



ELT
GROUP
for Sustainability



SUSTAINABILITY REPORT

A responsible present
for a sustainable future

2023



ELT
GROUP
for Sustainability



SUSTAINABILITY REPORT
INDEX

LETTER TO STAKEHOLDERS **06**

01
COMPANY OVERVIEW **10**

- 10 ELT summary
13 Mission, Vision and Values
15 The Business Model
-

02
CONTEXT OF ELT'S SUSTAINABILITY **16**

- 16 External Context
17 Strategy and Objectives
19 Materiality
25 The Risk Management System from an ESG Perspective
-

03
ETHICS AND GOVERNANCE MODEL **26**

- 26 Governance Structure
29 Respect for Norms and Human Rights
32 Responsibilities of the Business
-

04
INNOVATION FOR SUSTAINABILITY **38**

- 38 Innovation Management
43 Innovation for Community Safety and welfare
45 STEM Culture

05

THE PEOPLE

48

48 People, Value and Skills

63 Diversity Management

56 People's Health and Well-Being

06

BUSINESS RELATIONSHIPS

66

66 Attention to the Customer

70 Supply Chain Management and Enhancement

07

ENVIRONMENTAL MANAGEMENT

80

80 Energy Management

84 Natural Resource Management

83 Technologies for reducing environmental impacts

86 Green Mobility

METHODOLOGICAL NOTE

88



LETTER TO STAKEHOLDERS

Dear Stakeholders,

the last few years have been characterized by a profound process of business transformation that, on the dual impetus of endogenous and exogenous factors, has led to the design of a more resilient future for our company and with it for our subsidiaries and investees.

Since 2020, with the multiple effect generated by the pandemic, new conflicts, and the resulting energy and supply crisis ripple effects, we have witnessed a shift in global geopolitics that has been measured by a world that is more unstable, more prone to physical and cyberattacks, and more precarious for business continuity.

In this context, the world of Defense has found itself at the center of a global reflection regarding its renewed strategic relevance, not only as a bulwark for perimeter security, stability and democratic order, but also as a vector of innovation for the benefit of the whole community. In this sense, Defense is historically expressing its own dimension of sustainability today that is more mature and broader than acting green, which in any case both NATO and European Defense worlds have already been looking at with great commitment and seriousness for some time. In fact, the new NATO Strategic Concept explicitly includes the environmental challenge as a multiplier of crises and threats.

ELT Group responded to the global shock described by equipping itself with a new industrial vision, but one that has its roots in its more than 70-year history. The TENET business plan focused on the company's strategic expertise in the electromagnetic spectrum domain as a strategic enabler in an increasingly digitized world, where security and defense must be approached with a multi-domain approach. The result has been further development of core technologies, but also new products with strong sustainability returns, such as technology for the inactivation of respiratory viruses and the first product for intelligence from space, which allows us new possibilities in observation aimed at more than just military security.

The evolution of the company is also passing through an evolution of the commitment in terms of sustainability, beginning the transformation path required by the new CSRD regulation, which will affect us from 2025; after having voluntarily drawn up the sustainability report since 2018, today we considered it essential that the contribution in ESG terms of our company be guided by a conscious strategy distributed throughout the company. A strategic reflection began in 2023 that will land on a sustainability plan integrated with the business plan.

At the center will continue to be, as it has been so far, the focus on people. The more our company becomes digitized and automated, the more we recognize the unique contribution of our people. Initiatives to develop skills, respect diversity, ensure work-life balance, and focus on the health and safety dimension have grown and will continue to multiply. In the society of

the algorithm, ELT Group will remain an advocate for humanity and its unique ability to make a difference.

In recent years, the company has been able to enhance the sustainability contribution inherent in innovation. This has resulted not only in products with sustainability features for the defense of people, assets and data, but also in leaner processes, digitization, miniaturization, dematerialization of some activities, and the study of new materials. These are all activities with major impacts on efficiency and waste reduction, which will enable us to be a more resilient company to the changes that the future holds.

Research and development, carried out in collaboration with universities and research centers, is contributing to the growth of knowledge and the consolidation of a national engineering heritage that will be a benefit to the country and future generations.

Attention to environmental issues has already been proceeding for some time beyond what is required of us by law, and although the company is not by its nature a creator of significant impacts, it has always paid close attention to environmental protection and will do so even more in the future.

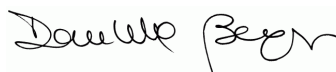
We are looking forward to increasingly integrated and collaborative work with all stakeholders, particularly with the value chain, because if there is one lesson we have learned from sustainability, it is that no one can go it alone; our action will only have value if it is embedded in a sustainable ecosystem. And in this sense we have already begun to lay the foundation for closer and more virtuous collaboration.

The change we are facing is momentous and must be understood and governed with care and attention. That is why we will have governance dedicated to sustainability so that it can stimulate cultural change in the organization and set goals and monitor their implementation.

We are convinced that the benefits of strategic integration of sustainability will result in the increased ability to ensure the long-term well-being of our company and all internal and external stakeholders who work with us, will enable us to respond to environmental and social but also market challenges, to be a company of this millennium, more aware, healthier, more responsible.



President and CEO
Ing. Enzo Benigni



CEO & COO
Ing. Domitilla Benigni



Search



ESG

ENVIRONMENT
SOCIAL
GOVERNANCE



HIGHLIGHTS 2023

FINANCIAL AND SUSTAINABILITY

INDICATORS	UDM	2023	2022
Revenues	€	256.284.970	288.079.832
Volume of orders	€	284.779.000	358.373.138
EBITDA	€	29.642.295	51.716.803
Total R&D expenditure	€	14.618.966	14.112.509
Total GHG emissions (scopes 1 and 2)	tCO2e	3565	3785
Intensity of energy consumption	tCO2e/M€	15,11	15,98
Electricity	MWh	5369	5463
Total water	mc	50930	76734
Total employees	n°	963	839
Percentage women	%	19,5%	19%
Total hours of training provided	n°	36.500	33.000
Occupational injury frequency index	F/anno	3,23	7,51

COMPANY OVERVIEW

01

ELT SUMMARY

ELT Group is a world leader in electromagnetic spectrum governance, historically applied in Electronic Defense systems, to which it has now added a multi-domain approach thanks to know-how extended to the Cyber, Space and Biodefense domains.

THE ELT GROUP

ELT is the parent company of an international, integrated Group that has been designing, developing, and producing cutting-edge proprietary technology solutions for Electronic Defense, supporting the Armed Forces of more than 30 countries worldwide, for more than 70 years. Throughout its long history, the core business has been enriched and by new skills and capabilities, through the acquisition of new assets, entry into new markets, such as Space and Biodefense. This process has enabled the generation of new value, creating successful partnerships and inaugurating newco's in strategic sectors.

Electronica S.p.A.: Benigni S.r.l. 35.34 percent, Leonardo S.p.A. 31.33 percent and Thales S.A. 33.33 percent

ELT GmbH: founded in 1978, active in the field of Test & Validation. It is headquartered in Meckenheim, Germany (wholly owned subsidiary).

Cy4gate: founded in 2014, specializes in the fields of Cyber Intelligence and Cyber Security, CY4GATE, is a group listed in the Euronext STAR Milan segment, with 495 employees¹. In recent years, it has successfully managed mergers and acquisitions to upgrade and enhance its technology portfolio and access new important market segments in Italy and Europe (38.38% stake).

ELTHUB: is the innovation hub for researching unconventional applications of the electromagnetic spectrum, now focused on

Space, electro-optics and fast prototyping (100% controlled).

E4LIFE: Italy's first Biodefense company, born from the desire of founding partners ELT Group (51%) and global real estate leader Lendlease (49%) to further expand the potential of its flagship technology, E4Shield, created for inactivating the viral load of pathogens.

Solynx: a U.S.-registered company based in Salem, New Hampshire, dedicated to technology scouting and procurement in America (wholly owned subsidiary).

Electronics for Industries LLC: a Saudi-registered company based in Ryad, established to support logistics activities (wholly owned subsidiary).

The reporting scope of this Sustainability Report for the year 2023 covers Electronica S.p.A. only.



PRESENCE IN THE WORLD

The ELT Group has a worldwide presence with 12 garrisons on 4 continents. In Italy it has its industrial site and headquarter in Rome, it also has a production site in Abruzzo and two operational engineering offices in Milan and Naples.

PRODUCTS AND SOLUTIONS IN THE CORE MARKET

ELECTRONIC DEFENSE SYSTEM

ELT Group defense in radar band is the company's historical core business and is the result of decades of experience, recognized worldwide. ELT Group designs, develops and manufactures solutions:

- **ESM - Electronic Support Measures:** systems that can intercept, identify and locate radar transmitters
- **ELINT - Electronic Intelligence:** systems capable of performing in-depth analysis on broadcasters of interest
- **RWR - Radar Warning Receiver:** tools designed to detect and identify early on broadcasters that pose a potential threat
- **ECM - Electronic Counter Measures:** systems capable of countering radar emitters present in the electromagnetic spectrum
- **EO/IR and COMM:** Spectrum management solutions including in the Infrared and Communications bands.

CYBER

In collaboration with its investee Cy4Gate, ELT Group expresses cybersecurity, cyber intelligence and cyber resilience capabilities (also through proprietary test ranges) in every domain, including Space. The Cyber EW dimension represents a technological breakthrough for the traditional paradigm of electronic countermeasures and, going forward, may be a concrete response toward insidious future threats, as cyber is proving to be in hybrid conflicts.

SPACE

ELT Group, in line with the strategic industrial plan puts its expertise at the service of an additional operational domain, including Space EW as a growth area. In April 2023, it successfully launched into Space its first payload, SCORPIO, for Electronic Intelligence activities to intercept, identify and locate terrestrial electromagnetic sources from Space, leveraging AI algorithms for processing and classification of unclassified data.

The company's entry into the Space domain enables it to strengthen its competitive positioning. The systems developed in the Space EW domain will make use of the expertise already acquired in Cyberspace and will be integrated to protect against and counter cyber threats.

BIODEFENCE

ELT Group has transferred its deep knowledge of the electromagnetic spectrum to the biodefense industry.

The revolutionary E4Shield technology can inactivate respiratory viruses in aerosols for which it is programmed through the action of electromagnetic waves at a frequency that is effective on pathogens but harmless to humans.

The technology has been successfully tested on SARS-CoV-2 viruses, but the universal value of the physical principle of resonance has allowed its extension to new respiratory viruses (e.g., seasonal flu) with similar effectiveness, close to 90 percent.

The technology is CE and SAR certified and has been listed by the European Commission's Joint Research Centre (JRC) as one of the innovative technologies to be considered in the EU's future to ensure increased indoor air quality.

MISSION, VISION AND VALUES



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

MISSION



Proposing the most innovative technological solutions to ensure the security of men, vehicles and information in the most complex operational scenarios: this is our mission, which allows us to innovate by adding daily research, creativity in solutions, expertise, flexibility, intuition and anticipation of market needs.

Our goal is to represent international excellence, creating tailor-made solutions, with professionals shaping the best technologies according to customers' needs.

VISION



In an ever-changing world, we position ourselves as the benchmark of technological evolution, rewarded by timely strategic thinking, a focus on sustainability to all stakeholders and target communities, and an innovative portfolio of solutions that is unique: excelling in the electromagnetic spectrum and cyberspace domains and inspired by an ambitious vision that propels it into the future.

ELT 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.

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.

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.

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.

BELONGING



Our most important asset is people. We believe in sharing and integration, in diversity, in constant professional development, in growth based on merit that comes 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.

THE BUSINESS MODEL

OUR BUSINESS MODEL AND AREAS OF OPERATION

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

In a scenario represented by deep digitization and the need for complex solutions, ElectroMagnetic Spectrum Operations (EMSO) governance is conferring information and response superiority. The company has translated this expertise into a broader and more effective strategic vision with consolidation in the primary Defense market, but also through entry into new markets and new geographies.

The company is an integral part of the European model of Defense, both in its inspiration for its core values and concretely through its participation in major continental industry consortia and in the research programs of the European Defence Agency.



EFA



FREMM



PPA



NH90



GCAP

The constant search for innovation and the careful vision on technological trends have been the beacon of the company's actions, together with the attention to proprietary technologies and the ability to anticipate future challenges, with intense R&D activities to which about 15M€ are allocated every year, thanks to a synergy between company investments, European grants and developments requested by Italian institutional clients.

ELT Group is embedded in an industrial context in which Innovation, generated and shared, is the foundation of business and the essential condition to remain constantly competitive, contributing to the growth and security of the Country System. Partnerships with other industries and players in the value chain strengthen ELT Group's strategic positioning, consolidating its leadership in the sector.

In addition, the adoption of evolved enabling solutions, paradigms and technologies, including Artificial Intelligence and Digital Twin, Machine Learning and, more generally, the transition to digital transformation, have also had a significant payoff in terms of sustainability.

Customer focus, with logistics solutions, support including on-site support and training, responsible use of critical materials and components, and sensitivity to reducing consumption with a view to energy efficiency, represent commitments that ELT Group pursues with perseverance and dedication.

In addition, investment in employee welfare and skill development and training is a cornerstone of the company's business model, which places the individual at the center.

ELT SUSTAINABILITY CONTEXT

02

EXTERNAL CONTEXT

The world is undergoing profound economic, geopolitical, environmental and social changes, making a sustainable transition urgent. The World Economic Forum's Global Risks Report 2024 highlights a picture of complex global risks related to sustainability. Among the top 10 risks identified, ranked according to their severity and estimated probability of impact in the short term (2 years), the most significant to ELT Group's business emerge:

- | | |
|----|----------------------------|
| 1° | Extreme weather events |
| 2° | Computer insecurity |
| 3° | Interstate armed conflicts |
| 4° | Economic Recession |

The company's core industry sector of applied electronics for defense and security is directly affected by these challenges, which intersect the company's activities aimed at global security, critical infrastructure protection, and cybersecurity. In conducting its mission, the company pays attention to sustainable resource management, directing technological development, digitization and human capital skills to mitigate the impacts

In the specific context of Defense, NATO and the European Union today carry a vision that is attentive to sustainability and expressed in the concept of "Green Defense."

The EU's proposed actions include developing a defense plan for climate mitigation and adaptation, creating a database for defense carbon emissions, and promoting more sustainable defense technologies.

Attention that we also find at the national level, in the commitment of the Ministry and Defense Staff in defining and issuing a set of strategic guidelines that will bring renewal, efficiency and improved sustainability and resilience to the defense sector through a structural change in practices and models.

The geopolitical context in which ELT Group fits because of the inherent specificity of its business, requires special attention and resilience to climate and geopolitical changes, factors that threaten both the company's mission and business continuity. In this context, ELT Group is committed to increasingly integrating these issues into its strategic planning to fulfill its mission while ensuring operational efficiency.

STRATEGY AND GOALS

ELT Group has initiated the integration of the concept of sustainability into its corporate culture and business activities, defining specific initiatives included in the Sustainability Plan on which the Company is working.

The Plan will consider the new Double Relevance assessment methodology introduced by the CSRD, taking into account the specificity of the Company and its reference context, with the aim of having a sustainability strategy integrated with the TENET strategic industrial plan.

Furthermore, in order to monitor and direct its sustainability commitment toward increasingly ambitious goals, ELT Group has embraced 9 SDGs of the 2030 Agenda



GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

"We invest in research and technological development dedicated to biodefense, collaborating with universities and research centers and developing cross-sectoral alliances, integrating skills and experience to serve the community in improving air quality."



QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

"We establish with universities, schools and other organizations, partnerships aimed at developing and transferring skills in science and technology for men and women. We promote and create opportunities for qualification and continuous learning in the company."



GENDER EQUALITY

Achieve gender equality and empower all women and girls

"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."



DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

"Through our activities we support economic growth, produce innovation and generate technological progress. We protect the right to work and promote a healthy and safe working environment for all."



