



**ELT**GROUP

# 2022 SUSTAINABILITY REPORT

RESPONSIBLE PRESENT FOR A SUSTAINABLE FUTURE



## LETTER FROM THE PRESIDENT

Two years ago, our company reasoned about a **new**, broader and more effective **strategic vision**, summarized in the **Tenet 2030 business plan**, to make the most of the possibilities offered by a **deep** and recognized **expertise** in the use of the **electromagnetic spectrum**, consolidating **the Defense sector**, but also facing **new geographies** and especially **new markets** such as biodefense, with new and exciting implications also in terms of **ESG engagement**.

We arrived at this important milestone with the understanding that our expertise has become strategic to an expanded extent and is **a benefit to the entire community**. Indeed, ELT Group can contribute to the welfare and protection of society through **proprietary and cutting-edge technologies**.

Just two years later, this strategy has begun to translate into results, and today we have also given this new strategic vision evidence in terms of **branding**: Elettronica has evolved into **ELT Group**, with a **new logo** that testifies not only to the **increasingly international projection** (ELT Group now has the strength of an increasingly global presence, with 11 sales offices, and growing, on 3 continents), but, above all, to the engagement toward the **"protection"** that electromagnetic spectrum management allows us, both in traditional and emerging domains such as biodefense.

In its history spanning more than 70 years, ELT Group has always provided **society with** the most advanced **technologies and solutions for the protection of assets, people and data**.

This has always been the interpretation that our company has given to its social action in favor of the **Wellbeing of the Community** and of our country, and today it will have an even broader direction thanks to the **strategic plan**, the activities of the **research and development division**, and the important **collaborations with universities and research centers and partners, which are the** ones that have led us to new milestones. These include the establishment of the newco **E4life**, which will implement solutions in the **Biodefense** sector, along with the recent realization that we can also bring our expertise to the **Space** domain.

Innovative systems development activity for National and NATO security also continues to ensure excellent **technological sovereignty** to deal with complex geopolitical situations that are not easy to predict.

The Defense sector is gaining a decisive role in European and International policies.

ELT Group is an integral part of this **collective effort, where its action results in benefit social for the country through strong value and job creation activities**.



The President and CEO  
Eng. Enzo Benigni

## LETTER TO THE STAKEHOLDER

Dear Stakeholders,  
ELT Group has been on the path toward ESG commitments since 2018, declaring, and progressively growing, its contribution to the UN 2030 Agenda.

What is more, the company has been able to find its own specific interpretation of Sustainability, focusing not only on human and environmental aspects, but making innovation a priority asset realized and shared with the community.

Over these years, we have shown that we are able to combine economic growth with social and environmental sustainability, being fully aware of how ESG commitments are now not only a factor of sustainability and responsibility to the surrounding community, but also a guarantee of long-term well-being and profitability for the company, achieved by improving the lives of its people, refining and improving the quality of the supply chain, and promoting production efficiency.

The year 2022 was also dedicated to these goals, during which we achieved **new milestones in terms of innovation generated, welfare and inclusion, and environmental challenges**.

The transformations we have undertaken make the commitment toward sustainability increasingly serious: an exciting endeavor for each sector, including the Defense sector, which has taken up the challenge of digitization by interpreting it in the field of security, mediating between innovation and enhancement of the human factor as distinctive elements in the machine society.

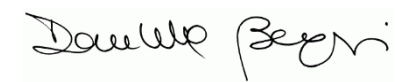
New Defense projects offer **an unmissable technology boost** with returns for civilian society and sustainability: technologies with reduced energy and raw material consumption, such as digital manufacturing and digital twin, new jobs, study of new materials, growth on the most appropriate use of Artificial Intelligence, and continued development of cyber resilience solutions.

By channeling major European investments effectively, we will be able to **ensure integrated and cooperating technological solutions**, anticipating possible new health or climate crises, and honoring our commitment to ensure ever-higher standards of well-being and health for people and the planet.

On the occasion of our 70th year of operation, we had decided to christen the efforts made and evidenced by the ambitious goals achieved as *A History Made of the Future*.

In 2023 we add another word: decisive, hopeful, and one that does not allow for discounts.

***A Story Made of Sustainable Futures.***



CEO & COO  
Eng. Domitilla Benigni

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17 ECONOMIC VALUE  
GENERATED AND DISTRIBUTED

”

*Over 70 years of History and Commitment in building a company that is relentlessly inspired by the principles of responsibility, sustainability and transparency*

# MISSION, VISION, PURPOSE & VALUES

*Sustainability is deeply rooted in ELT Group: it is embedded in the mission, guides the vision and inspires all its values.*

## MISSION

ELT Group specializes in the development and application of innovative and proprietary technologies in the use of the electromagnetic spectrum to bring integrated solutions designed to protect people, assets and information anywhere in the world.

## VISION

ELT Group takes the complex challenges of the present and transforms them into concrete opportunities to build a safer, more stable and sustainable world, including through partnerships with highly qualified entities.

## PURPOSE

ELT Group supports people's engineering intelligence, exercised with creativity and responsibility, as an unstoppable resource to promote progress and create value.

## VALUES

*"Our values are found in what we are and achieve, in our products and in our relationships, at all levels. This for us means Consistency. Sharing this value system is a source of unity, strength and pride and guides us, all together, toward a more conscious future."*



## INNOVATION

The experience gained together with our clients makes us concrete innovators, capable of anticipating the challenges of tomorrow through continuous research and development of technologically advanced solutions. The enthusiasm with which we explore reality, the ability to integrate scientific and industrial collaboration, of method and process, distinguish the relentless evolution of our work.



## RELIABILITY

In our industry, excellence is an absolute must. Design, production and service follow strict control procedures and continuous improvement processes, with the aim of ensuring that each customer's specific requirements are met on time and that our products are as reliable as possible, in any operating scenario.



## APPEARANCE

Our most important asset is people. We believe in sharing and integration, in diversity, in constant professional development, and in growth based on merit that passes through the enhancement of commitment and talent. We work so that each of us can express our potential to the fullest, feeling an active part in the success of our company and our own lives.



## CORRECTNESS

We firmly believe that respect for the community and all our stakeholders is a guarantee of shared benefit and stable and lasting relationships. Honesty, transparency and accountability are fundamental premises of the way we work, both internally and in our interaction with our partners and customers, because mutual trust is a primary asset for us to cultivate and protect.



## DYNAMISM

We combine respect for rules and procedures with initiative, flexibility and resourcefulness, balancing rapid decision-making processes with effective control mechanisms. The fluidity of reference contexts and our propensity for innovation, lead us to always be lean in our work organization systems and proactive in our relationships with partners and clients. Ours is a dynamic balance of coordination and movement.

## SDGS, SCOPES AND THEMES OF SUSTAINABILITY: THE CONTRIBUTION OF ELT GROUP

ELT Group translates sustainability into commitments, contributions and actions to pursue the goals of the 2030 Agenda for Sustainable Development by putting People first and critically assessing impacts on the economy and the environment.



Ensuring health and well-being for everyone and all ages  
*"We invest in research and technology development dedicated to biodefense, collaborating with universities and research centers and developing cross-sector alliances, integrating skills and experience to serve the community in improving air quality."*



Providing quality, equitable and inclusive education and learning opportunities for all  
*"We establish with universities, schools and other organizations, collaborations aimed at developing and transferring skills in science and technology for men and women. We promote and create opportunities for qualification and learning continuous in the company."*



Foster gender equality and equal opportunity for more sustainable economic and social growth  
*"We promote with concrete actions equal opportunities in business, diversity and women's empowerment, inclusion and orientation toward career paths in defense, cyber and all those involving STEM training."*



Fostering sustained, inclusive and sustainable economic growth, full employment and productive and decent work for all  
*"Through our activities we support economic growth, produce innovation and generate technological progress. As an employer we protect the right to work and promote a healthy and safe working environment for all"*



Building resilient infrastructure and promoting innovation and equitable, responsible and sustainable industrialization  
*"We invest in research and innovation, improving the technological capabilities, proprietary and national, of the industry sector in which we operate. We offer our employees challenging opportunities in research and technological development."*



Making cities and human settlements inclusive, safe, durable, and sustainable  
*"Our knowledge of the electromagnetic space serves the development of technological solutions for urban security and increasing the resilience of critical infrastructure."*



Ensuring sustainable patterns of production and consumption  
*"Technological innovation is combined with environmental sustainability, generating solutions that enable the reduction of waste and the use of raw materials and energy. We pay attention to the use of less polluting materials in the production of our systems and in the company's activities."*



Promote actions, at all levels, to combat climate change  
*"We implement energy efficiency initiatives, reduce emissions and paper consumption, and pay attention to water resource management. Where possible we make use of renewable sources, do not use environmentally harmful substances, and deploy technological solutions to reduce waste and environmental impacts."*



Promote peaceful and more inclusive societies for sustainable development; provide access to justice for all; and create efficient, accountable and inclusive bodies at all levels  
*"We adopt governance and management models and tools to ensure respect for human rights, prevention of corruption, compliance with regulations in the company and in stakeholder relations, and to foster the inclusion of sustainability principles and instances in our industrial development objectives."*

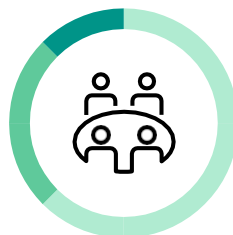
### GOVERNANCE, ETHICS AND HUMAN RIGHTS

Stability, reliability and credibility are prerequisites to ensure excellent and lasting economic performance that can support the development of the company and the defense sector and the generation of social and environmental value for all stakeholders.

Requirements that ELT Group ensures by paying attention to **the Respect for Regulations and Human Rights**.

Adopting systems, procedures and tools that facilitate their implementation and control:

- the adoption of the Code of Ethics, which recognizes and integrates respect for human rights, as expressed in the United Nations Universal Declaration of Human Rights, the Conventions of the International Labor Organization, the OECD Guidelines and the Charter of Fundamental Rights of the European Union, guiding the behavior of the company and those working on its behalf, creating an environment in which vision and principles are shared
- The implementation of the Governmental Security and Trade Compliance Management System, which ensures that the company constantly verifies and monitors compliance with international and national regulations governing the sale of products, protecting all stakeholders involved
- Attention to issues of legality and anti-corruption, which ensures healthy and lasting development of the company and the entire industry. The rules defined and the management and control systems implemented make it possible to prevent the commission of unlawful acts
- The management of the security of processed information and data, both corporate and third-party, enabling
  - To protect the intellectual capital of the company, to ensure the security of civil society and the state as well as the privacy rights of individuals
- The adoption of systems and procedures to ensure the protection and promotion of workers' rights, that ensure working conditions in accordance with relevant regulations, collective agreements, and ensure safety and health in the workplace.



Requirements that are consolidated through a **Responsibility in Business** approach, supported by the adoption of a governance structure, methods and tools that enable the integration of sustainability principles into business strategies and foster an integrated and comprehensive view and management of the risks, opportunities and impacts that the company can determine in each sustainability dimension through its decisions and actions.

This approach is pursued through the adoption of management and directional tools and processes that ensure transparency, clarity of responsibilities, involvement and traceability of information.

### INNOVATION FOR SUSTAINABILITY

Ensuring **the Security and Defense of Citizens** and Contributing to the **Health and Welfare of the Community**

are the main goals of ELT Group.

Hence the continuing drive to innovate, to seek and develop ever more advanced technological solutions that can meet increasingly complex needs in the areas of national defense and urban security, to increase the cyber resilience of public and private entities and protect people and critical infrastructure, but also in biodefense, increasing capabilities to prevent and protect against pathogens dangerous to humans.

Activities made possible thanks to the attention and priority devoted to **Innovation Management**, constant investment, and significant partnerships with other players in the innovation ecosystem, but above all thanks to a corporate organization oriented towards the continuous enhancement of skills and internal know-how, also for the growth of knowledge and awareness among the new generations. The promotion of a **STEM Culture**, particularly among younger people and women, is for ELT Group an indispensable element to ensure sustainable development.

With this orientation, the company actively participates in building relationships with the world of education, training and research, supporting young people in the paths of professional growth and development within the fields of high scientific and technological know-how, and encouraging the entry



aware and competent female presence in the cyber world through active participation in the Italian Chapter of the Women4Cyber Foundation.

### PEOPLE

The ability to innovate and grow is the result of an approach that has at its core the **Enhancement of People and their skills**, attitudes, knowledge and experience. The company constantly promotes their development and updating, not only as a lever of growth and competitiveness company, but also in relation to each person's professional and personal growth and satisfaction.

ELT Group considers the focus on the value of individuals to be central in the broad framework of human resource management and has always guided policies aimed at guaranteeing **People's Health and Welfare** by ensuring working conditions that comply with the relevant regulations and by complying with the provisions set forth in collective bargaining agreements (CCNL).

It is also committed to supporting the safety, health and physical, mental and social well-being of workers through corporate welfare actions and tools, including better treatments than those provided by law and agreements, and creating opportunities and spaces for sharing, aggregation and involvement, with the aim of strengthening the sense of belonging and integration.

Equal opportunities and fair treatment for all workers are guaranteed in labor relations, and any form of discrimination is strongly and practically condemned.

For ELT Group, the focus on Diversity Management, which promotes inclusion and enhancement of diversity, is the basis for People Management that ensures dignity, respect for rights, enhancement of skills and organizational well-being.

A commitment that since 2022 has been formalized in the Diversity & Inclusion Policy.



### BUSINESS RELATIONSHIP MANAGEMENT

Relationships with partners, suppliers and customers are guided by principles of cooperation, fairness and transparency, through which sustainability goals are pursued.

**Supply Chain Management** is focused on promoting economic sustainability, social and environmental in the value chain, through an accreditation and qualification system that verifies ethical, legal, economic, and financial soundness, along with technical and management skills.

The orientation to legality, ethics and respect for human rights is fostered and monitored through the sharing and formal acceptance of tools such as the Code of Conduct, Anti-Corruption Code and Privacy Policy.

### Suppliers

A sustainable supply chain is a fundamental requirement to ensure reliability, quality and innovation capability. This is why ELT Group supports **Supply Chain Enhancement** through paths of continuous improvement of direct suppliers, encouraging active participation in innovation processes, enhancing their skills and promoting the emergence of excellence. Fundamental is the deployment of tools and solutions to support the growth and economic stability of the suppliers themselves and to facilitate networking among them.

### Customers

Also part of the path of sustainability orientation is the building of a relationship in which **Customer Focus** has an important meaning: providing technologically advanced systems that meet the specific needs of each customer, and dedicated Academy and logistics services.

A true partnership is established with the client, based on deep and fruitful cooperation, protection of security and confidentiality of their information.





ELT Group is at the client's side for the entire product life cycle, from offer to contract definition, ensuring operational support and attentive and timely customer service, while also transferring know-how and skills through training activities and initiatives.

At the same time, the production and sale of products and services is managed and monitored through certified management systems that ensure quality and compliance with regulations, respect for human rights, ethics and legality.

**ENVIRONMENT**

ELT Group designs and implements concrete **Green Management** actions to reduce the environmental impacts generated by its activities and raises awareness among employees and those acting in its sphere of influence.

It directs its efforts toward responsible management of energy resources aimed at reducing consumption and emissions, making use of renewable sources wherever possible. In addition, the company pays attention to the water and waste management cycle and promotes sustainable consumption through the use of technologies and production methods aimed at reducing waste, polluting materials and energy resources.

In addition, the company promotes **Sustainable Mobility** for employees, both through the availability of a progressively electric and hybrid car fleet and the installation of electric car charging stations.

Environmental management is part of an integrated management system developed and implemented in accordance with the ISO 14001 series of standards.



*ELT Group's material issues that generate the most significant impacts, both from a stakeholder perspective and in relation to the company's strategic and operational priorities.*



**14 SUSTAINABILITY ISSUES ADDRESSED**

**MATERIALITY MATRIX**



## STAKEHOLDERS AND THEIR INVOLVEMENT

CATEGORIES OF STAKEHOLDERS	WHO THEY ARE.	WAYS OF INVOLVEMENT
<b>Company</b>	Stakeholders interested in our ability to create value and meet challenges	Shareholders' meeting; Consolidated financial statements and management report; Specific meetings
<b>Governing and supervisory bodies</b>	Subjects that guide and direct our actions enabling us to strengthen leadership	Board of Directors Meetings; General Management Meeting
<b>Employees</b>	Individuals whose daily work ensures that we create value and produce satisfactory results	I - ELT; Intranet; House Organ; Survey; Lean LifeStyle; Volunteering
<b>Customers</b>	Subjects whose needs we are committed to excellently meeting	Communication campaigns; Complaint management; Customer satisfaction surveys; Workshops
<b>Suppliers</b>	Subjects with whom to grow together in pursuit of excellence	Supplier portal; Supplier quality committee; Framework contracts; Survey; Workshops
<b>Defense organizations</b>	Subjects we primarily target offering innovative products	Communication campaigns; Promotion and participation events/initiatives
<b>World of research and education</b>	Subjects with whom we exchange knowledge, experiences and visions	Collaborations, participation Conferences
<b>Credit sector</b>	Subjects that provide us with indispensable services	Consolidated Financial Statements and Management Report; Disclosure on Request
<b>Representative bodies</b>	Subjects with whom we share planning and actions	Participation in working tables; Meetings in the area of labor relations.
<b>External controls</b>	Individuals who accompany us in compliance with various regulatory requirements	Reporting; Disclosure on Request
<b>Public institutions</b>	Persons who, as regulators or subsidizers, influence the development of our activities	Reporting; Promotion and participation in events/initiatives; Permit applications
<b>Third sector</b>	Beneficiaries or partners of our solidarity and cultural activities	Event/initiative organization
<b>Spatial context</b>	Individuals who in various ways interact with the company and are close to it	Participation in territorial technical tables
<b>Media</b>	Subjects that convey information about our activities	Press Releases, Social Networks

## THE ECONOMIC VALUE GENERATED AND DISTRIBUTED

€277.021.883

ECONOMIC VALUE CREATED

€256.080.962

ECONOMIC VALUE DISTRIBUTED

	2020 DATA.	DATA 2021	DATA 2022
<b>Economic value created (EVG)</b>	€ 243.436.092	€ 261.214.467	€ 277.021.883
<b>Distributed economic value (EVD) of which.</b>	€ 233.599.343	€ 257.442.074	€ 256.080.962
<i>Operating costs</i>	€ 160.556.480	€ 172.327.555	€ 164.262.161
<i>Structure costs</i>	€ 22.090.530	€ 25.386.826	€ 29.149.927
<i>Production costs</i>	€ 125.338.875	€ 135.961.714	€ 120.999.726
<i>R&amp;D costs</i>	€ 13.127.075	€ 10.979.015	€ 14.112.509
<b>Remuneration of employees of which</b>	€ 64.773.417	€ 68.213.687	€ 73.012.975
<i>Physician and Nurse Practitioner</i>	€ 137.669	€ 152.347	€ 163.830
<i>Health emergency Covid-19</i>	€ 201.597	€ 121.473	€ 86.230
<b>Gender Equality Project</b>			€ 4.400
<b>Electric car charging stations</b>			€ 25.032
<b>Travel Risk</b>			€ 71.400
<b>Remuneration of lenders whose</b>	€ 5.170.469	€ 11.367.746	€ 13.358.143
<i>Dividends</i>	€ 5.074.081*	€ 11.280.000	€ 13.126.153
<i>Financial institutions</i>	€ 96.387	€ 87.746	€ 231.990
<b>P.A. remuneration.</b>	€ 2.977.573	€ 5.421.470	€ 5.247.954
<b>Contributions to the community</b>	€ 121.403	€ 150.465	€ 199.728
<b>Economic value retained (EVG-EVD)</b>	€ 9.836.749	€ 3.772.393	€ 20.940.921

The values reported were prepared on the accrual basis.

