elleci
TOGETHER, WITH STYLE

Sustainability
Report

2024

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Methodological notes available on the website
www.Elleci.com

01

Introduction

Letter to stakeholders

2024, is a year of great importance in the history of Elleci, marking an industrial, strategic and cultural turning point. This is the year in which production officially begins at the second plant: a facility that represents the culmination of a multi-year investment programme and opens a new phase of development for our Group.
Plant 2 is not just a significant expansion of production capacity: it is the concrete expression of our vision, in which technology and sustainability are integrated to generate value. Thanks to the introduction of advanced automation, intelligent systems and a layout optimised for energy and operational efficiency, the new plant allows us to double volumes, but above all to differentiate processes, offering the market production flexibility and industrial scalability.
In the complex global context marked by economic instability, geopolitical tensions and contraction in many sectors, Elleci has not limited itself to protecting its positions: it has continued to grow. It has chosen to invest with determination to consolidate a sustainability approach that is fully integrated into its business model, based on four synergistic guidelines: environmental transition, responsible innovation, positive social impact and brand culture.
To structurally reduce our environmental footprint, we have carried out targeted projects to improve resource efficiency and promote the circular economy. On a social level, we continue to nurture a value system centred on people, inclusion, talent development and widespread well-being. The brand has also undergone a strategic evolution: from the opening of its first flagship store in Milan to a more conscious international presence, with the aim of establishing Elleci as a global benchmark for Italian innovation, quality and creativity.
We have thus reaffirmed a simple and profound truth: Elleci is a solid, reliable and forward-looking company, capable of facing challenges with clarity and vision.
This Annual Report shows the results achieved, recounting the daily commitment we put into responsibly interpreting the role we play in the supply chain and in society.
I would like to thank everyone who shares this journey with us – employees, collaborators, partners, customers and communities – in the certainty that true sustainability is built through professionalism, shared goals and a corporate culture that focuses on excellence, respect and the future.

Giancarlo Traversa
Founder & CEO

2024 Highlights

In summary

Italian leader in the design, manufacture and distribution of composite sinks

Founded in 1992 by the Traversa family, Elleci is a company active in the design, production and distribution of composite sinks, washbasins and design accessories for the kitchen and bathroom sector.
With headquarters in Pontinia (LT) and branches in China, Germany, Poland (operating until 30 June 2025), the UK and soon in the US, Elleci is a leading brand in Italy and recognised globally.

>30
Years of history

49.8 mn €
Turnover 2024

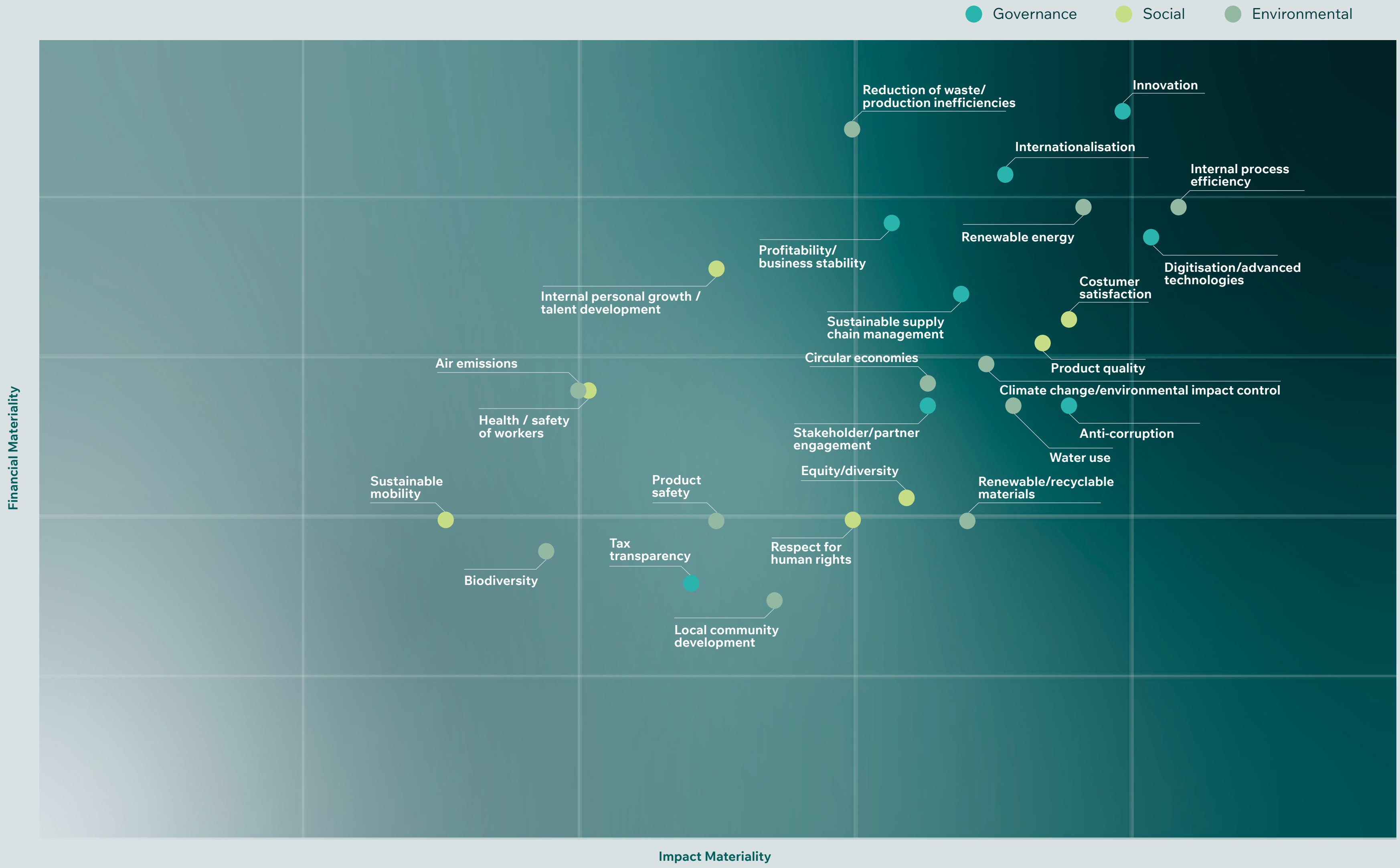
5 (+1 coming soon)
Branches worldwide

>200
Employees

ESG
Priority

Process for determining material topics

During 2024, Elleci confirmed and consolidated the material topic mapping process launched in 2023, in accordance with reporting standards proposed by the GRI 3 and in line with the new European regulatory framework defined by the ESRS – European Sustainability Reporting Standards, Annex I to Delegated Regulation (EU) 2023/2772. No substantial changes have been made to the material topics map, but the organisational context has been validated and updated to ensure ongoing alignment with the evolution of the business model, stakeholder expectations and emerging risks.



Sustainability Goals

Road to 2030

Environmental	50% of the matrix made from renewable, recycled and reused raw materials	50% of energy produced from renewable sources	50% reduction in water use for manufacturing	50% reduction in CO_2eq emissions	50% reduction in waste generated by the production cycle
Social	Definition of the rules governing the production bonus for the period	Opening discussion to define a policy aimed at implementing a corporate welfare plan	Complete definition of remuneration policy	Adoption of the D&I principles set out in Reference Guidelines UNI/PdR 125:2022	
Governance	Establishment of a Corporate Governance and Sustainability Committee	Update of the Code of Ethics and internal regulations in the ESG area	Adoption of policies to involve stakeholders in sustainability issues		

02

Elleci Company

Company

A story to tell, an experience to share

Individual talents and shared dreams pave the way for innovation every day.
Thirty years ago, it was Giancarlo Traversa to set out on this journey:
With boundless creativity and perseverance, he laid the foundations for a solid family business that is now a global company, which he runs today alongside his children.