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

"We invest in research and innovation, to improve the proprietary and national defense solutions, of the industry sector in which we operate. We offer our employees challenging opportunities in research and technology development."



SUSTAINABLE CITIES AND COMMUNITIES

Making cities and human settlements inclusive, safe, resilient and sustainable

"Our knowledge of the electromagnetic space serves the development of solutions for urban security and increasing the resilience of critical infrastructure."



RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

“Technological innovation is combined with environmental sustainability, generating solutions that enable the reduction of waste, raw material and energy use. We pay attention to the use of less polluting materials in the production of our systems and in the company’s activities.”



CLIMATE ACTION

Take urgent action to combat climate change and its impacts

“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.”



PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions 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.”



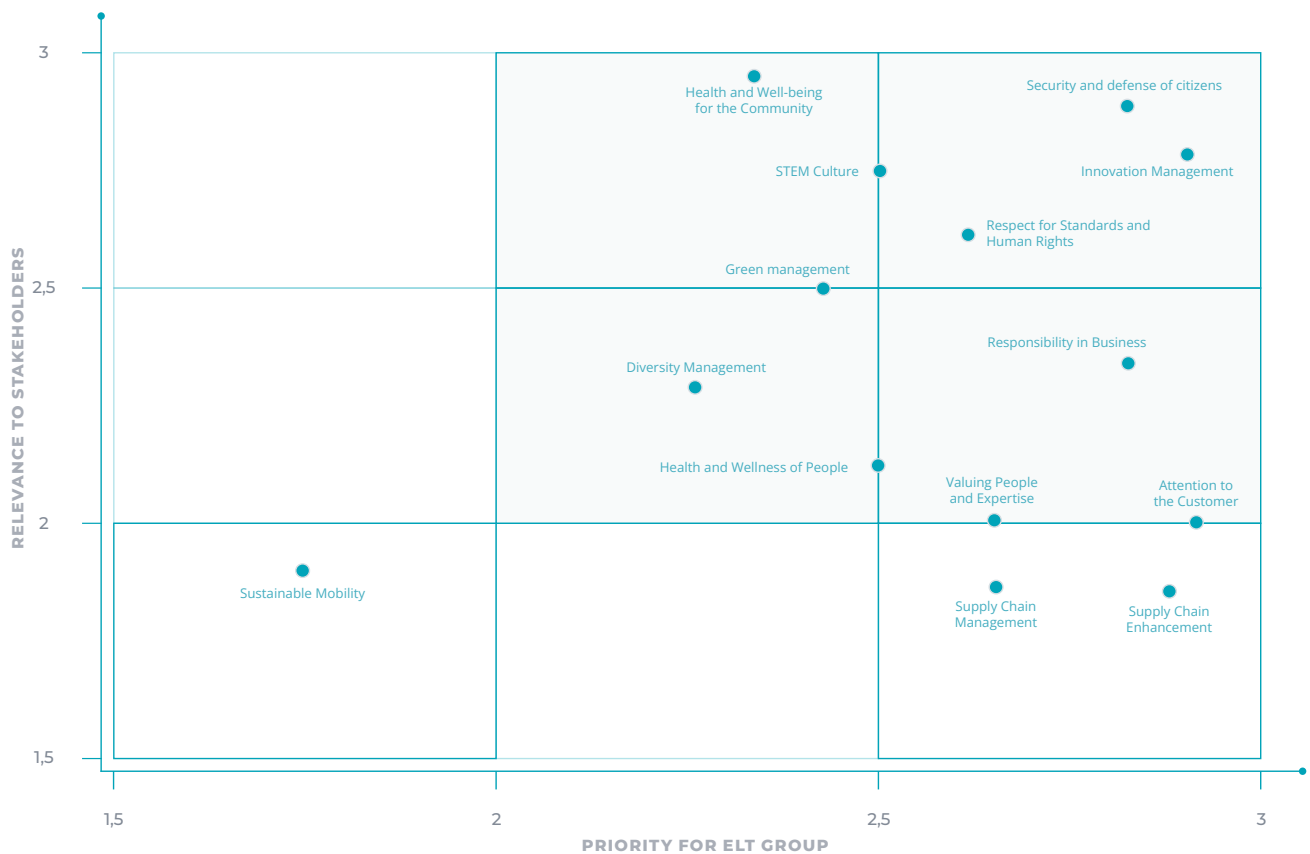
ELT Group translates sustainability into commitments, contributions and actions to pursue the objectives of the 2030 Agenda for Sustainable Development

MATERIALITY

In continuation of the year 2022, ELT Group has conducted a materiality analysis based on the Global Reporting Initiative (GRI) Universal Standards. Reporting under the GRIs will accompany the compliance transition to the Corporate Social Reporting Directive (CSRD), which introduces the concept of “dual materiality” aimed at integrating the two dimensions from **impact materiality** (defined as an “inside-out” perspective in CSRD) and **financial materiality** (an “outside-in” perspective).

The following, by means of matrix representation, illustrates the material themes that emerged from the current analysis that generate the most significant impacts, both from a stakeholder perspective and in relation to the company’s strategic and operational priorities.

MATERIALITY MATRIX





GOVERNANCE, ETHICS AND HUMAN RIGHTS

Stability, reliability and credibility are prerequisites to ensure excellent and sustained economic performance that can support the development and resilience 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 **Respect for Norms and Human Rights**, adopting systems, procedures and tools that facilitate their implementation and monitoring:

- the adoption of the Code of Ethics, which was further updated in 2023, 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 the issues of legality and anti-corruption, for continuous and stable growth of the company and the entire

industry. The defined rules and implemented management and control systems 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, enable the company's intellectual capital to be protected, the security of civil society and the state to be ensured, and the privacy rights of individuals to be guaranteed
- The adoption of systems and procedures to ensure the protection and promotion of workers' rights by ensuring working conditions in accordance with relevant regulations and collective agreements, to ensure safety and health in the workplace, even beyond legal requirements.

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 through its decisions and actions in each sustainability dimension.

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 **Safety and Defense of Citizens** and contributing to the **Health and Welfare of the Community** are the main goals of ELT Group.

Hence the continuous drive for innovation, for the development of increasingly advanced technological solutions capable of meeting increasingly complex needs in the areas of national defense and urban security. The goal is to protect people assets and data, increase the resilience of public and private entities including in cyber and biodefense, increasing prevention capabilities and protection from pathogens dangerous to humans.

This focus is made possible thanks to the priority assigned to **Innovation Management**, significant partnerships with other players in the research and innovation ecosystem, but above all thanks to a corporate organization oriented to the **continuous Enhancement of internal skills and know-**

how, also for the growth of knowledge and awareness among the new generations. The promotion of a **STEM Culture** for the creation of a national heritage of engineering skills that young people and women can be part of, is for ELT Group an indispensable element to ensure sustainable development and with it a long-term welfare.

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 growth and professional development within the fields of high scientific and technological know-how, and encouraging the conscious and competent entry of the female presence in the cyber world, including through membership in the Italian Chapter of the Women4Cyber Foundation.





PEOPLE

The ability to innovate and grow is the result of an approach of **Valuing People and their skills**, attitudes, knowledge and experience. The company constantly promotes their development and training, not only as a lever of corporate growth and competitiveness, but especially in relation to each person's professional and personal growth and satisfaction, valuing diversity and promoting inclusion.

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 ensuring **People's Health and well-being**, ensuring working conditions that not only comply with relevant regulations and collective bargaining agreements (CCNL) but also improve the working environment

It is therefore 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 for by law and agreements, and creating increasingly broader opportunities and more stimulating spaces for sharing, aggregation and involvement, with the aim of strengthening the sense of belonging and integration.

The focus on Diversity Management, which promotes inclusion and enhancement of diversity, is for ELT Group the basis of a management of People that guarantees dignity, respect for rights, enhancement of skills and organizational well-being. Equal opportunities and fair treatment for all workers are guaranteed in labor relations and any form of discrimination is strongly and concretely condemned.

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

BUSINESS RELATIONSHIP MANAGEMENT

Relationships with the value chain consisting of partners, suppliers and customers are guided by principles of cooperation, fairness and transparency, which are recognized as the basis of sustainability principles.

SUPPLIERS

Supply Chain Management is focused on promoting economic, social and environmental sustainability in the value chain through an accreditation system governed by the signing of a Code of Conduct that qualifies ethical, legal, economic aspects and financial soundness, along with technical and management skills.

A sustainable supply chain is a prerequisite for ensuring reliability, quality and capacity for innovation.

Therefore, ELT Group supports **Supply Chain Enhancement** through continuous improvement paths of its direct suppliers, encouraging active participation in innovation processes, enhancing their skills and promoting the emergence of excellence.

Crucial is the deployment of tools and solutions to support the growth and economic stability of the providers 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 plays** a relevant role: providing technologically advanced, reliable and secure systems capable of responding to operational



and customer specifications even in complex contexts, as well as 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 offering expertise through training activities and initiatives.

At the same time, the production and sale of ELT Group's solutions is managed and monitored through trade compliance and with certified management systems that guarantee quality and compliance with regulations, 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 its staff and stakeholders within its sphere of influence.

It directs 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.

STAKEHOLDER ENGAGEMENT

ELT Group places great importance on relationships with its stakeholders, maintaining an ongoing dialogue to gather their opinions and understand their priorities and expectations. Key stakeholders, represented in 14 categories, are periodically updated to ensure alignment with the Group's management and growth objectives. In the table below, the engagement methods used by ELT Group to ensure continuous and efficient interaction are represented for each category.

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

ECONOMIC VALUE GENERATED AND DISTRIBUTED



**ECONOMIC VALUE CREATED
(EVG)**

€ 322.681.410



**ECONOMIC VALUE
DISTRIBUTED (EVD)**

€ 320.125.589

	2021	2022	2023
Economic value created (EVG)	€ 261.214.467	€ 277.021.883	€ 322.681.410
Distributed economic value (EVD) of which.	€ 257.442.074	€ 256.080.962	€ 320.125.589
Operating costs	€ 172.327.555	€ 164.262.161	€ 220.712.555
Structure costs	€ 25.386.826	€ 29.149.927	€ 30.349.387
Production costs	€ 135.961.714	€ 120.999.726	€ 175.744.202
R&D costs	€ 10.979.015	€ 14.112.509	€ 14.618.966
Remuneration of employees of which	€ 68.213.687	€ 73.012.975	€ 82.310.300
Physician and Nurse Practitioner	€ 152.347	€ 163.830	€ 235.854
Health emergency Covid-19	€ 121.473	€ 86.230	
Corporate events		€ 146.400	€ 190.608
Great Place To Work and Other Surveys		€ 63.318	€ 69.275
Travel Risk		€ 71.400	€ 66.200
Electric car charging stations		€ 25.032	€ 35.547
Gender Equality Project		€ 4.400	€ 10.500
Remuneration of lenders	€ 11.367.746	€ 13.358.143	€ 7.970.673
Dividends	€ 11.280.000	€ 13.126.153	€ 7.667.400
Financial institutions	€ 87.746	€ 231.990	€ 303.273
P.A. remuneration.	€ 5.421.470	€ 5.247.954	€ 8.849.832
Contributions to the community	€ 150.465	€ 199.728	€ 282.229
Economic value retained (EVG-EVD)	€ 3.772.393	€ 20.940.921	€ 2.555.820

The values reported were prepared on the accrual basis.

THE RISK MANAGEMENT SYSTEM FROM AN ESG PERSPECTIVE

ELT Group understands that an effective Risk Management System (RMS) is essential for maintaining resilience and sustainability in the dynamic and complex environment in which it operates. Risk management not only protects the company from potential threats, but also enables it to identify opportunities for improvement and growth in its own favor and to protect its internal and external stakeholders.

The defense industry is influenced by the dynamics of geopolitics, is characterized by rapid technological advancements, stringent compliance regulations, and a global supply chain; therefore, risk management has a central function for all players in the value chain. ELT Group's systemic approach involves detailed mapping and classification of risks into specific categories and optimal resource allocation and implementation of effective control safeguards and associated key mitigation actions.

In recent years, the company has realized that sustainability is an additional impetus for deploying effective risk management strategies. This evolution is driven by changing regulations and stakeholder expectations, but more importantly by the belief that operating sustainably is critical to long-term success. Accordingly, ESG (environmental, social, and governance) risk analysis will be gradually integrated into the SGR, reinforcing the company's commitment to responsible growth.

Following the analysis, ELT Group identified specific actions, defined a timeline for implementation and estimated potential impacts, for each risk with a level of criticality deemed unacceptable for achieving business objectives.

Continuous assessment and updating of risk mapping, together with the implementation of appropriate control safeguards, enable current and future challenges to be effectively addressed, turning risks into opportunities for growth and development.

ELT Group is striving to increasingly integrate sustainability risks into its analysis, including from a double relevance perspective. This will involve not only assessing the effects of risks on the environment and/or people, but also analyzing the financial effects on the company from the most significant external risks.

FOCUS: THE PATH TO CSRD COMPLIANCE

ELT Group pays great attention to compliance with the laws and regulations of the countries in which it operates and is committed to conducting its business with integrity and reliability. The Group constantly monitors legislative developments also with reference to compliance with the EU Directive 2022/2464 (**Corporate Social Reporting Directive - CSRD**), which will be applicable to the ELT Group starting from the fiscal year 2025 (publication in 2026) and will require limited certification. On this front the company is already engaged in a transformation path from the current voluntary reporting system with the GRI standard adopted since 2018.

The new Directive entails a revision of the reporting model and an increase in the information requirements to be reported, in accordance with the **European Sustainability Reporting Standards (ESRS)** developed by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission on July 31, 2023. The standards introduced the principle of dual relevance, which implies consideration of both the external impact of the company's activities (so-called impact relevance) and the financial impact of sustainability issues on the company (so-called financial relevance).

The company has undertaken an initial dual materiality exercise aimed at identifying and assessing impacts, risks and opportunities related to sustainability issues that have emerged as material with respect to the Group's own operations and its value chain. The analysis took into account the guidelines "EFRAG IG 1 - Materiality Assessment" and "EFRAG IG 2 - Value Chain." In addition, the Group is conducting a gap analysis to identify additional necessary information that it will need to integrate into its sustainability reporting from 2026.

In order to prepare for compliance in a structured and participatory way, ELT Group has, in addition, defined a sustainability governance to effectively manage the implementation of the Plan and the dissemination of sustainability culture for all its people. The new sustainability governance aims to monitor and assess sustainability impacts, risks, and opportunities, take care of internal and external communication, and ensure increasingly meaningful involvement of its stakeholders.

ETHICS AND GOVERNANCE MODEL

03

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 ethical and sustainable conduct at the center

THE BOARD OF DIRECTORS

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

	DATA 2021	DATA 2022	DATA 2023
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 - Chairman of the Board of Directors.	18.05.2022
Domitilla Benigni	Chief Executive Officer and General Manager. Holds specific proxies on long-term strategies, innovation, sustainability and profitability of the company - Managing Director	18.05.2022
Roberto Turco	Vice President and Chief Financial Officer - Vice Chairman of the Board of Directors.	18.05.2022
Philippe André Duhamel	Councilor	18.05.2022
Gabriele Gambarara	Councilor	18.05.2022
Alessandra Genco	Councilor	18.05.2022
Julie Kaithrine	Councilor	18.05.2022
Nathalie Ravilly	Councilor	18.05.2022
Lorenzo Mariani	Councilor	20.07.2023
Marco De Fazio	Councilor	20.07.2023
Stefano Ratti	Councilor	20.07.2023
Marc Michel George Darmon	Councilor	20.07.2023

Enzo Benigni, Domitilla Benigni and Roberto Turco are the only members of the BOD who have legal representation of the Society.

FUNCTIONS AND TOP MANAGEMENT

12 corporate functions reporting directly to the CEO and General Manager.