# COMPANY PROFILE

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20 HISTORY AND PRESENCE  
IN THE WORLD

22 TARGET MARKET, PRODUCTS  
AND SOLUTIONS

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*Our growth is strongly linked to dedicated investment in technological research to achieve increasingly sustainable solutions in the Defense*

## HISTORY AND PRESENCE IN THE WORLD

*ELT Group has been designing and implementing cutting-edge proprietary technology solutions for **Electronic Warfare**, **Electronic Defense**, for more than 70 years, supporting the Armed Forces of more than 30 countries around the world in securing crews and platforms with solutions that anticipate new threats and capture key technology trends.*

The company's growth has always been linked to a European model of Defense, both in the inspiration of its core values and concretely through its participation in major continental industry consortia and to the research programs of the **European Defence Agency**.



Through a process of continuous growth in size and credibility, ELT Group has become the parent company of an international and integrated Group operating in the areas of Defense, Security and Cyber. Throughout this long history, the core business has been enriched and strengthened by new skills and capabilities, but the company has expanded skills and possibilities by acquiring new assets, entering new markets, such as Biodefense, generating new value by creating successful partnerships, and inaugurating newco's in strategic sectors.

The ELT Group also benefits from the presence of two additional key components: the German ELT GmbH and CY4Gate. The former, a wholly owned German subsidiary and recognized niche of excellence in Homeland Security, the latter listed on the Italian Stock Exchange's AIM and specializing in the domain of Cyber Intelligence and Cyber Security.

The constant search for innovation and a careful vision on technological trends have been the beacon of the company's actions, together with the focus on proprietary technologies, and the ability to anticipate future challenges with intense R&D activities to which about 11 Mln euros are allocated each year and more than 14 in 2022.

This focus has been able to translate into sovereign technologies as a benefit for the country and our allies as well, enriched by the ability to rely on enabling solutions, paradigms and advanced technologies, including Artificial intelligence, Digital Twin, whose contribution is also considerable in terms of sustainability.

Eng. Filippo Fratolocchi senses the potential of the electronics sector. The company acquires significant orders, initiates studies and experiments to stay ahead of the curve

**1951**



**1972**

Inauguration of the new and current headquarters on Via Tiburtina Valeria in Rome

Elettronica GmbH is born

**1978**



**2014**

Elettronica S.p.A. and Expert System create Cy4gate

70th Anniversary

The year 2021 has resorted to a special anniversary for Elettronica S.p.A.: At the beginning of the year we launched the company's 70th anniversary celebration, celebrated by the claim **"A story made of future."**

**2021**



### ELT GROUP

#### Elettronica S.p.A.

Benigni S.r.l. 35.34%, Leonardo S.p.A. 31.33% and Thales S.A. 33.33%.

**ELT GmbH:** Established in 1978, active in the field of Homeland Security. It is headquartered in Meckenheim, Germany (wholly owned subsidiary).

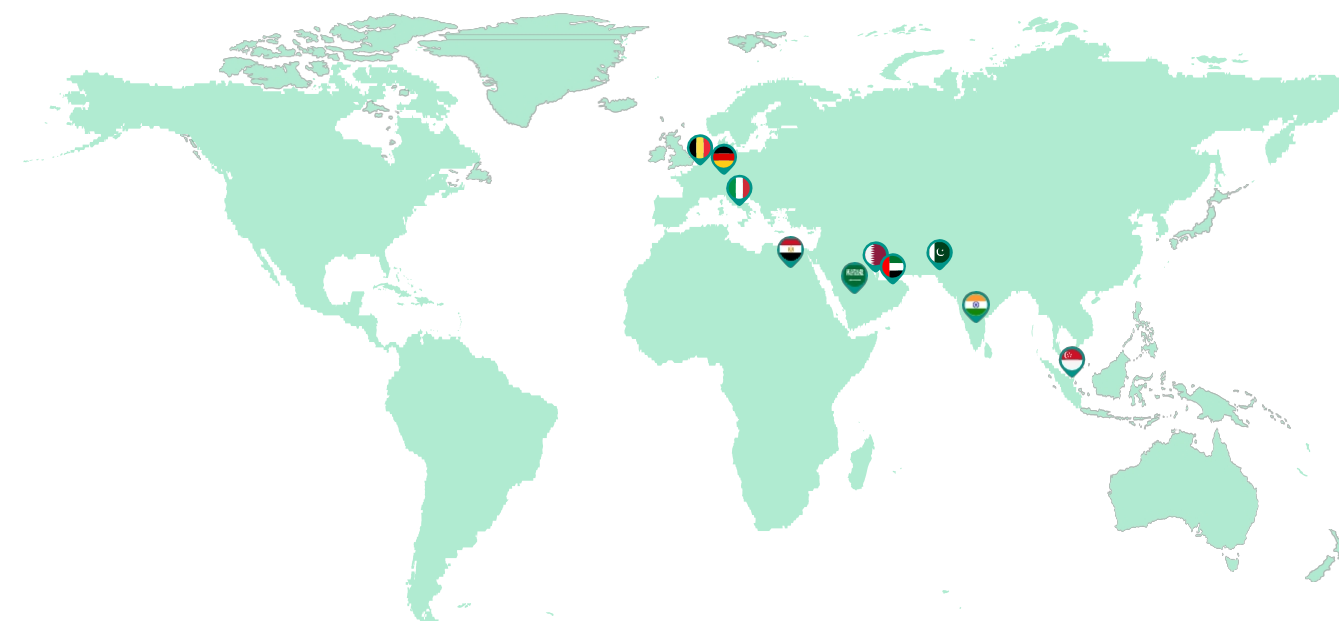
**Cy4gate:** Deals with Cyber Electronic Warfare, established in 2014 when Elettronica S.p.A. decided to expand its area of expertise, together with the company Expert System. It is headquartered in Rome. Listed on AIM since June 2020 (53.96 percent subsidiary).

**10**



**ELECTRONIC FACILITIES IN THE WORLD**

ELT Group has a worldwide presence with **10 facilities including branches and representative offices.**



## TARGET MARKET, PRODUCTS AND SOLUTIONS

ELT Group researches, develops and manufactures electronic defense systems for avionics, naval, land, cyber and urban security solutions, using proprietary technologies and directly controlling the entire supply chain.

The company's expertise covers all aspects of ELT Group defense-in the radar, infrared, and COMM bands-in the naval, air, and land domains, including Cyber EW, Cyber Security, and Cyber Intelligence applications and related logistics operational support, including training and Academy.

### HISTORICAL CORE BUSINESS

Radar-band electronic defense is the company's historical core business and is the result of extensive experience, recognized worldwide. ELT Group designs, develops and manufactures:

**ESM - Electronic Support Measures:** systems that can intercept, identify and locate radar transmitters by accurately measuring their parameters.

**ELINT - Electronic Intelligence:** systems capable of performing in-depth analysis on broadcasters of interest, detecting every detail.

**RWR - Radar Warning Receiver:** tools designed to detect and identify early on issuers that pose a potential threat.

**ECM - Electronic Countermeasures:** systems capable of countering radar emitters in the electromagnetic spectrum.

**EO/IR AND COMM** Since 2007, ELT Group has expanded and consolidated its portfolio of solutions in the electromagnetic domain covering Infrared and Communications.

### CYBER

It then developed for its Clients, in close collaboration with CY4GATE, a unique intelligence and operational capability in the cyber domain, using the electromagnetic spectrum as a carrier and orienting all its systems to cyber resilience.

In the area of **Self-Protection**, the most recent innovations include:

- the evolution of the **ADRIAN Anti Drone** system, created to counter the new mini- and micro-drone threat now available in the Snow Leopard mobile version and the Nadir civilian version
- the **Tactical EW Suite (TEWS)** for border surveillance and protection; new solutions new underwater manned and unmanned
- the **Zenithal Jammer**, the company's first solution in the Space EW segment for support in military and civilian operations.

€288.079.833

INCOME 2022

### ECONOMIC PERFORMANCE

	VALUE 2020	VALUE 2021	VALUE 2022
<b>Volume of orders</b>	€ 113.377.335	€ 292.662.066	€ 288.079.833
<b>of which by geographical origin (Italy, Extra Europe) volume and %</b>	Italy: € 43.216.087 (38%)  Europe: € 37.454.920 (33%)  Extra Europe: € 32.706.328 (29%)	Italy: € 105.106.863 (36%)  Europe: € 154.408.099 (53%)  Extra Europe: € 33.147.105 (11%)	Italy € 76.489.944 (21%)  Europe € 71.118.088 (20%)  Extra-Europe € 210.765.106 (59%)
<b>Total Expenditure on Research and Development</b>	€ 13.127.075	€ 10.979.015	€ 14.112.509
<b>of which self-financed</b>	€ 13.127.075	€ 10.979.015	€ 14.112.509
<b>Value of payments to suppliers</b>	€ 164.680.000	€ 158.392.000	€ 176.934.000
<b>Production value</b>	€ 233.085.281	€ 259.292.907	€ 256.330.589
<b>Dividends distributed during the course of the year</b>	€ 13.906.000	€ 11.175.000	€ 11.280.000
<b>Net result</b>	€ 14.910.830	€ 15.052.393	€ 34.067.074
<b>Net available resources (debts)</b>	€ -9.817.062	€ 22.225.740	€ 57.463.148

# ETHICS AND MODEL OF GOVERNANCE

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26 GOVERNANCE STRUCTURE

31 BUSINESS RESPONSIBILITY

28 RESPECT FOR STANDARDS AND HUMAN RIGHTS

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*We direct our everyday work toward tools and systems that nurture conscious and sustainable choices, to prevent and govern the impacts of our actions*

## GOVERNANCE STRUCTURE

*In a strongly changing context, we have renewed in our actions the ability to present ourselves as a resilient and forward-looking company. We have built a solid governance and organizational model capable of guiding the company on a path of change that places ethics and sustainability at the center.*

### THE BOARD OF DIRECTORS

**12 components, including 4 women and 3 < 50 years old**

Has executive role and broad independence, with broad mandate from shareholders upon appointment.

	2020 DATA.	DATA 2021	DATA 2022
No. components	12	12	12
No. independent components			
No. components between 30 and 50 years old	3	3	3
No. components > 50 years old	9	9	9
No. of female members	4	4	4

NAME	CHARGE	DATE OF FIRST APPOINTMENT
Enzo Benigni	President and Chief Executive Officer	18.05.2022
Domitilla Benigni	Chief Executive Officer and General Manager. Holds specific proxies on the company's long-term strategies, innovation, sustainability, and profitability.	18.05.2022
Roberto Turco	Vice President and Chief Financial Officer	18.05.2022
Enrico SAVIO	Councilor	18.05.2022
Philippe DUHAMEL	Councilor	18.05.2022
Marco PADELLA	Councilor	18.05.2022
Gabriele GAMBARARA	Councilor	18.05.2022
Alessandra GENCO	Councilor	18.05.2022
Julie KAITHRINE	Councilor	18.05.2022
Hervé DAMMANN	Councilor	18.05.2022
Andrea PARRELLA	Councilor	18.05.2022
Nathalie RAVILLY	Councilor	18.05.2022

Enzo Benigni, Domitilla Benigni, and Roberto Turco are the only members of the Board who have operational powers.

### FUNCTIONS AND TOP MANAGEMENT

**11 corporate functions reporting directly to the Chief Executive Officer and General Manager.**

**Operational Excellence & Process Improvement**, led by **Maria Giovanna Addario Chieco**, aims to represent and protect the Client's requirement in the performance of all contractual activities, supply of Products and Services and internal processes pertaining to

**Engineering & Operations**, under the responsibility of **Simone Astiaso**, thanks to an integrated and systemic vision of all operational areas, ensures the development of a more incisive capacity to streamline the company's main operational flows

**Administration & Control**, headed by **Amaury Choppin**, supports the Executive Board in making strategic and management choices related to economic, financial and budgetary policies, ensuring short-, medium- and long-term planning

**Future business - Tempest, EFA, EVO & Public Financing**, led by **Alberto De Arcangelis**, coordinates functional actions to achieve objectives on major consortium programs and Italian and International Funds

**People, Communication & Asset Management**, under the responsibility of **Massimo de Bari**, presides over the company's administration, personnel management and development, occupational health and safety, and external and internal communications, supporting it in spreading the culture of Social Responsibility and Sustainability.

**Global Sales & Business Development**, headed by **Paolo Izzo**, proposes and implements strategies to enter new markets and consolidate in already active ones, promoting agreements and collaborations and enhancing activities in foreign representative offices

**Strategy, Innovation & Transformation**, under the leadership of **Gianni Maratta**, aims to build the company's Strategic Business Plan, integrating it with the medium- to long-term technology plan, aiming at the development of disruptive innovation

**Programs**, headed by **Luciano Notarantonio**, ensures compliance with contractual commitments with effective end-to-end program management, guaranteeing results and profitability in line with business objectives and with full customer satisfaction

**Legal, Corporate Affairs & Security**, led by **Lavinio Perotti**, oversees and protects corporate interests through analysis of agreements and contracts as well as compliance with current national security and trade compliance regulations

**Planning & Risk Management**, led by **Ermanno Petricca**, takes care of the business planning process by leveraging innovative ways of working, thanks to the ongoing digital transformation, and presides over the process of business risk analysis and management according to methodological best practices.

**Governmental & Institutional Relations**, led by **Lorenzo Benigni**, handles top-level interlocutions toward Italian and international institutions.

## RESPECT FOR STANDARDS AND HUMAN RIGHTS

*Legality, ethics and respect for human rights are indispensable principles guiding the behavior of all the people who work to pursue the goals of the company, which has adopted tools and processes capable of translating principles and ethical visions into concrete operations.*

### TOOLS FOR PROMOTING ETHICS

Stable, lasting relationships that benefit the company and its stakeholders are made possible through the adoption of the Code of Ethics and its extension to partners and suppliers, who have a Code of Ethics dedicated to them.

The **Code of Ethics** is one of the tools through which to ensure fairness and effectiveness in decisions, actions and behavior. Updated and approved in 2017, it is distributed to all staff upon hiring.

Through specific clauses included in contracts and agreements, ELT Group guarantees adherence to the values and principles contained in the Code of Ethics by suppliers, partners, and professionals tasked with promoting business in foreign territories.

### PROCEDURES AND SYSTEMS TO ENSURE TRANSPARENCY AND LEGALITY

The traceability of acts, processes and operations and the accountability of the company ensure the integrity and fairness of decision-making processes, complying with general and industry laws through the adoption of specific internal procedures and systems.

The **internal rule on the decision-making process and delegation system** aims to ensure effectiveness, efficiency and fairness in decisions affecting the company, including through the participation of multiple parties at different stages of the process. Internal decisions are distinguished by type of business operation and economic value, and for each type the persons responsible for authorization, issuance, preparation and approval are identified, each with the relevant responsibilities.

The **management of accounting and fiscal transparency** is carried out through a process that ensures compliance with current civil, accounting and tax regulations and clearly defines the tasks, roles and responsibilities of the actors involved.

- The **Chairman and Managing Director**, as well as the second Managing Director, with corporate signature and Legal Representation, individually exercise all powers reserved for the administrative body, with the exclusion of matters requiring a majority vote of the Board of Directors (Major decisions).
- The **vice president**, an office conferred by the board of directors (BoD) with corporate signature and Legal Representative, operates with the powers reserved for the Chairman in the event of his absence or impediment, and the same Vice Chairman has also been appointed by the Board of Directors as Senior Financial Manager and, in this capacity, handles relations with Shareholders, Directors and professionals in charge of auditing the Financial Statements and providing legal and tax assistance. In his capacity as delegate, he is responsible for keeping the accounts for statutory and tax purposes and the related mandatory corporate books; he can also take all appropriate measures to ensure compliance with the provisions governing the above activities, including internal organizational directives.
- The **director of the Administration & Control function**, reporting directly to the Executive Board, ensures. The correct application of statutory, accounting and tax regulations on financial statements and corporate activities, using the Accounting & Taxes area and its collaborators.

- The **Board of Statutory Auditors**, appointed by the Shareholders' Meeting, monitors compliance with the law and the Articles of Association, in accordance with the principles of proper administration.
- The **Auditing Firm**, appointed by the Shareholders' Meeting, certifies the Company's and consolidated financial statements, and underwrites the Company's tax and contribution statements.

Through the **Governmental Security (GS) and Trade Compliance (TC) Management System** adopted in 2020, ELT Group ensures compliance with regulations on the management, use and custody of classified information for Governmental Security - national security, NATO, EU and OCCAR and other countries with which contractual relations are established - as well as European and national regulations regarding the offer, supply and handling of both military material (Munition Goods) and Dual Use material (Dual Use Goods) - so-called Trade Compliance -, thus contributing to the protection of national security and the Company's assets in adherence to the UNI - 10459 standard.