Graziano Traversa, COO Giancarlo Traversa, CEO Veronica Traversa, CFO Daniele Traversa, CIO

1992
Elleci is established

The first production plant is located in Fondi.
In 1999, Elleci inaugurated its new headquarters in Pontinia.

2000
G.P.S. and Granitek

Elleci revolutionises the world of composite materials with G.P.S. technology: Granitek is born.

2009
Internationalisation

Shanghai inaugurates the first Elleci branch, followed within a few years by the United Kingdom, Poland and Germany.

2012
The first Red Dot Design Awards

The Dogma electrosink wins the prestigious international award.

2014
Italy leadership

Elleci becomes the best-selling composite sink brand in Italy.

2017
Keratek is born

Technological innovation in materials expresses its power in Keratek.

2019
Cross-selling

The Elleci range is enriched with collections of mixer taps, advanced accessories and appliances.

2022
Duratek and bathroom design

Duratek is the result of the most advanced nanotechnology.

2022
Thirty years of success

Elleci celebrates its 30th anniversary with the major event “Futurability”.

2024
Start of new plant

With its second ultra-technological and highly sustainable plant, Elleci doubles its production capacity.

2025
The first flagship store

In Milan, a meeting place for stakeholders and design professionals.

Company

Our values

We believe that excellence lies in the harmony between technological evolution and humanistic values.

Above trust

We aim to exceed expectations.

For thirty years, quality and reliability have been the only way we know how to build solid, lasting relationships that satisfy all partners involved.

Innovators at heart

We want to achieve unique results.

Research and advanced technologies are the tools we use to improve materials and create products that have a positive impact on people's lives.

Integration ahead

We offer cutting-edge integrated solutions.

Modularity, versatility and integration are the principles we use to design high-quality components that can be coordinated with each other or used separately to achieve customised solutions.

Beyond passion

We evolve every day with heart and reason.

Combining intuition, passion and rationality has allowed us to achieve exceptional results; in every project, we encourage our employees to combine logical rigour, feelings and creativity.

Italian inventiveness

We combine ideas, design and functionality.

We are accustomed to tackling the challenges of change with inventiveness and lateral thinking to find solutions that have style. With our products, we promote a modern appreciation of beauty, utility and pleasure.

Pioneering lifestyle

We anticipate trends and new habits.

We embrace progress and new consumer needs. The foundation of our success is our ability to be future-oriented, always one step ahead in offering people inspiration and valuable experiences in their daily lives.

Company

Elleci district

A space that grows for constantly evolving ideas

1 elleci plant 1

Historic production facility focused on flexibility and customisation in production.

4 elleci care

Value and care for relationships: a space entirely dedicated to strengthening the relationship of trust with customers in the pre- and post-sales phases.

2 elleci plant 2
(start of H2 2024)

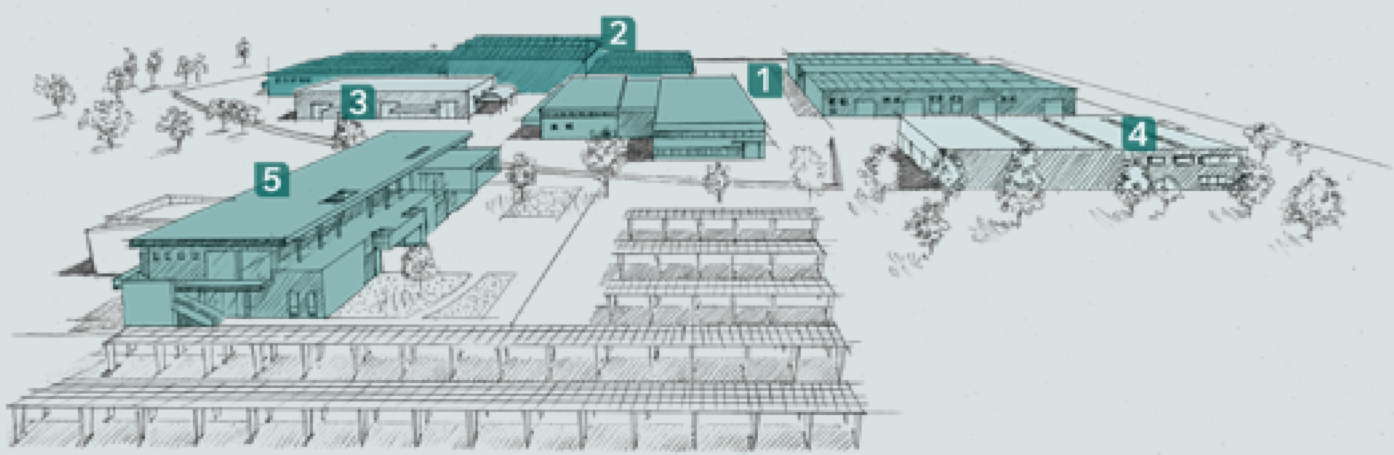
Independent, highly sustainable and technological production plant where tradition and know-how meet modernity and automation.

5 elleci home
(Incoming)

A reception and training area; a place where the past and future visions coexist. A complete experience of the Elleci world.

3 elleci innovation center

Permanent research and development laboratory where the most ambitious ideas take shape.



100,000 m² Total Area	50,000 m² Production area
1.2 Million units/year	Production capacity

Company

Production

Development of new industrial plant

November 2021 marks the start of work on **Plant 2**, an ambitious project aimed at preparing the company to seize future growth opportunities. This strategic investment provides Elleci with industrial infrastructure that is capable of meeting the demands of a rapidly expanding market.

The new plant will maximise production efficiency and increase competitiveness on a large scale. All this without sacrificing the flexibility that has always been the hallmark of the established operating logic at Plant 1.

In June 2024, Elleci will officially start production at the new Plant 2, marking a decisive step towards the future.

2021 November

2024 June

Company

Production

Two souls, one vision

Plant 2 is a strategic asset supporting the company's growth vision. The investments and complexities managed during the start-up phase will be fully realised in the expected results as production volumes increase.

The company's industrial architecture is now based on two completely **independent** production plants, designed to respond to different but strategically **complementary** operating logics.

elleci plant 1

Production flexibility

Plant 1 - historic production site - is configured for highly flexible production, allowing for the efficient management of **medium-small lots** differentiated by model and colour. This represents Elleci's key competitive advantage in terms of **customisation, time-to-market** and rapid response to **tailor-made requests**.