- **Operational Excellence & Process Improvement**, headed 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 related internal processes.
- **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. The area includes the functions of Sourcing & Supply Chain management, Industrial Operations & Industrial Engineering, the area dedicated to Customer Service Excellence, and the structure under the Corporate Chief Scientist.
- **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 - GCAP, 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.
- **Corporate Security**, formerly headed by **Salvatore Distefano**, responsible for implementing a corporate security strategy, to ensure the protection of assets and information, guarantee the organization's business continuity and manage any crises due to Security events and/or incidents, in coordination with Top Management and the relevant Institutional Bodies.
- **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 and preside over the company's Strategic Plan, integrating it with the medium- to long-term technological plan, aiming at the development of continuous and 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**, led by **Lavinio Perotti**, presides over and protects corporate interests through the preliminary drafting and/or analysis of agreements and contracts receivable and payable as well as the examination of issues generated during the execution of such agreements and contracts.
- **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**, headed by **Lorenzo Benigni**, handles top-level interlocutions with 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 people working 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 Conduct 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 2023, 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 and Conduct 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.

Through **the internal rule on the decision-making process**, broad and transversal collegiality, open and balanced confrontation and, consequently, cross-checking on the management acts that are intended to be put in place is guaranteed with the effect of circumscribing the risk of “deviant” behavior on the part of managers at each level. This mechanism entrusts the most relevant decisions to a path of evaluation and authorization that involves several Functions (thus avoiding circumscribing within the ambit of a single one of them every choice and decision) and directs the confrontation between “equal” internal levels of responsibility (also removing the risk of unbalanced comparisons and potentially attacked by mechanisms of “subjugation”).

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 Company's Senior Financial Manager also serves as Vice Chairman of the Board of Directors and is appointed by the Board; he or she handles relations with Shareholders, Directors, and professionals in charge of auditing the Financial Statements and providing legal and tax assistance. As delegate, he or she is responsible for maintaining the accounts for statutory and tax purposes and the related mandatory corporate books; in addition, he or she may take all appropriate measures to ensure compliance with the provisions governing the above activities, including internal organizational directives
- The Director of Administration & Control, 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 staff
- 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 Company, appointed by the Shareholders' Meeting, certifies the Company's and consolidated financial statements, and underwrites the Company's tax and contribution statements.

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 supplementary treatment over 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.

It is also committed to ensuring healthy and safe working conditions and promoting the spread and consolidation of a culture of safety at work.

With respect to welfare in the workplace, Elettronica S.p.A. implements - also thanks to the involvement of the Trade Unions - measures and actions aimed at ensuring its continuous improvement and is always careful to assess its satisfaction by Personnel; as part of this Welfare strategy, it guarantees a comfortable and welcoming physical environment, fosters personal relationships among colleagues by stimulating a sense of corporate "community" and incentivizing work-life balance, through flexible management of work activities and a policy that is always attentive to the needs of people, both as Employees and as members of their families.

All company policies are grafted onto a solid value base that condemns all forms of discrimination or harassment, direct or indirect, relating to gender, age, sexual orientation, gender identity, disability, health status, ethnic origin, nationality, political or trade union opinion, social category, religious faith, disallowing any form of prejudice and intimidation.

To this end, the Company promotes the sharing of inclusive values and behaviors in every process and at every level of the organization, supporting a culture that values the uniqueness of people and guarantees access to the same opportunities for professional growth. In this sense, the Company has formalized its commitment within the Diversity & Inclusion Policy, to make transparent objectives and lines of action that aim to foster inclusion.

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.

The promotion and guarantee of respect for human rights 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.

Respect for human rights in order/customer management

ELT Group is part of a broader system, that of National Defense, within which it operates on the basis of specific authorizations issued under Law 185/90 by the competent National Authorities incardinated in the Prime Minister's Office and the Ministries of Foreign Affairs and Defense and contributes through the development and implementation of innovative technologies, to the protection of the action of the Armed Forces and the defense of the country.

Respect for human rights in the management of orders/customers is guided by complete adherence to national policies and those of the International Organizations to which Italy adheres, in compliance with Law No. 185 of July 9, 1990, "New Regulations on the Control of the Export, Import and Transit of Armament Materials" and its implementing Regulations and Directives.

This set of regulations defines the legal framework within which the Company moves to ensure that contracted supplies are not exported to countries where significant risks in terms of human rights violations insist. In cases 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.

ELT Group, moreover, in the face of its dealings with the Public Administration, undertakes to observe and have its collaborators observe the obligations of conduct set forth in the “Code of Conduct for Public Employees,” transmitting a copy of the same to everyone.

GOVERNMENT SECURITY AND TRADE COMPLIANCE

Through the Governmental Security (GS) and Trade Compliance (TC) Management System adopted in 2020, ELT Group ensures compliance:

- on the management, use and custody of classified information for National Security, NATO, EU, OCCAR, other International Organizations to which Italy adheres as well as other countries with which contractual relationships have been established;
- about the supply, supply and handling of both military material (so-called Munition Goods) and Dual Use material (Dual Use Goods), so-called Trade Compliance, thus contributing to the protection of National Security and tangible and intangible assets of the Enterprise in adherence to UNI - 10459.

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. The implementation of the company's information systems (PLM - ERP - CRM) allows intercepting and tracking possible non-compliances before they become apparent and turn 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&TC SYSTEM	DATA 2021	DATA 2022	DATA 2023
Standards/procedures incorporated and/or modified in the systems to ensure compliance	9	1	11
Contractual measures taken to minimize risks and industry regulatory breaches	9	9	3

During this reporting year, some internal regulations or procedures were revised to make them current. Regulatory references for the Armament Material Lists (Munition Lists) and Dual Use Lists (Dual Use Lists) were also updated.

RESPONSIBILITIES OF THE BUSINESS

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, to maintain a competitive position in the market;
- involvement: through listening to stakeholder expectations, with the aim of undertaking initiatives to generate awareness;
- results orientation: to plan and implement the actions necessary to increase the effectiveness of the management system and prevent negative effects on business and satisfaction of our stakeholders.

MANAGEMENT PROCESSES FOR EFFECTIVENESS, QUALITY AND SAFETY

Balanced Scorecard (BSC).

Translates mission and strategy into a coherent set of performance measures and integrate sustainability dimensions and objectives at the strategic level. It 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 BSC's integrated view of financial and non-financial dimensions also facilitated the integration of sustainability dimensions and goals at the strategic level.

DEGREE OF COVERAGE AND EFFECTIVENESS OF THE GS&TD SYSTEM	DATA 2021	DATA 2022	DATA 2023
High-performing KPIs (target met or exceeded)	21 (42,9%)	24 (51,1%)	30 (57,7%)
Mid-performance KPIs (target not met but within tolerance)	7 (14,3%)	8 (16,7%)	10 (19,2%)
Low-performance KPIs (target not reached out of tolerance)	21 (42,8%)	15 (31,3%)	12 (23,1%)

IDENTIFICATION, MONITORING AND CONTROL OF RISKS

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

Ongoing analyses of process risks allowed for the expansion of corporate risk mapping, enhancing the phase of identifying risks in programs and associated key mitigation actions. In fact, the expected risk effectiveness indicator reported a positive result of 27.8% (target 25.5%). During 2023, the Montecarlo project was launched, which aims to introduce a new software tool for risk management and Montecarlo simulation as a quantitative risk analysis tool.

Process Owners and work teams were involved in a series of meetings to monitor the action plan and the evolution of process risks. The process reliability index was 61.67% (target 58%).

Finally, during 2023, the Risk Management function, in consultation with other business areas, has initiated a project that will provide a holistic business continuity model designed to strengthen the organization's ability to prevent potential business process disruptions, manage them in a timely and structured manner, should they occur, and ensure the restoration of critical services within timescales acceptable to the organization and with predefined service levels.

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 the company's staff, for the creation of an appropriate and work-life-compatible work environment, to the integration of business processes, supply chain management, and even 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 the verification and approval of 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	DATA 2021	DATA 2022	DATA 2023
Quality certified processes ISO 9001:2015 + EN 9100	100%	100%	100%
Nonconformities reported (in internal audits)	13	12	1
No. of corrective actions and % of corrective actions closed (in internal audits)	54%	58%	0%
Nonconformities reported on suppliers	13	17	53
No. of corrective actions and % of corrective actions closed (out of suppliers)	X (100%)	7 (65%)	28 (52,8%)

QUALITY FOUND	DATA 2021	DATA 2022	DATA 2023
Customer Survey Product	8,3/10	8,3/10	8,4/10
Customer Survey Sales	8,9/10	8,1/10	8,5/10
Customer Survey Logistics	8,4/10	8,3/10	8,4/10
Vendor rating (% compliance with quality requirements)	99%	99%	99%
Product quality index	Performance 103% (actual 97.95% with target 97.5%)	Performance 109.00% (actual 98.89% with target 97.5%)	Performance 97.53% (actual 95.09% with target 97.5%)

INTERNAL AUDITOR SKILLS	DATA 2021	DATA 2022	DATA 2023
No. of participants in internal auditor training courses.	9	21	13
No. of training hours provided to internal auditors	360	24	520
Certified auditor staff	9	2	13

INTERNAL KNOWLEDGE AND AWARENESS	DATI 2021	DATI 2022	DATI 2023
Total number of hours of training on Quality System	1.520	672	756
Activated courses on certified quality processes and procedures	4	5	7
No. of course participants	98	28	32

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

Requirements for Maintenance Organizations

EN 9100:2018 Certified

Quality management systems - Requirements for aviation, space and defense organizations

ISO/IEC 27001:2013 Certified

Information technology - Security techniques - Information security management systems - Requirements

CYBER ESSENTIALS

UNI EN ISO 9001:2015 certified

Quality management systems - Requirements

AQAP-2310 Certificate

Nato Quality Assurance Requirements for Aviation, Space and Defence Suppliers

UNI EN ISO 45001:2023 certified

Management System for Workers' Health and Safety

UNI EN ISO 14001:2015 Certified

Environmental Management System

Authorized Economic Operator - AEO

Issued by the Customs and Monopolies Agency

Public Safety License

Issued by the Prefecture for the manufacture, import and export of weapons or parts thereof, ammunition, military uniforms or other items intended for arming or equipping armed forces.

Registration with the National Register of Enterprises (SeRNI).

At the Italian General Secretariat of Defense, is the National Registry of Enterprises and Consortia of Enterprises (R.N.I.) operating in the field of armament materials (design, production, import, export, intra-EU transfer, brokering, maintenance and otherwise related processing of armament materials

NOSI

Issued by the Prime Minister's Office-Department of Information for Security-Central Office for Secrecy (DIS-UCSe), the Industrial Security Clearance-is the measure that authorizes the economic operator to handle and manage classified information.

Information Security Management System and Privacy Management System

ELT Group implements systematic protection on its data and information through an 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, generally carried out on specific topics, and by resorting to e-learning training modules. During 2023, 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	DATA 2021	DATA 2022	DATA 2023
Average time to close privacy incidents	4,5 h	4,2 h	8,2h
% corrective and improvement actions implemented according to the Plan	100%	100%	100%

REPORTING MANAGEMENT SYSTEM - WHISTLEBLOWING

All reports of violations of the Code of Ethics must be addressed to the Whistleblowing Reporting Management Committee, established by the Company pursuant to Legislative Decree No. 24/2023 and governed by the company's Whistleblowing policy, which can be viewed on the ECM corporate document system. The Management Committee will verify, in the first instance, the merit of the report and assess its compliance with the definition of violation as described in the company procedure. The Whistleblowing system provides for certain sanctions against the Whistleblower, in the event of abuse of the Reporting tool, against the Whistleblowers in the event of the establishment of the violations or offenses attributed to them, against the Managing Committee in the event of non-compliance with this procedure, as well as against all those who, for various reasons, should violate the obligations of confidentiality and the prohibitions of retaliation placed to protect the Whistleblower.

In the event that the report does not fall within the scope of the violations covered by the Whistleblowing system, it should be forwarded to the Human Resources Department and the Legal Department as far as they are concerned.

SPREADING THE CORPORATE CULTURE OF SUSTAINABILITY

ELT Group is strongly committed to creating a shared culture of sustainability.

In this direction, the company decided to renew the Corporate Code of Ethics, which incorporated the recent D&I Policy and the Whistleblowing Policy, also published during the year.

The company has decided to introduce specific actions and make them an integral part of the training plan planned for all new hires, with the creation of 7 video pills in which testimonials from the different company functions accompany colleagues on a journey through the dimensions of ELT Group's Social Responsibility and Sustainability, in order 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, available to all ELT Group Personnel.

In 2023, ELT's first ESG Day was held, at which the company's sustainability journey was recounted, with the involvement of the different areas of the company that will contribute to the definition of a shared strategic plan that is flatly integrated with the business and corporate organization.

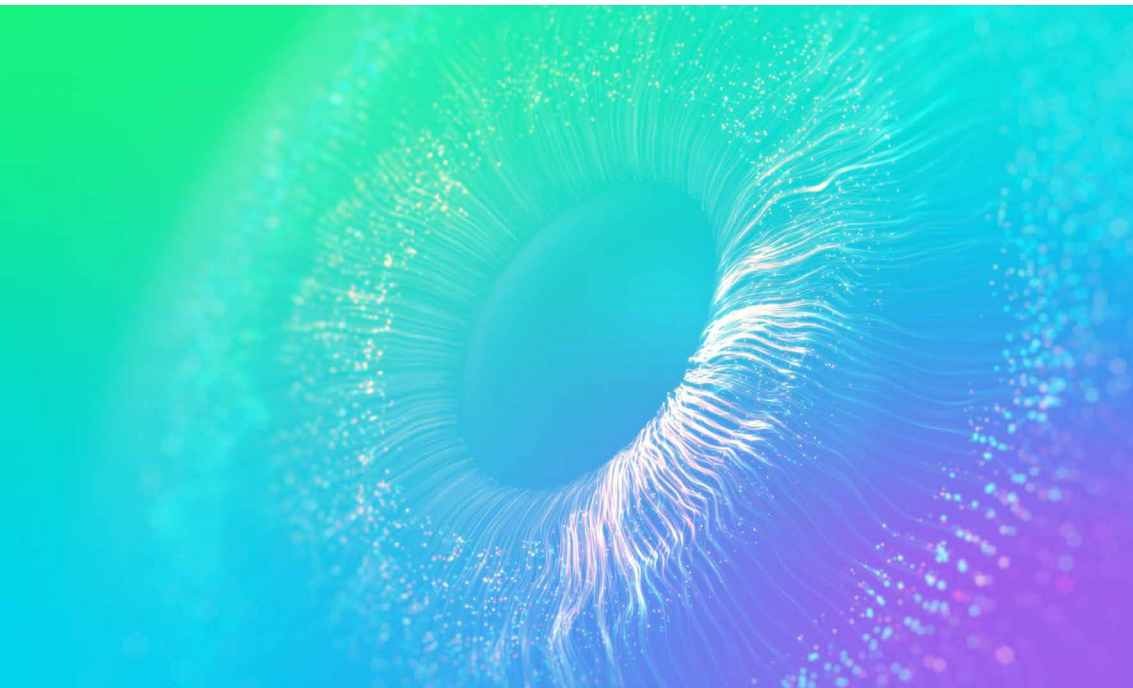
Diversity & Inclusion policies also became increasingly central during the year, with numerous training and information initiatives involving all Personnel.

In view of the new CSRD regulations, the establishment of a sustainability strategy integrated into the company's business, the company has planned additional and extensive training activities at all levels and for all areas of the company, through a true ESG Academy that will guide the process of awareness and transformation needed to embrace the new sustainability challenges.

In an effort to build a new shared storytelling and to enrich the awareness of its employees, beyond the training sessions, the company has initiated a constant telling to the staff of all initiatives framed within the framework of Sustainability, carefully explaining the details as well as the implications and impacts, and making employees always aware of the company's commitment to the issue.