Based on the specific annual objectives to be pursued under the corporate policy of Governmental Security and Trade Compliance, monitoring and auditing activities are carried out on all business processes. Implementation of the company's information systems (PLM - ERP - CRM) allows intercepting and tracking any non-compliance before it becomes apparent and turns into violations of current regulations, allowing timely remedial action.

Since 2018, an annual training campaign on GS and TC has been launched involving the entire company, with training pills made available and usable on the company intranet and specific classroom sessions. Moreover, on December 21 of the same year, an application was filed with the Ministry of Foreign Affairs and International Cooperation to obtain the European Certification in accordance with Article 9 of Directive 2009/43/EC for as applied by Article 10-sexies of Law No. 185/1990: this Certification establishes the reliability of the company for its ability to comply with restrictions on the export of armament materials.

DEGREE OF COVERAGE AND EFFECTIVENESS OF THE GS&TD SYSTEM	2020 DATA.	DATA 2021	DATA 2022
Standards/procedures incorporated and/or modified in the systems	26	9	1
<b>To ensure compliance</b>			
<b>Contractual measures taken to minimize risks and industry regulatory breaches</b>	0	9	9



**RESPECT FOR HUMAN RIGHTS**

ELT Group's commitment to respect for human rights is evidenced by the attention that is paid to People, at the center of every business process and every relationship: within the company - employees - and externally - suppliers, customers and partners.

Respect for human rights is explicitly recognized in the Code of Ethics and is based on the principles expressed in the United Nations Universal Declaration of Human Rights and the Conventions of the International Labor Organization (ILO), the OECD Guidelines, and the Charter of Fundamental Rights of the European Union.

**Respect for human rights in human resource management**

As an employer, ELT Group guarantees working conditions in accordance with applicable laws and regulations and promotes treatments in addition to the minimum regulatory requirements.

Aware of the different needs of people, it promotes a fair work-life balance, ensures fairness and equal opportunities for all workers, combats all forms of discrimination and is committed to maintaining a work environment free of all forms of violence or harassment. ELT Group recognizes the freedom of association for the defense and promotion of workers' interests, the right to be represented by trade union bodies or other forms of representation, and collective bargaining as the preferred tool for determining the contractual rules and conditions of its employees.

In addition, work is done every day to build healthy and safe working conditions and promote the spread and consolidation of a culture of safety at work.

**Respect for human rights in supply chain management**

At the start of the prequalification process, the potential supplier must agree to the Supplier Code of Conduct, so as to promote and ensure the sharing and observance of basic human rights principles within its supply chain as well.

Promotion and guarantee of respect for human rights, which is consolidated through the signing of commitments within the contractual framework. ELT Group, in fact, verifies the possession by suppliers of requirements related to the protection of people's health and safety on each and every contract carried out.

Considerable attention is paid to the observance of human rights in supply chain management, despite the knowledge that the supply chain is located in territories and countries not at high risk of violation.

**Respect for human rights in order/customer management**

ELT Group is part of a larger system, that of National Defense, within which it contributes with technologies needed to save lives and defend the country.

Respect for human rights in order/customer management is guided by this sense of ownership and complete adherence to national, European and Western policies, according to Law 185/1990.

New Regulations on the Control of Export, Import and Transit of Armament Materials and the UAMA - Unit for the Authorization of Armament Materials Regulations, define the legal framework within which the company moves to ensure that systems are not exported to countries where significant risks in terms of human rights violations insist. In case of doubtful situations or those characterized by greater complexity, ELT Group consults the Ministries of Defense and Foreign Affairs with which it maintains constant relations.

**BUSINESS RESPONSIBILITY**

*ELT Group's business possesses one big driver: Responsibility. Being responsible implies that everyone, from the newly hired employee to the top-manager, cares about the well-being of the company and thus the achievement of its goals. The success of the individual is the result of the work of all, and the success of all relies on the commitment of the individual.*

Being responsible in conducting business means acting by having a constant tension toward:

- **excellence:** to be pursued in all business processes in order to target continuous improvement goals
- **Integration:** of processes and related solutions to better support end-to-end product lifecycle management and business governance
- **Technological innovation:** to support business processes in order to maintain competitive market positioning
- **involvement:** through listening to stakeholder expectations, with the aim of undertaking initiatives to generate awareness
- **results orientation:** to direct the actions necessary to increase the effectiveness of the management system and prevent negative effects on the business and satisfaction of our stakeholders.

**MANAGEMENT PROCESSES FOR EFFECTIVENESS, QUALITY AND SAFETY**

**Balanced Scorecard**

Translating mission and strategy into a coherent set of performance measures and integrating sustainability dimensions and goals at the strategic level: this is made possible by the adoption of the Balanced Scorecard (BSC).

The **Balanced Scorecard** constitutes the business performance management and monitoring tool aimed at directing Management when assigning annual corporate objectives, so that they are consistently identified, cut across all Functions and able to generate alignment to a common direction and shared vision of priorities throughout the organization.

The adopted BSC model is structured on a dual level: the Corporate BSC, which represents the strategic objectives for each perspective: results, markets, processes and resources; the function BSCs, on the other hand, translate the strategic objectives to the operational level, pegging them to the organization. The BSC's integrated view of financial and non-financial dimensions facilitated the integration of sustainability dimensions and goals at the strategic level.

**4**  
MANAGEMENT SYSTEMS FOR COMPLIANCE, SAFETY AND QUALITY

DEGREE OF COVERAGE AND EFFECTIVENESS OF THE GS&TD SYSTEM	2020 DATA.	DATA 2021	DATA 2022
<b>High-performing KPIs (target met or exceeded)</b>	14 (35,9%)	21 (42,9%)	24 (51,1%)
<b>Mid-performance KPIs (target not met but within tolerance)</b>	3 (7,7%)	7 (14,3%)	8 (16,7%)
<b>Low-performance KPIs (target not reached out of tolerance)</b>	22 (56,4%)	21 (42,8%)	15 (31,3%)

**Identification, monitoring and control of risks**

The implemented **risk management** process involves active input from all stakeholders, stimulating their participation throughout the management process and thus making it a tool for disseminating a shared approach to risk.

During 2022, the Risk Management process was consolidated with the further dissemination in all business components of the methodologies pertaining to it. In particular, in addition to the FMEA (Failure Mode Effect Analysis) methodology, training courses were held on DMAIC (Design Measure Analyze Improve Control) as a method for designing the actions necessary for risk mitigation. Process owners and analysis teams were involved in a series of meetings to monitor the action plan and the evolution of process risks. The process reliability index was 55 percent compared to the target of 53 percent. On the other hand, the program risk analysis involving program managers and their respective teams continues, for which the expected risk reduction effectiveness is 25.39% compared with a target of 25%.



**Quality Management System**

The **Quality Management System (QMS)** is a process that cuts across the company and takes into account the needs of various stakeholders: from company personnel for the creation of an appropriate and life-compatible work environment, to business process integration, to supply chain management, all the way to end customer satisfaction.



Compliance of the Quality Management System is entrusted to internal auditing, carried out through qualified auditors from accredited bodies, undergoing continuous training and updates, and through verification and approval of the suppliers. This enables the dissemination within the company of knowledge of certification standards and promotes awareness of how individual behaviors impact product and service compliance.

RELIABILITY OF QMS	2020 DATA.	DATA 2021	DATA 2022
Quality certified processes ISO 9001:2015 + EN 9100	100%	100%	100%
Nonconformities reported (in internal audits)	29	13	12
No. of corrective actions and % of corrective actions closed (in internal audits)	-	54%	58%
Nonconformities reported on suppliers	5	13	17
No. of corrective actions and % of corrective actions closed (out of suppliers)	5 (100%)	X(100%)	7 (65%)

QUALITY FOUND	2020 DATA.	DATA 2021	DATA 2022
Customer Survey Product	8,2/10	8,3/10	8,3/10
Customer Survey Sales	8,8/10	8,9/10	8,1/10
Customer Survey Logistics	8,3/10	8,4/10	8,3/10
Vendor rating (% compliance with quality requirements)	98%	99%	99%
Product quality index (% of products delivered without Waiver)	Performance 109.00% (final 98.57%)	Performance 103% (final 97.95% with target 97.5%)	Performance 109.00% (final 98.89% with target 97.50%)

INTERNAL AUDITOR SKILLS	2020 DATA.	DATA 2021	DATA 2022
No. of participants in internal auditor training courses.	10	9	21
No. of training hours provided to internal auditors	400	360	24
Certified auditor staff	10	9	2

INTERNAL KNOWLEDGE AND AWARENESS	2020 DATA.	DATA 2021	DATA 2022
Total number of hours of training on Quality System	50	1.520	672
Activated courses on certified quality processes and procedures	2	4	5
No. of course participants	20	98	28

**Information Security Management System and Privacy Management System**

ELT Group implements systematic protection of the data and information it has, through a of Information Security Management System (ISMS) and a Privacy Management System (PMS) placed to defend the confidentiality, availability and integrity of data and information.

Both systems are certified, and their maturity-because they are already structured and in line with the new ISO HLS model-has made it easier to adapt the Information Security Management System to ISO 27701, which extends the controls of ISO 27001 to the Privacy domain.

In order to strengthen widespread awareness of Data Protection issues, ELT Group carries out information/training actions both through traditional modes, which involve classroom presence of participants - and generally carried out on specific topics - and by resorting to e-learning training modules. During 2022, the delivery of e-learning pills on Privacy continued, Induction sessions were carried out for newly hired employees in which the topic was addressed, and specific training sessions were carried out for System Administrators.

RELIABILITY PRIVACY MANAGEMENT SYSTEM	2020 DATA.	DATA 2021	DATA 2022
Average time to close privacy incidents	14,2 h	4,5 h	4,2 h
% corrective and improvement actions implemented according to the Plan	100%	100%	100%

**AWARENESS RAISING OF INTERNAL STAFF ON ESG ISSUES**

A shared organizational culture oriented toward social responsibility and sustainability. ELT Group is strongly committed to these grounds, believing that the sustainability of the company depends on the awareness and contribution of the people who work there.

With the intention of developing greater awareness of ESG issues internally, the company has decided to put in place specific training actions and make them an integral and essential part of the planned training plan for all new employees.

Specifically, 7 video pills have been produced in which testimonials from the different corporate functions accompany colleagues on a journey through the dimensions of ELT Group's Social Responsibility and Sustainability, to understand their meaning and common commitment. The course is compulsory for newly hired employees, who can complete and certify it by accessing the E-learning Platform, and is available to all ELT Group Personnel.

CERTIFIED PROCESSES  
**QUALITY ISO 9001:2015**



**CERTIFICATIONS, LICENSES AND CLEARANCES**

Compliance with current standards, increased effectiveness and efficiency of the entire management system-these are the motivations behind ELT Group's focus on certifications.

**AER(EP) Certificate. P-145**

Approved Maintenance Organization for the maintenance of products on the Capability List and the issuance of relevant certificates of readmission to service

**EN 9100:2018 Certified**

Aerospace Quality Management System

**ISO/IEC 27001:2013 Certified**

- Design, arrangement and delivery of services of: technical management, operational management and monitoring of ICT systems, ICT services and ICT infrastructure
- ICT Security services with the use of a Security Operation Center(SOC) and Computer Security Incident Response Team (CSIRT), through the application of ISO/IEC 27035-1:2016, ISO/IEC 27035-2:2016 and ISO/ IEC 27701:2019 (Privacy Information Management System) requirements and guideline

**CYBER ESSENTIALS**

**UNI EN ISO 9001:2015 certified**

Quality Management System

**UNI ISO 45001:2018 Certified**

Management System for Workers' Health and Safety

**Authorized Economic Operator - AEO**

Issued by the Customs and Monopolies Agency

**Public Safety License**

Management of armament materials, issued by the Prefecture of Rome

**Registration with the National Register of Enterprises (SeRNI).**

At the Italian General Secretariat of Defense, for the import and export of armament material

**NOSI**

Industrial Safety Clearance - issued by the Presidency of the Council of Ministers

# INNOVATION FOR SUSTAINABILITY

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AND WELFARE

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*Innovating is an act of responsibility for us, to ensure sustainable economic and social growth, of Italy and Europe, through technological autonomy, contribution to the advancement of life sciences and security of citizens*

## INNOVATION MANAGEMENT

*The electromagnetic spectrum is the driver, the object of study and application of ELT Group's technology solutions in the field of defense, security of people, assets and information. The company stimulates and supports innovation processes in partnership with qualified parties within the same field of expertise or by integrating with completely different disciplinary fields.*

### PRODUCING INNOVATION: RESEARCH AND DEVELOPMENT MANAGEMENT APPROACH AND MODEL

ELT Group's ability to innovate is based on the knowledge and expertise gained in making the best use of electromagnetic fields and finding unconventional, high-performance and safe technological solutions to serve the Defense sector. Deep attention is also given to urban security and, more broadly, to the safety of people, benefiting the country's economic and social development.

The innovation created in ELT Group consists of distributed, interconnected, cooperating and collaborative Artificial Intelligence and Robotics solutions with applications in space and biodefense, including Cyberspace.



### TECHNOLOGY SOLUTIONS UNDER DEVELOPMENT IN 2022

#### European System on Chip - EXCEED Project

The European project EXCEED (trustEd and flexible system-on-Chip for European Defence), which is within the Preparatory Action for Defence Research calls (PADR-EDT-02-2018), aims to contribute to the autonomy of microchip production in order to build European technological independence through the creation of a European chain of trusted suppliers for the production of flexible, re-configurable and secure System-on-Chip (SoC) devices. A project that was created to provide an answer to the problems for Europe of supplying microchips, i.e., the quintessence of every technological component. The EXCEED family of SoCs is designed to meet challenging requirements derived from complex applications in the defense sector, but also to benefit other national and European industries, such as the automotive, telecommunications, industrial and medical markets, with important benefits for the community. The 3-year EXCEED project is managed by a consortium of 19 companies (including: ST Microelectronics, Indra Sistemas, Leonardo, MBDA, NanoXplore, Thales SIX/DIS) from 7 European countries (Italy, France, Spain, Germany, Poland, Greece, Norway). At present, ELT Group is engaged in the realization of the first silicon run.

#### Solutions for Protection of Location and Navigation Systems - GEODE Project

The GEODE (Galileo for EU Defence) project, which is being developed within the European Defense Industrial Development Program (EDIDP PNTSCC-2019) calls, aims to develop secure modules for the reception/processing/decoding of geolocation signals from the Galileo (European system) and GPS (U.S. system) constellations and receiver antennas that are robust (if not immune) to intentional jamming signals. The development of European know-how that will be generated by the realization of the receiver and antenna prototypes will be very important for the competitiveness of European companies that will be able to make use of these high-performance and secure technologies for the realization of next-generation geolocation systems in many civilian fields such as, for example: transportation and tracking systems for moving goods

(on land, sea, air and self-driving), public safety, scientific analysis and measurement, agricultural activity support, etc...

The GEODE project has a duration of 6 years and is managed by a consortium consisting of 18 companies (including: FDC, Thales AVS/SIX, Airbus, Leonardo, CY4GATE, Thales Alenia Space, Telespazio) from 5 European countries (Italy, France, Spain, Germany, Belgium).

At present, Elettroni is competing with the demonstrator development.

#### The CASTA System: an Artificial Intelligence algorithm against malicious drones

As the potential for drones to be used for all sorts of human activities (from video production, to drug delivery, to use in agriculture) has grown, so too have the potential threats associated with their use for malicious purposes and threats to the security of people and infrastructure. The emergence of this risk has increased the demand for efficient and reliable products to defend against such threats. It is in this context that the ELT Group CASTA system arises, which starting from the video stream in the visible and infrared domains, through the use of advanced Artificial Intelligence techniques allows the detection and tracking of Unmanned Aerial Vehicles (UAV) systems so that it can discriminate between authorized and unauthorized objects. To date, ELT Group is developing Machine Learning algorithms for drone detection and identification

Image-based in the visible.

The peculiarity of such a system is its versatility in the civilian domain. In fact, the CASTA system provides the ability to classify a wide range of potentially dangerous targets that is not limited only to radiomobile systems.

This technology is an optimal solution for public and private security, just think of military zones, government buildings and nuclear sites, and large public places at risk of attack such as stadiums, airports, stations, plazas and markets.

In 2022, the company launched new capabilities for anti-drone, both in the land and naval segments, unveiled in the Snow Leopard mobile version, through a camera that can do both detection and identification and tracking, also using Machine Learning algorithms.

The company will continue to work in light of a multi-domain, multi-platform paradigm shift, which has also been refined through participation in major European defense programs.

ELT Group is investing heavily in sustainability, with a focus also on environmental sustainability, starting with the study of new materials and alloys, the reduction of production cycles, impacts and consumption, ecodesign and design for reuse. Systems, in fact, have performance requirements, but they also have sustainability requirements. A lead-free path for products fits into this groove.

Guided by Digital Transformation, ELT Group has introduced digital manufacturing processes into the product development process, the realization of the multi-domain digital twin (i.e. Digital Twin), which contains all the information of the physical object at the mechanical, geometric and electronic levels. Such a "digital twin" evolves and updates throughout the product life cycle.

#### DIGITAL TWIN

The Digital Twin is the digital twin, i.e., a virtual representation of an object or system, connected to it throughout the entire life cycle, ranging from design, implementation, and support to the end customer. Thanks to the digital twin, an experimental activity can be developed, avoiding the creation of an expensive physical prototype and the problem of its disposal, with an obvious impact on environmental protection. In addition, predictive activity (based on Artificial Intelligence algorithms) can be carried out, which makes it possible to detect abnormal behavior, risks and errors, also minimizing the time to market.

#### SWAP APPROACH - Size Weight And Power

Technological development in recent years has led to the availability on the market of chips that are increasingly small, undemanding in terms of power consumption, and that integrate many functions within them. ELT Group uses these technologies to realize complex systems that employ a limited number of

hardware resources, and thus they are lighter and require less power to run. The environmental impact of SWAP (Size, Weight And Power) systems, i.e., systems that aim to minimize footprint, weight and power dissipation, is identified both in the reduction of consumption energy, as well as in the reduction of natural resources used in electronic components. The generation of ideas and their development is the result of an innovation process capable of capturing and channeling insights that come from the R&I area, from close collaboration with other business functions and with universities, Design Centers, suppliers, European and NATO collaborations. The implementation and maturation of these ideas is accompanied by a model organization that puts in place a defined and articulated process.