elleci plant 2

Efficiency and scalability

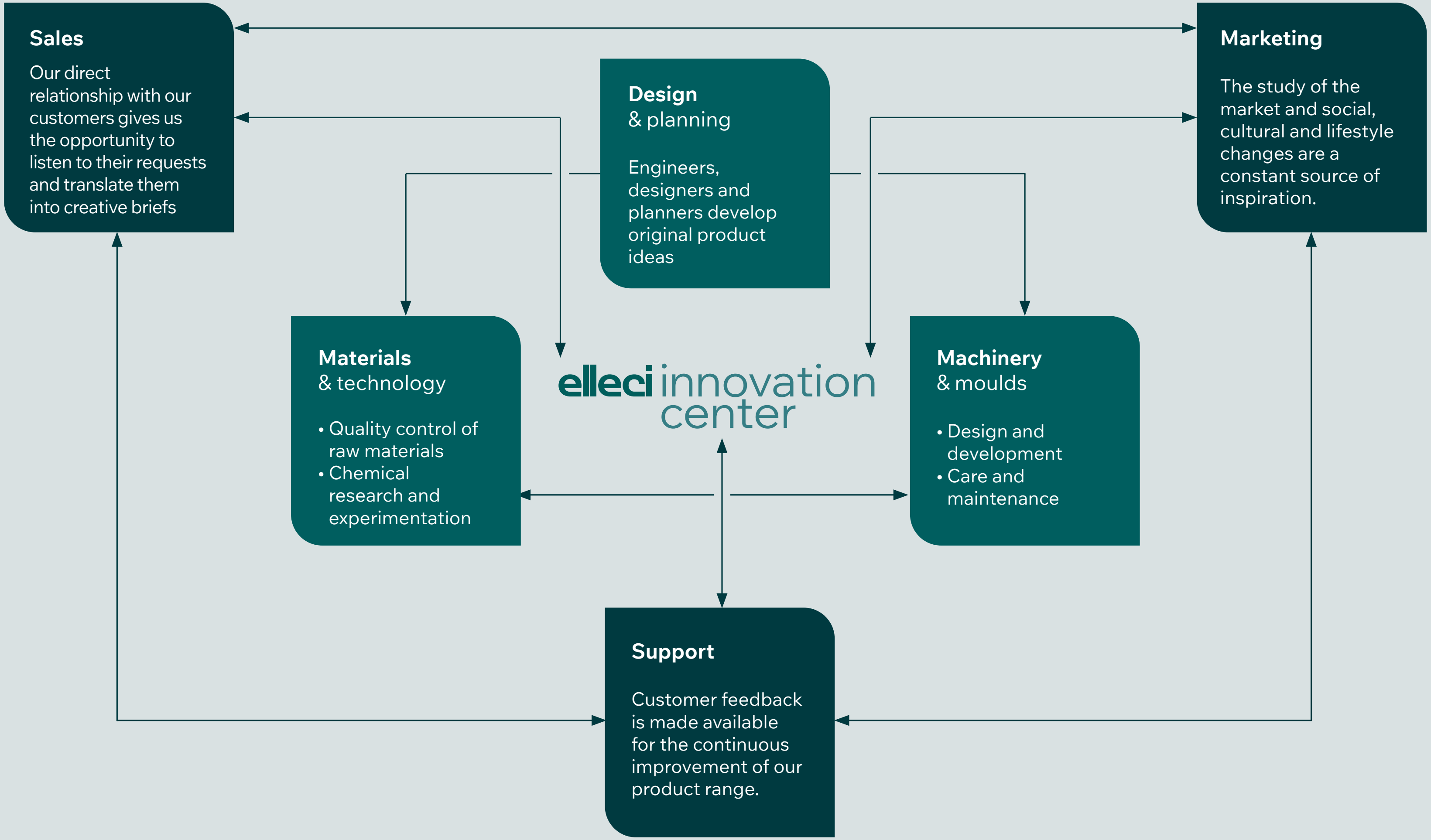
Plant 2 - launched in the second half of 2024 - has been developed to support production capacity growth with **large volumes**. Strongly focused on process rationalisation, technology and automation, it represents an advanced model of industrial production, in which **efficiency, traceability and environmental sustainability** are integrated into a single high-performance platform.

Company

Know-how

Specialisation and interconnection

Information sharing is one of the most important assets of the **Elleci District**. There is a virtuous circle in which the specialised knowledge and skills of each department are made available to others in order to achieve common goals.



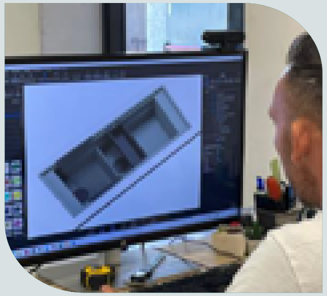
Company

Know-how

Innovation

The **Elleci Innovation Center** is a global hub of outstanding professionals and passionate minds: every day, researchers, designers, engineers and technicians work together to develop new solutions.

elleci innovation center



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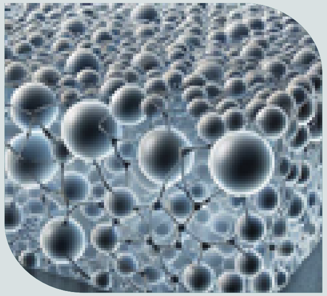


+

Design
& planning

Aesthetic research, functional design and specific market demands guide the team of designers in the creation of new products.

- **exclusive**
- **customisation**

Materials
& technology

The research laboratory is constantly committed to technological innovation to improve the performance and aesthetic value of materials.

- **technological excellence**
- **trend-setting**

Machinery
& moulds

Engineers and technicians directly manage the design, development and maintenance of production machinery and moulds.

- **internal know-how**
- **competitiveness**

Company

Certifications

Company certifications are an important recognition of our practices and operating standards.

ISO 9001:2015
Quality

The ISO 9001:2015 Quality Management System demonstrates our commitment to customer satisfaction, the quality of our products and services, and the continuous improvement of our processes.

ISO 14001:2015
Environment

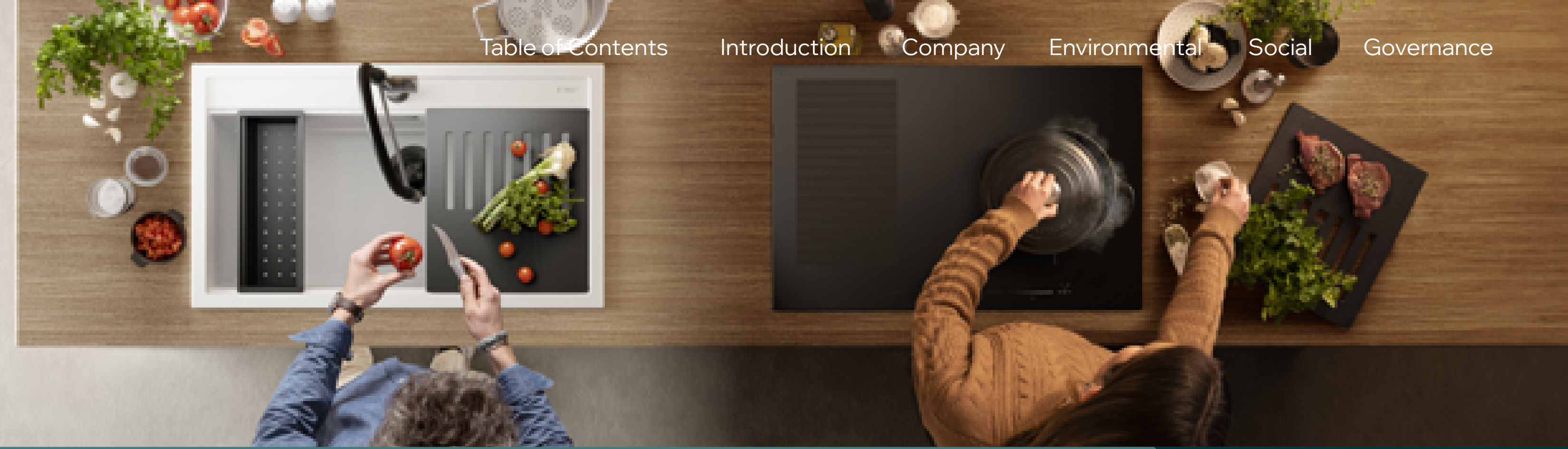
The ISO 14001:2015 Environmental Management System confirms our commitment to optimising natural resources and reducing the environmental impact of our activities.

ISO 45001:2018
Health and safety

ISO 45001:2018 certification demonstrates our commitment to the health and safety of our employees. We are committed to providing a safe and healthy working environment, adopting best practices to prevent accidents and protect the well-being of our employees.

These certifications not only confirm our dedication to quality, the environment and safety, but also provide us with a solid foundation for continuous improvement and business growth. We are proud of these certifications and will continue to work to maintain and exceed them, thereby ensuring the trust of our customers, our employees and the community as a whole.

The value chain



Resources | Business model | Value created

Environmental

We have begun the ecological transition of our supply chain by converting incoming resources into recyclable and renewable ones.

Social

Our success depends on the knowledge and passion of our employees. We place community at the heart of our values.

Governance

Transparency and financial strength are the values that set us apart. Our corporate identity is woven from human, family and value-based relationships, thanks to which Elleci now ranks among the leaders in the sector.