In 2023, ELT Group was included by Fondirigenti in the 2023 Catalog for Managerial Training of Excellence, thanks to the initiative "Vengo Anch io 2022," the open day dedicated to all Personnel that had as its main theme the intertwining of Innovation and Sustainability, launching important informative and awareness-raising messages in this area.

The company, thanks in part to the in-house expertise of the Energy & Environment Area, continued during the year on its path toward an increasing focus on environmental sustainability, with the drafting of a Home-Work Shift Plan, working on green mobility issues and focusing on energy from renewable sources.



**WE HAVE BUILT SOLID GOVERNANCE
AND AN ORGANIZATIONAL MODEL
CAPABLE OF GUIDING THE COMPANY
ON A PATH OF CHANGE THAT
PLACES ETHICAL AND SUSTAINABLE
CONDUCT AT THE CENTER**

INNOVATION FOR SUSTAINABILITY

04

INNOVATION MANAGEMENT

The electromagnetic spectrum is the driver, the object of study and application of ELT Group's technology solutions in the areas of defense, security of people, assets and information. The company stimulates and supports innovation processes through a priority and constant investment in internal and external R&D, in partnership with qualified parties.

PRODUCING INNOVATION: RESEARCH AND DEVELOPMENT MANAGEMENT APPROACH AND MODEL

The innovation created in ELT Group is made of distributed, interconnected, cooperating and collaborative solutions, realized today with the use of Artificial Intelligence and Robotics, with applications in the traditional domains of Defense, but also space, biodefense and cyber.

This strong focus on innovation and research is realized through a self-financed investment of 14.6M€ and a dedicated team of about 50 employees a virtuous propensity for innovation stimulated by the TENET strategic plan and enhanced by the creation of an innovation ecosystem fueled by participation in major European research programs, collaboration with partners in industry, and funding of joint activities with universities and the world of Research.

In the company, the idea development and maturation process takes place by following the Design Thinking model, a multidisciplinary approach to identify and develop solutions and suggest practices that can bring innovation.

Also central is the role of Technology Scouting Management, which proactively contributes to the development of the Strategic Technology Plan through constant monitoring of the market for technologies and products.

The new technologies being studied and implemented have the potential to improve products, the quality of processes, but also their efficiency, as well as important implications for the community due to the ambition to bring to market solutions that improve current social and economic paradigms. In recent



14.6M€
SELF-FINANCED
RESEARCH

years, the company has focused in particular on the implementation capabilities provided by Artificial Intelligence and the digitization of processes and products in general.

In addition, collaboration with research institutions and university design centers-as well as research funding-are qualifying elements of the virtuous business innovation process, for which a dedicated ecosystem has been created.

In 2023, ELT Group established the New Tech Lab, a research site for further unconventional solutions in the use of the electromagnetic spectrum, where the most pioneering applications are studied and innovated.

New Tech Lab is also a point of contact with research institutions and universities and of collaboration with new partners to ensure that the ELT Group's engineering intelligence can continue to generate increasingly innovative and sustainable solutions for the defense of people, assets and data.

INNOVATION IN PROCESSES AND MATERIALS

Innovation is an enabler of sustainability, enabling resource and process efficiencies with an overall improvement in environmental impacts through ecodesign and the study of new materials and alloys.

Into this groove comes a path of gradual lead free introduction with the goal of ensuring the same levels of performance and excellence.

In order to further reduce its environmental impact, the company has begun conducting tests to substitute materials for higher operating efficiency, using less quantity for the same strength and performance. In addition, minimizing environmental impacts is already evaluated at the product design stage using guidelines that include requirements for reuse and recycling of parts (building blocks).

In addition, since 2020 the company has undertaken a digital transformation process starting with the study of more than 100 use cases, which has enabled the identification of strategic digital elements. Digital transformation is considered one of the main strategic levers for competitiveness, innovation and sustainability.

Driven by Digital Transformation, ELT Group has introduced transformative processes such as Digital Manufacturing and Digital Twin.

DIGITAL TWIN

Building on the well-established practice of using Software and Hardware analysis in the loop, i.e., a real-time simulation of systems operation, the company is looking at even more significant solutions in terms of dematerialization, virtualization, and systems testing.

The most innovative solution is the Digital Twin (digital twin), which is a virtual representation of an object or system, connected to it throughout the entire life cycle from design, to implementation, to end-customer support.

Thanks to the digital twin, an experimental activity can be developed, avoiding the logistical costs of testing, the production of an expensive physical prototype with an obvious positive impact on the environment. In addition, the activity on the environment. In addition, the predictive activity (based on Artificial Intelligence algorithms) 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 market availability of smaller and smaller chips that are more efficient in terms of power consumption and footprint and that integrate many functions within them. ELT Group uses these technologies to build complex systems that employ a limited number of hardware resources, thus resulting in lighter weight and requiring less power to operate.

The environmental impact of systems built according to the SWAP approach, which aim to minimize footprint, weight and power dissipation, is identified both in the reduction of energy consumption and in the reduction of natural resources used in electronic components.

PRODUCT AND SYSTEMS INNOVATION IN ASSET DEFENSE

The company conducts intensive research and development to support innovation, including through participation in major European defense programs.

In 2023, the company has been selected for **8 Programs**, adding to the **14 already underway**.

Among these we highlight in particular:

European System on Chip - EXCEED Project

As an effect of the dynamics of geopolitics, the shortage of rare earths in Europe is generating considerable problems in the supply of microchips, i.e., the quintessence of every technological component. Out of this need comes the European project EXCEED (trustEd and fleXible system-on-Chip for EuropEan Defence), which is part of the Preparatory Action for Defence Research calls (PADR-EDT-02-2018). The project aims to lay the foundation for 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. This will be achieved through the production of a family of SoC devices. The EXCEED family of SoCs is designed to meet challenging requirements derived from complex applications in the defense sector, but also benefit other national and European industries, such as the automotive, telecommunications, industrial and medical markets, with important benefits to the community. The EXCEED project had an initial duration of 3 years, later extended by an additional 18 months to allow prototyping of the SoCs, and 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).

Currently, having completed the specification phase, activities are focused on building the SoC prototypes that will then be tested from a functional and security point of view in the final part of the project according to the business cases proposed in the initial phase. ELT contributes to the activities to verify the security and non-tamperability of the chip.

RF Quantum Sensing - ADEQUADE Project

The European Project ADEQUADE (Advanced, Disruptive and Emerging QUAntum technologies for DEfence) was born within the EDF 2022 (European Defence Funds) call and aims to increase the technological maturity of in a whole range of Quantum Sensing (QS) solutions within the following 3 Technical Areas (TA): quantum positioning, navigation and timing (PNT) sensors for defense, quantum radio frequency (RF) sensing for defense, quantum optronic sensing for defense.

This project aims to push the disruptive technology effort in quantum technology toward the special needs of the defense sector. The possession and implementation of quantum technologies will be a turning point in many application domains. Maturing and mastering these technologies will confer mission superiority as well as international competitiveness. Europe and European countries are fully committed to supporting this technological development to catch up with important international competitors.

European Innovative GaN Advanced Microwave Integration - AGAMI_EURIGAMI Project

The AGAMI_EURIGAMI Project originates within the EDF 2022 call and aims to strengthen and further develop European GaN technology and component capability developed for defense applications. The project covers critical areas of the entire supply chain starting from epitaxy to component packaging and integration into modern electronic defense systems. The main activities are related to improving technology and resilience with respect to electrical and environmental issues. Gallium nitride (GaN) technology is a key enabler for high-performance RF electronic components. GaN has replaced the previous gallium arsenide (GaAs) technology, providing more power, bandwidth and linearity to electronic RF amplifiers.

Solutions for Protection of Location and Navigation Systems for Ground and LEO Orbiting Platforms - GEODE & NAVGUARD Project

The GEODE (Galileo for EU DEfence) project, which is being developed within the European Defence Industrial Development Programme (EDIDP PNTSCC-2019) calls, aims to define and develop a Galileo PRS (Public Regulated Service) receiver, compatible with GPS/PRS GNSS37 dual-mode receiving equipment for military applications in the air, land, naval and possibly space domains, with the goal of achieving full compliance with the European Minimum Common Standards (CMS). The project aims to increase European industrial competitiveness

in the strategic domain of devices for positioning, navigation, timing and synchronization, through the realization of secure modules for receiving/processing/decoding geolocation signals from the Galileo (European system) and GPS (U.S. system) constellations and receiving antennas 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, which 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 transportation and tracking systems for moving assets (on land, sea, air, and self-driving), public safety, scientific analysis and measurements, support agricultural activities... The GEODE project has a duration of 6 years and is managed by a consortium of 18 companies.

The goal of the NAVGUARD project is to develop the global EU Navigation Warfare (NAVWAR) capability, building on space-based and ground-based surveillance of signals, and complementing current European efforts to strengthen the future resilience of the Galileo PRS service.

The proposal should develop ground and space-based systems to monitor GNSS frequency bands and geolocate sources of malicious activity, including an on-orbit demonstration of a PRS space enhancement system.

Through this project, Elettronica, which contributes its capabilities in the development of CONOPS and operational requirements, as well as in the development of active countermeasures, also applies its EMSO expertise in the space domain and in the part of the electromagnetic spectrum dedicated to satellite navigation.

SPIDER

It constitutes the feasibility study of a Project dedicated to the development of a satellite constellation for military ISR (Intelligence/Surveillance/Reconnaissance) missions. The ambition of the Project is to deliver a System that provides a highly responsive capability, with autonomous re-tasking, frequent revisiting and low end-to-end latency. ELT Group is contributing to the project with responsibility for the SIGINT capability of the future constellation.

EPICURE

Aims to develop outsourced semiconductor assembly and test (OSAT) services and support technology providers in Europe in advanced packaging for defense needs. The project will analyze the requirements and constraints of use cases and combine them with modular architectures based on future chiplets.

INNOVATION ECOSYSTEM: BUILDING ALLIANCES AND PARTNERSHIPS IN RESEARCH AND DEVELOPMENT

The innovation process is nurtured through collaboration with universities and research centers, through continuous contamination and virtuous exchange between ELT's experience and the knowledge and skills provided by partners, and allows them to be translated into innovative ideas applicable to corporate business, benefiting society and the country's technological sovereignty.

OUR PARTNERS

At ELT Group, innovation is a shared process; collaborations with leading university and research institutions have also been confirmed for the year 2023 for the activation of internships, including La Sapienza, Tor Vergata, Roma Tre and LUISS Guido Carli Universities. In addition, fruitful collaborations were made with the CNIT of Pisa - Scuola Sant'Anna and the CNIT of the University Federico II of Naples, the Polytechnic of Turin, the Polytechnic of Bari, the University of Campania Luigi Vanvitelli and the University of Catania.

COLLABORATIONS WITH PARTNERS IN RESEARCH AND INNOVATION PROJECTS	DATA 2021	DATA 2022	DATA 2023
Value of funding allocated to the activity with University (technology orders)	736K	1235K	950K
Value of funding provided to universities for partnership research development	155K	230K	190K
No. patents filed	0	2	1
No. emerging technologies acquired/developed (at the time when the order-end of the activity is consuntivated)	3 Metamaterial Cloaking Vircator, SiP	3 E4Shield, CRPA, AI for drone DRI.	Digital Beam Forming, RF Quantum Sensing, 3D microwave package
No. projects started/ongoing/concluded with universities and research centers and spin-offs	3	6	12
No. of universities involved	3	5	7
No. Research centers involved	2	5	7
No. of spin offs involved	0	1	1
No. of researchers involved	5	10	15
No. of theses carried out on the commission/collaboration of ELT.	4	4	4
No. of articles/papers that gave visibility to the research	4	4	5
No. of conferences for the dissemination of the innovation developed	2	5	6

ELT Group is part of community networks and projects in which it works alongside key partners and innovation players to address the challenges of the coming years and contribute to the enrichment of technological competencies in support of European defense, seizing opportunities development and strengthening of engineering assets. In the year 2023 the company, in collaboration with leading European defense players was awarded 7 new research and development programs that join the 8 awarded in 2022 and still ongoing.

ELT Group is also among the 4 Italian companies participating in the **Global Combact Air Program - GCAP**, the defense program developed in partnership between Italy, the UK and Japan. In particular, the project aims to target the technological transition to the “system of systems” capable of operating in multi-domain scenarios. ELT Group is partner in the ISANKE & ICS domain. Also through this project, the company 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).

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, which supports 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 hub of contamination and hybridization, a new model that aggregates private companies that, benefiting from the MIND ecosystem, develop innovation projects in the field of Life Sciences and City of the Future. In this context, the proprietary E4Shield technology was further developed and the partnership with Lendlease, now transformed into the newco E4Life, was launched. In Mind the company coordinates Security & Defense working group.

INNOVATION FOR COMMUNITY SAFETY AND WELFARE

ELT Group's innovation and systems are also designed and developed to meet challenges to community safety and contribute to technological evolution in the field of biodefense. The company produces solutions for the protection of critical infrastructure (hospitals, water networks, power plants) and more generally aimed at the security of urban centers, and has also started a research and product strand in biodefense to deal with viral threats.

E4SHIELD

A respiratory virus inactivation technology that was devised in 2020 and acts through the pulse of electromagnetic waves harmless to humans and animals, but effective in inactivating viral load. The research started with a scientific publication in a Nature Group journal, which demonstrated the effectiveness of microwaves on pathogens. The technology has been CE and SAR certified. The successes already achieved in previous testing campaigns-which showed its 90 percent efficacy on Covid viruses-will be enhanced during 2023 by new milestones:

- Similar efficacy has been tested for a representative strain of seasonal influenza viruses. The technology is currently being tested for avian influenza, and on the roadmap is the study of its efficacy on bacterial
- A scientific study conducted by the company, in collaboration with research and development firm Virostatics, has been published by the European Society of Medicine, an international community of medical professionals aimed at addressing the many health challenges in Europe. The study concluded that this technology "could provide valuable insights for the development of sanitation strategies and public health interventions to mitigate airborne transmission of respiratory viruses."
- New features of the device have been identified to meet military environmental standards with reference to all theaters of operation, and with the involvement of the Cy4Gate investee-a company active in the cyber security and intelligence domains-an App has been created that will allow it to be remotely controlled and updated.



Also dedicated to the topic during 2023 was the newco e4Life, established in partnership with Lendlease for the purpose of strengthening the technological development of E4Shield, and taking care of the marketing of the product range internationally.

SECURITY AND URBAN DEFENSE: ANTI-DRONE TECHNOLOGY

Drones are undoubtedly a great benefit to society, industry and people, enabling, in individual or collective use, remotely piloted activities to be carried out with greater efficiency and safety. However, they can also pose a readily available and low-cost threat to malicious actors.

(NADIR- Networked Anti Drone Interception Recognition) ELT Group's anti-drone system for civilian applications was created to counter potential dangers from remotely guided vehicles, both in operational and urban environments with particular reference to critical infrastructure and large events. This technology safely detects, recognizes and neutralizes the threat through techniques tested specifically for the urban environment when allowed by operational conditions and regulations.

The company has also brought its expertise in the topic of countering malicious drones to the European arena, specifically within the JEU-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 and Strategic Asset Protection scenarios.

TECHNOLOGIES FOR THE SECURITY OF SMART CITIES

As part of its partnership with MIND's Federated Innovation, ELT Group is part of a large innovation ecosystem that can serve as a catalyst for opportunities for the country's socioeconomic growth. Its primary goal is to establish new innovative communities that will serve as exemplary models for future urban regenerations around the world. In this context in particular, Elt is coordinating the Security and Defense Working Group, which is specifically focusing on the "Security Control Center for Smart Cities" project, a control room to ensure greater security of cities through facilities for detecting and monitoring 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 aim is to create a Control Room that implements and integrates technologies based on artificial intelligence and state-of-the-art algorithms to field an automated system for surveillance of large areas that does not require human intervention, monitoring multiple operational scenarios simultaneously. The application of blockchain also enables secure and reliable communications.