**The Research and Innovation (R&I)** area consists of 24 resources who possess deep, cross-disciplinary and always up-to-date skills and have access to an advanced laboratory to carry out testing of the developed demonstrators.

The whole process of idea development and maturation takes place following the model of the

**Design Thinking**, a multidisciplinary approach to identify and develop solutions that transcend the specific problem itself to suggest practices that can bring innovation.

One of the main activities of the group is the **periodic review of the Strategic Technology Plan**, a document that forms the basis of the 10-year Strategic Plan (i.e. referred to as **TENET**), in which the needs for leadership positioning in the Defense market in terms of Capabilities, Products, Functions European Defense-funded Programs are highlighted.

ELT Group strongly believes in the importance of **Technology Scouting Management**, led by the Procurement area and supported by R&I, which proactively contributes to the development of the Strategic Technology Plan through constant monitoring of the technology and product market and interaction between internal and external actors, who are always key players in innovation.

With a view to effectively disseminating, collecting, proposing innovation activities and insights within the 'organization, there is the figure of the **Innovation Builder**, an "innovation facilitator" who harmonizes, communicates and connects research activities among the different business functions involved.

IBs compose integrated teams by topic area and can involve any business function according to the proposed innovation theme.

	VALUE 2020	VALUE 2021	VALUE 2022
<b>No. of Innovation builders</b>	6	6	6
<b>No. of meetings held</b>	18	10	11

**INNOVATION ECOSYSTEM: BUILDING ALLIANCES AND PARTNERSHIPS IN RESEARCH AND DEVELOPMENT**

The innovation process is nurtured by collaboration with universities and research centers, through continuous contamination and virtuous exchange between the high value of knowledge and skills brought to bear by partners and ELT Group's experience, enabling them to be translated into innovative ideas applicable to the company's business.

**OUR PARTNERS**

The company collaborates with Sapienza, Roma Tor Vergata, Roma Tre and LUISS for the activation of internships, also with the CNIT of Pisa - Scuola Sant'Anna and the CNIT of the University Federico II of Naples.

DEGREE OF COVERAGE AND EFFECTIVENESS OF THE GS&TD SYSTEM	2020 DATA.	DATA 2021	DATA 2022
<b>Value of funding allocated to the activity with University</b> (technology orders)	611K	736K	1235K
<b>Value of funding provided to universities for partnership research development</b>	20K	155K	230K
<b>No. patents filed</b>	2*	0	2
<b>No. emerging technologies acquired/developed</b> (at the time when the order-end of the activity is consuntivated)	2 High Energy Fiber Laser, Vircator	3 Metamaterial Cloaking, Vircator, SiP	3 E4Shield, CRPA, AI for drone DRI
<b>No. projects started/ongoing/concluded with universities and research centers and spin-offs</b>	2	3	6
<b>No. of universities involved</b>	2	3	5
<b>No. Research centers involved</b>	0	2	5
<b>No. of spin offs involved</b>	0	0	1
<b>No. of researchers involved</b>		5	10
<b>No. of theses carried out on the commission/collaboration of ELT.</b>	2	4	4
<b>No. of articles/papers that gave visibility to the research</b>	8	4	4
<b>No. of conferences for the dissemination of the innovation developed</b>	2	2	5

**ELT Group is part of EU networks and projects**, to work with key partners and innovation players on new research trajectories, to be ready to face the challenges of the coming years, and to help build a center of technological expertise in support of defense at the European level, to promote, activate and respond to European design opportunities, seizing not only investment opportunities, but especially those for developing and strengthening engineering assets.

**ELT Group is in fact among the 4 Italian companies** participating in the **Global Combat Air Program - GCAP**, the defense program developed in partnership between Italy, the UK and Japan. The Italian team will support the Ministry of Defense in the new concept & assessment phase and demonstration activities of the program. In particular, the team will guide developments through a process of technological transition to the GCAP "system of systems," based on sixth-generation air platforms capable of operating in multi-domain scenarios.

Industry will collaborate with universities, research centers, SMEs and start-ups, benefiting the interchange and growth of national expertise, to direct technological development and, consequently, industrial support.

Together with numerous Aerospace and Defense industries and major national associations (among them AIAD, Federation of Italian Companies for Aerospace, Defense and Security), ELT Group is committed to the Covenant for Skills, to jointly address common challenges (pandemic crisis, green and digital transitions, climate neutrality, Industry 4.0, employment of youth and women).

**OUR EUROPEAN AND INTERNATIONAL PROJECTS**

European projects awarded in 2022, under the funding proposals submitted under EDF - European Defence Fund - WP2021, in which ELT Group participates as a component of the candidate consortia :

- **NAVGUARD:** European Capacity Building Project on Navigation Warfare (EDF2021-SPACE-D-SGNS?).
- **EUROHAPS** - Project for the Development of a Stratospheric Platform (EDF2021-C4ISR-D-HAPS?).
- **AGAMI\_EURIGAMI**
- **ADEQUADE**
- **EICACS**
- **ENGRT**

Project proposals submitted in 2022 and under evaluation are:

- **COSINUS**
- **TIRESYAS**
- **EPICURE**
- **FASETT**
- **SPIDER**
- **REACT II**
- **LATACC**
- **EUROGUARD**
- **E-NASCOS**

**ELT Group participates** in **hubs** to develop and transfer skills and to foster hybridization with other areas.

**It is also part of the Rome Competence Center**, hubs distributed throughout the territory that serve as aggregation points for technology transfer to the business world.

An orientation and training hub, supporting the implementation of innovation, industrial research and experimental development projects. Special attention is paid to the theme of Cybersecurity, addressed in its general aspects and specific thematic declinations: Cybersecurity; Cybersecurity - Space; Cybersecurity - Automotive; Cybersecurity - e-Health.

**ELT Group is part of MIND - Milan Innovation District**, a center of contamination and hybridization, where E4Shield, a solution to inactivate the Covid virus but also other bacteria, was born. To date, there is a component of 15 ELT Group employees in the Health section of this major innovation incubator.

**SAFETY AND WELL-BEING OF THE COMMUNITY**

*ELT Group's innovation and systems are designed and developed to meet current challenges and be ready to handle future scenarios, to protect the safety of the community and to contribute to technological evolution in the biomedical field.*

*The protection of critical infrastructures, such as hospitals, water networks, power plants and, more generally, the security of urban centers is a focus of attention, in a scenario where defense must be thought of and manned holistically and translated into security for the community and security in the life sciences.*

**E4SHIELD**

**The innovative high-tech air protection system that instantly inactivates the virus in the environment**

A technology that was born from an employee's spark of innovation, prompted by a scientific article, using the electromagnetic spectrum for the management of both viral and bacteriological pathogens.



Insight brought forward by an internal working group and through partnership:

- With Luigi Sacco Hospital, which collaborated in creating a functional virus library for future programmability of technology for new epidemic threats
- with Virostatics, at whose laboratories aerosol tests aimed at validating the efficacy of the E4Shield technology were carried out, which was shown to be effective in more than 90 percent of aerosol cases. Future collaboration plans to continue scientific research to program E4Shield technology against new viral pathogens, respiratory viruses, and bacteria
- with the Scientific Department of the Celio Military Hospital, which tested E4Shield technology, initially in "proof of concept" experiments in the laboratories of the Scientific Department of the Policlinico Militare in Rome, identifying the range of operation for the purpose of SARS- CoV-2 virus inactivation. In addition, the scientific referees at Celio viewed the results carried out at Virostatics laboratories, ascertaining the scientificity of the protocols used.
- UCBM for verification inactivation bacteria that exploit aerosol as a diffusion medium (Legionella and Pneumococcus)

**SECURITY AND URBAN DEFENSE: ANTI-DRONE TECHNOLOGY**

Drones are undoubtedly a great benefit to society, industry and people. This is because they can enable, in individual or collective use, remotely piloted activities to be carried out with greater efficiency and safety. However, they can also represent, due to their extreme availability, a threat easily accessible to the wrong hands.

ELT Group's anti-drone system was created to counter the potential dangers of remotely guided vehicles in both operational and urban environments. Dedicated precisely to security in civil environments is NADIR (Networked Anti Drone Interception Recognition), the anti-drone for the protection of urban environments, large events and critical infrastructure. This technology detects, recognizes and neutralizes the threat through jamming techniques tested specifically for the urban environment, when allowed by operational conditions and regulations.

In the anti-drone field, over the past two years ELT Group has developed a new sensor to improve the ability of its systems to detect and track UAV systems, even very small ones.

The sensor is based on well-established technologies in the automotive environment, and data processing carried out in-house. Thus, this sensor contributes to improving the efficiency and effectiveness of anti-drone systems for the protection of urban environments and civil infrastructure.

The company has also brought its expertise in the topic of countering malicious drones to the European arena, specifically within the JEY-CUAS (Joint European System for CUAS) project, a program for European anti-drone configuration. Its purpose is to cover detection, monitoring, classification, identification, threat assessment and, where necessary, neutralization of the threat itself. The system aims for modularity, scalability and interoperability in Urban Protection, Moving Asset Protection and Strategic Asset Protection scenarios.

#### TECHNOLOGIES FOR THE SECURITY OF SMART CITIES

By participating in MIND's Federated Innovation project, ELT Group is part of a large innovation ecosystem that can serve as a catalyst for opportunities for the country's socio-economic growth. The primary goal is to establish new innovative communities that serve as exemplary models for the world's future urban regenerations.

Through a 360-degree innovation project, MIND promises to become a new urban acceleration factor, able to connect not only to the downtown Milan community, but to constitute a strategic area for the entire country. As part of its participation in the project, ELT Group is experimenting with control systems that can ensure **greater city security** through facilities to detect and monitor threats and abnormal situations.

Specifically, through the use of combined Artificial Intelligence, Machine learning and Blockchain technologies, ELT Group is working on the possibility of real-time, digitized analysis of video streams collected from critical points in cities, enabling human and object recognition and classification, for the detection of abnormal behavior. The goal is to create an **automated system for surveillance of large areas that does not require human intervention**.

Such a system is designed to provide alert signals in the presence of abnormal situations and to monitor and scan scenarios to see if critical issues are present. The ultimate goal is to create a centralized video surveillance system with **minimized human effort**, which through the use of Artificial Intelligence techniques is able to monitor as many operational scenarios simultaneously.

Specifically, ELT Group has been pursuing a study related to the use of **Machine Learning** techniques to identify specific critical actions, performed by one or more subjects, based on data extracted from IoT sensors. Such data can be extracted remotely, such as video, radar tracks or other wireless methods, or recorded directly on the subject by equipping it with customized hardware.

This technology will enable the operator to have a view of scenarios as detailed as possible and enriched by graphical artifacts provided by Artificial Intelligence models. The application of blockchain solves the problem of secure and reliable communications.

#### BIOMEDICAL AND ADJACENT SECTORS

Expertise in electromagnetic spectrum management is finding application in many civilian fields, including biomedical and public health and safety. To develop this potential, ELT Group has signed an agreement with the UniCampus Biomedical Campus (UCBM) to make expertise and technologies available to UCBM researchers and pursue new joint research projects.

The agreement was created to affect the sectors with the greatest potential for innovation, from a scientific and technological perspective, playing a leading role in the country's technological growth. **Robotics, intelligence**

**artificial and CyberSecurity**, are in fact the themes underpinning the agreement involving ELT Group and its investee CY4GATE.

One of the planned experiments involves the development of systems for monitoring the biometric and behavioral conditions of patients in biomedical settings, using advanced Data Analytics and Artificial Intelligence techniques. In this way, the goal is to ensure greater safety and responsiveness of intervention in the event of a decline in patients' health conditions in hospital scenarios. This results in a strong reduction of human effort and a consequent efficiency of the monitoring system.

It is thus possible to classify patients' behavioral conditions using the video stream provided by fixed or mobile cameras placed at appropriate critical points, using this information as input for advanced Machine Learning models, ensuring very short response times in emergencies.

This approach can be further extended to topics such as modern health care-assisting the interaction between patients and medical staff-and rehabilitation applications, guiding patients through their rehabilitation training, potentially leading to faster recovery and ensuring the acquisition of accurate information regarding the patient's response to treatment.

Within the civilian biomedical sector, the company is developing innovative microwave technology solutions with the goal of countering viral pathogens such as Sars-CoV-2 by providing an additional protective tool that is able to inhibit the suspended viral load present within Aerosols.



## STEM CULTURE

### RELATIONS WITH UNIVERSITIES AND SCHOOLS

Through curricular internships (aimed at the development of the dissertation) or extracurricular ones, directed at facilitating entry into the world of work, ELT Group offers the opportunity to experience a stimulating industrial context within which to apply the knowledge acquired in one's academic career.

The trainees and researchers come from the following universities:



Extracurricular internships are aimed at graduates (no later than 12 months after the activation of the internship) seeking their first work experience or people who have attended a master's program, for whom the internship is activated both as a completion of the course and as a way of approaching work.

For the benefit of Technical Institutes, company visits are organized and, as part of a school-to-work alternation course, a week-long work experience within the production departments (particularly in the Microwave Department) is possible during the school year.

The main institutions on the Roman territory involved:

- I.T.I.S Enrico Fermi
- I.T.I.S Armellini
- I.T.I.S G. Cardano

### WOMEN4CYBER

Women4Cyber Italia (W4C IT) is an association promoted by Domitilla Benigni, Rita Forsi and Selene Giupponi together with Professor Paola Severino, its Honorary President.

It represents the Italian chapter of the European Women4Cyber Foundation of the same name, established in January 2019 within ECSO "European Cyber Security Organization," with the aim of closing the gender gap of cybersecurity professionals at the European level.



W4C has the support of the European Commission and, in particular, Mariya Gabriel, EU Commissioner for Innovation, Research, Culture, Education and Youth.

W4C Italia intends to commit itself to spreading culture in the area of cyber risk awareness and to activate initiatives to bridge the gender gap in the sector, including by entering into collaboration agreements with universities and research centers, conducting webinars on topical and important issues, training initiatives, meetings with Role models, and promoting Scholarships.

The Association has also recently established a technical-scientific committee with prominent personalities to support the Association's initiatives with studies, research and updates on cyber issues.

Women4Cyber can also count on prestigious honorary members to correspond to the needs of the cyber world, which, like digital in general, needs numerous contributions in terms of knowledge and skills so that its development benefits from different sensibilities and multiple personal contributions.



# OUR PEOPLE

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AND SKILLS

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AN OVERVIEW

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*Attention to people is the cornerstone of the corporate culture and the main focus of every action: in the corporate strategic vision and in everyday working life*

## PEOPLE, VALUE AND SKILLS

People represent ELT Group's highest value, a value that is constantly nurtured and enhanced in the life of the company in terms of both professional and personal growth, through training and skill enhancement paths and tools

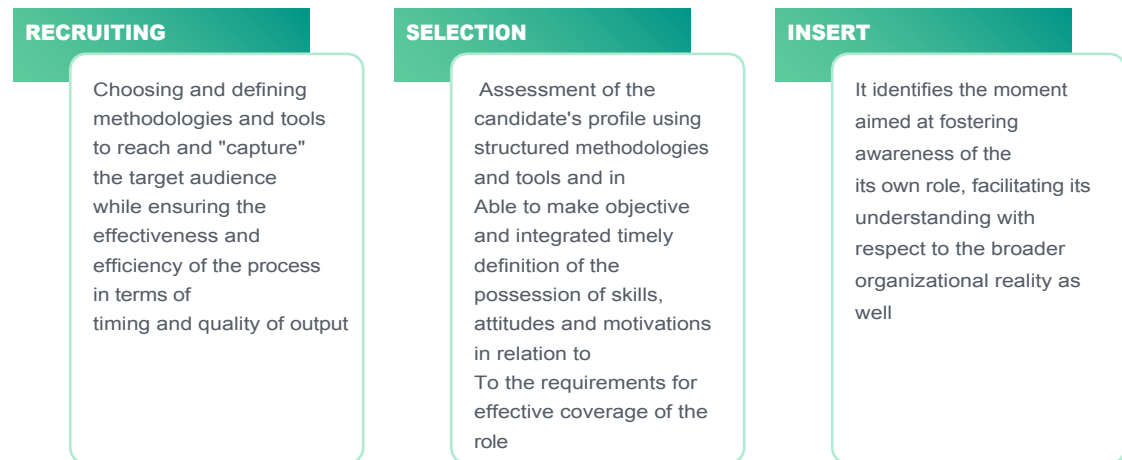
evolved life work balance.

### HIRING POLICY AND PATHWAYS TO INCLUSION

**Skills, motivation, attitudes, and compatibility with ELT Group's vision and values:** these are the elements guiding selection to welcome people who want to start on a path of growth professional and contribute to ELT Group's excellence, in line with its core values.

The Recruiting & Selection process ensures constant alignment between the company's development strategies and human resources, which cover both the entry and induction of new hires and the care of employees and their enhancement through internal mobility and personal and skills growth.

### The operational steps of the Recruiting & Selection process



In ELT Group induction means attention to new hires, and transfer of all the tools and information to feel autonomous, aware of their role and part, from the start, of an organizational culture that has a specific focus on a sense of belonging. **I-ELT** is an **Induction training** process that starts with the welcome day at which new hires meet the HR team to have

a comprehensive overview of corporate life and the main tools and rules of corporate life, but also to transfer the values of the company and start a collaborative and constructive journey right away.

In the first three months of induction, moreover, the newly hired employee participates in the cycle of **On-boarding** meetings, during which he/she comes into contact with the contact persons of the different areas of the organization, gaining insight into its articulation and purposes of the various structures. Finally, six months after hiring, a follow up is scheduled between the newly hired employee and the HR area, to gather initial feedback and useful cues to better and further direct his or her placement, also supporting his or her motivation through Any improvement actions.

### TOOLS TO ENHANCE SKILLS AND RECOGNIZE EVERYONE'S CONTRIBUTION

**Competency enhancement** finds its anchor in the **Talent Management process**, which encompasses multiple steps and helps create a unique assessment and growth path for each individual resource.