8,037 t Raw materials

10,501 MWh Energy consumed

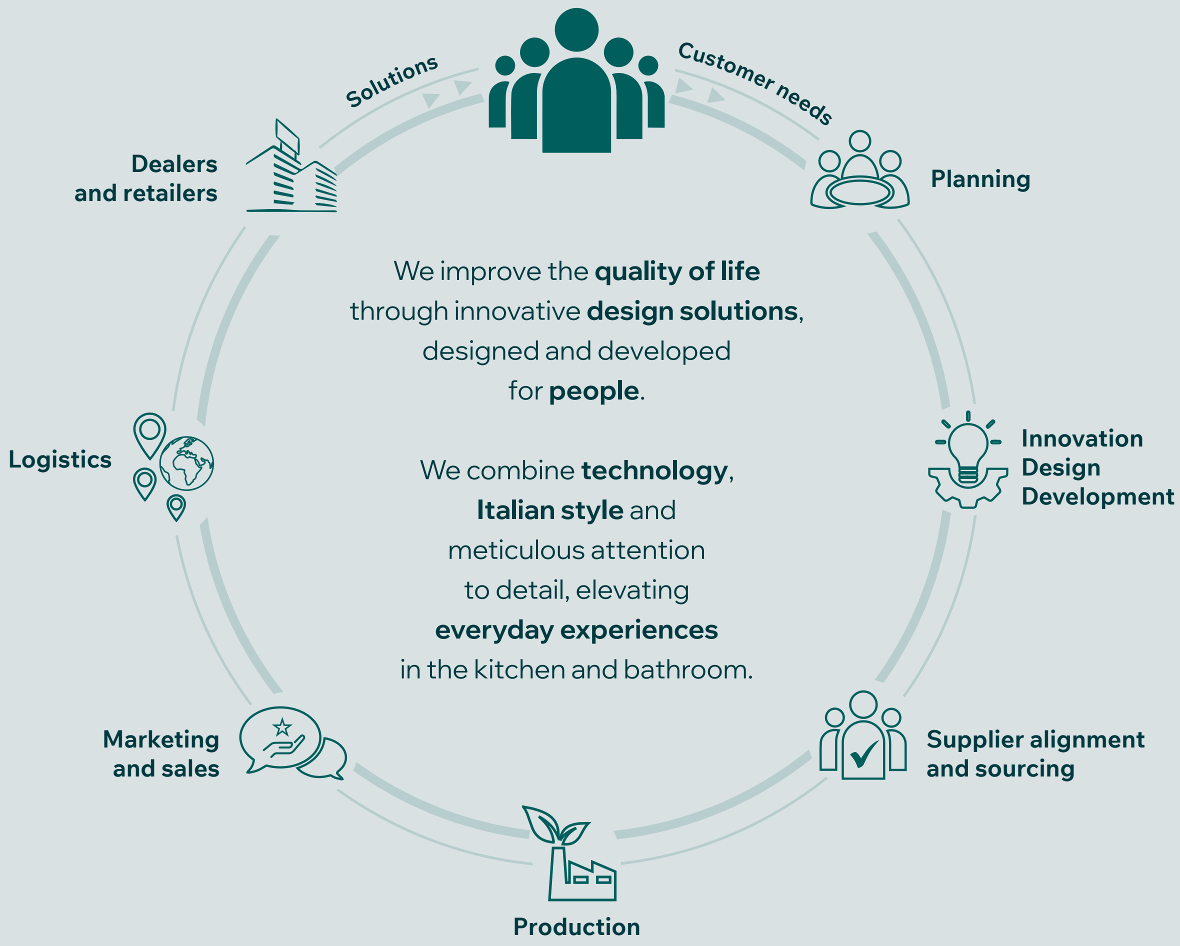
51,610 m³ Water resources

242 Elleci Employees

+7% Employees compared to 2022

€29.7 M Total net assets

Completed the Plant 2 project with production start-up in the second half of 2024



Human-centred design and sustainable design are the cornerstones of Elleci product development. We start by analysing people's needs and create solutions that stand out for their aesthetic value, ergonomics and functionality, and that guarantee high durability.

We improve the working environment by promoting safety, health, inclusivity and professional growth. We are aware that achieving our business goals depends on our ability to align economic development with social well-being.

2,457 tCO2eq GHG Emissions

1,746 t Waste generated

22,789 m³ Water consumption

+30% New female hires compared to 2023

21,522 Total training hours

4.84 Accidents per 1,000,000 hours worked

€49.8 M Revenue

+3% Turnover growth rate in the last year

€8.6 M EBITDA

+4 Awards Sintesi 305 and Libero win the Red Dot Awards and IF Design Award

Company

The materials

Elleci produces innovative composite materials and develops furnishing components that interpret and guide the most fascinating trends in modern living.

Engineered & designed in Italy

Product certified with lower chemical emissions ul.com/gg ul 2818

NSF certified: Highly hygienic material

EPD® Environmental Product Declaration - ISO 14025

KERATEK

This nanotech-based premium material stands out for its wonderfully smooth surface and deep, matte colours. Nanoparticles make the structure extremely solid, boosting its performance and aesthetic quality.

Surface: Stony Materic

Colours: Natural Matte

Insight: Made to last

GRANITEK

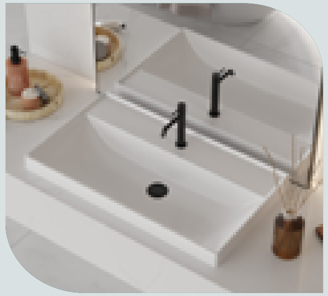
A material engineered with quartz sand whose distinguishing features are its slightly textured stony surface and natural colours. The technology brings out the stone's inherent qualities and improves its performance, resulting in a hygienic, highly resistant and durable surface.

Surface: Silky Smooth

Colours: Deep Dusty

Insight: High Tech

DURATEK



Duratek is the result of a combination of aesthetic research and nanotechnology, a matt material for the bathroom with a pleasant visual appeal. Its formula combines the materiality and resistance of natural stone with the elasticity and aesthetic potential of noble resins.

Surface: Smooth Touch

Colours: Dusty Colours

Insight: Matt Charm

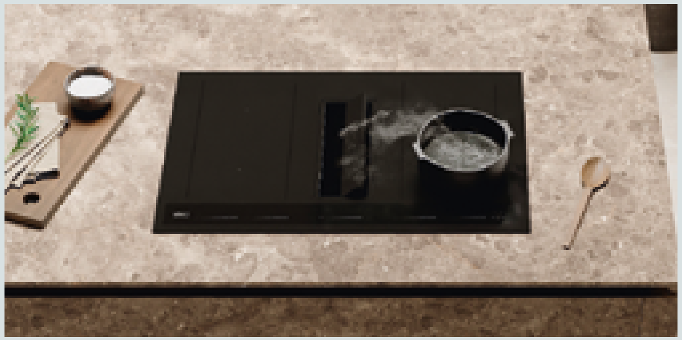
New for 2024

EPDs are environmental declarations based on ISO 14025 standards that provide certified data on the environmental impact of all Granitek, Keratek and Duratek products and are a key tool for guiding and monitoring our continuous improvement process.

Company

Kitchen Solution

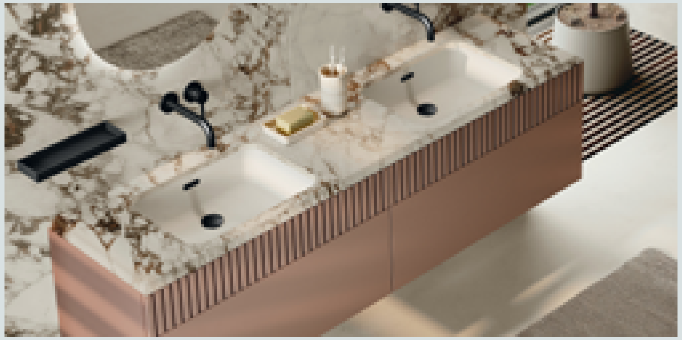
Intelligent design, intuitive technology and modern aesthetic sensibility redefine the kitchen environment.