CONTRIBUTIONS TO SUPPORT THE BIOMEDICAL SECTOR

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

The goal of the educational and scientific collaboration between the two entities is to enhance their respective know-how through joint research projects on the topics of artificial intelligence, cyber security, robotics, and the use of the electromagnetic spectrum applied to biomedical sciences.

STEM CULTURE

The promotion of scientific-technological culture and STEM disciplines is a primary goal of the company as an enabler and growth opportunity for technological progress, innovation, ecological transition, and digital transformation. We are actively involved in STEM professional development pathways, promoting collaboration with universities and fostering the entry of young students into the company, with special attention to women.

RELATIONS WITH UNIVERSITIES AND SCHOOLS

With a view to ensuring proper continuity between academia and Industry, ELT Group has built strong relationships with universities and ITISs over time. The goal starts from the need to incentivize and promote training, identifying possible initiatives or strategies aimed at adapting educational offerings to industry developments, while also promoting students' entry into the world of work through proper awareness of the application contexts of the various fields of study.

To this end, there are several initiatives that the Company deploys and, in particular:

01

Recruiting days that, in addition to the purpose of attraction, also have the goal of orientation to the world of work

02

Technical seminars at universities or ITISs, taught by people with strong know-how in their target domain

03

School-to-work alternation paths that represent a unique experience during the school career for the benefit of ITIS students

04

Curricular and/or extracurricular internships, which are the best gyms for applying the knowledge acquired during studies and becoming aware of the workings of an industrial setting

05

Scholarships and degree awards, aimed at supporting student education

06

PhDs as support for research and innovation

To date, ELT Group collaborates with several Italian universities (La Sapienza, Roma Tre, Tor Vergata, Campus Biomedico, Scuola Superiore Sant'Anna of Pisa, Alma Mater Studiorum Bologna, University of L'Aquila, Federico II of Naples, Luigi Vanvitelli, Unisalerno, LUISS) and several technical institutes in Lazio.



Elt Group has joined the **Women4Cyber Italy** initiative since its founding.



Women4Cyber Italia (W4C IT) is 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.

The birth of the Italian chapter was promoted by Elt Group Ceo Domitilla Benigni, Rita Forsi and Selene Giupponi and now counts relevant personalities as honorary members. W4C Italia intends to commit to spreading culture in the area of cyber risk awareness and activating initiatives to bridge the gender gap in the sector, including by forging 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 that, with the presence of prominent figures from academia, has the burden and ambition of supporting the Association's initiatives with studies, research and updates on cyber issues.

**THE PROMOTION OF SCIENTIFIC-
TECHNOLOGICAL CULTURE AND
STEM DISCIPLINES IS A PRIMARY
OBJECTIVE FOR ELT GROUP**



PEOPLE, VALUE AND SKILLS

People represent ELT Group's most valuable capital, a value that is constantly nurtured and enhanced in the company's life both in terms of professional and personal growth, through training and skills enhancement paths and evolved life work balance tools.

You work in a welcoming environment that fosters personal relationships among colleagues while 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.

HIRING POLICY AND PATHWAYS TO INCLUSION

Skills, motivation, sharing ELT Group's vision and values: these are the elements that guide the selection process to welcome people who are harmonious with the company context.

The Talent Acquisition process ensures constant alignment between the company's development strategies and resource management both with regard to new hires and through their enhancement in personal growth, skills and internal mobility

The assessment of the candidate's profile is carried out through the use of structured methods capable of making objective and integrated the timely definition of the possession of skills, attitudes and motivations in relation to the requirements for the effective coverage of the role. through the **induction** activity (**I-ELT**) is addressed awareness of the role of the candidate in relation to the wider organizational reality. All the tools and information functional to the possession of the role and the acquisition of the organizational culture are transferred, with specific focus on the sense of belonging.

In the first three months of induction, moreover, the newly hired employee participates in the cycle of on-boarding meetings, during which he or she comes into contact with the contact persons of the different areas of the organization, gaining insight into the structure and purpose of the various company areas. Finally, at six and twelve months after hiring, follow-ups are scheduled between the newly hired employee and the HR area, in order to gather feedback and useful ideas aimed at better and further directing the induction of newly hired employees, supporting their motivation and effectiveness of action also through possible improvement actions.

RECRUITMENT OF NEW EMPLOYEES	2021		2022		2023	
	n°	%	n°	%	n°	%
Total recruitment:	90	100	143	100%	174	100%
<30	31	34%	52	36%	66	38%
- of which women	4	4%	9	6%	12	7%
- of which men	27	30%	43	30%	54	31%
31 < >60	59	66%	91	64%	108	62%
- of which women	11	12%	14	10%	24	14%
- of which men	48	54%	77	54%	84	48%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
Total Foreign Locations:	2	1%	5	3%	4	2%
<30	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
31 < >60	2	1%	5	3%	4	2%
- of which women	1	0,5%	2	1%	2	1%
- of which men	1	0,5%	3	2%	2	1%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
Total Naples Headquarters:	0	0%	0	0%	4	3%
<30	0	0%	0	0%	1	1%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	1	1%
31 < >60	0	0%	0	0%	3	2%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	3	2%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
Total Rome Headquarters:	90	100	136	95%	156	90%
<30	31	34%	48	34%	55	32%
- of which women	4	4%	9	6%	10	6%
- of which men	27	30%	39	27%	45	26%
31 < >60	59	66%	86	60%	101	58%

- of which women	11	12%	13	9%	26	15%
- of which men	48	53%	73	51%	75	43%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
Total Milan Headquarters:	0	0%	2	1%	10	6%
- of which women	0	0%	0	0%	2	1%
- of which men	0	0%	2	1%	8	5%
<30	0	0%	2	1%	10	6%
- of which women	0	0%	0	0%	2	1%
- of which men	0	0%	2	1%	8	5%
31 < >60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%

TERMINATIONS: RESIGNATION OR DISMISSAL

	2021		2022		2023	
	n°	%	n°	%	n°	%
Total terminations	68	100%	71	100%	54	100%
<30	1	1%	10	14%	8	15%
- of which women	0	0	4	6%	0	0%
- of which men	1	1%	6	8%	8	15%
31 < >60	26	38%	43	61%	34	63%
- of which women	6	9%	7	10%	7	13%
- of which men	20	29%	36	51%	27	50%
>60	41	60%	18	25%	12	22%
- of which women	7	10%	1	1%	1	1%
- of which men	34	50%	17	24%	11	21%
Total Foreign Locations:	0	0%	0	0%	1	1%
<30	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
31 < >60	0	0%	0	0%	1	1%
- of which women	0	0%	0	0%	1	1%

- of which men	0	0%	0	0%	0	0%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
Total Naples Headquarters:	0	0%	0	0%	0	0%
<30	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
31 < >60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
Total Rome Headquarters:	68	100%	70	99%	52	98%
<30	1	1%	10	13%	7	14%
- of which women	0	0	4	6%	0	0%
- of which men	0	1%	5	7%	7	14%
31 < >60	26	38%	43	61%	33	62%
- of which women	6	9%	7	10%	6	12%
- of which men	20	29%	36	51%	27	50%
>60	41	60%	18	25%	12	22%
- of which women	7	10%	1	1%	1	1%
- of which men	34	50%	17	24%	11	21%
Total Milan Headquarters:	0	0%	1	1%	1	1%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	1	1%	1	1%
<30	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	1	1%	0	0%
31 < >60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%
>60	0	0%	0	0%	0	0%
- of which women	0	0%	0	0%	0	0%
- of which men	0	0%	0	0%	0	0%

TOTAL NUMBER OF EMPLOYEES

	2021			2022			2023		
	Men	Women	Totals	Men	Women	Totals	Men	Women	Totals
Total employees	621	148	769	684	159	843	772	191	963
Total Foreign Locations	1	1	2	4	3	7	4	2	6
Total Naples headquarters	0	0	0	0	0	0	8	0	8
Total Rome Headquarters	622	149	771	679	156	835	750	186	936
Total Headquarters Milan	0	0	0	1	0	1	11	2	13

INCOMING TURNOVER BY GENDER AND GEOGRAPHIC AREA

	No. entered as of 2023	Dept. no. as of 12/31/2023	% Turnover
Total Foreign Locations:	4	6	67%
- of which women	2	2	100%
- of which men	2	4	50%
Total Naples headquarters:	4	8	50%
- of which women	0	0	0
- of which men	4	8	50%
Total Rome Headquarters:	155	936	17%
- of which women	53	186	29%
- of which men	102	750	14%
Total Headquarters Milan:	10	13	77%
- of which women	1	2	50%
- of which men	8	11	73%
Totals	173	963	18%
- of which women	40	191	21%
- of which men	143	772	19%

OUTBOUND TURNOVER BY GENDER AND GEOGRAPHIC AREA

	No. entered as of 2023	Dept. no. as of 12/31/2023	% Turnover
Total Foreign Locations:	1	6	17%
- of which women	1	2	50%
- of which men	0	4	0%
Total Naples headquarters:	0	8	0%
- of which women	0	0	0%
- of which men	0	8	0%
Total Rome Headquarters:	52	936	6%
- of which women	7	186	4%
- of which men	45	750	6%

Total Headquarters Milan:	1	13	8%
- of which women	0	2	0%
- of which men	1	11	9%
Totals	54	963	6%
- of which women	8	191	4%
- of which men	46	772	6%

INCOMING TURNOVER BY AGE GROUP	No. entered as of 2023	Dept. no. as of 12/31/2023	% Turnover
< 30	66	144	46%
30 < > 60	108	732	15%
> 60	0	87	0%
Totale	174	963	18%

OUTGOING TURNOVER BY AGE GROUP	No. entered as of 2023	Dept. no. as of 12/31/2023	% Turnover
< 30	8	144	6%
30 < > 60	34	732	5%
> 60	12	87	14%
Totale	54	963	6%

During 2023, the company has confirmed a significant number of new entrants in the range of 170 new resources, adding to the same number of entrants in 2022 and the forecast for the year 2024.

This new trend is affecting the lowering of the average age of employees, who are nonetheless joined by senior figures who also take on the role of trainers. The outgoing turnover rate is to be considered ordinary in view also of the changing dynamics of the labor market and the turnover generated by retirements. The presence of the female population is also growing - influenced by both the lower representation of women in the STEM world and the peculiarity of our industry. During 2023, the Company participated in the "Empower young women" event organized by Almalaurea and focused on the selection of female candidates for technical and non-technical profiles.

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 aimed at examining the situation regarding human resources in the various business areas. Among the evidence gathered, a crucial role is played by the internal skills assessment, which starts with a moment of self-assessment by the employee, aimed at generating awareness, followed by an evaluation by the manager aimed at identifying improvement actions to be implemented or defining 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 goals defined at the Company level into individual goals assigned in the goal setting phase. On these, a formal evaluation 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 provides the elements useful for defining subsequent individual development actions, together with the evidence gathered in People Review meetings and skills assessment actions.

Through a Critical Position Assessment System, "key positions" are defined annually on which to make appropriate reflections regarding the appropriate level of coverage by the holder of a similar position. The approach leads to the definition of appropriate medium- to long-term resource planning, including through the configuration of replacement tables.

In this process, **Training** represents a fundamental lever for the development and consolidation of both technical-specialist and managerial skills, as well as guaranteeing the appropriate level of awareness on issues related to Corporate Management Systems, on some aspects moreover didactic events mandatory by law. To specifically preside over some of the Company's distinctive themes, a Corporate Academy has been designed, the purpose of which is to improve the knowledge of resources on Program Management and EW issues, 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	2021	2022	2023
Total hours of training provided	30.000	33.000	36.500
Average hours of training per employee	circa 24	24,6	25,3
No. Evaluations carried out frequently every 18 months	45	35	>70
No. plans directed at filling professional skills gaps	0	n.d.	n.d.
No. Individual plans directed at bridging behavioral skills gaps	45	>50	>70 (perhaps I would merge with line above, development plans tend to consider both aspects and are not different for the person involved)
Effectiveness of training interventions on key programs (scal 1 min - 6 max)	5,5	5,4	5,3
Learning test results for pathways on vocational skills	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 H&SE certified people.	10 PMP-certified people; 25 IPC-certified resources; >60 resources on EMAR skills; >80 resources have reached target level of English; 3 H&SE certified people.	12 PMP-certified people; >25 people certified or recertified standard IPC production processes; >100 people qualified to operate according to AMO system; 11 people certified ISO Auditor; >70 people reached the target levels of English expected,
% employees involved in the internal mobility plan	9%	12%	12%
No. Key Positions Mapped	35	70	>80

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	2021	2022	2023
Average value of performance bonus	1.297 euro	2.938 euro	2.684 euro
% amount of premiums converted to welfare	Non applicabile	15,2%	29,7%
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 helped increase the level of information sharing and employee engagement, which is also noted in ELT Group's certification as a Great Place to Work.

PEOPLE'S HEALTH AND WELL-BEING

Occupational health and safety is a priority; ELT Group is committed to these fronts through an in-house organization equipped with the appropriate technical skills, resources and tools so that risk verification, assessment and management are carried out to the highest standards.

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 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 EN ISO 45001, for which certification was renewed during 2023, guarantees the integrated and organic management of Safety aspects in all corporate organizational areas and the pursuit of continuous improvement. The SGSL applies to all ELT personnel at the headquarters, for all activities carried out therein, including consultants/trainees/contractors as far as it is provided for them in the standard; it also includes the Naples and Milan operating offices.

The System ensures the protection of 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.

The data in the table below refer to ELT employees.

EFFECTIVENESS OF HEALTH AND SAFETY MANAGEMENT SYSTEM -SGSL	2021	2022	2023
Number of deaths due to occupational injuries	0	0	0
Number of high consequence occupational injuries (excluding fatalities)	2	0	1
Number of work-related injuries	15	10 (15 if also considered on the way)	5 (12 if you also consider en route)
GG accidents at work	303	87 (162 if commuting injuries are also considered)	139 (270 if commuting injuries are also considered)
Main types of occupational injuries	Covid-19 Counts	Covid-19 Counts	Bumps/slides
Occupational injury frequency index F = No. of accidents x 1000000 h worked	11,71	7,51	3,23
Occupational injury severity index G = No. days lost x 1000000 h worked	0,24	0,07	0,09
Occupational injury severity ratio	0,4	0,11	0,15
Number of hours worked	1.280.797	1.331.260	1.547.233
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	1	0	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

The hazards that could result in the occurrence of a serious injury are mainly related to the performance of away activities with special reference to “overhead” activities with the use of harnesses. The aforementioned hazards have the highest number of days of hospitalization. However, it is emphasized that the frequency of the above events appears to be very low.

The main actions taken by ELT Group to mitigate the likelihood of serious and non-serious injury incidents are as follows:

- On-the-job training/information/training and health surveillance
- Assignment and control of appropriate PPE
- Management of away activities in agreement with the manager of the site where they are carried out;
- Identification of a supervisor with appropriate expertise
- Conducting periodic inspections by the SPP.

The process of risk assessment related to the occurrence of accidents carried out in ELT is described in the procedure of the same name of the SGSL and complies with what is specified and required by Legislative Decree 81/08 art. 28 and 29.

The quality of processes for identifying potential and actual hazards is ensured through:

- compliance with regulations
- The implementation of the guidelines and guidance contained in the SGSL risk assessment procedure
- Assigning the assignment to professionals with the necessary expected requirements and proven expertise/experience and who keep their training up-to-date as required by the regulations
- collaborating with the MC and consulting with the RLSs.