**People review** meetings-meetings on a semiannual basis between facility managers and HR-represent the central moment in the process in which the situation regarding human resources in the various business areas is examined. Among the evidence gathered, a crucial role is played by the **internal skills assessment, which starts with** a moment of employee self-assessment aimed at generating awareness, followed by an evaluation by the manager aimed at identifying improvement actions to put in place or to define professional growth paths to ensure that the role always matches the skills possessed.

The assessment of competencies is complemented by the assessment of each resource's contribution in achieving the company's goals and results. This is done through the **Performance management Process** that translates the objectives defined at the Company level into individual goals assigned to all levels - in the goal setting phase. On these, a formal evaluation of results takes place through a meeting between manager and employee in the performance appraisal phase. The performance management process makes it possible to gather possible evolutions of individual resources consistent with organizational and business needs and to provide the elements useful for defining subsequent individual development actions.

The **Critical Position Assessment System** makes it possible to periodically identify key corporate positions and implement strategic resource planning to ensure alignment between roles and skills. On this terrain, **Training** represents a fundamental lever that for specialized topics takes place through the **Corporate Academy**, whose purpose is to improve the knowledge of resources on Program Management and EW topics, as well as to create a virtuous system of know-how management with the enhancement of senior professionalism.



ENHANCEMENT OF SKILLS AND SUPPORT FOR PROFESSIONAL GROWTH	2020 DATA.	DATA 2021	DATA 2022
Total hours of training provided	23.540	30.000	33.000
Average hours of training per employee	31,4	about 24	24,6
No. Evaluations carried out frequently every 18 months	65	45	35
No. plans directed at filling professional skills gaps	65	0	n.d.
No. Individual plans directed at bridging behavioral skills gaps	65	45	>50
Effectiveness of training interventions on key programs (scal 1 min - 6 max)	5,3	5,5	5,4
Learning test results for pathways on vocational skills	16 people certified FMEA Design; 85 people have reached the level of English proficiency according to the European scale; 10 people recognized as auditors	14 PMP-certified people; 15 IPC-certified resources; 41 resources on EMAR skills; 95 resources achieved target level of English; 9 people certified ISO auditor; 3 people certified H&SE	10 people certified PMP; 25 resources certified IPC; >60 resources on EMAR skills; >80 resources have reached target level of English; 3 people H&SE certified
% employees involved in the internal mobility plan	18%	9%	12%
No. Key Positions Mapped	45	35	70

The **Performance Award** is an important recognition of the contribution of all people to the achievement of the goals set for each person and in each business area.

The bonus is agreed annually with the Unit Trade Union Representatives, constructed with indicators and parameters that can be constantly monitored and verified, and finalised and redistributed to staff in the year following the year of reference.

If the bonus has the requirement of incrementality in the results achieved, it can benefit from the preferential taxation provided by the regulations, and the employee can choose to convert it to welfare and then spend it on the goods and services available within the Flexible Benefits Enjoy Life Time Plan adopted several years ago.

PARTICIPATION IN BUSINESS RESULTS	2020 DATA.	DATA 2021	DATA 2022
Average value of performance bonus	2,470 euros	1,297 euros	2,938 euros
% amount of premiums converted to welfare	12,6%	Not applicable	15,2%
No. of meetings held with RSU to monitor and identify corrective actions to achieve results	3	3	3
Weight of the performance bonus within the Total Reward Statement.	5%	5%	5%

Another initiative that supports employees in the pursuit of goals is the **Lean Lifestyle project**, developed in 2018 and still active and successful today, which helps to achieve an optimal balance between personal private life and to develop an effective model of the individual/company relationship.

The project has increased the level of information sharing and employee engagement, which is also noted in ELT Group's certification as a Great Place to Work.

## HEALTH AND WELL-BEING OF PEOPLE

*Occupational health and safety is a priority: the ELT Group is committed to these fronts through an internal organization equipped with the appropriate technical skills, resources and tools so that the verification, assessment and management of risks are carried out to the highest standards. You work in a welcoming environment that fosters personal relationships among colleagues by stimulating a sense of corporate community and encouraging work-life balance through flexible management of work activities and a policy that is always attentive to people's needs.*

### THE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Work and safety are key words for ELT Group, closely related to each other. The company supports all activities necessary to ensure that work organization and operational aspects are carried out in a way that safeguards the health of workers, aiming to achieve high levels of safety and health, based on compliance with current regulations.

The Occupational Health and Safety Management System (SGSL), in accordance with the new international standard UNI ISO 45001, ensures the integrated and organic management of Safety aspects in all company organizational areas and the pursuit of continuous improvement.

The System provides coverage for all workers, under any form of contract, including trainees, as well as consultants and suppliers working in the company or on behalf of ELT Group at other sites. Risk assessment (VDR) and accident investigation is carried out in accordance with the provisions of Legislative Decree 81/08 by suitable personnel based on the prescribed skills and training.

At the Risk Management level, the risks (by category) and related H&S safeguards provided within the System in use are identified.

Workers are educated about internal rules in case of emergency and how to alert rescue and expert personnel and the recommendation not to operate in a situation of serious and immediate danger.

Workers' Safety Representatives (RLSs) are consulted on the system's objectives, performance and audits in accordance with the specific procedures and regulations.

Formal meetings are also promoted, at least once a year, on specific highlighted issues. The **Health & Safety** function, which has a proprietary standard for declaring products safe, is also responsible for ensuring the safety of the product, bought and sold, with careful analysis of compliance with applicable mandatory regulations.



**0**  
INJURIES  
ON THE WORK.  
HIGH CONSEQUENCE

EFFECTIVENESS OF HEALTH AND SAFETY MANAGEMENT SYSTEM - SGSL	2020 DATA.	DATA 2021	DATA 2022
Number of deaths due to occupational injuries	0	0	0
Number of high consequence occupational injuries (excluding fatalities)	1	2	0
Number of work-related injuries	7	15	10 (15 if also considered on the way)
GG accidents at work	216	303	87 (162 if commuting injuries are also considered)
Main types of occupational injuries	Cutting with scalpel Contagious Covid-19	Covid-19 Counts	Covid-19 Counts
Occupational injury frequency index <small>F = No. of accidents x 1000000 h worked</small>	2,04	11,71	7,51
Occupational injury severity index <small>G = No. days lost x 1000000 h worked</small>	0,166	0,24	0,07
Occupational injury severity ratio	0,29	0,4	0,11
Number of hours worked	1.301.822	1.280.797	1.331.260
Work-related hazards that pose a high risk of injury	Work at height or away	Work at height or away	Work at height or away
Injuries caused by high-risk injury hazards	0	1	0
Number of fatalities due to work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0

KNOWLEDGE OF SGSL AND OCCUPATIONAL HAZARDS	2020 DATA.	DATA 2021	DATA 2022
No. employees who have received training	1.087	1.108	1.046
% employees who have received training	98%	97%	89%
Average hours of annual training per employee on the topic of prevention and protection	4,1	6,4	4,5
No. hours of training delivered in e-learning	1.498	1.126	55

In a company with international projection and market, maximum protection of traveling personnel is guaranteed through the adoption of a **Travel Security Management** system.

The employee supported at every stage, first and foremost in the awareness stage supported by an information report of the country of travel, containing an overall risk assessment based on the analysis of crime and terrorism phenomena, as well as the examination of the political, ethical, environmental and health situation.

Security during the trip is ensured by a real-time information service regarding risk situations related to the specific travel itinerary and a 24/7 assistance service that can be contacted in case of any emergency (theft, robbery, attack, need for escort, etc.), as well as insurance coverage for medical expenses, expenses concerning the return from crisis situations developed in the country where the trip takes place, as well as other specific costs related to the trip.

Civil Liability and Legal Protection of the traveling employee is also considered. Expatriate employees receive quarterly Threat Assessment Sheets, Mitigation Measures as well as Maps of Countries and Areas Affected by the Threat for the states to which the company's business is directed, which are considered to be of higher concern for the risk rating, constantly monitored and constantly updated as geo-political conditions change.

**EMPLOYEE ENGAGEMENT TOOLS**

ELT Group believes in a **unique and shared organizational culture** that is nurtured by everyone's contribution, which is why it offers spaces and tools to acquire information, share experiences, revive ideas, and participate and be a key player in corporate initiatives and events.

The **ELTNet** corporate intranet contains all the documentation useful for everyone's work and all the services aimed at staff with areas dedicated to different functions.

Now historic **FELT**, an internal communication periodical that gives voice to the enthusiasm of the generations in the company and facilitates encounters through reading and writing. FELT informs about major company events (trade fairs, exhibitions, technological innovations, internal events) and addresses issues that promote the spread of a unique and shared organizational culture. In 2022, the collaboration of all investee companies (Elt GmbH, Cy4Gate, and EltHub) was enriched to create a true Group culture.

During the year, a new **internal communication** tool was introduced: **E-FELT**, the monthly digital newsletter created in response to the need for more immediate, agile information in step with the company's timeline to make the flow of news from the various business units to internal communication constant.

**ELTogether**, on the other hand, is the annual initiative dedicated to employees with the aim of sharing the year's principles events together with top management and reconsolidating the spirit of community. The 'event in 2022 was attended by about 800 people.

**"I'm Coming Too"** is a day when employees can give their family and friends a tour of the company, sharing the company's sense of belonging, including seeing the daily workplaces: Production, laboratories, offices.

In 2022, the third edition of the event was organized, focusing on some of the main themes of our corporate culture - Innovation, Sustainability and Inclusion -, offering fun activities for the youngest (inflatables, human foosball, giant basketball hoop and soccer goal) and edutainment activities for children and young people focused on the intertwining of sustainability and technology (robotics workshop and science animation) and on the theme of safety (interactive road safety education and F1 simulator for the older ones). Guided tours were organized inside the plant and Manufacturing areas, thanks to the collaboration of colleagues, opening to the public several areas that represent the beating heart of our business.

There was a strong focus on social issues, with a space dedicated to several voluntary associations with whom we had the pleasure and honor to collaborate in order to introduce these realities and their important work to an audience of about 1,300 people (number of participants at the event).

At the end of the event, a gadget was given to all the children: a biodegradable cup with a basil seed inside. The event is a perfect opportunity to strengthen the employees' sense of belonging and was experienced with much enthusiasm and participation.

The **aggregative spirit** is also behind the decision to support the **Corporate CRAL**, an important tool for all those who wish to get together and share interests during work breaks and free time: sports activities, travel, food and wine experiences, cultural activities and conventions that also involve family members.

Another annual initiative is the Internal **Photo Contest** in which all employees can participate by submitting photographs taken by them. The method of participation and prizes change every year, but participation is always very broad (an average of a hundred employees).

A **sense of belonging** and appreciation also come through the celebration of employees' professional and moral qualities. The company submits the nomination of one or more employees for the **Stars of Labor Merit** honor (according to the requirements ex Law 143/1992). Employees who receive the honor are invited to the Quirinale Palace, where the ceremony in which **"Masters of Labor"** are honored is held each year in the presence of the President of the Republic.

Finally, an internal celebration is dedicated to employees who reach 40 years of employment with the company, with the presentation of a medal to celebrate this important milestone.

**WELFARE TOOLS AND RECONCILIATION POLICIES**

ELT Group is always by the side of its employees, attentive to their peace of mind and well-being. **Assistance, welfare and benefits-these are the key words of our welfare.**

ELT Group offers a free **Health Care Plan** for all employees - blue-collar, white-collar and middle management - and their families through Métasalute, the Supplementary Health Care Fund for workers in the Engineering and Plant Installation Industry.

As of January 2023, with the aim of improving health care for employees and their families, a Supplementary and Complementary Insurance for all staff has been added, fully paid for by the company. The new policy complements the Health Plan provided by Métasalute and stems from the awareness that protecting the health of one's own people and their family members, is a central point of the corporate welfare system. Even for managerial staff, in addition to the health policy of the relevant CCNL, there is an integration with the Previdir health policy.

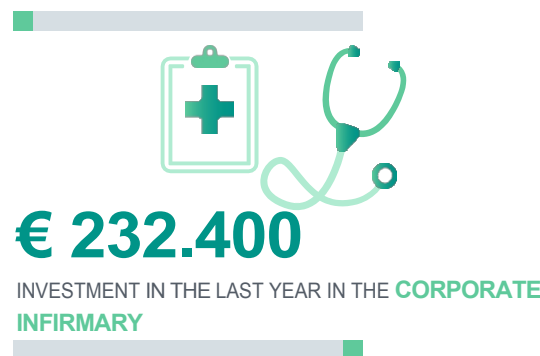
Through Métasalute, employees can take private testing and prevention packages at the company's outpatient clinic, in collaboration with Praxi DS and medical specialists, through the **ELT\_Lab** service.

The **company infirmary** offers a service available every day for 8 hours, which is also used by employees for visits and consultations on illnesses, injuries, health issues or for information purposes, facilitating those who have difficulties due to work reasons, in terms of time, to go to health facilities for minor ailments.

ELT Group promotes healthy eating and prevention through physical and mental wellness and health monitoring through the **Wellness Project**: a series of information and actions to introduce proper eating behaviors with the **EAT\_Educational** initiative, in partnership with the San Donato Group Foundation, and the inclusion of the **"Fit Plate"** in the corporate restaurant menu.

In 2022, the company launched a campaign that included the inclusion of health prevention as part of Family Day "I'm coming too" and the opening of a portal containing useful information and a calendar of health checkups that ELT Group employees can join.

During the year, 555 users accessed the portal and numerous people joined the prevention campaign (Cardiology Package 171; Breast Package 43; Urology Package 48).



EMPLOYEE HEALTH AND WELL-BEING	2020 DATA.	DATA 2021	DATA 2022
<b>Total value of investment Corporate infirmary</b>	142.000 €	205.503 €	232.400 €
<b>No. outpatient health care services</b>	335	340	378
<b>N. vaccinations for seasonal flu</b>	9	140	162
<b>N. tetanus vaccinations</b>	27	13	18
<b>No. intervention cases of injury</b>	11	14	11
<b>No. interventions cases of discomfort</b>	10	13	13
<b>No. maternity leave certifications</b>	2	2	0
<b>N. Follow-up ECGs performed by nursing staff</b>	8	17	13
<b>Hours of attendance nurses</b>	8 hours per day for 5 days/week	8 hours per day for 5 days/week	8 hours per day for 5 days/week
<b>Hours of attendance of the company doctor</b>	16 hours spread over 2 days.	16 hours spread over 2 days.	16 hours spread over 2 days.
<b>Type and No. of services provided (for ELT Lab)</b>	Benefits under private: 90	Benefits under Private: 39; Swabs in private regimen:101; Performance through insurance: 214	Services in private practice: 46; Services through insurance: 25; Swabs in private practice: 120 rapid + 12 molecular

**The Executives' Pension Fund and Supplementary Employee Provident Fund** represent an additional benefit aimed at ensuring higher pension coverage through Cometa, the National Supplementary Pension Fund for workers in the engineering industry. ELT Group executives are offered the PreviGen Pension Fund - Supplementary Pension Fund for Employees of Affiliated Companies, which, in addition to profitability features, also bases its investment strategies on environmental, social and corporate governance (ESG) criteria.

ELT Group has for several years now activated **Enjoy Life Time**, the flexible benefits plan aimed at blue-collar, white-collar and middle management workers to offer an electronic purse expendable for their children's education (reimbursement for school expenses), leisure time (cinema, theater, spa, gyms, travel, language courses) and purchases of goods and services useful for personal and family life.

FACILITATE THE QUALITY OF LIFE OF EMPLOYEES	2020 DATA.	DATA 2021	DATA 2022
<b>Welfare amount per employee</b>	Euro 760 on top + 200 CCNL	Euro 760 on top + 200 CCNL	Euro 760 on top + 200 CCNL
<b>Degree of satisfaction with the initiative</b>	84%	80%	82%

**FLEXIBILITY AND WORK LIFE BALANCE**

At a time of great changes taking place in the world of work, ELT Group has found it necessary to adapt business processes to these changes, always putting people at the center.

Hourly flexibility, paid leave and smart working: these are the pivots on which work-life balance policies at ELT Group are structured.

The company's extreme focus on work-life balance issues is also realized through Level II bargaining, aimed at making contractual institutions increasingly in line with people's needs.

In October 2022, in consultation with the RSU, some changes were made to the Regulations

of working hours, which will provide more flexibility in entry in order to allow earlier exit.

Also in 2022, employees benefited from:

- An annual amount of **72 hours** set aside for leave for treatment, medical examinations and diagnostic tests
- A **3-day** leave in case of death or documented serious infirmity of relatives up to the first degree
- **2 days** paid leave (divisible into hours) for the placement of each child in the first year of kindergarten and the first year of kindergarten
- An economic treatment equal to **50% of the full global remuneration**, during the first 6 months of the period of sick leave
- possibility of **requesting an advance payment of severance pay**, in addition to the cases provided for by law, for carrying out renovation work on the first house and main home.

In November 2022, ELT Group signed a new agreement with the RSUs that provides employees with the possibility of requesting a maximum of two working days per week of smart working, always compatible with the specific work task, the company's technical-organizational needs, and in agreement with the Function/Area/Department Manager.

This is part of an Experimental Smart Working Project for staff through which it is intended to apply new organizational solutions that foster the development of a management culture oriented toward working for objectives and results and, at the same time, increased productivity. In addition to this, ELT Group aims to strengthen work-life balance measures as well as to promote sustainable mobility through reduced travel.

ABILITY TO MEET PERSONAL/FAMILY LIVING NEEDS	2020 DATA.	DATA 2021	DATA 2022
Hours allowed for medical appointments/child sickness	12.495	14.648	9.694,02
Hours allowed for marriage leave	446	1.200	1.208,00
Study leave hours	412	314	406,31
Overtime leave hours	1.159	0	2.456,00
Hours permits law 53/2000	1.041	1.150	869,25
Hours leave compulsory leave father	1.336	1.656	1.712,00
Hours allowed for parental leave	3.604	846	1.824,00
Maternity leave hours	2.872	2.262	6.410,00
Rest hours allowed for breastfeeding	980	303	811
Hours leave for law 104/9	5.749	3.563	4546,34

## DIVERSITY MANAGEMENT

**ELT Group has always recognized diversity as a value to be promoted** and disseminated, putting people at the center and enabling everyone—with their own personal characteristics—to feel at ease and to contribute to the achievement of the company's goals, thus best addressing the challenges and opportunities of a global market.