Company

Bath Solution

Elleci brings expertise and style to the world of bathrooms: technological innovation and Italian creativity in a range of washbasins designed to blend in with different decorating styles.



Company

Design awards

2021 Dialogo

reddot winner 2021
best of the best

iF DESIGN AWARD 2021

2022 Sintesi 510

reddot winner 2022

iF DESIGN AWARD 2022

2023 Spazio 900

reddot winner 2023

iF DESIGN AWARD 2023

2024 Sintesi 305

reddot winner 2024

iF DESIGN AWARD 2024

2024 Libero

reddot winner 2024

iF DESIGN AWARD 2024

2025 Mixology

reddot winner 2025

iF DESIGN AWARD 2025

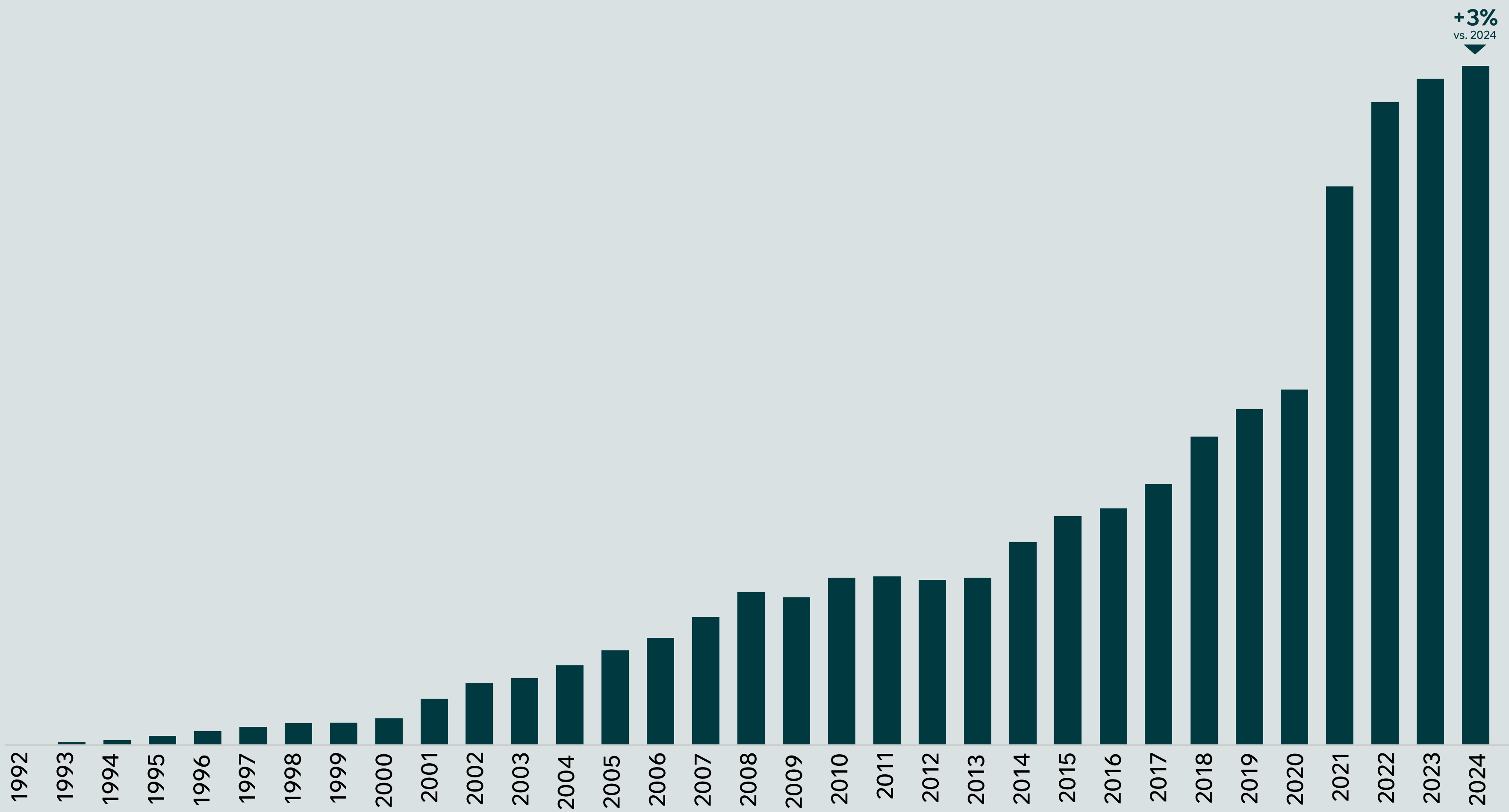
2025 Laundry

reddot winner 2025

iF DESIGN AWARD 2025

Company

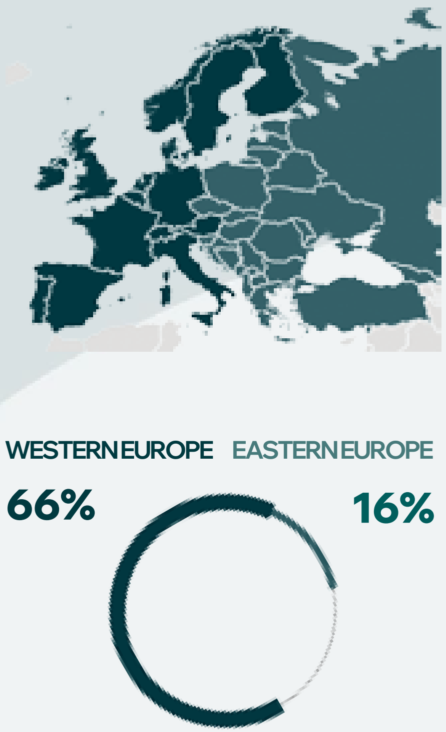
Turnover evolution

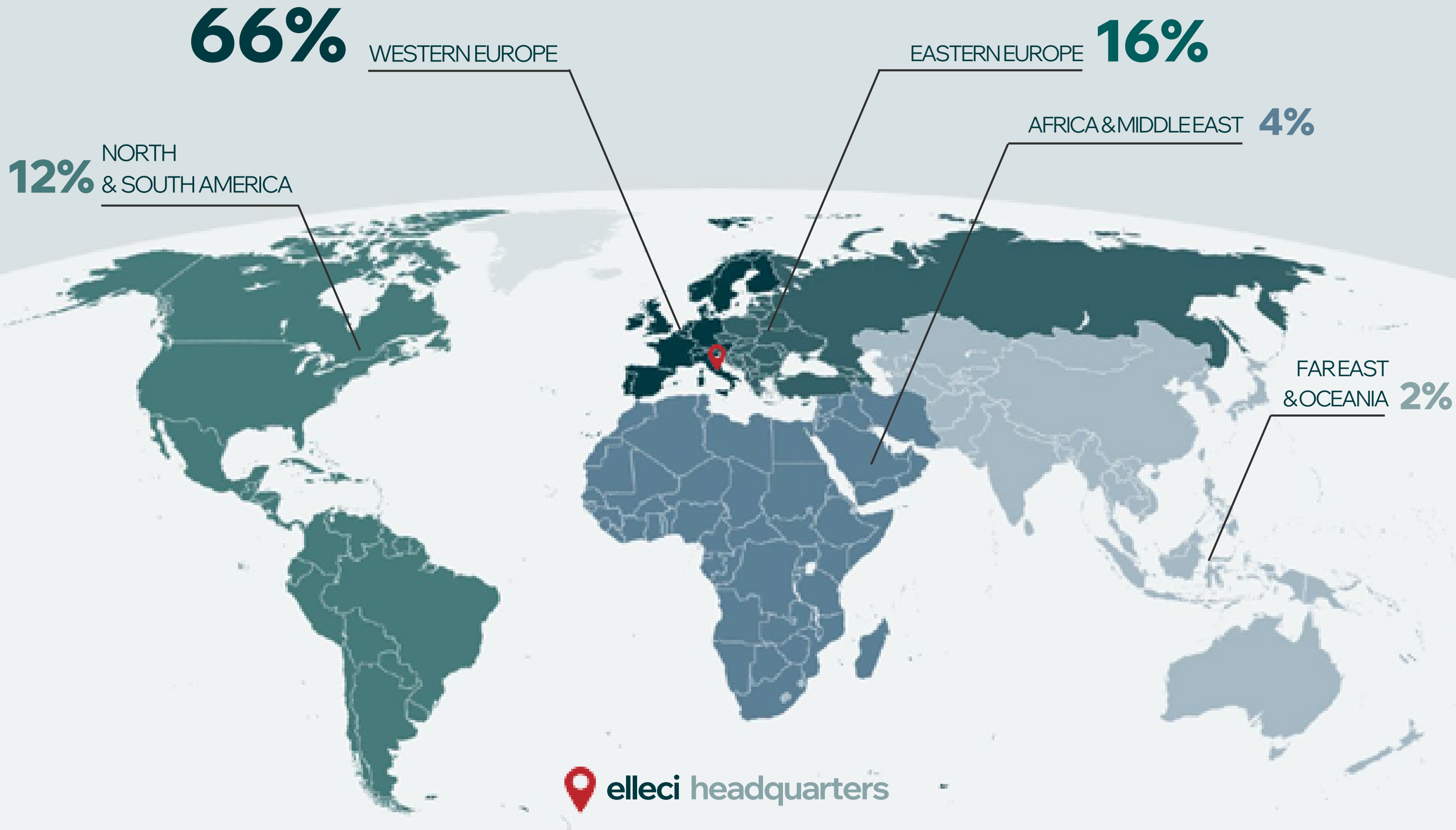


Company

Worldwide distribution of turnover

Europe





Company

Branches worldwide

- **Elleci SpA**
  Headquarter, Pontinia (LT)
- **Elleci Service Srl**
- **Elleci UK Italian Origin Ltd**
- **Elleci Deutschland GMBH**
- **Elleci (Shanghai) Kitchen Equipment Co., Ltd**
- **Elleci Polska SP. Z O.O.**
  (operative until June 30, 2025)
- **Elleci US**
  (opening soon)

03

Environmental

Environmental

We promote **sustainable progress**

The creation of a sustainable production environment is an organisational and operational approach that our organisation has been pursuing for a long time. This can be seen in the company's continuous evolution, which has always been aimed at achieving a balance between internal production needs and its environmental and social impact. Elleci's goal is to operate profitably and sustainably in the long term, without compromising the health of the planet or the well-being of communities.
To this end, Elleci has analysed its current ecological footprint by measuring its use of natural resources, greenhouse gas emissions and other environmental impacts. This analysis provides a basis for identifying areas where sustainability can be improved.