All new hires, during the training course related to Occupational Health and Safety issues (except for managers), are provided with the references of the RSPP, who has a teaching part related to the SGSL, and guidance on how to report “anomalies” related to Occupational Health and Safety. In addition, in the Risk Assessment procedure available on the CME Documentary DB, reporting methods are indicated and there is an ad hoc form in editable format; staff refer to the RSPP directly with the available company channels (email, Teams, whatsapp) or through their supervisor or through the RLSs.

All workers are made aware of how to deal with hazards; in fact, the regulations and procedures pertaining to Occupational Health and Safety provide that in the event of danger, the worker may stop the activity and leave the same. In the event of emergency situations, there is an Emergency and Evacuation Plan that indicates how to report such conditions and the correct mode of behavior to be adopted in such situations; the document is available on the company intranet and in the ECM Documentary DB, it is also presented during the basic courses administered to all newly hired employees (excluding Managers). Finally, the procedure “Management of Nonconformities, Injuries and Near Misses” outlines how to report, investigate and assess risks related to such events.

OCCUPATIONAL DISEASES	2021	2022	2023
No. employees for whom an occupational disease was recorded as of Dec. 31	0	0	0
of which deaths	0	0	0
No. of non-employee workers for whom an occupational disease was recorded as of 31.12	n.a.	n.a.	n.a.
of which deaths	n.a.	n.a.	n.a.

KNOWLEDGE OF SGSL AND OCCUPATIONAL HAZARDS	2021	2022	2023
No. employees who have received training	1,108	1,046	1433
% employees who have received training	97%	89%	88%
Average hours of annual training per employee on the topic of prevention and protection	6,4	4,5	6
No. hours of training delivered in e-learning	1,126	55	444

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

The employee supported at each 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.

The company pays special attention to people's well-being with a Wellness Project for health prevention new initiatives are proposed every year.

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 Metalworking and Plant Installation Industry.

Beginning in January 2023, with the aim of making the health care offer to employees and their family members even more comprehensive, a supplementary and complementary insurance for all Personnel has been added, fully paid for by the company. The new policy stems from the awareness that protecting the health of their own people and their family members, is a central point of the corporate welfare system. For managerial staff, in addition to the health policy of the relevant CCNL, there is also integration with the Previdir health policy.

Through the health insurances made available (Métasalute, Previdir, and FASI), employees/managers can have private examinations at the company's outpatient clinic, in collaboration with corporate partner PraxiGroup, through the ELT_Lab service. From 2023, it is also possible to perform an ECG free of charge and obtain a certificate for the performance of recreational motor activity.

The company infirmary offers a service available every day for 8 hours, which is also used by employees for examinations and consultations on illnesses, injuries, health issues or for information purposes, facilitating those who have time constraints to travel to health facilities for minor ailments due to work.

ELT Group promotes health prevention, through physical and mental wellness, through the Wellness Project, which consists of several initiatives. Since 2022, the company has launched a campaign that has included the presentation of a health prevention booth as part of Family Day "I'm coming too," and the opening of a portal containing useful information and a calendar of medical checkups that ELT Group employees can access. In addition, a project has been launched to hold Prevention Days during which employees who request them can access health prevention checkups and specialist examinations at the company's outpatient clinic completely free of charge.

Since 2022, the company has launched a campaign to include health prevention as part of the Family Day "I'm coming too" and to open a portal containing useful information and a calendar of health checkups that ELT Group employees can join.

During 2023, the possibility of having psychological support (three sessions paid for by the company for anyone who requests it, in presence or online) and two seminars open to everyone on specific issues were added; in-person workshops on nutrition were also organized (8 editions at the Rome office and one at the Milan office), two open days and the possibility for 30 colleagues in the highest risk bracket (obesity) to start free of charge a pathway with a nutritionist (assessments, first visit and two checkups) in addition to the possibility of using it privately at the company headquarters. In addition, the information portal that also contains the Checkup Diary and specific articles on the topic have been revamped and centered on the issue of metabolic syndrome.

EMPLOYEE HEALTH AND WELL-BEING	2021	2022	2023
Total value of investment Corporate infirmary	205.503 €	232.400 €	217.318 €
No. outpatient health care services	340	378	411
N. vaccinations for seasonal flu	140	162	178
N. tetanus vaccinations	13	18	11
No. interventions cases of injury	14	11	22
No. interventions cases of discomfort	13	13	19
No. maternity leave certifications	2	0	1
N. Follow-up ECGs performed by nursing staff	17	13	15
Hours of attendance nurses	8 hours per day for 5 days/ week	8 hours per day for 5 days/ week	8 hours per day for 5 days/ week
Hours of attendance of the company doctor	16 hours spread over 2 days.	16 hours spread over 2 days.	16 hours spread over 2 days.
Type and No. of services provided (for ELT Lab)	Benefits under Private: 39; Swabs in private practice:101; Benefits through insurance: 214	Benefits under private arrangements: 46; Benefits through insurance: 25; Swabs in private practice: 120 rapid + 12 molecular	Benefits under private arrangements: 94; Benefits through insurance: 37;

EMPLOYEE ENGAGEMENT TOOLS

ELT Group believes in an organizational culture based on people and shared with them, which is why it offers numerous spaces and tools to acquire information, share experiences, revive ideas, participate and be protagonists in corporate initiatives and events.

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

FELT, the internal communication periodical, gives voice to the enthusiasm of all 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 foster a unique and shared organizational culture, enriched through collaboration with all investee companies (ELT Group Deutschland, Cy4Gate, E4Life and ELtHub) to create a true Group culture.

In addition, during the year, the E-FELT digital newsletter-which runs monthly-has enabled immediate, agile information in step with the company's timeline to make the flow of news from the various business units to internal communication and vice versa constant.

ELTogether, on the other hand, is the annual initiative dedicated to employees with the aim of sharing the main milestones of the year and the focal points of the short-term strategy, thanks to the meeting between top management and the corporate population, enhancing the spirit of belonging and the sense of community. The 'event in 2023 was attended by about 900 people, confirming it as a valuable opportunity for sharing at all levels.

2023 was also the year of the launch of a new format: the Hi Days. The Hi Days are events aimed at all Personnel included within the company's Diversity & Inclusion project and represent an informal setting aimed at enhancing, through various cultural and aggregation activities, internal engagement and the creation of interpersonal relationships regardless of roles, company seniority, organizational positions or departments they belong to

Two Hi Days were held during the year, which were attended by about 80 percent of the corporate population (700 people).

The year 2023 marked ELT Group's first participation in Race for the Cure, the largest national event dedicated to raising funds for breast cancer research, thanks to a donation to Komen Italia, the event's organizing body. About 150 employees and their family members/ chaperones participated in the event.

With the aim of enhancing even more the involvement of Personnel, as well as stimulating the exchange of know-how and innovation within the company, the Shaping Innovation Award was inaugurated in 2023, a contest open to all the Group's investees, in which participants were asked to present innovative projects inherent to the main strategic business lines.

The competition, which was divided into preliminary, bootcamp and final stage + award ceremony, was attended by about 150 people with more than 30 projects submitted. The two winning teams were awarded with a cash prize.

The sense of belonging and the valorization of people also pass through the celebration of the professional and moral qualities of employees. To this end, the company submits the nomination of one or more employees for the Stars of Labor Merit honor (according to the requirements under Law 143/1992). Employees who receive the honor are invited to the Quirinale Palace, where the ceremony in which the "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 always stands by its employees, attentive to their peace of mind and well-being. Assistance, benefits and welfare: these are the key words of our welfare system.

In addition to wellness and health protection, the Company in 2023 made available to its employees an electronic purse of 760 euros per capita (on top), in addition to the 200 provided by the CCNL spendable through the Enjoy Life Time welfare platform. Various services and benefits can be accessed on the portal: Family (reimbursement of education and child and family care expenses), Retirement (Cometa Fund), Health and Wellness, and Leisure (Travel and Gyms, with the possibility of on-demand agreement of individual facilities). From 2024, under an agreement with the company RSU, the on top is increased to 800 euros per person, while from 2026 it will rise to 840 euros.

If the conditions stipulated in the regulations are met, it is also possible to convert the Result Bonus into welfare credit. In this case, in 2023, employees who converted and spent at least 50% of the Result Bonus received a "conversion bonus" of 10% on the amount converted and spent in the form of additional welfare credit.

Finally, ELT Group promotes the use of supplementary pension plans (Cometa Fund) with the aim of providing Personnel with higher pension coverage, supplementing that offered by the mandatory social security system. In this sense, since 2023 ELT Group has increased by 0.5 percent the contribution to be borne by it for both the over-35s and under-35s, going beyond the minimums established by the regulations.

The Collective Bargaining Agreement for Executives of Goods and Services Manufacturing Companies also provides the option for management personnel to join a supplementary pension fund. In this regard, ELT Group has joined the Previsgen pension fund.

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-collar workers to offer an electronic purse expendable for their children's education (reimbursement for school expenses), leisure time (cinema, theater, experiences, spas, gyms, travel, language courses), health care packages and purchases of goods and services useful for personal and family life.

FACILITATE THE QUALITY OF LIFE OF EMPLOYEES	2021	2022	2023
Welfare amount per employee	Euro 760 on top + 200 CCNL	Euro 760 on top + 200 CCNL	Euro 760 on top + 200 CCNL
Degree of satisfaction with the initiative (Result derived from the response to the question "I consider the "Enjoy Life Time" Corporate Welfare Plan to be a strength of the company" included in the Great Place to Work survey)	80%	82%	87%

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 fact, in addition to the provisions of the industry collective bargaining agreement and national regulations, employees have at their disposal:

- Annual amount of 72 hours allocated to leave for treatment, medical examinations and diagnostic tests
- 3-day leave in case of death or documented serious illness 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
- nursery and first-year kindergarten.
- 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 addition, in 2023, in consultation with the RSU, the new Working Time Regulations came into effect to ensure greater flexibility in entry, easier use of annual paid leave, and an extension of maternity and paternity leave totally paid for by the company, specifically:

- Compulsory maternity leave (supplementing the 5 months of compulsory maternity leave at 100% + 1 additional month beyond what is required by the regulations, also at 100%)
- Mandatory paternity leave (+1 day over the norm)
- Continuous parental leave for at least 30 days (supplement of +30% over statutory)
- Economic treatment equal to 50% of full global remuneration, during the first 6 months of the period of sick leave

In 2023, ELT Group confirmed the agreement with the RSU that employees can request 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 Head of function/area/department.

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. To this end, specific training dedicated to the company's top management was provided in 2023 in collaboration with the School of Management of Bocconi University.

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	2021	2022	2023
Hours allowed for medical appointments/child sickness	14.648	9.694,02	7.937,82
Hours allowed for marriage leave	1.200	1.208,00	1.472
Study leave hours	314	406,31	991
Overtime leave hours	0	2.456,00	656
Hours permits law 53/2000	1.150	869,25	0
Hours leave compulsory leave father	1.656	1.712,00	1.801
Hours allowed for parental leave	846	1.824,00	582
Maternity leave hours	2.262	6.410,00	4.640
Rest hours allowed for breastfeeding	303	811	746
Hours leave for law 104/9	3.563	4546,34	4.714

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 guarantees clarity, fairness and transparency.

In 2023, the company issued its D&I Policy, To make clear the strategies and initiatives aimed at overcoming cultural stereotypes and unconscious bias, 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 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 company's Code of Ethics.

The Policy's ability to generate positive impacts in the organization is assured:

- by the establishment of a dedicated HR team (D&I Team) to coordinate implementation and a network of internal facilitators (so-called D&I Ambassadors) to support
- 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 corporate community and through various actions to ensure its accessibility to all its recipients.

In addition, in 2023, the company decided to supplement both compulsory maternity (5 months at 100% + 1 month at 100% in addition to what is provided for in the regulations) and paternity leave (+1 day over what is provided for in the regulations) and parental leave (+30% supplement over what is provided for in the regulations) in order to support new parenthood.

During the year, the D&I Ambassadors project, the internal network of change facilitators who collaborate with the D&I Team to field Diversity & Inclusion actions and initiatives, continued. In 2023 the Ambassadors received ad hoc training, participating in three meetings aimed at recognizing and overcoming the main biases related to diversity dimensions, as well as a teamworking opportunity where they had the chance to shoot a video for internal communication use on the meaning of D&I in ELT Group.

In terms of training, moreover, last year the company's top management participated in a workshop regarding change management from the perspective of inclusion and the impact D&I can have on business, for a concrete engagement of top management on the topic

Finally, Diversity Day 2023 - the internal event dedicated to Diversity & Inclusion issues - saw the showcase on the company premises of the photographic exhibition "Sei Bella da Morire," a collection of 40 photographic paintings testifying to gender-based violence in all its forms, which the Staff were able to admire over the course of an entire working day. The event was opened by a speech by CEO & COO Domitilla Benigni, Massimo Antonio de Bari (VP People, Communication & Asset Management), as well as the curator of the exhibition (Angelo Franceschi, journalist for la Repubblica) and the founder and president of the Social Cooperative Against Trafficking, Violence, Discrimination BeFree (Oria Gargano), to which ELT Group made a donation.

TOP MANAGEMENT	2021	2022	2023
Total	14	14	12
% men	86%	86%	83,3%
% women	14%	14%	16,7%
% < 30	0	0	0
% 30<->60	80%	79%	58%
% > 60	20%	21%	42%
DIRECTORS	2021	2022	2023
Total	61	64	67
% men	87%	86%	87%
% women	13%	14%	13%
% < 30	0	0	0
% 30<->60	72%	75%	71%
% > 60	28%	25%	29%
RAL medium	23% RAL media donne > uomini	18,3% RAL media donne > uomini	20,2% RAL media donne > uomini
EXECUTIVES	2021	2022	2023
Total	106	121	129
% men	83%	85%	81%
% women	17%	15%	19%
% < 30	0	0	0
% 30<->60	86%	88%	87%
% > 60	14%	12%	13%
RAL medium	1% average RAL women > men	5.35% Average RAL women < men	5.38% Average RAL women < men

CORPORATE POPULATION	2021	2022	2023
Total	771	839	963
no. total employees	545	599	710
no. total workers	59	55	57
Average employee RAL Women vs. Men	4% Average RAL men > women	3.42% Mean RAL women < men	5.47% Average RAL women < men
Average RAL blue collar workers Women vs. Men	1% Average RAL men > women	2.81% Mean RAL women < men	3.17% Average RAL women < men

TYPE OF USE	2021	2022	2023
Total full-time employees	758	827	949
No. full-time male executives	53	55	58
No. full-time female executives	8	9	9
No. full-time male cadres	88	102	105
No. full-time female executives	18	18	23
No. full-time employees men	437	482	564
No. full-time female employees	99	109	136
No. full-time male workers	42	39	43
No. full-time female workers	13	13	11
Total part-time employees	13	12	14
No. part-time male cadres	0	1	0
No. part-time female executives	0	0	1
No. part-time employees men	1	0	1
No. part-time female employees	8	8	9
No. part-time workers men	1	1	1
No. part-time female workers	3	2	2

TYPE OF CONTRACT	2021	2022	2023
No. of fixed-term employees	2	0	1
No. of fixed-term men < 30	1	0	0
No. of men t.d. 30<>60	1	0	0
No. of men t.d. >60	0	0	0
No. women t.d. < 30	0	0	1
No. women t.d. 30<>60	0	0	1
No. of women t.d. > 60	0	0	0
No. of permanent employees	769	839	962
No. of men t.ind. < 30	46	71	99
No. of men t.ind. 30<>60	490	540	599
No. of men t.ind. >60	84	69	90
No. women t.ind. < 30	11	14	20
No. women t.ind. 30<>60	122	133	158
No. of women t.ind. >60	16	12	16

BUSINESS RELATIONSHIPS

06

ATTENTION TO THE CUSTOMER

ELT Group imprints its relationship with customers on the model of strategic partnership. A constant improvement approach stimulates continuous and challenging research toward the most innovative market trajectories to best meet the requirements effectiveness and efficiency of the proposed solutions.