Diversity is a given; **inclusion is an active choice** that ELT Group has decided to make and about which it provides clarity and transparency.

In 2022, the company worked on the development of a corporate policy dedicated to **Diversity & Inclusion**, which was approved and disseminated in early 2023, and organized a kick-off event called Diversity Day: an opportunity to raise awareness and train all ELT Group people on D&I issues and begin this journey of inclusion, making it an annual occurrence. In addition, 36 ambassadors within each business function were identified at the end of the year. These promoters and facilitators of change received specific 8-hour training through a dedicated workshop.

An extensive training plan is planned for 2023, targeting all staff at different levels. The training will focus on unconscious stereotyping/bias, behavioral patterns and relationship styles based on inclusion.

Through the Policy ELT Group intends to make clear and transparent the strategies and initiatives aimed at overcoming cultural stereotypes and unconscious bias, to promote the sharing of inclusive values and behaviors in every process and at every level of the organization, supporting an inclusive culture that values the uniqueness of people and guarantees access to the same opportunities for professional growth, regardless of the role that each person holds within the organization. The Policy applies to all those who work in the company and those who work in any capacity in the company, as also defined in the Code of Ethics.

The ability of the policy to generate positive impacts in the organization is assured:

- By the establishment of a dedicated team that will coordinate its implementation and a network of internal facilitators who will support it
- by the provision of monitoring activities on the implementation of the commitments made
- By the availability of channels through which to report behavior that is not in line with the values and patterns defined in the policy, while protecting the reporter
- From the dissemination of the policy to the entire business community and various actions to ensure its accessibility to all its recipients.

**The results of the actions put in place against the commitments made will be reported in future ELT Group Sustainability Reports.**

### GENRE

- Undertake awareness-raising initiatives at all levels to promote equal opportunities
- Promote the inclusion of more women in the organization and encourage female participation in management training plans
- Encourage the approach of female students to pathways technical-scientific

### NEO-PARENTING & CAREGIVING

- Parental and caregiving needs should not be an obstacle to one's professional fulfillment, and it is the company's duty to ensure equal opportunity and equal treatment for all new parents and caregivers
- Empowering their people to better balance their private and caregiving needs with professional demands
- Promoting active fatherhood and encouraging a balanced sharing of family and care responsibilities

### DIFFERENT ABILITY

- implement concrete measures, for training and development of knowledge and skills and good practices aimed at socialization, integration and well-being of the person.

### GENERATIONS

- Proactive and conscious management of the generation gap, converting age diversity into opportunities for growth and mutual enrichment

### SEXUAL ORIENTATION & GENDER IDENTITY

- Protect respect for people's privacy and private dimension

### CULTURE

- Promote the integration of all existing cultures in the company, valuing their peculiarities, in an "inclusive" culture open to confrontation
- realize opportunities for reflection and exchange through collective meetings, focus Groups on specific emerging issues

EMPLOYEES AT THE TOP	2020 DATA.	DATA 2021	DATA 2022
<b>Total</b>	14	14	14
<b>% men</b>	86%	86%	86%
<b>% women</b>	14%	14%	14%
<b>% &lt; 30</b>	0	0	0
<b>% 30&lt;&gt;60</b>	79%	80%	79%
<b>% &gt; 60</b>	21%	20%	21%
DIRECTORS	2020 DATA.	DATA 2021	DATA 2022
<b>Total</b>	60	61	64
<b>% men</b>	87%	87%	86%
<b>% women</b>	13%	13%	14%
<b>% &lt; 30</b>	0	0	0
<b>% 30&lt;&gt;60</b>	73%	72%	75%
<b>% &gt;60</b>	27%	28%	25%
<b>RAL medium</b>	20% RAL average women > men	23% Medium RALs women > men	18.3% Average RAL women > men
QUADRI	2020 DATA.	DATA 2021	DATA 2022
<b>Total</b>	100	106	121
<b>% men</b>	82%	83%	85%
<b>% women</b>	18%	17%	15%
<b>% &lt; 30</b>	0	0	0
<b>% 30&lt;&gt;60</b>	86%	86%	88%
<b>% &gt;60</b>	14%	14%	12%
<b>RAL medium</b>	2% RAL average women > men	1% RAL average women > men	5.35% Average RAL women < men
CORPORATE POPULATION	2020 DATA.	DATA 2021	DATA 2022
<b>Total</b>	749	771	839
<b>% men</b>	81%	81%	81%
<b>% women</b>	19%	19%	19%
<b>% &lt; 30</b>	5%	7%	10%
<b>% 30&lt;&gt;60</b>	80%	80%	80%
<b>% &gt;60</b>	13%	13%	10%
<b>no. total employees</b>	523	545	599
<b>no. total workers</b>	57	59	55
<b>Average employee RAL Women vs. Men</b>	4% RAL average men > women	4% RAL average men > women	3.42% Mean RAL women < men;
<b>Average RAL Workers Women vs. Men</b>	1.30% RAL average men>women	1% RAL average men>women	2.81% Mean RAL women < men;
HIRING	2020 DATA.	DATA 2021	DATA 2022
<b>Total</b>	57	90	138
<b>% men</b>	84%	83%	85,5%
<b>% women</b>	16%	17%	14,5%
<b>% &lt; 30</b>	33%	30%	35%
<b>% 30&lt;&gt;60</b>	72%	70%	65%
<b>% &gt;60</b>	0	0	0%
<b>% by regions of origin</b>	70% Latium 12% Campania 18% Other	75% Latium 8% Campania 17% Other	75% Latium 4% Campania 21% Other

STAFF TURNOVER	2020 DATA.	DATA 2021	DATA 2022
<b>% men &lt; 30</b>	30%	0%	8%
<b>% men 30&lt;&gt;60</b>	43%	20%	6%
<b>% men &gt;60</b>	0	10%	0%
<b>% women &lt; 30</b>	0	0%	14%
<b>% women 30&lt;&gt;60</b>	33%	6%	4%
<b>% women &gt;60</b>	0	0%	0%
TYPE OF USE	2020 DATA.	DATA 2021	DATA 2022
<b>Total full-time employees</b>	734	758	827
<b>No. full-time male executives</b>	52	53	55
<b>No. full-time female executives</b>	8	8	9
<b>No. full-time male cadres</b>	83	88	102
<b>No. full-time female executives</b>	17	18	18
<b>No. full-time employees men</b>	427	437	482
<b>No. full-time female employees</b>	95	99	109
<b>No. full-time male workers</b>	40	42	39
<b>No. full-time female workers</b>	12	13	13
<b>Total part-time employees</b>	15	13	12
<b>No. part-time male cadres</b>	0	0	1
<b>No. part-time female executives</b>	0	0	0
<b>No. part-time employees men</b>	1	1	0
<b>No. part-time female employees</b>	9	8	8
<b>No. part-time workers men</b>	1	1	1
<b>No. part-time female workers</b>	4	3	2
TYPE OF CONTRACT	2020 DATA.	DATA 2021	DATA 2022
<b>No. of fixed-term employees</b>	1	2	0
<b>No. of men t.d. &lt; 30</b>	1	1	0
<b>No. of men t.d. 30&lt;&gt;60</b>	0	1	0
<b>No. of men t.d. &gt;60</b>	0	0	0
<b>No. women t.d. &lt; 30</b>	0	0	0
<b>No. women t.d. 30&lt;&gt;60</b>	0	0	0
<b>No. of women t.d. &gt;60</b>	0	0	0
<b>No. of permanent employees</b>	748	769	839
<b>No. of men t.ind. &lt; 30</b>	29	46	71
<b>No. of men t.ind. 30&lt;&gt;60</b>	471	490	540
<b>No. of men t.ind. &gt;60</b>	103	84	69
<b>No. women t.ind. &lt; 30</b>	9	11	14
<b>No. women t.ind. 30&lt;&gt;60</b>	118	122	133
<b>No. of women t.ind. &gt;60</b>	19	16	12



# BUSINESS RELATIONSHIPS

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64 ATTENTION TO THE CUSTOMER

68 SUPPLY CHAIN MANAGEMENT  
AND ENHANCEMENT

”

*The key word in our relationship with customers  
and suppliers is collaboration, to achieve  
increasing levels of reliability and excellence*

## CUSTOMER FOCUS

ELT Group imprints its relationship with customers on the model of strategic partnership. This allows them to be oriented toward the most innovative trajectories in the market to best meet the quality and operational requirements of the solutions offered by ELT Group.

### GLOBAL CUSTOMER SUPPORT - THE INTERNATIONALIZATION MODEL

The international pandemic emergency took on the role of a catalyst for changes in the purchasing policies of many foreign countries as well. This put ELT Group in a position to invest on cooperation agreements that, through the transfer of know-how, would expand the frontier of markets and consolidate relationships with indigenous companies.

In 2022, two new sales offices were opened in Asia and North Africa, inaugurated new local companies in the Gulf area.

To accommodate customers' demands for an increasingly stable supply process and in general to meet the needs of an increasingly international market, a project was launched to evolve the international sales model by reinforcing foreign offices, hiring more staff and expanding responsibilities through new presidia including through true local companies.

In the last three years, the presence in some foreign countries has made it possible to maintain a constant dialogue with the local Customer and, as a result, offer a greater ability to identify new needs to which we can respond with a high speed of reaction.

### PARTNERSHIPS AND STRATEGIES FOR EUROPEAN DEVELOPMENT

The company has been actively contributing since the 1970s to the European dimension of Defense (including Tornado, Efa Typhoon, FREM, PPA) and its industry both through participation in consortium programs and by participating in both national (National Military Research Plan- PNRM) and European (**European Defense Industrial Development Program** - EDIDP, EDF E PADR) funded programs. By participating in these calls for proposals, ELT Group over the years has been able to further fuel its R&D investment programs by adding them to its self-funded ones. The growth of engineering and technological skills fueled by the consortium and funded research programs have enabled

to the company to further grow its technological capabilities and to contribute nationally and internationally to the definition of sovereign technologies in strategic sectors, including in emerging sectors such as Space, ensuring Italy and Europe a cutting-edge garrison on Security and Defense issues. The company also participates in NATO Groups that determine the technological and operational scenario trends that Customers will have to deal with, so as to provide global support to interlocutors.

In addition, to best support the Client's business, ELT Group's offerings are supplemented with specific training and education services through simulators and equipment to ensure full knowledge and ability to use the systems for real autonomy and operational independence.

CUSTOMERS IN NUMBERS	2020 DATA.	DATA 2021	DATA 2022
No. of customers			62
% customers by geographic area			Extra-EU 25.8% EU 30.65% Italy 43.55%
% customers by type			Private 63% Public 37%
No. Cooperation agreements activated	4 international and 2 domestic	7	
No. Cooperation agreements activated by geographic area			
No. Industrial offset/offset projects			1
No. of offices/principals present in foreign countries			8
No. of offices/principals present in foreign countries, by geographic area			1 Europe 1 North Africa 3 Middle East 3 Asia
No. of technology start-ups created in client countries			0

PARTICIPATION IN THE EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME (EDIDP)	2020 DATA.	DATA 2021	DATA 2022
No. of tenders submitted	4	6	9
No. of calls won	2	6	N/A
Value Funding allocated	2,1M	3,861M	N/A
Co-financing value	3M	3,821M	N/A

### EW ACADEMY

In the Academy program, ELT Group plays the role of Trusted Advisor, providing the tools and knowledge to "train" the trainers, as well as the end users of the systems. To this end, a shared path is built so that the customer, by reaching his or her own training goals, arrives at full autonomy. The **Battle Lab**, a laboratory that simulates complex scenarios geared toward multirole operational training, is able to train resources at various levels through a complete reproduction of the scenario the customer will encounter, reducing costs and environmental impacts of real training.

EW ACADEMY	2020 DATA.	DATA 2021	DATA 2022
No. courses	13	31	37
No. programs	6	11	16
No. weeks of training provided	32	110	73,6
No. of participants EW Academy	83	350	370

### CUSTOMER SATISFACTION CYCLE

Customer perception of product and service quality is critical. Feedback is a great opportunity for ELT Group to consolidate reaction through continuous improvement of performance and processes. to ensure long-term business sustainability.

To collect and analyze customer satisfaction, a direct ("face-to-face" or remote) Survey activity is conducted divided into:



**THE CRITERIA FOR CONDUCTING SURVEYS**

- Deliveries expected throughout the year;
- Complaints and inconvenience reports;
- Any critical issues with the product (in this case, the technical questionnaire specifically for Product Surveys is administered to end users);
- Results of previous interviews;
- Coverage of Product life cycle stages.



**THE INTERVIEW SCHEDULE**

ELT Group has been acting organically and proactively in the field of Customer Satisfaction since 2008, preparing an annual interview schedule and administering a dedicated questionnaire to Customers.

The data and information collected are reviewed, evaluated, shared and discussed through special meetings in which all relevant business functions participate. The purpose of this activity is to **identify, plan and implement continuous improvement actions.**

PERCEIVED QUALITY	2020 DATA.	DATA 2021	DATA 2022
Customer survey - Product	8,2	8,3	8,3
Customer survey - Sales	8,8	8,9	8,1
Customer survey - Logistics	8,2	8,4	8,3

**THEY SAY ABOUT US.**



*"Ability to translate customer needs and requirements into programs..." (46th B/A PISA)*

*"High ability to solve maintenance problems..." (14th PdM Wing) "High technical and technological competence and professionalism..." (DAT)*

*"The strength of the company is the professionalism of the staff..." (CII)*

*"Positive perception of an improvement in the area of relationships and closeness to the Customer, the obvious result of a prudent corporate policy of attention to the Customer and the feedback produced by the Customer..." (SMM 7th Ward)*

**THE PERSONALIZED CUSTOMER SUPPORT**

- **Assessment** of all customer requirements that ensure, already at the design and development stage (Design for Supportability), the performance of products over the years.
- **Education and training** in product use and maintenance.
- **Definition and budgeting** of solutions to ensure system operational efficiency and related performance (In Service Support - ISS)
- **Definition and budgeting** of integrated turnkey logistics support solutions as early as the first supply
- **Carrying out Maintenance**, Repair and Overhaul **activities**, with on-site support, in-house maintenance and continuous product improvement based on feedback received
- **Development** of **customized training solutions**
- **Oversight of the obsolescence management process**, in synergy with the other processes involved in the product realization
- **On-site technical assistance** in the operation and maintenance of systems.

## SUPPLY CHAIN MANAGEMENT AND ENHANCEMENT

The supply chain is an indispensable part of an overall process and product value chain, also in terms of sustainability, and one to which the company pays special attention with a view to a circular economy based on the shared contribution of ESG impegments. Suppliers belonging to our Value Chain are classified according to the object of supply and the use of the supply. Within this subdivision, there is a further distinction between Direct Suppliers and Indirect Suppliers.

THE SUPPLY CHAIN IN NUMBERS	2020 DATA.	DATA 2021	DATA 2022
<b>Total number of suppliers</b>	582	604	649
<b>of which No. of direct suppliers</b>	203	216	254
<b>of which Intellectual Capital, Materials, Performance</b>	11 CI, 101 M, 91 P	35 CI, 155 M, 118P	35 CI, 144 M, 75 P
<b>of which indirect suppliers</b>	379	388	392
<b>Orders issued to suppliers</b>	89.5 million	102 million	175 million
<b>of which to direct suppliers</b>	65.7 million	76 million	142
<b>of which Intellectual Capital, Materials, Performance</b>	4 CP, 33 M, 28.7 P	8 CP, 45 M 23 P	5 CI, 107 M, 30 P
<b>of which to indirect suppliers</b>	23.8 million	26 million	32
<b>No. direct suppliers in the last 5 years,</b>	203	216	254
<b>Of which suppliers registered in the Supplier Register (regular suppliers)</b>	168	160	202

### DIRECT SUPPLIERS

Direct suppliers are responsible for procuring the materials and services needed to design and implement ELT Group systems. They are closely monitored to ensure the high level of quality that needs to be aligned with the organization's standards.

Direct Providers are further classified into:

- Catalog object suppliers (COTS)
- Specified Suppliers i.e., suppliers who develop and manufacture a product in accordance with a technical specification
- Project Suppliers i.e., suppliers who provide a product or workmanship following construction or workmanship requirements provided by ELT
- Performance Providers

Specifically, among the Direct Assets are considered--depending on the level of integration on which they intervene--basic chemical materials used during the various production stages, to electronic and mechanical components, modules, units and subsystems, up to shelters, avionic PODs and more generally equipment structures and ground platforms set up with electronic warfare systems, which represent the final object of supply higher level of integration.

Direct Services include:

- The specialized design, systems, and consulting consulting activities in support of Test engineering
- The development activities of apparatus of different types and level of integration (turnkey developments)
- Studies or research conducted with academic institutions or engineering companies
- After-Sales Support Services

### INDIRECT SUPPLIERS

Indirect suppliers have the role of providing all those materials and services that are nevertheless necessary but do not directly enter into the company's production activities. The main purchase items of **Indirect Goods** include tools, equipment machinery, consumables and other goods to support the company.

**Indirect Services**, on the other hand, are consulting, maintenance and/or construction services of civil, electrical and plumbing works, industrial cleaning, integrated waste management; personnel support services and other various services functional to the company's business.

### PREQUALIFICATION AND QUALIFICATION OF SUPPLIERS

The **standard** set by ELT Group is represented by a path that qualifies a company as a supplier, evaluates and verifies ethical, legal, economic and financial soundness aspects, along with its capability (technical skills) and capacity (availability of resources and machines).

To start the prequalification process, the potential supplier must agree to the Code of Conduct, Anti-Corruption Code and Privacy Policy. The assessment involves ongoing monitoring and verification of the maintenance and improvement of access requirements, as well as the supplier's dependence on their existing contracts with us.

In this way, the supply chain is guaranteed in several aspects: **health status, reliability, orientation to excellence, but also orientation to ethics and legality.**

Accreditation of suppliers goes through the completion of specific questionnaires for the relevant commodity category in order to detect the possession of technical and operational requirements and thus compliance with requirements related to the environment, health and safety.

The **questionnaire** is not only a way to collect information, but already an initial input to improvement: in the self-assessment phase, in fact, the supplier is stimulated to ask questions about its supply chain, its economic-financial and managerial tightness, and its technical and operational capabilities, and is induced to adapt also through the adoption of management systems and related certifications.