The adoption of sustainable materials is an important step towards reducing the overall environmental impact of industrial operations.

However, it is important to note that sustainability is not only about the materials themselves, but also about responsible management of production processes, emission control and compliance with environmental regulations.
The analysis of our company's ecological footprint has allowed us to measure our environmental impact. Furthermore, it allows our stakeholders to know the type of natural resources that are used and how much and what types of waste are generated over the course of the company's production activities. In essence, it provides a measure of the pressure our production activities exert on planet Earth.

Environmental

Goals

The analysis of the key aspects of the sustainability model has led to the goals of our 2030 roadmap.

ROAD MAP **2030**

50%
of the matrix, full green and traditional mix, made with **renewable, recycled and reused raw materials**

50%
energy produced from **renewable sources**

50%
reduction in **water use** for production

50%
reduced **CO_2eq** emissions

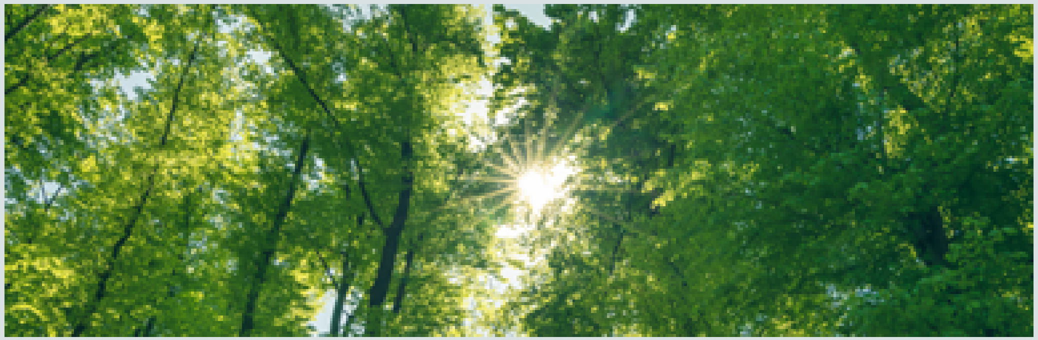
50%
reduction in **waste** generated by the production cycle

Environmental

Climate changes

Energy

Energy is a strategic asset for Elleci, essential for supporting production in all its phases. Energy efficiency and reduced consumption are priority goals, pursued through the adoption of efficient technologies, continuous monitoring and optimisation of processes, as well as the adoption of renewable energy production systems.
In the three-year period 2022–2024, there are some significant trends, including a reduction in electricity consumption in 2023 and a subsequent slight increase in 2024, due to the opening of a new plant, operational since April 2024, which has led to an increase in the company's production capacity. However, this result reflects the effectiveness of the energy rationalisation policies implemented in recent years.