GLOBAL CUSTOMER SUPPORT - THE INTERNATIONALIZATION MODEL

With the aim of improving the life of the product and its effectiveness over time, the company has a specific line dedicated to logistics. In recent years, in order to be constantly next to the customer, the company has invested in plans for international localization, starting from the fruitful experience gained through foreign subsidiaries that have confirmed how the local presence is a key point for the effective dialogue with the customer and, consequently, allows to offer a greater ability to identify new needs to which to respond with a high speed of reaction.

In addition, localizations, as well as partnerships with local companies, allow for better positioning of the company in various international scenarios, so as to also take into account the geopolitical situation of the target geographic area.

After opening two new sales offices in Asia and North Africa in 2022, in 2023 the company expanded with a permanent resident staff presence in the representative offices in Egypt and Pakistan, and set out a plan to grow the "local company's" industrial capabilities in Saudi Arabia, which will expand the market and strengthen relationships with indigenous

companies. Similarly, a representative office was opened in Germany, where the company has already been present with a German-registered company since 1978.

To date, ELT Group has a total worldwide presence of 12 principals.



The infographic features a teal background. On the left, there is a white icon of a globe with two circular arrows around it, indicating a cycle or global reach. To the right of the icon, the number '12' is displayed in a large, white, sans-serif font. Below the number, the text 'OFFICES ON 4 CONTINENTS' is written in a smaller, white, all-caps, sans-serif font.

PARTNERSHIPS AND STRATEGIES FOR EUROPEAN DEVELOPMENT

The company has been actively contributing since the 1970s to the European dimension of Defense (both through participation in major Defense programs such as Tornado, Efa Typhoon, FREMM, PPA, NH90) and through national (National Military Research Plan- PNRM) and European (European Defense Industrial Development Program - EDIDP, EDF E PADR) funded programs.

The growth of engineering and technological skills nurtured by consortium and funded research programs has enabled 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.

CUSTOMERS IN NUMBERS	DATA 2021	DATA 2022	DATA 2023
No. of customers		62	59
% customers by geographic area		Extra EU 25,8% EU 30,65 Italy 43,55%	Extra EU 25,4% EU 27,1% Italy 47,5%
% customers by type		Private 63% Public 37%	Private 66% Public 34%
No. Industrial offset/offset projects		1	1
No. of offices/principals present in foreign countries		8	9
No. of offices/principals present in foreign countries, by geographic area		1 Europe 1 North Africa 3 Middle East 3 Asia	2 Europe 1 North Africa 3 Middle East 3 Asia

PARTICIPATION IN THE EUROPEAN DEFENSE INDUSTRIAL DEVELOPMENT PROGRAM (EDIDP)	DATA 2021	DATA 2022	DATA 2023
No. of tenders submitted	6	9	11
No. of calls won	6	n/a	7
Value Funding allocated	3,861M	n/a	14,4 M
Co-financing value	3,821M	n/a	9 M

EW ACADEMY

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

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 IN NUMBERS

PROGRAMS



WEEKS OF TRAINING PROVIDED



PARTICIPANTS EW ACADEMY



CUSTOMER SATISFACTION CYCLE

Returning the customer on the quality of products and services is crucial because it is part of the process of continuous improvement of the offering, as well as an opportunity for consolidation of the reaction to ensure the sustainability of the business in the long run.

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

Customer Survey, using a "Customer Satisfaction Questionnaire" that can be addressed to all domestic and foreign customers



2

Product Survey using a "Product Survey Questionnaire" dedicated to the Product and its associated services

Complaint handling
(both direct and implied)



4

Internal de-briefing activities and activation of specific actions to contain/resolve Customer dissatisfaction or complaint

THE CRITERIA FOR CONDUCTING SURVEYS

- Planned deliveries during 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	DATA 2021	DATA 2022	DATA 2023
Customer survey - Product	8,3/10	8,3/10	8,4/10
Customer survey - Sales	8,9/10	8,1/10	8,5/10
Customer survey - Logistics	8,4/10	8,3/10	8,4/10

PERSONALIZED CUSTOMER SERVICE

- **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 delivery stage
- **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 other processes involved in product realization
- **On-site technical assistance** in the operation and maintenance of systems.

ELT's 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.

MANAGEMENT AND ENHANCEMENT OF THE SUPPLY CHAIN

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 the company's 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	DATA 2021	DATA 2022	DATA 2023
Total number of suppliers	604	649	698
of which No. of direct suppliers	216	254	262
of which Intellectual Capital, Materials, Performance	35 CI, 155 M, 118P	35 CI, 144 M, 75 P	40 CI, 164 M, 58 P
of which indirect suppliers	388	392	436
Orders issued to suppliers	102 milion	175 milion	174 milion
of which to direct suppliers	76 milion	142	129 milion
of which Intellectual Capital, Materials, Performance	8 CP, 45 M 23 P	5 CI, 107 M, 30 P	3 CI, 102 M, 24 P
of which to indirect suppliers	26 milion	32	45 milion
No. of direct suppliers in the last 5 years	216	254	262

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 phases, to electronic and mechanical components, modules, units and subsystems, up to shelters, avionics PODs and more generally equipment structures and land platforms set up with ELT Group 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** adopted by ELT Group to guarantee that quality of its supply chain is represented by a path that qualifies a company as a supplier, evaluates and verifies ethical, legal, economic aspects and financial soundness, 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, the Anti-Corruption Code and the 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 existing contracts they have with us.

In this way, the supply chain is guaranteed in several aspects: **health status, reliability, excellence orientation, and also ethical and legal orientation.**

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 gather 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 dedicated to the subject. Then, through a testing procedure, it is ensured that the work meets the relevant international standards.

SUPPLIER PORTAL

The Supplier Portal makes it possible to manage all stages of the purchasing process that require direct interfacing, having detailed information also with the goal of minimizing supply chain risks.

Specifically, through carry are guaranteed:

01

Structured management of the supplier register

02

Automatic management of certification schedule for each supplier

03

Management of the performance evaluation process and supplier risk

04

Automation of the qualification status verification process at the order issuance stage

05

Repository of supplier certifications available to internal customers

06

Proactive and shared management of the order book

07

Dematerialization of documentation related to the purchasing process

08

Streamlining documentation control activities Goods Entry

09

Preparation for total dematerialization of invoices payable

10

Development of automated reporting tools

11

Improvements in the supplier-ELT relationship by sharing key information (e.g., performance, orders, certifications)

THROUGH A MODE THAT INVOLVES:

- 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.

On a path of gradual transformation toward sustainable procurement, Use Cases for the introduction of sustainability criteria in the selection of suppliers awarded some indirect service tenders have already been identified in 2023 as part of some pilot projects.

Specifically, several environmental criteria were considered in the awarding of the rental service contract for the company's printers, including possession of the Blue Angel environmental label and compliance with the limits and exclusions of substances and heavy metals present in toner and ink powders as outlined in the October 17, 2019 Ministerial Decree in Official Gazette No. 261 of November 7, 2019.

While under the Automated Food Distribution tender, limits have been placed on the noise and toxicity of vending machines, the use of compostable materials and food products that must be of high quality and, where possible, BIO certified.

From a green perspective, for the plant's Industrial Cleaning service, as an example, the use of plant protection products, detergents, tissue paper and liquid soaps with ECOLABEL or equivalent environmental label has been regulated. In addition, special emphasis has been placed on staff training so that they know the best practices to be implemented during cleaning to reduce the consumption of the products used.

Last but not least, the selection criteria for the company car fleet have been revised, converting the fleet to cars with electric or hybrid power, which thus lower the level of CO2 emissions.

Additional ongoing improvement projects have been activated:

- Defining environmental purchasing specifications
- Definition of Sustainable Purchasing Charter, as an extension of the current Code of Ethics and Conduct
- Assessment, via ESG RATING, of the Critical Supply Chain
- Calculation of the carbon footprint generated by the Supply Chain.
- Supply chain involvement and training on ESG issues
- Cyber Risk Index calculation of the critical supply chain.

The goal is the integration of the current Procurement process with activities aimed at transforming it towards sustainability. Through these projects, ELT Group aspires to bring its contribution to the generation of a sustainable supply chain ecosystem that can:

- Reduce environmental and social impacts along the life cycle of products
- Reduce supply risks
- Reduce CO2 emissions from Scope 3
- Improving the ESG Rating of the Supply Chain.

NO. OF SUPPLIERS WHO HAVE SUBSCRIBED TO THE CODE (ENROLLED IN THE PORTAL)



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, at the accreditation stage, must 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 are:

- 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.

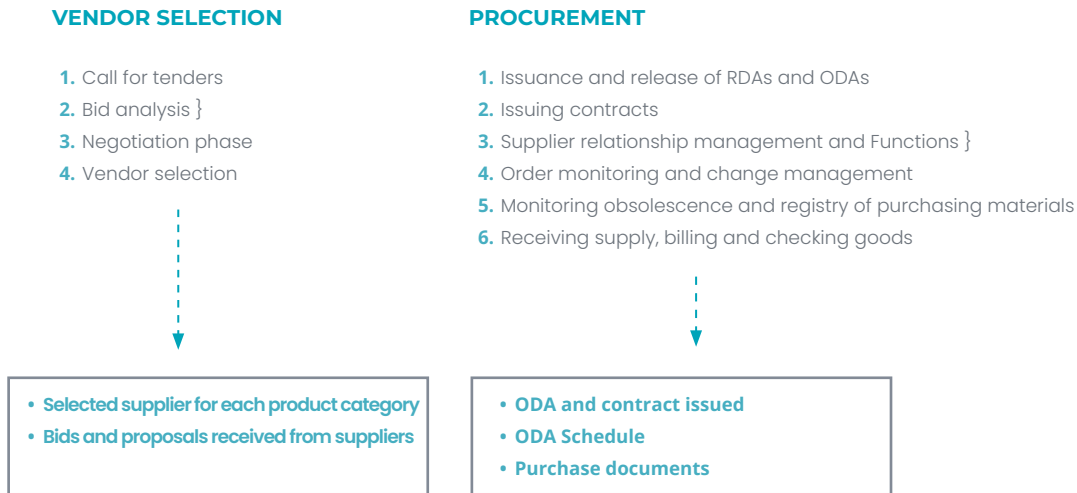
ADMINISTRATIVE AND REGULATORY REGULARITY	ECONOMIC-FINANCIAL REQUIREMENTS	MANAGEMENT REQUIREMENTS	TECHNICAL AND OPERATIONAL REQUIREMENTS FOR SPECIFIC SUPPLIES
Social security and welfare contributions	Indicators concerning the probability of termination (D&B Failure Score and D&B Delinquency Store)	Health and safety certifications (ISO 45001)	Presence of "special machining processes" and their management
Declarations of absence of criminal judgments	Indicators related to payment habits toward 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 the information security	Application in a structured way of the best practices of Lean Manufacturing
Tulps License (Testo Unico delle Leggi di Pubblica Sicurezza)	Research & Development Expenditure	Quality Assurance Manual	Use of a measurement system Of internal and external performance
Industrial Security Clearance (NOSI)			Possession of technical-profesional aptitude
General Conditions of Contracts - Security Requirements			

DRIVE FOR ADAPTATION TOWARD PROCESS/PRODUCT STANDARDS	DATA 2021	DATA 2022	DATA 2023
% suppliers that hold ISO 14001 certification	26%	27%	27%
% of suppliers reporting possession of certification or systems aimed at managing occupational health and safety (BS OHSAS 18001)	9%	9%	10%
% Suppliers reporting possession of ISO 9001 certification.	100%	100%	100%
% Suppliers reporting possession of ISO 27001 certification for Information Security	13%	13%	16%

THE PROCUREMENT PROCESS

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

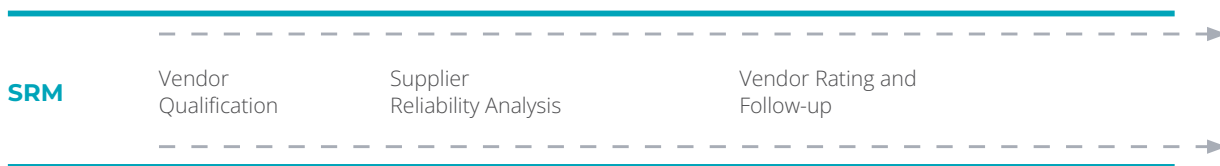
All supplies must be accompanied by the **Manufacturer's Certificate of Conformity** or, in its absence, by an assumption of responsibility by the supplier to make checks and verifications listed in the check list attached to the Terms & Conditions. Reference is to major international standards to ensure 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 collaboration 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.



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 RISK MANAGED



Research and Development



Production Quality



After Sales Support



Information systems



Planning



Human Resources



Financial



Commercial



Risk Control



Country



Anti-counterfeiting

Initiatives are underway to assess third parties from a cybersecurity risk perspective, through a **pilot project** that aims to also integrate **cyber risk**, in the assessment of vendor reliability.

BILATERAL FEEDBACK

Bilateral feedbacks are aimed at conducting a **comprehensive evaluation of suppliers**, receiving feedback from all company facilities that use a service or use a material. In addition, these formal moments are used for equal discussion with the supplier with a view to continuous improvement of the relationship between the parties.

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 is presented during the formal time of management review.

Over the past year, additional criteria for evaluating suppliers have been introduced that include the supplier's level of service as well as also issues related to cost and their responsiveness in meeting business needs.

A comprehensive 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.

Bilateral feedback meetings are responsible for discussing and validating the results as well as deciding what actions need to be taken to address any critical issues or shared areas for improvement.

RELIABILITY OF SUPPLIERS	VALUES 2021	VALUES 2022	VALUES 2023
% suppliers managed in High Reliability class	63%	60%	67%
% suppliers managed in Medium reliability class	23%	36%	32%
% providers managed in Low reliability class	14%	4%	3%

IMPROVEMENT ORIENTATION	DATA 2021	DATA 2022	DATA 2023
No. of suppliers that have achieved VR/quality upgrading	43%	45%	43%
No. of suppliers with whom meetings aimed at improvement were conducted	10%	15%	11%
Suppliers who have introduced improvements in their processes as a result of the Committee's evaluation	5% On-going activities	5% On-going activities	8% ongoing 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	DATA 2021	DATA 2022	DATA 2023
No. suppliers with whom ELT has a framework contract in place	9 small: 50% medium: 40% big 10%	28 Small 32% medium: 18% large 50%	58 Small 43% medium: 16% large 41%
% regional suppliers with whom ELT has a framework contract in place	70%	25%	21%
% domestic and foreign suppliers with whom ELT has a framework contract in place	100%	93%	72%

INDUCED DEVELOPMENT IN THE NATIONAL TERRITORY

To date, ELT Group has a **supply chain that is particularly rooted in the Italian territory**, particularly Lazio. In fact, each year, an average of 61 percent of ELT Group's spending is in Italy, and of this spending about 39 percent is in Lazio.

ELT Group prefers to choose local suppliers where technical and commercial standards allow it. 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, a true Academy, 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	DATA 2021	DATA 2022	DATA 2023
% of domestic suppliers	75%	73%	79%
of which % regional suppliers	33%	32%	35%
% foreign suppliers	25%	27%	21%
Total volume of the order	58,2 Milion	107,6 Milion	174 Milioni
% volume of order placed with regional suppliers	54%	39%	39%
% volume of order placed with domestic suppliers	46%	61%	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 2023, the company organized several workshops on topics of technological innovation, strategy sharing, and supplier interest.

In addition, two workshops were held with all active suppliers during which the sourcing transformation program, already initiated by ELT, was shared, touching on topics ranging from long-term strategic agreements, to delivery assurance as well as the supply chain digitization program. These meetings aimed to share, with the approximately 60 suppliers involved, strategies and related action plans.