In addition to the questionnaire, the qualification process may include, if necessary, an **inspection visit** from which corrective action on any nonconformities may result. After qualification, as part of initiated and ongoing performance, suppliers undergo performance monitoring and evaluation through on-site meetings and audits.

ELT Group also pays great attention to the issue of combating counterfeiting, so during the qualification process, COTS (Commercial Off The Shelf) suppliers must agree to Terms & Conditions that contain a paragraph devoted to the subject. Then, through a testing procedure, it is ensured that the work meets the relevant international standards.

### SUPPLIER PORTAL

The tool used in the supplier portal is SAP ARIBA, which, in addition to facilitating the creation of synergies, provides detailed information at all times. By doing so, opportunities that arise in the market can be seized and exploited while minimizing risks.

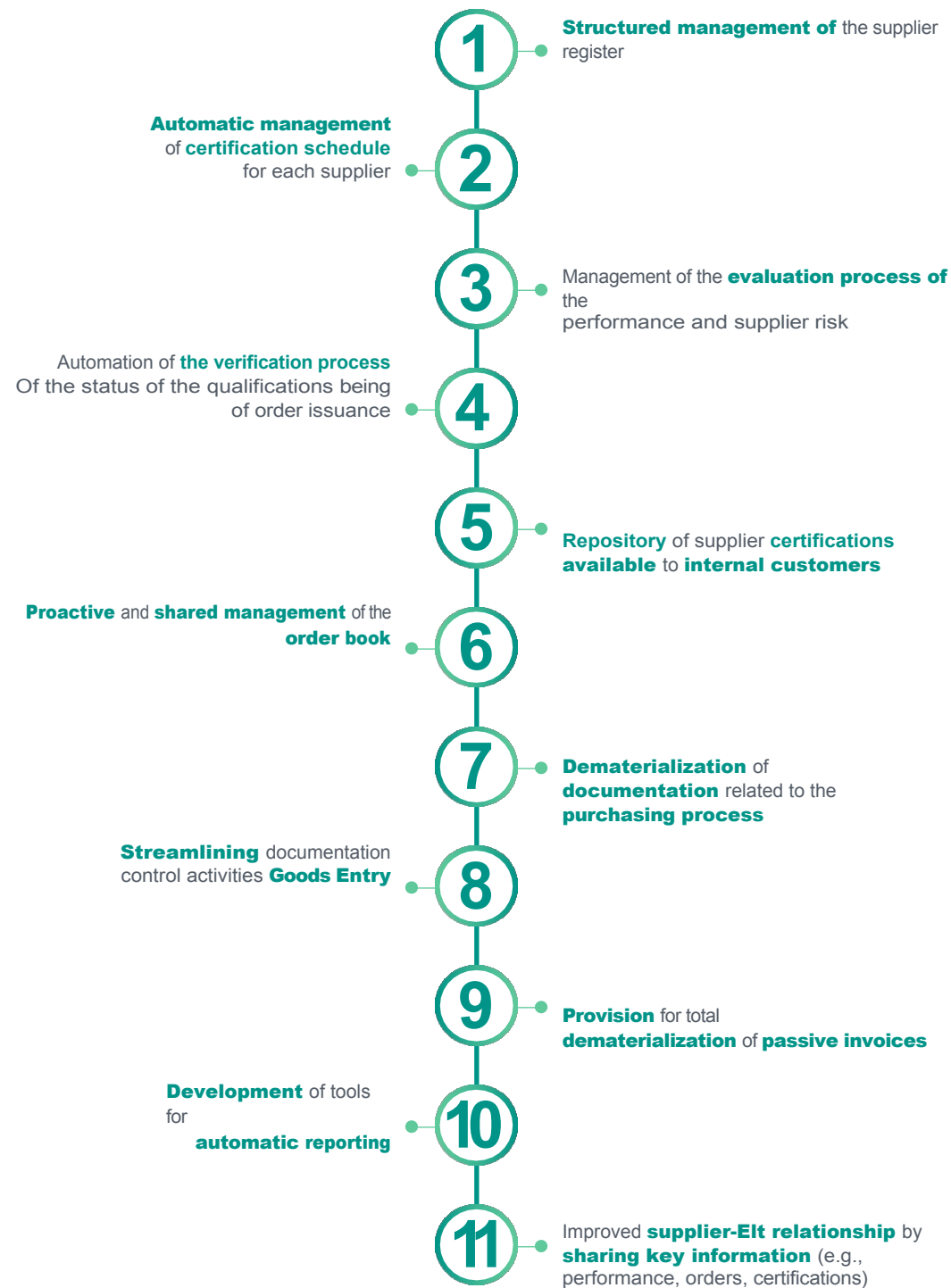
The Supplier Portal, which should not be understood as an alternative to the tools already available in the company (such as SAP-ERP), is tasked with managing all stages of the purchasing process that require direct interfacing.

### Sharing information

- Transparency in selection
- Transparency in the sourcing and vendor selection phase
- Traceability of audit outcomes, private tenders, purchase orders

- Increased competitive leverage by empowering even small and medium-sized suppliers to put themselves forward as possible suppliers to ELT Group
- Traceability of all documentation suitable to demonstrate congruity with existing laws, see DURC, DUVRI, Chamber of Commerce Certificate, etc.

Specifically through the portal, it is guaranteed:



**SUPPLIER CODE OF CONDUCT**

In order to be in line with international best practices in the field of Sustainability, ELT Group decided to have a Code of Conduct for Suppliers.

All suppliers undergoing accreditation are expected to share the principles expressed, compliance with which is fundamental to supplier selection and evaluation. In addition, suppliers are expected to embrace these standards, applying them throughout their supply chain in a logic of supporting growth especially for smaller suppliers.

The duties of the provider:

- Conduct their activities in an ethical manner and to act with integrity
- Protect the human rights of its employees, treating them with dignity and respect
- Provide a safe and healthy work environment and, where possible, safe and healthy corporate housing
- Operate in an environmentally responsible and efficient manner
- Integrate quality into business processes and implement management systems that facilitate compliance with applicable laws and promote continuous improvement in relation to the expectations outlined in the ELT Group Supplier Code of Conduct.

ADHERENCE TO THE SUPPLIER CODE OF ETHICS	2020 DATA.	DATA 2021	DATA 2022
No. of suppliers who have subscribed to the code (enrolled in the portal)	268	160	202

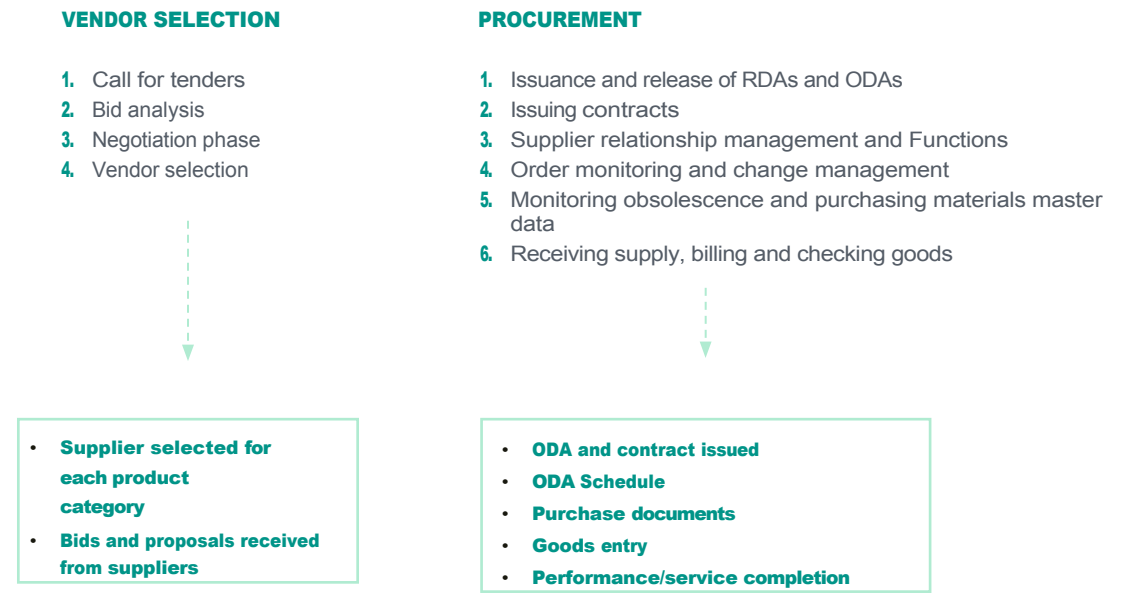
Administrative and regulatory regularity	Economic and financial requirements	Management requirements	Technical and operational requirements for specific supplies
Social security and welfare contributions	Indicators concerning the probability of termination (D&B Failure Score and D&B Delinquency Store)	Health and safety certifications (ISO 45001)	Presence of "special processes of processing" and their management
No-judgment statements penalties	Indicators related to the habits of payment to suppliers	Quality Certifications	Project risk management
Privacy	Turnover last three years	Environmental Certifications	Management of special requirements
Processing materials/information/services subject to government constraints "Export Control"	Profit/Loss last three years	Corporate certification for information security	Application of Lean Manufacturing best practices in a structured way
Tulps License (Testo Unico delle Leggi di Pubblica Sicurezza)	Research & Development Expenditure	Quality Assurance Manual	Use of an internal and external performance measurement system
Industrial Safety Clearance (NOSI)			
General Conditions of the Contracts of Procurement - Security Requirements			

DRIVE FOR ADAPTATION TOWARD PROCESS/PRODUCT STANDARDS	2020 DATA.	DATA 2021	DATA 2022
% suppliers that hold ISO 14001 certification	10%	26%	27%
% of suppliers reporting possession of certification or systems aimed at managing occupational health and safety (BS OHSAS 18001)	9%	9%	9%
% Suppliers declaring possession of certification ISO 9001	100%	100%	100%
% Suppliers reporting possession of ISO 27001 certification for Information Security	n.d	13%	13%

**THE PROCUREMENT PROCESS**

The procurement process is divided into two distinct operational phases: the **Vendor Selection** and the **Procurement** phase.

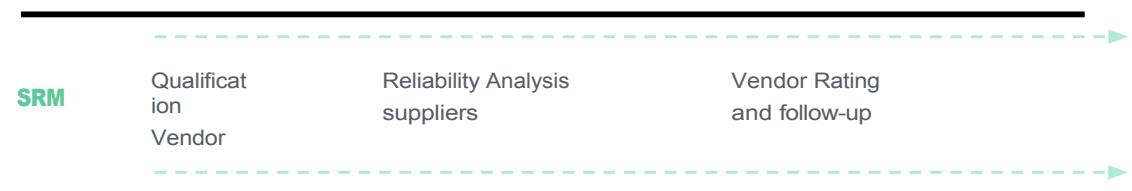
All supplies must be accompanied by the **Manufacturer's Certificate of Conformity** or, in its absence, by an assumption of responsibility by the supplier to make checks and verifications listed in the check list attached to the Terms & Conditions. Reference is to major international standards to ensure that the goods supplied are not counterfeit and conform to what is stated in the product datasheet.



**SUPPLY RELATIONSHIP MANAGEMENT**

*Maintaining competitiveness, employing available technologies, and developing innovative solutions. These are the three elements that prompted ELT Group to adopt an approach aimed at making suppliers aware of their strengths and weaknesses and developing a partnership to achieve appropriate levels of reliability and excellence.*

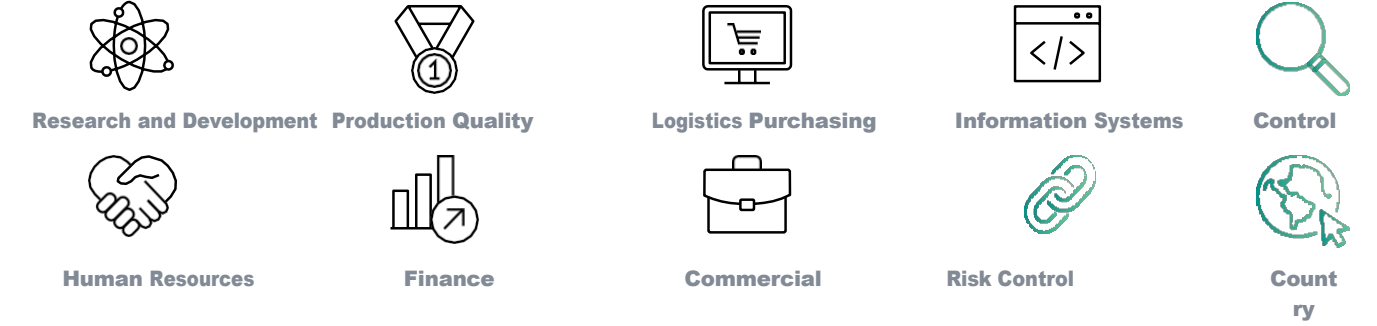
The relationship with suppliers is continuous and set to constant improvement. This approach begins as early as the accreditation phase and continues throughout the supplier relationship period. It is managed through the Supply Relationship Management - SRM - process, which includes supplier selection and accreditation/qualification activities, reliability analysis activities resulting in the definition and management of de-risking actions, performance measurement and monitoring, identifying areas for improvement and implementing corrective or improvement actions.



**EVALUATION INDICES**

Supplier **Reliability** Analysis-or Supplier Risk Management-is based on a quantitative and qualitative risk assessment grid that can assign a reliability index to each supplier. The resulting index, prior to the issuance of the order and then during the supply relationship, is also reviewed and evaluated through audits at the supplier.

**TYPES OF RISKS MANAGED**



In 2022, we decided to promote initiatives to assess third parties from the perspective of cyber security risk, launching a **pilot project** that aims to integrate **cyber risk as** well, in the assessment of vendor reliability.

**SUPPLIER QUALITY COMMITTEE**

The purpose of the committee is to conduct a **comprehensive evaluation** of **providers**, receiving feedback from all corporate facilities that use a service or use a material.

Through the **Supplier Portal**, campaigns are launched to collect and rank various ratings, which combined with objective data from the company's ERP system (time vendor rating, quality vendor rating) help compose a ranking of suppliers that will be brought to the committee.

An overall assessment of a supplier's performance allows for better identification of gaps that need to be filled and, therefore, allows for proactive input into the improvement process.

The committee is responsible for discussing and validating the results of the ranking as well as deciding what actions should be taken against suppliers for which critical issues have been identified and also acts on maintaining or changing the approval status of suppliers.

RELIABILITY OF SUPPLIERS	VALUES 2020	VALUES 2021	VALUES 2022
% suppliers managed in High Reliability class	61,6%	63%	60%
% suppliers managed in Medium reliability class	35,6%	23%	36%
% providers managed in Low reliability class	1,9%	14%	4%

IMPROVEMENT ORIENTATION	2020 DATA.	DATA 2021	DATA 2022
No. of suppliers that have achieved VR/quality upgrading	51%	43%	45%
No. of suppliers with whom meetings aimed at improvement were conducted	10%	10%	15%
Suppliers who have introduced improvements in their processes as a result of the Committee's evaluation	5% On-going activities	5% On-going activities	5% On-going activities

**FRAMEWORK CONTRACTS AND SUPPLIER NETWORK**

The initiative aims to increase the number of framework contracts to make the supplier a stable partner with whom it can share goals, risks and results, and thus contribute in the medium and long term to its **Sustainability goals**.

It also fosters networking and cooperation among suppliers who have been identified as excelling in their field. This leads to greater assurance of results through the Supply Chain in terms of management time and cost, execution and reliability.

ELEVATION OF SUPPLIER TO PARTNER	2020 DATA.	DATA 2021	DATA 2022
No. suppliers with whom ELT has a framework contract in place	10 small: 50% medium: 30% large 20%	9 small: 50% medium: 40% big 10%	28 small: 32% medium: 18% large 50%
% regional suppliers with whom ELT has a framework contract in place	70%	70%	25%
% domestic and foreign suppliers with whom ELT has a framework contract in place	100%	100%	93%

**NATIONWIDE INDUCED DEVELOPMENT**

To date, ELT Group has a **supply chain that is particularly well developed in the Italian territory**, particularly in Lazio. In fact, each year, on average 60 percent of ELT Group's spending is in Italy, and of this spending about 40 percent is in Lazio.

Where technical and commercial standards allow, ELT Group prefers to choose local suppliers. In parallel with supplier awareness, it is considered necessary to invest in **personnel training**: therefore, the company pays special attention to its suppliers and to updating their skills.

Over the past few years, a training model has been developed that aims at horizontal and vertical specialization of the skills of the entire purchasing department. The goal is to accompany them in their knowledge of market dynamics, with the knowledge that they can integrate elements of sustainability into supply chain management.

As a result of this approach, fair and clear relationships have been built over time with all suppliers, based on mutual trust, looking to the future by focusing on investments that can create long-term value.

INDUCED DEVELOPMENT	2020 DATA.	DATA 2021	DATA 2022
% of domestic suppliers	74%	75%	73%
of which % regional suppliers	30%	33%	32%
% foreign suppliers	26%	25%	27%
Total volume of the order	61.5 Million	58.2 Million	107.6 Million
% volume of order placed with regional suppliers	30%	54%	39%
% volume of order placed with domestic suppliers	69%	46%	61%

**SUPPLIERS INVOLVED IN THE TECHNOLOGY TABLE**

Aware of ELT Group's leadership on technological innovation, the orientation of suppliers toward challenging development trends and the best response to customer needs is constantly stimulated.

In 2022, the company organized several workshops on topics of technological innovation, sharing Of strategies and of interest to providers.

Specifically, there were 3 workshops on technological innovation while there were 5 workshops that addressed issues related to the global semiconductor supply crisis, rising inflation, transportation costs, energy, and aimed at sharing impact mitigation strategies and action plans with the approximately 40 suppliers involved.