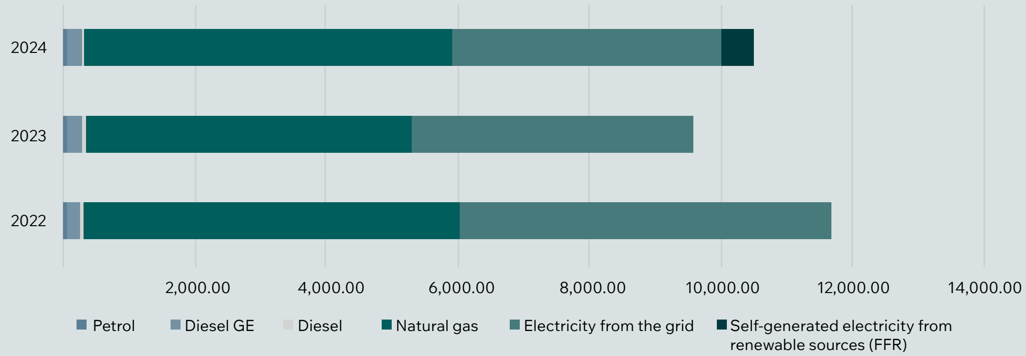
Environmental

Climate changes

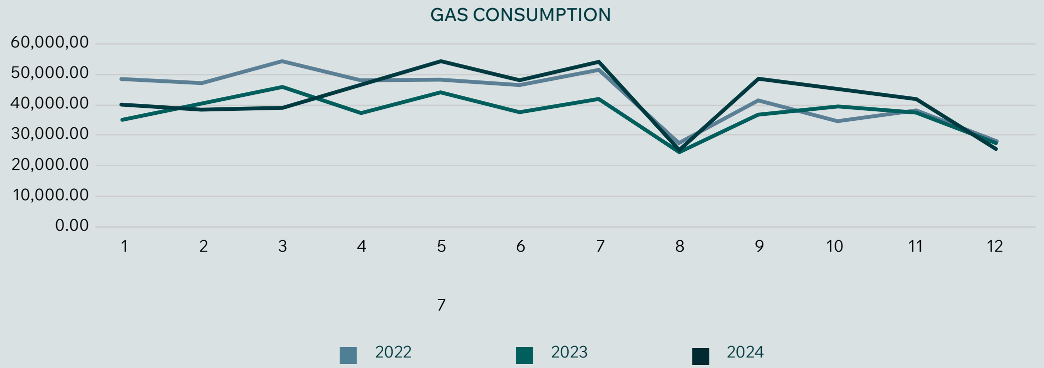
Energy

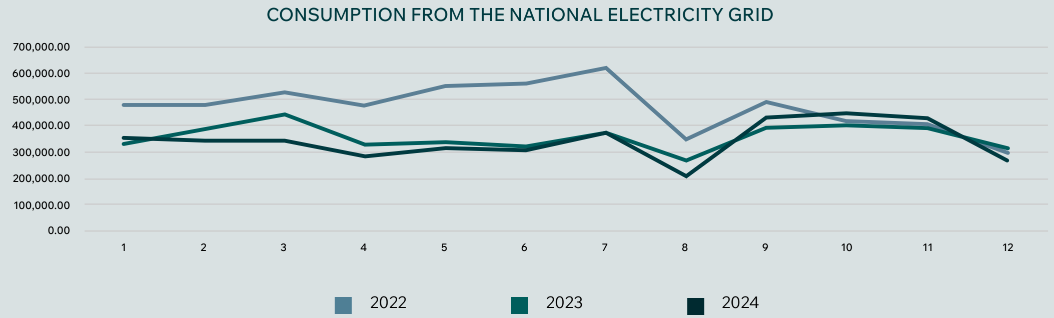
Elleci's energy mix continues to be dominated by electricity and natural gas.
In particular:
- **Purchased electricity**: decreased from 5,643,548 kWh in 2022 to 4,107,786 kWh in 2024 (↓27.2%), despite the increase in production capacity.
- **Natural gas**: remained at high levels, with a slight decline in 2023 (448,856 Sm³) and a return to pre-2022 levels in 2024 (507,355 Sm³).

These results were achieved through targeted energy efficiency measures, including:
- installation of high-performance systems in the new plant;
- real-time monitoring and control of consumption;
- training of personnel on the conscious use of resources.

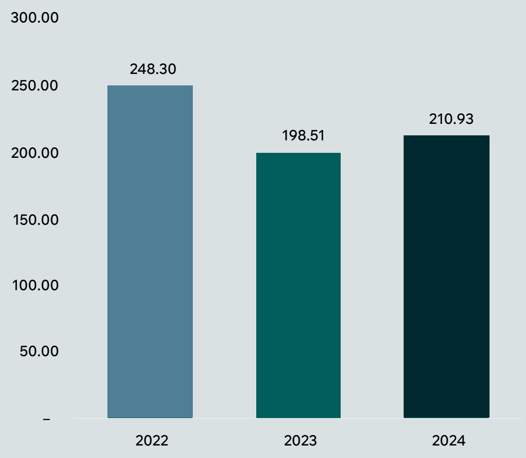


Consumption from different energy sources [MWh]





Gas consumption



Environmental

Climate changes

Energy

In 2024, Elleci launched its second production plant, marking a significant evolution in the company's operational capacity. The ramp-up phase had a significant impact on overall energy consumption, linked to the commissioning of the plants and the necessary production adjustment phase.

The two plants, which are currently energy independent, will lead to a temporary increase in energy intensity per unit produced. However, Elleci is fully aware of this transitional phase and expects this impact to be gradually absorbed over the next five years thanks to increased production volumes and optimised operational efficiency.

At the same time, the company has strengthened its commitment to energy transition, focusing on renewable sources and green production to offset the initial expenditure. This approach allows for industrial expansion to be combined with long-term environmental goals, reducing the overall carbon footprint and promoting a more sustainable industrial model.

Elleci will continue to monitor consumption trends and adopt energy efficiency measures in line with the principles of environmental responsibility and the goals set out in the Road to 2030 strategic plan.

Environmental

Climate changes

Energy - Road to 2030

Our Organisation has always been highly committed to reducing energy consumption through the adoption of more efficient technologies and optimised process management, as well as to increasing the consumption of self-produced energy through the use of renewable sources. Through the analysis of the goals already achieved and the forward-looking vision for the next milestones, the strategic goals to be achieved in the near future have been set. This will not only reduce operating costs but also the environmental impact associated with energy use.

2024

20% of electricity produced from renewable sources

2025

40% of electricity needs self-produced from renewable sources

2030

Supply of electricity with Guarantee of Origin

Achieving 50% of electricity produced from renewable sources

Environmental

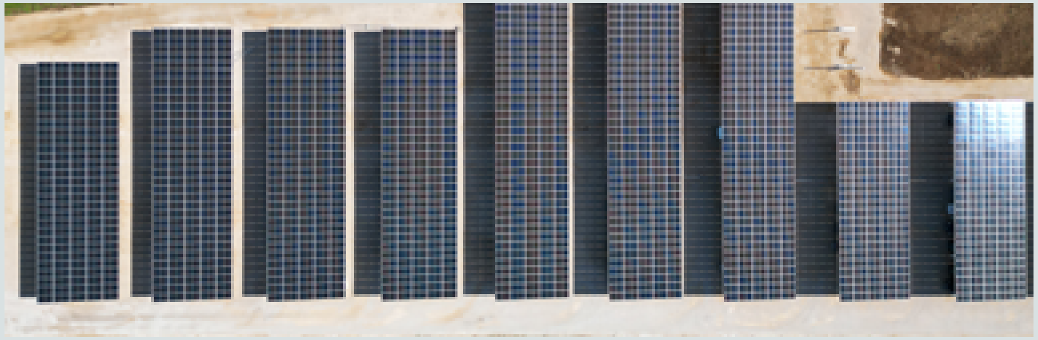
Climate changes

Energy - Road to 2030

The targets set out in the timetable are achievable thanks to the gradual introduction of technological solutions aimed at using renewable energy sources.

Coverage of 50% of electricity produced from renewable sources

The project in the field of self-production of electricity has the ambitious goal of achieving 50% of electricity needs through the use of renewable sources, mainly through photovoltaic systems, by 2030. This is achievable as we are committed to the progressive expansion of our photovoltaic systems. Two projects have been launched for the installation of such systems, which have shown their effects in terms of reducing energy drawn from the grid during 2024 (469,875 kWh self-consumed).

