		
TOTAL		478,020	100%																		

TEMPLATE PRESCRIBED BY ANNEX II, NOTE (C),  
OF DELEGATED REGULATION (EU) 2021/2178

Proportion turnover/Total turnover		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	4.8%	77.3%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

TABLE - PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023  
Amounts shown are in €/000

FINANCIAL YEAR N				2023		SUBSTANTIAL CONTRIBUTION CRITERIA					DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)											
Economic activities				Code	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaption	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	"Category transitional activity"
TEXT				K EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1 Environmental sustainable activities (Taxonomy-aligned)																						
Manufacture of energy efficiency equipment for buildings				3,5	1,262	6.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)					1,262	6.7%	6.7%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4%		
Of which enabling					1,262	6.7%	6.7%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4%	E	
Of which transitional					0	0%	0%	0%	0%	0%	0%	0%								0%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																						
							EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings				3,5	10,320	55.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								59%		
Installation, maintenance and repair of energy efficiency equipment(*)				7,3	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings				7,5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)					10.320	55.0%	55.0%	0%	0%	0%	0%	0%								60%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)					11.582	61.7%	61.7%	0%	0%	0%	0%	0%								64%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
CapEx of Taxonomy-non-eligible activities				7,188	38.3%																	
TOTAL				18,770	100%																	

(\*) Follow-up upon data reported in 2022 (with reference to column “Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022”). No Capex have been carried out in relation to activities 7.3 and 7.5 in the current year.

TEMPLATE PRESCRIBED BY ANNEX II, NOTE (C),  
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	Proportion CapEx/Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	6.7%	61.7%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

TABLE - PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023  
Amounts shown are in €/000

FINANCIAL YEAR N		2023		SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)										
Economic activities		Code	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaption	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	"Category transitional activity"
TEXT		K EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
Manufacture of energy efficiency equipment for buildings		3,5	876	7.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5%	A	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			876	7.6%	7.6%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5%		
Of which enabling			876	7.6%	7.6%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5%	E	
Of which transitional			0	0%	0%	0%	0%	0%	0%	0%								0%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																				
					EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings		3,5	7,818	68.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								75%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			7,818	68.1%	68.1%	0%	0%	0%	0%	0%								75%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)			8,694	75.7%	75.7%	0%	0%	0%	0%	0%								80%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		2,779	24.2%																	
TOTAL		11,473	100%																	



TEMPLATE PRESCRIBED BY ANNEX II, NOTE (C),  
OF DELEGATED REGULATION (EU) 2021/2178

	Proportion OpEx/Total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	7.6%	75.7%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

# Additional contextual information and applied accounting standards

To determine turnover, capital expenditures and operating expenses, Elica has established a clear and traceable methodology in response to both quantitative and qualitative information needs, as required by Article 10 of Regulation (EU) 2021/2178, considering the information in general and industrial accounting.

## INFORMATION ON THE KPIS GIVEN IN THE TABLES AS PROVIDED FOR UNDER ANNEX II OF DELEGATED REGULATION (EU) 2021/2178

### ELIGIBLE AND ALIGNED ACTIVITIES

For the calculation of the proportion of eligible and aligned turnover (numerator) regarding activity 3.5 (objective “climate change mitigation”), in accordance with the provisions of point 1.1.1 “KPI related to turnover” of Annex I to Delegated Regulation (EU) 2021/2178 (hereinafter also “Annex I”), Elica considered the portion of consolidated net revenues obtained from products or services, including intangible ones, associated with the Cooking Business Unit (only the two highest energy classes were considered for the purpose of alignment).

Consolidated net turnover (denominator) was determined in accordance with Article 2(5) of Directive 2013/34/EU thus considering the revenues recognised in accordance with IAS No. 1, item 82(a) as per notes B.6.5.1, B.6.5.3, B.6.5.4 and B.6.5.7.1. to the consolidated financial statements at 31.12.2023.