# ENVIRONMENTAL MANAGEMENT

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”

*A path of concrete actions to achieve green  
company status in the Aerospace and  
Defense sector*



## ENERGY MANAGEMENT

*Protecting the environment is one of ELT Group's main goals: minimizing impacts on the planet and achieving ever greater energy and ecological efficiency. The purpose of this activity is to accredit the company as a recognized green company in the Defense & Aerospace industry.*

### ENERGY EFFICIENCY AND EMISSION REDUCTION

Starting in the pandemic year, an internal company process was set up to define the necessary steps to achieve **ISO 14001** and **EMAS** certification. The new environmental management system, developed during 2022, involved the training of all Elettronica personnel at all levels. This project resulted in new synergies with the Health&Safety structure, the definition of new responsibilities in the management of processes regulated by the specific EMS procedures, integrated with the SGSL, and new documents to support the planning and control of activities related to the new management system.

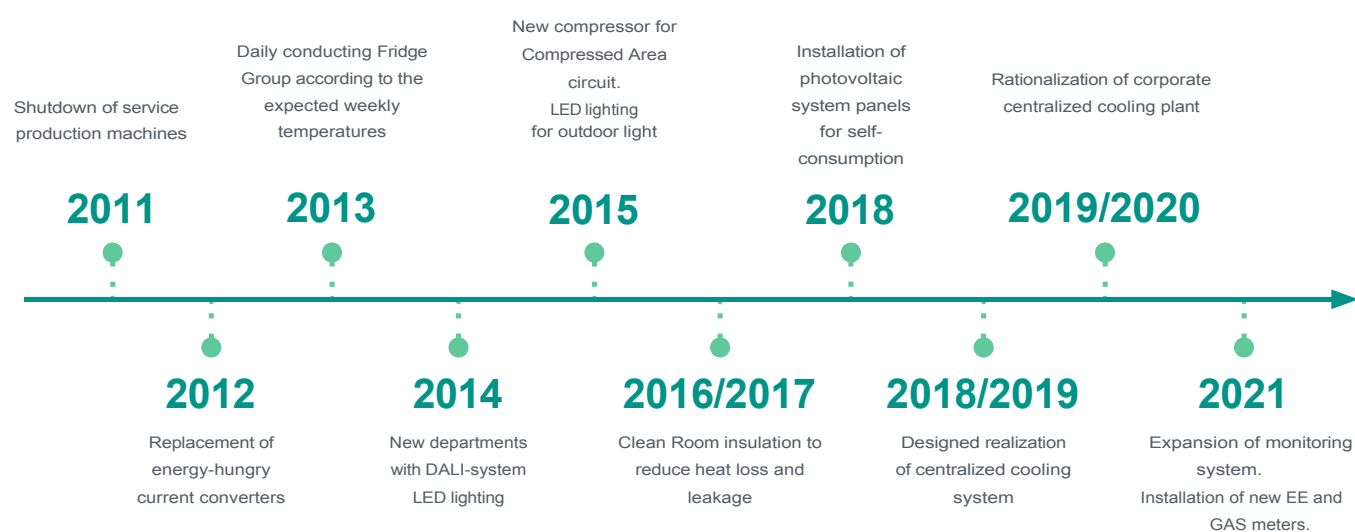
**ISO 14001 Certification was officially obtained in April 2023.**

To this end, the key parameters needed to measure environmental impact and the main steps within a three-year green investment plan have been defined.

Based on the identified trajectory, during 2022, a total of 262 MWh of electricity was produced from renewable sources (photovoltaic plant installed in 2019), a production that is almost constant in the three-year period 2020-2022. These new findings add to the initiatives implemented over the past 10 years in favor of 'efficiency.

ENERGY EFFICIENCY	2020 DATA.	DATA 2021	DATA 2022
Energy intensity of the organization*	11.55 toe/M€	11.07 toe/M€	10.23 toe/M€
Intensity of the organization's CO2 emissions*.	19.48 tCO2/M€	19.12 tCO2/M€	15.98 tCO2/M€
% departments in which machine shutdown management has been initiated	80%	85%	85%
% wards realized by upgrading the rooms, to LED lighting-nation with digital control system (DALI)	42%	45%	50%

\* The parameter used is the added value of the organization



### ENERGY SAVINGS

As of August 3, 2019, the day the PV system's production came on line, a total electricity saving of 850.3 MWh has been realized with an associated economic saving of approximately €200K

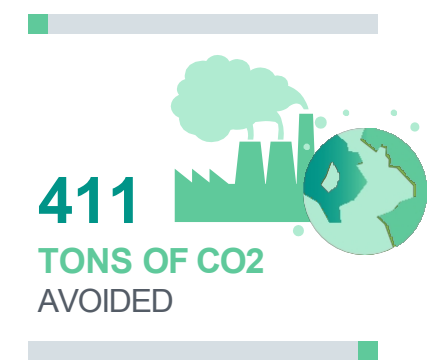
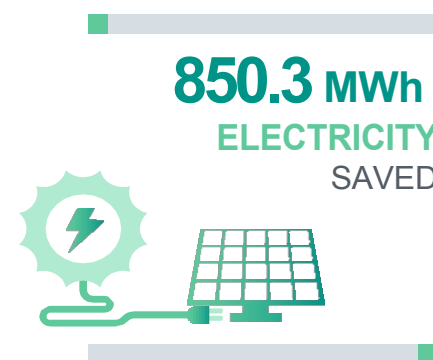
The planting also resulted in 411 tons of CO2 emissions avoided, which is equivalent to 12,280 trees planted.

The overall balance sheet on the operation of the plant confirms that an amount of energy is generated that covers about 5 percent of annual electricity needs (which is entirely self-consumed for the company's activities).

In detail:

electricity savings of 358 MWh-about €53,100-were realized in 2020, corresponding to 140,337 kg of CO2 emissions avoided and about 4,189 trees planted;

electricity savings of 588 MWh - or €101,600 -corresponding to 230,497 kg of CO2 emissions avoided in 2021. the equivalent of about 6,880 trees planted.



## TECHNOLOGIES FOR REDUCING ENVIRONMENTAL IMPACTS

*Our innovation aims to reconcile the needs of economic development, social welfare and environmental protection. We do this by developing and adopting technologies that are able to reduce energy consumption and thus the waste of natural resources, in order to avoid the production of waste materials.*

### TECHNOLOGIES AND MATERIALS FOR PRODUCTION OPTIMIZATION

Digital Transformation, particularly its declination in Digital Manufacturing has also had dreamy impacts in terms of environmental impact.

Particularly crucial was the realization of the **multi-domain digital twin**, which contains all the information of the physical object at the mechanical, geometric and electronic levels, and is

Updated throughout the product life cycle.

The use of the Digital Twin, in addition to improving product quality and minimizing time to market, has a significant impact on **environmental protection in terms of both material and energy consuno**: experimentation is carried out by analyzing the behavior of the virtual prototype, avoiding the creation of physical prototypes that must then be disposed of.

In addition, following the latest developments in technology, ELT Group has adopted SWAP (Size, Weight And Power) systems, which aim to minimize size, weight and power dissipation, while greatly reducing environmental impact by decreasing energy consumption and natural resources of electronic components.

### MATERIALS PROCUREMENT AND REUSE

ELT Group pays close attention to the materials used in its systems. Where the target market makes it possible, lead-free products are used.

In order to further reduce environmental impact, the company replaced peralluman with carbon: this allows the use of a reduced amount of material for the same strength and performance.

Already at the product design stage, minimization of environmental impacts is evaluated using guidelines that include requirements for reuse and recycling of parts (building blocks).

## NATURAL RESOURCE MANAGEMENT

### SUSTAINABLE CONSUMPTION

Since 2015, rationalization of the cooling circuits of Environmental Chambers and vibrators has made it possible to reduce water consumption from wells and the municipal waterworks.

In 2022, 76,734mc of water was used, a sharp decrease from the previous year (84,916mc) and even more than in 2020 (99,605mc).

Since 2022, the company has adopted **100 percent of paper with FSC** (Forest Stewardship Council) **International Environmental Certification** to reduce the environmental impact caused by its daily use.

### WASTE

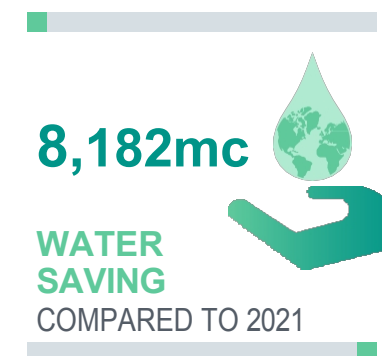
Starting in 2012, separate collection of waste that can be assimilated to urban waste was introduced in order to subtract the amount of undifferentiated waste. About 150 collection points for Paper and Multimaterial (plastic and metals) have been placed in the Rome office (offices and open space), thus minimizing the production of undifferentiated waste.

Municipal-assimilable waste is taken daily to the ecological island built in 2016, which conveys the waste before transferring it to the municipal collection company.

### SPECIAL WASTE PRODUCTION AND COLLECTION

Special wastes are produced:

- Within the scope of processing related to the production process, generated as a result of such processing
- As a rejection due to technical obsolescence
- Due to an expiration date that can no longer be extended
- In the area of routine and extraordinary maintenance of civil facilities that serve the plant, such as lighting, air conditioning, heating, air treatment, etc....
- as part of routine and extraordinary maintenance of production line machines. These wastes are disposed of in accordance with legal requirements, using firms specializing in recovery and treatment of special waste.



WASTE PRODUCTION	2020 DATA.	DATA 2021	DATA 2022
kilograms waste to recovery/materials used	6.42 Kg/k€	1.34 Kg/k€	1.66 Kg/k€
kilograms waste to disposal/materials used	29 Kg/ME	24.1 Kg/M	20.9 Kg/ME

## GREEN MOBILITY.

ELT Group is preparing mobility solutions by gradually converting the company car fleet and supporting the green mobility of its employees.

To date, the company has installed 17 electric car charging facilities for a total of 33 charging points (23 for company cars and 10 for employees' private cars).

In 2022, ELT Group provided 34,118 KWh of Electric Energy for car charging through the 17 charging stations described above.

To these must be added the 2,002 KWh absorbed by public charging stations, outside the perimeter corporate.

**33**  
CHARGING FACILITIES  
INSTALLED

**34,118 kWh**  
ELECTRICITY  
PROVIDED





## METHODOLOGICAL NOTE

Elettronica S.p.a. submitted reporting in accordance with GRI Standards for the period 01/01/2022 - 31/12/2022.

With the Sustainability Report 2022, Elettronica continues its journey of social and sustainability reporting in accordance with the GRI Standards.

The information and data provided are in response to general directions and disclosures and taking into account the company's stated material themes. For these data, values for the year 2022 and, where available, the previous two years (2020, 2021) have been reported. Additional data and information were also reported, both in relation to material themes and in relation to themes not declared as material but nevertheless managed by the company. The additional data and information were defined and reported taking into account the guidance provided by the inherent GRI disclosures, based on a reporting process put in place by the company over the past five years.

This process made it possible to develop, through a benchmarking activity, a dashboard of information and indicators through the involvement of a group of managers and employees with the analysis of possible informational expectations of stakeholders and directly surveyed expectations of suppliers and employees.

The reporting period for this report is 2022 (calendar year) in accordance with the annual basis chosen for the periodicity of reporting.

The perimeter of the Sustainability Report coincides with the Consolidated Financial Statements of Elettronica S.p.A. as of December 31, 2022 for the financial statement data pertaining to Elettronica S.p.A. alone, as subsidiaries Elt GmbH and CY4Gate are not included in the SR.

### Report content definition process

Elettronica has initiated the reporting process and defined the contents of the BdS 2022 in compliance with the principles of sustainability reporting, in accordance with GRI 1\_Fundamental Principles 2021.

In particular, also with regard to the definition of material themes, consistent with the guidance in GRI 3\_Material Themes 2021, the company took into account the sustainability context, stakeholder expectations and industry benchmarks.

More specifically:

- **Sustainability context:** in presenting the organization's economic, social and environmental performance in the broader context of sustainability, Elettronica has considered the macro issues relevant to the sector in which the company operates, taking into account the actions and goals of the 2030 Agenda for Sustainable Development to which it can contribute in terms of the economic, social and environmental impacts generated.
- **Material themes and impacts:** Elettronica, in the preparation of this BdS, has defined its material themes, strengthened by the experience gained in previous reporting cycles (in terms of awareness of its impacts, emergence of its dimensions and areas of Social Responsibility and explication of stakeholders' needs and expectations); in coherence with the company's main values, policies and strategies; taking into account the indications provided by the ISO 26000:2018 Guide to Social Responsibility, what is prescribed in the 2030 Agenda on Sustainable Development and the findings of a benchmarking activity; thanks to the direct contribution of the company's Top Management, its supply chain and employees, Elettronica has defined its material themes, i.e., those considered as priorities - among all relevant reportable themes - as they are capable of reflecting the company's economic, environmental and social impacts and influencing stakeholders' decisions. Operationally, material themes emerged through the construction of a matrix that related the stakeholder perspective and the company's perspective. In 2022, an update of the relevant macro-themes was carried out, taking into account the development strategies at the European and national levels and the findings of benchmarking with similar companies, using the guidance provided by ISO 26000:2010 on the fundamental themes of Social Responsibility and the principles of the Global Compact as a guide.

For each relevant theme identified, the stakeholder perspective was cross-referenced with the company's perspective. The stakeholder perspective was captured through three different modes:

1. the first mode, in continuity with the work done in previous reporting, was based on Elettronica's perception-through the organizational structure contacts involved in the reporting process and the information channels used by the company for management purposes-of the importance that the stakeholder attaches to each issue
2. the second mode captured the perspective of Supplier and employee stakeholders through structured engagement actions.
3. the third mode surveyed stakeholder positions and interests through surveys on specific topics provided by national institutions such as ASVIS and ISTAT, as well as sector benchmarking activities.

The company's perspective was captured through the holding of meetings with top management, aimed at identifying significant Social Responsibility issues for Elettronica, based on those already covered in previous social reporting processes, and the assessment of additional issues to be attended to based on ISO 26000:2018 guidelines and Global Compact principles, bearing in mind the areas and stakeholders impacted by the company's decisions and actions, as well as how these aspects contribute to sustainable development.

Issues that, in the materiality matrix, rank in the quadrant bounded by assigned values greater than or equal to 2 are considered material (see ch.1, p.17 of the report).

The materiality matrix was submitted for validation to the Executive Board prior to the approval of the Sustainability Report by the Board of Directors.

The table below shows the list of material issues and their scope.

MATERIAL THEME	PERIMETER OF THE THEME			
	INTERIOR	EXTERIOR	DIRECT	INDIRECT
Innovation management	X	Universities; Research Centers; Suppliers; Institutions and Companies in the Defense and Security Sector; Community;	X	
Security and defense of citizens	X	Collective;		X
Community health and well-being	X	Collective;		X
STEM Culture	X	Universities; Educational institutions; Students; Trainees;	X	
Respect for standards and human rights	X	Customers; Suppliers; Defense and Security Sector Institutions; Community;	X	X
Responsibility in business	X	All stakeholders of the company	X	
Enhancement of People and their skills	X		X	
People's Health and Wellness	X			
Diversity management	X			
Customer focus	X	Customers; Suppliers	X	
Supply chain enhancement	X	Suppliers; Customers	X	
Supply chain management	X	Suppliers; Customers	X	
Green Management	X	Collectivity	X	X
Sustainable mobility	X	Collectivity	X	X

In the Sustainability Report 2022, Elettronica, provides all relevant information to enable stakeholders to assess the company's performance. For each material theme, Elettronica's vision and the declination that the theme takes on in the company is disclosed, the purpose and method of management and-where available-the resources invested, the specific actions and initiatives implemented, the stakeholders involved, the outputs produced, the results achieved, the impacts generated, and Elettronica's commitment to the theme to make its actions increasingly responsible and sustainable. Where the material theme is covered by an existing GRI Standard, Elettronica reports the relevant specific disclosures; where the material theme is not covered by an existing GRI Standard, Elettronica reports in accordance with GRI 3.3-Management of Material Themes and with additional appropriate and detailed disclosures identified with the support of the entire network of internal contact persons. In addition to the issues identified as material Elettronica in the social responsibility and sustainability report reports on additional relevant though lesser issues.

For any further information about the report and its contents write to: [gjoia.degennaro@elt.it](mailto:gjoia.degennaro@elt.it)

## GRI TABLE OF CONTENTS

REPORTING GENERAL DISCLOSURES			
GRI STANDARDS	DISCLOSURE	LOCATION	OMISSION
GRI 2: General Disclosures Version 2021	2-1 Organizational details	pp. 22,23	
	2-2 Entities included in the organization's sustainability reporting	methodological note	
	2-3 Reporting period, frequency and point of contact	methodological note	
	2-4 Review of information	no revisions were made during the reporting period	
	2-5 External Assurance	The report is not subject to external assurance: the assurance activity will be carried out from the next reporting cycle. In producing the report, the organization used a consulting firm that specializes in preparing Sustainability Reports in accordance with GRI, which verified compliance with the standard and the source of the data. Many of the data and information, economic-financial and management, are subject to external review, falling within the perimeter of ISO standards for which the company has obtained certifications or falling within the perimeter of economic-financial informazioni subject to external review.	
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	2-9 Governance structure and composition	pp. 28, 29	
	2-10 Appointment and selection of the highest governing body	p. 28	
	2-11 Chairman of the highest governing body	p. 28	
	2-12 Role of the highest governing body in impact management control	pp. 33, 34	
	2-13 Delegation of responsibility for impact management.	pp. 29, 34	
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	2-17 Collective knowledge of the highest governing body	p. 36	
	2-18 Performance evaluation of the highest governing body		No performance evaluation systems of the highest governing body are adopted
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	2-20 Pay determination procedure		No pay determination procedures are adopted
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	3-2 List of material themes	pp. 14-17; methodological note

GRI MATERIAL THEMES	GRI STANDARDS	GRI STANDARD DISCLOSURES	LOCATION	OMISSION	
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<b>Health and well-being for the community</b>	GRI 3 - Material Themes - version 2021	3-3 Management of material issues	pp. 14, 33, 34, 46, 47		
<b>STEM Culture</b>	GRI 3 - Material Themes - version 2021	3-3 Management of material issues	pp. 14, 33, 34, 48		
<b>Respect for Standards and Human Rights</b>	GRI 3 - Material Themes - version 2021	3-3 Management of material issues	pp. 14, 30-34		
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GRI MATERIAL THEMES	GRI STANDARDS	GRI STANDARD DISCLOSURES	LOCATION	OMISSION
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