ENVIRONMENTAL MANAGEMENT

07

ENERGY MANAGEMENT

Safeguarding the environment is one of ELT Group's main goals: to minimize impacts on the environment and achieve ever-increasing energy and ecological efficiency, in line with its global commitment to the planet for the benefit of future generations.

ENERGY EFFICIENCY AND EMISSION REDUCTION

During 2023, the implemented Environmental Management System was certified as complying with **UNI EN ISO 14001** by an accredited Third Party Entity.

For the purpose of monitoring the performance of the Environmental Management System, key parameters needed to measure environmental impact and major steps within a multi-year green investment plan have been defined.

Based on the identified trajectory, in 2023, a total of 254.5 MWh of electricity was produced from renewable sources (photovoltaic system installed in 2019), production that is almost constant over the four-year period 2020-2023. These new findings add to the initiatives implemented over the past 10 years in favor of energy efficiency.

ENERGY EFFICIENCY	DATA 2021	DATA 2022	DATA 2023
Energy intensity of the organization ¹	11.07 toe/M€	10.23 toe/M€	8.15 toe/M€
Intensity of the organization's CO2 emissions*	19.12 tCO2/M€	15.98 tCO2/M€	15.11 tCO2/M€

¹ The parameter used is the added value of the organization.
(*) from Corporate Carbon Footprint base year 2022

For the calculation of energy intensity, with respect to the year 2023, the organization's internal energy consumption was considered. The following reference sources were considered in the calculation:

- electricity
- natural gas (for heating and canteen)
- gasoline and diesel fuel (automotive)
- nitrogen (process).

For the calculation of emission intensity, again for 2023, Scope 1 emissions, (pertaining to energy consumption of fuels, such as natural gas, gasoline, diesel) and Scope 2 emissions (pertaining to electricity consumption) were taken into account. It should be noted that Scope 1 and 2 emission sources are found to be expressed in tons of CO2 equivalent.

EMISSIONS OF THE COMPANY	DATA 2021	DATA 2022	DATA 2023
Direct emissions Scope 1		1,282 tCO ₂	1,233 tCO ₂
Indirect emissions Scope 2		2,503 tCO ₂	2,342 tCO ₂
Indirect emissions Scope 3 (partial)		4,121 tCO ₂	n.a.

ENERGY CONSUMPTION BROKEN DOWN BY TYPE	udm	DATA 2021	DATA 2022	DATA 2023
Natural gas for heating	SMC	361.704	328.058	308.121
Total electricity consumed	kWh	5,479,254	5,462,746	5,368,800
Electricity purchased from the grid	kWh	5,249,194	5,200,516	5,114,270
Of which from certified renewable source	kWh	0	0	0
Of which from non-renewable source	kWh	5,249,194	5,200,516	5,114,270
Self-generated and consumed electricity	kWh	230,060	262,230	254,530
Self-generated electricity sold to the grid	kWh	0	0	0

MACHINE CONVERSION AND EFFICIENCY ACTIVITIES

2011

Shutdown of service production machines

2012

Replacement of energy-hungry current converters

2013

Daily conducting Fridge Group according to the predicted weekly temperatures

2014

New departments with DALI system LED lighting

2015

New compressor for Compressed Area circuit. LED lighting for outdoor light

2016/2017

Clean room insulation to reduce heat loss and leakage

2018

Installation of photovoltaic system panels for self-consumption

2018/2019

Planned implementation of centralized cooling system

2019/20

Rationalization of corporate centralized cooling system

2021/2022

Expansion of monitoring system. Installation of new EE and GAS meters

2023

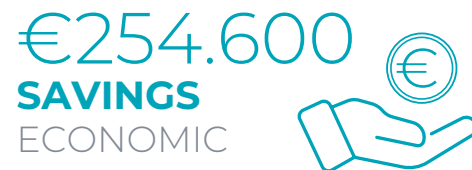
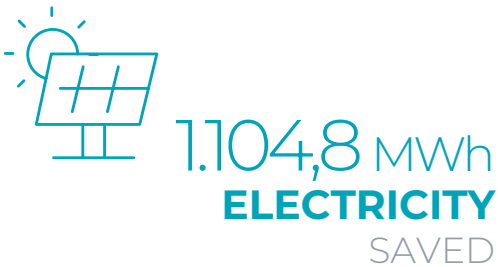
Osmosis system replacement

ENERGY SAVINGS

As of August 3, 2019, the day the PV system's production came on line, a total electricity saving of 1,104.8 MWh has been realized, with an associated economic saving of approximately 254.6 K€.

The plant in 2023 resulted in a reduction in CO2 emissions of 101 tons of CO2 avoided (calculated directly by the FTV plant management software).

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.



TECHNOLOGIES FOR REDUCING ENVIRONMENTAL IMPACTS

ELT Group's innovation is also expressed in the environmental field, with the aim of reconciling the needs of economic development, social welfare and environmental protection. Technologies that can reduce energy consumption and waste of natural resources have been developed and adopted in order to avoid the production of waste materials and responsible management of resources.

TECHNOLOGIES AND MATERIALS FOR PRODUCTION OPTIMIZATION

Digital Transformation and, in particular, its declination in Digital Manufacturing has also had a significant impact on business processes in terms of environmental impact.

Crucial in these terms was the implementation 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, both in terms of reduced consumption of materials and energy: 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 a SWAP (Size, Weight And Power) approach, which aims 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.

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

NATURAL RESOURCE MANAGEMENT

Management the use of company assets aims to reconcile operational and business needs with the protection of environmental resources and ecosystems by reducing water consumption and waste, using paper certified for reduced environmental impact, and paying attention to waste sorting.

SUSTAINABLE CONSUMPTION

ELT Group's commitment to reducing its impacts comes through several initiatives that have been put in place and constantly monitored.

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

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.

After measures were taken to optimize water consumption, 50,930mc of water was used in 2023, a reduction of 32 percent from the previous year (76,734mc).

ELT Group uses aqueduct and well water for domestic purposes for irrigation and industrial use. It also generates water discharges from these utilities, which, as it is licensed, it discharges directly into the sewer system.

It is also specified that water consumption and discharges related to business processes implemented at the plant are evaluated periodically and/or downstream of changes through specific monitoring/measurement and evaluation of results.

The water resource management methods are as follows:

- Monitoring of water consumption and discharged flow rates
- Identification of improvement actions as a reduction target
- Definition of contractual environmental requirements aimed at suppliers
- setting targets for water consumption and discharge, following a careful analysis of the business environment.

In addition, for the analysis of impacts related to the water resource, ELT Group carries out an analysis of the regulatory and territorial context in which the company site is located (set out in the Environmental Analysis), with in-depth analysis of hydrogeological aspects and local regulations on water withdrawal.

WATER CONSUMPTION	udm	DATA 2021	DATA 2022	DATA 2023
Total water consumption	megaliter	84,4	76,73	50,93
Municipal aqueduct	megaliter	25,06	26,14	21,67
Water table	megaliter	59,34	50,59	29,26
Total water withdrawal	megaliter	84,4	76,73	50,93

WASTE

Starting in 2012, separate collection of waste assimilated to municipal waste was introduced in order to subtract the amount of undifferentiated waste. About 150 collection points for Paper and Multimaterial (plastics and metals) have been placed in the company (offices and open space), thus minimizing the production of undifferentiated waste.

Waste assimilated to municipal waste is collected daily at the ecological island built in 2016, to transfer it to the municipal collection company.

SPECIAL WASTE PRODUCTION AND COLLECTION

Special waste generation and the resulting impacts on the environment result from the processing of hazardous substances and raw materials, with associated management of the resulting waste and materials.

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.

All wastes are disposed of in accordance with legal requirements, using firms specializing in the recovery and treatment of special wastes.



-32%

**WATER USED
COMPARED TO 2022**



+150

**COLLECTION POINTS
FOR PAPER AND
MULTIMATERIAL**

GREEN MOBILITY

SUSTAINABLE CONSUMPTION

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

The company to date has installed 30 electric car charging stations, with a total of 57 charging points (31 for company cars and 26 for employees' private vehicles).

In 2023, ELT Group provided 69,289 kWh of Electric Energy for car charging through 23 charging stations.

To these must be added the 3,063 kWh absorbed by public charging stations outside the company's perimeter.

CONSUMPTION FOR CAR FLEET	udm	DATA 2021	DATA 2022	DATA 2023
Gasoline	l	12.544	18.905	26.107
Diesel	l	43.797	45.109	35.955
Charging for hybrid and electric vehicles	kWh	n.a.	36.120	72.352



+30

ELECTRIC CAR CHARGING STATIONS



69.289 kWh

ELECTRIC ENERGY FOR CAR CHARGING PROVIDED



A **Responsible present**
for a **sustainable future**



METHODOLOGICAL NOTE

Elettronica S.p.a. (hereinafter also referred to as "ELT Group") presented the current sustainability reporting with reference ("with reference") to GRI standards for the period 01/01/2023 - 31/12/2023.

With the Sustainability Report 2023, the Company's official source of information, Elettronica S.p.a. continues its journey of reporting on environmental, social and governance performance.

The information and data provided meet the general guidance and reporting requirements of GRI standards, taking into account the material issues identified by ELT Group. For these data, qualitative and quantitative information pertaining to fiscal year 2023 and, where available, the previous two years (2021, 2022) has been reported.

Additional data and information were, in addition, reported, both in relation to material issues and to issues not declared as material, but nevertheless managed by the Company. Specific data and information have been defined and reported in the Sustainability Report, taking into account the guidance provided by the requirements of the relevant GRI standards. These disclosures are reported through an increasingly structured specific reporting process pertaining to the last five years.

The above process has made it possible to identify and develop, through benchmarking activities, an information dashboard, including specific data and indicators, also defined through the involvement of relevant stakeholders (Top Management, Employees, Suppliers, etc.), thus obtaining a holistic view of their expectations.

The reporting boundary for the Sustainability Report 2023, coincides with that for the Consolidated Financial Statements of Elettronica S.p.A. as of December 31, 2023. Information related exclusively to Elettronica S.p.A. is included in this report, as the subsidiaries Elt GmbH and CY4Gate are not included in the Sustainability Report.

PROCESS OF DEFINING THE CONTENT OF THE BUDGET

Elettronica initiated the reporting process and defined the contents of the Sustainability Report 2023 with references ("with reference") to the GRI standard (GRI 1 Core Principles 2021).

In addition, the process of defining material themes-the Materiality Impact Analysis-was structured to meet the guidelines and guidance related to GRI 3 Material Themes 2021. In fact, the Company considered for the implementation of the above process:

- The sustainability context and the target sector;
- stakeholder expectations;
- the performance of key peers and comparable through appropriate industry benchmarks.

Specifically:

- **Sustainability context:** in presenting the organization's economic, governance, 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 Sustainability Report, has defined its material themes, reinforced by the experience gained in previous reporting cycles (in terms of awareness of its impacts, emergence of its dimensions, from the areas of Social Responsibility and explication of stakeholder needs and expectations); in coherence with the company's main values, policies and strategies; taking into account the guidance provided by the ISO 26000 Guide:2010 to Social Responsibility, what is prescribed in the 2030 Agenda on Sustainable Development and the results of a benchmarking activity; thanks to the direct input of the company's top management, its supply chain and employees, Elettronica has defined its material themes, i.e., those considered a priority - among all detectable themes - as capable of reflecting the company's economic, governance, environmental and social impacts and influencing stakeholder decisions. Operationally, the material themes emerged through the construction of a matrix that related the stakeholder perspective and the company's perspective. In 2023, an update of the relevant macro-themes was carried out, taking into account the development strategies at the European and national levels and the results of benchmarking with similar companies, using the guidance provided by ISO 26000:2010 on the core themes of Social Responsibility and the principles of the Global Compact as a guide. For each relevant theme identified, the stakeholder perspective was intersected with that of the company. 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-represented through the contacts of the organizational structure 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 stakeholders (e.g., suppliers, employees) through structured engagement actions;
 3. the third mode investigated stakeholder positions and interests through surveys on specific issues provided by national institutions such as ASVIS and

ISTAT, as well as industry benchmarking activities.

The company's perspective was captured through the involvement of top management, aimed at identifying significant issues, also related to Social Responsibility for Elettronica S.p.a., based on those already addressed in previous reporting processes, keeping in mind the areas affected 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 materiality scores greater than or equal to 2 are considered material to ELT Group (see Chapter 2 - ELT's Sustainability Context, 2.3 Materiality).

In addition, the materiality matrix was submitted for validation by the Executive Board prior to the approval of the Sustainability Report by the Board of Directors on GG July 2024.

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

MATERIAL THEME	PERIMETER OF THE THEME		TYPOLOGY	
	INTERIOR	OUTSIDE	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
Health and well-being for the community	X	Collective;		X
STEM Culture	X	Universities; Educational institutions; Students; Trainees;	X	
Respect for standards and human rights	X	Defense and Security Sector Institutions; Community;	X	X
Responsibility in business	X	All stakeholders of the company	X	
Enhancement People skills	X		X	
People's health and well-being	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 2023, Elettronica S.p.a., provides all relevant information to enable stakeholders to assess the company's performance. For each material theme, the vision of Elettronica S.p.a. and the declination that the theme takes in the company, the scope and method of management and - where available - the resources invested, the specific actions and initiatives implemented, the stakeholders involved, the results produced, the results achieved, the impacts generated, and Elettronica S.p.a.'s commitment to make its actions increasingly responsible and sustainable is reported.

Where the material theme can be associated with one or more disclosures defined by the GRI Standard, Elettronica S.p.a. reports the information pertaining to the aforementioned specific indicators; where, on the other hand, the material theme is not found to be associated by disclosures defined by the GRI Standard, Elettronica S.p.a. reports, in compliance with GRI 3-3 Material Theme Management requirements, additional appropriate and detailed qualitative and quantitative information, identified with the support of internal organizational structures and through collaboration with the Company's senior figures.

In addition to the issues identified as material, Elettronica S.p.a. reports on additional relevant information in the Sustainability Report, albeit not identified as material under GRI standards.

For more information about the Budget and its contents write to: sustainability@elt.it

THANKS TO

INTERNAL COORDINATION FOR THE REALIZATION

Gioia de Gennaro, Anna Colavita

DESIGN & LAYOUT

Riccardo Fumagalli

PRINT

Stefano Palmieri, Gabriele Rollo

METHODOLOGY, ANALYSIS, DRAFTING AND GENERAL COORDINATION

PwC - Milano

SPECIAL THANKS TO:

Francesca Alaleona

Ivan Baldi

Alessandro Balestrino

Daniela Barile

Rosa Basile

Gianluca Begalli

Antonella Berardi

Paolo Bocchino

Eva Braia

Paolo Capodanno

Valentina Caporali

Fabio Cecchi

Fabio Cecchinelli

Alessandro Chiavini

Licia Colantonio

Ruggiero Conteduca

Claudio Dainelli

Silvia Daloiso

Matteo De Masi

Raffaele De Riccardis

Francesca Del Vescovo

Claudia Eleuteri

Dario Fazio

Rossella Ferrara

Goffredo Foglia

Piergiorgio Gabriele

Giorgio Genovesi

Alessandro Lamesa

Marco Leoni

Antonio Manna

Gianni Marolla

Tiziana Michienzi

Adriana Molina Rincon

Massimo Montanile

Daniela Pistoia

Francesco Maria Pruonto

Francesca Quarta

Domenico Ricco

Simone Romagnoli

Daniela Ronconi

Luisa Rossi

Pietro Russo

Pamela Santolamazza

Simona Scarponi

Renata Sitajolo

Alessandro Spada

Deborah Stavolo

Cristiano Strina



ELETTRONICA S.p.A.
Via Tiburtina Valeria km. 13,700 - 00131 Roma - Italia
eltgroup.net