To determine eligible and aligned CapEx (numerator) regarding activity 3.5 (objective “climate change mitigation”), Elica considered the proportion of its capital expenditure associated with the Cooking (only the two highest energy classes were considered for alignment

purposes) and Motors Business Units, on the basis of the proportion relating to motors produced for the Cooking unit distributed by Elica (for the purposes of alignment, only the components installed in products distributed by Elica and belonging to the two highest energy classes were considered). This calculation was done in line with the provisions of §1.1.2.2. “Numerator” of Annex I.

Elica determined CapEx (denominator) in accordance with the provisions of 1.1.2.1 “Denominator” of Annex I by considering the increases in intangible and tangible assets during the year in question, prior to any amortisation, depreciation, revaluation, restatements, or impairments. To construct the indicator, Elica identified capitalised expenses using data from its consolidated financial statements, with reference to the provisions of a) IAS 16 “Property, Plant and Equipment”, b) IAS 38 “Intangible Assets” and c) IFRS 16 “Leases”.

The reported values do not contain sums related to economic activities that are included in the Taxonomy and pertain to capitalised expenses under the provisions of d) IAS 40 “Investment Property” and IAS 41 “Agriculture” as these standards do not apply to the Group.

To determine aligned and eligible OpEx (numerator) regarding activity 3.5 (objective “climate change mitigation”), Elica considered the direct non-capitalised costs included in the denominator associated with the Cooking Business Unit (only the two highest energy classes for alignment purposes) and the Motors Business Unit (specifically, the manufacture of motors for Cooking products distributed by Elica and belonging to the two highest energy classes), in accordance with the provisions of §1.1.3.2. “Numerator” of Annex I.

To determine the proportion of OpEx (denominator), direct non-capitalised costs have been included in the denominator in compliance with the provisions of 1.1.3.1. “Denominator” of Annex I, and as further clarified in the FAQs to Article 8 of February 2022. These costs include R&D expenses, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditure associated with the daily upkeep of property, plant, and equipment, regardless of whether these were conducted by the Company or third parties, to ensure the assets’ continuous and effective operation. The reported values do not contain sums connected to economic activities that are included in the Taxonomy and relate to the following non-capitalised direct costs: building renovation measures and short-term leases, as these standards do not apply to the Group.

## NOT-ALIGNED ELIGIBLE ACTIVITIES

To calculate the proportion of eligible and not-aligned turnover (numerator) regarding Activity 3.5 (objective “climate change mitigation”), Elica considered the proportion of consolidated net turnover from products and services, including intangible ones, associated with the Cooking Business Unit that do not fall into the two highest energy classes.

To calculate the proportion of eligible not-aligned CapEx (numerator) regarding Activity 3.5 (objective “climate change mitigation”), Elica considered the proportion of capital expenditures relating to activities associated with the Cooking Business Unit, considering the production of products in energy classes other than the two highest, and the Motors Business Unit in the proportion relating to the production of motors for Cooking products distributed by Elica, other than those in the two highest energy classes.

To calculate the proportion of eligible not-aligned OpEx (numerator) regarding Activity 3.5 (objective “climate change mitigation”), Elica considered the proportion of direct non-capitalised costs relating to activities associated with the Cooking Business Unit, considering the production of products in energy classes other than the two highest, and the Motors Business Unit in the proportion relating to the production of motors for Cooking products distributed by Elica, other than those in the two highest energy classes.

The proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the “Eligible and Aligned activities” section.

## INELIGIBLE ACTIVITIES

To calculate the proportion of ineligible turnover (numerator), Elica considered the proportion of consolidated net turnover from products and services, including intangible ones, associated with the Motors Business Unit.

To calculate the proportion of ineligible CapEx (numerator), Elica considered the proportion of capital expenditures related to activities associated with the Motors Business Unit, excluding the proportion related to the production of motors for Cooking Unit products distributed by Elica.

To calculate the proportion of ineligible OpEx (numerator), Elica considered the proportion of direct non-capitalised costs related to the Motors Business Unit, excluding the proportion related to the production of motors for Cooking Unit products distributed by Elica.

The proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the “Eligible and Aligned activities” section.

## INFORMATION ON THE PROPORTION OF ELIGIBLE ACTIVITIES RELATING TO THE “TRANSITION TO A CIRCULAR ECONOMY” OBJECTIVE

As described above in the “Eligibility” section, activities relating to the production of range hoods and extractor hobs and the sale of related spare parts (“Cooking Business Unit”) were considered eligible (“Taxonomy-eligible”) for the “transition to a circular economy” objective in relation to the economic activities “1.2 - Manufacture of electrical and electronic equipment” and “5.2 - Sale of spare parts,” respectively. The proportion of eligible turnover, CapEx and OpEx for each activity was identified and calculated as below:

Economic activity	Proportion of eligible turnover	Proportion of eligible CapEx	Proportion of eligible OpEx
1.2 Manufacture of electrical and electronic equipment	76.0%	56.2%	61.5%
5.2 Sale of spare parts	1.3%	0 %	0 %

To calculate the proportion of eligible turnover (numerator), Elica considered:

- activity 1.2 (objective “transition to a circular economy”), proportion of consolidated net turnover from products and services, including intangible ones, associated with the Cooking Business Unit, excluding spare parts used in such products and necessary for their operation;
- activity 5.2 (objective “transition to a circular economy”), proportion of consolidated net turnover from the sale of spare parts used in products manufactured in the Cooking Business Unit and necessary for their operation.

To calculate the proportion of eligible CapEx (numerator), Elica considered:

- activity 1.2 (objective “transition to a circular economy”), proportion of capital expenditures relating to activities associated with the creation of products in the Cooking BU, excluding spare parts used in these products and necessary for their operation;
- activity 5.2 (objective “transition to a circular economy”), proportion of capital expenditures relating to activities associated with spare parts used in products manufactured in the Cooking Business Unit and necessary for their operation.

To calculate the proportion of eligible OpEx (numerator), Elica considered:

- activity 1.2 (objective “transition to a circular economy”), proportion of indirect non-capitalised costs associated with the Cooking Business Unit, considering the creation of products in the Cooking BU, excluding spare parts used in these products and necessary for their operation;
- activity 5.2 (objective “transition to a circular economy”), proportion of direct non-capitalised costs associated with spare parts used in products manufactured in the Cooking Business Unit and necessary for their operation.

The proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the “Eligible and Aligned activities” section for activity 3.5 (objective “climate change mitigation”).

To calculate the proportion of ineligible turnover (numerator), Elica considered the proportion of consolidated net turnover from products and services, including intangible ones, associated with the Motors Business Unit.

To calculate the proportion of ineligible CapEx (numerator), Elica considered the proportion of capital expenditures related to activities associated with the Motors Business Unit.

To calculate the proportion of ineligible OpEx (numerator), Elica considered the proportion of direct non-capitalised costs related to the Motors Business Unit.

The proportions of consolidated net turnover, CapEx and OpEx in the denominator correspond with those identified in the “Eligible and Aligned activities” section for activity 3.5 (objective “climate change mitigation”).

# Independent Auditors Limited Assurance Report



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

**Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018**

*To the board of directors of  
Elica S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the Elica Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 14 March 2024 (the "NFS").

Our procedures did not cover the information set out in the "Communications pursuant to Regulation (EU) 2020/852 - Taxonomy" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

**Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Elica S.p.A. (the "parent") for the NFS**

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

#### **Auditors' independence and quality control**

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the bank's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
  - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
  - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
  - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.



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Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of EMC Fime S.r.l. and Elica Group Polska Sp.z o.o. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group level,
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited Elica S.p.A., EMC Fime S.r.l. and Elica Group Polska Sp.z o.o, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

#### **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the Elica Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in the "Communications pursuant to Regulation (EU) 2020/852 - Taxonomy" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Ancona, 27 March 2024

KPMG S.p.A.

(signed on the original)

Alessandro Arienti  
Director of Audit



Editorial Project Coordination  
ELICA

Art direction and graphic project  
COMMON



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