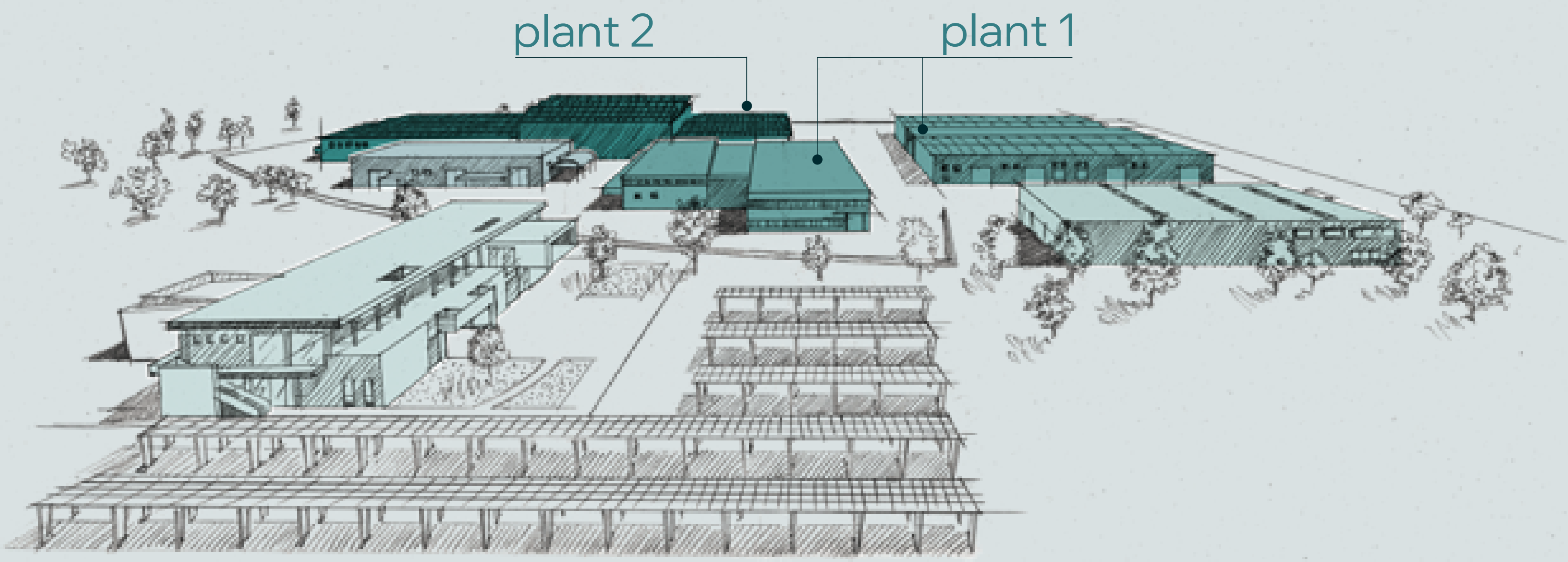


Environmental

Climate changes

Energy - Technological focus

The commissioning of the new plant embraces the innovative **multi-plant** concept, which involves combining different production facilities to ensure maximum responsiveness in customisation and time-to-market on the one hand, and standardisation and competitiveness on a large scale on the other, in a dynamic and future-oriented system.
The existing plant stands out for its **flexibility**, which allows it to adapt quickly to changes in demand and working conditions. At the same time, the new plant has been designed for **high production volumes**, while also ensuring a stable and consistent supply of renewable energy.
It is important to emphasise that having two production plants with different operating logics not only meets market needs but also increases **production efficiency** while optimising the use of resources.

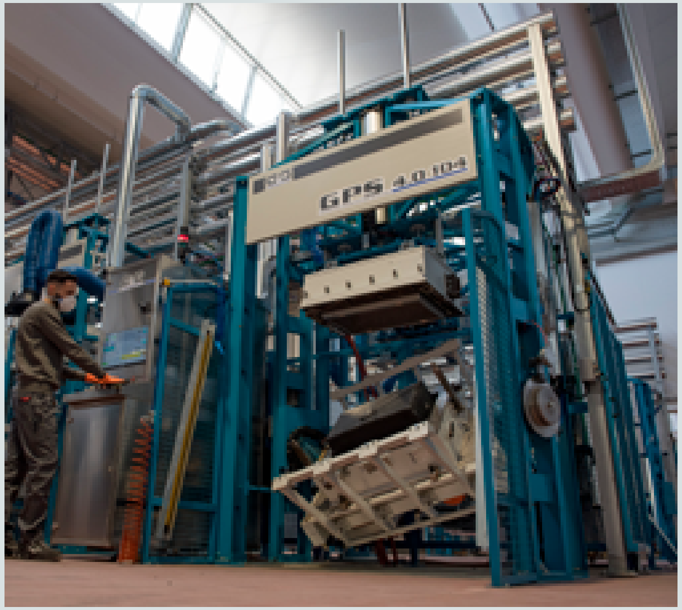


Target efficiency of photovoltaic systems

Significant initiatives have been undertaken to achieve the goal of reducing the company's energy consumption by 2024 by at least 5% of the energy consumption recorded in the base year. The action plan initially involved installing a permanent energy consumption monitoring system on energy-intensive utilities. The high-potential actions were the establishment of the new plant in a highly optimised configuration, based on the installation of both main and auxiliary high-performance technological systems. We expect a significant increase in energy performance in the coming years following the full implementation of both production plants.

Environmental

We are streamlining **our production processes**



Environmental

Climate changes

Emissions

In 2024, Elleci strengthened its commitment to decarbonisation, in line with the European climate neutrality targets set for 2030 and 2050. Reducing emissions is one of the company's strategic priorities, and it is gradually shifting its energy model towards renewable and low-environmental-impact sources. A concrete step in this direction was the launch, in April 2024, of the company's first photovoltaic system, with an installed capacity of 1,250 kWp, at its main production facility. The system began generating clean energy directly on site, contributing to a reduction in grid supply and, consequently, in Scope 2 indirect emissions.
At the same time, Elleci has strengthened its responsible procurement strategy by purchasing 1,313 Guarantees of Origin (GO), equivalent to 1,313 MWh of certified energy from renewable sources. This has enabled the company to offset part of its electricity needs with zero-impact energy, further improving the organisation's emissions profile.
In 2025, the second 848 kWp photovoltaic plant is scheduled to be connected to the grid, which will result in the achievement of the target set in the company's decarbonisation strategy.
Together, these actions form the basis of a structured strategy that aims, in the coming years, to expand self-production capacity from renewable sources, improve monitoring of Scope 1, 2 and 3 emissions, and actively contribute to the company's energy transition.

Environmental

Climate changes

Emissions

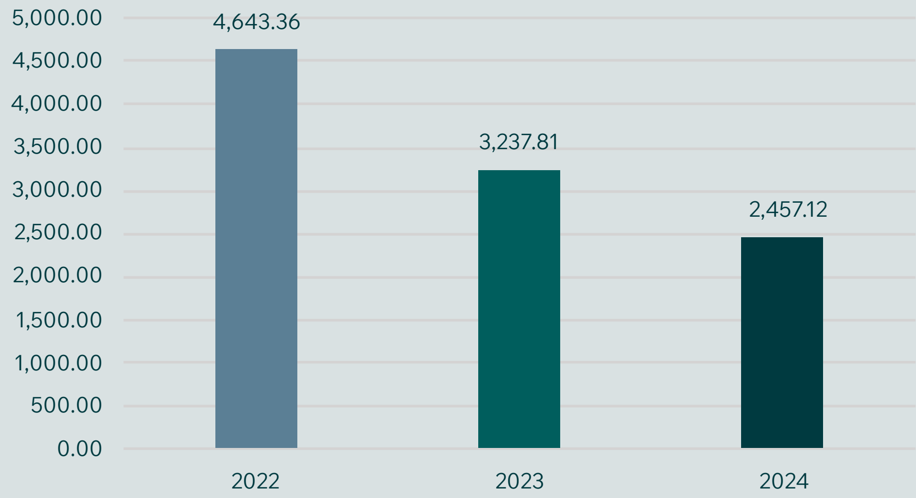
For Elleci, adopting photovoltaics is not just a current energy solution, but reflects a broader vision of sustainable innovation and energy transition. The investment in advanced technologies and practices has enabled the company to maximise the effectiveness of its environmental initiatives and contribute to the development of a low-carbon industrial system.
In 2024, emissions reporting focused mainly on Scope 1 and Scope 2, for which comprehensive and accurate monitoring was possible. In particular:

- **Scope 1**: includes direct emissions from the combustion of natural gas in thermal power plants for heat production, from the use of the generator set and from fossil fuels for the company's fleet.
- **Scope 2**: concerns indirect emissions associated with the use of electricity from the national grid, partially offset, as already highlighted, by self-production from photovoltaic systems and the purchase of Guarantees of Origin (GO).

In 2024, Elleci embarked on a process aimed at understanding and mapping Scope 3 emissions, with the goal of gradually extending the scope of climate change emissions reporting throughout the value chain, in line with the requirements of international standards (GHG Protocol) and the ESRS – European Sustainability Reporting Standards. Preliminary analysis and data collection activities were carried out during the year. A process of mapping the relevant categories was first initiated, followed by direct requests for environmental information to the main stakeholders. However, despite our best efforts, the information gathered was not sufficiently complete, consistent or verifiable to be reliably included in this sustainability report.

Elleci has therefore decided, in line with the principles of accuracy and transparency, not to include a formal quantification of Scope 3 emissions for the 2024 financial year, reserving the right to consolidate this reporting from the next financial years onwards.
Starting in 2025, the company intends to strengthen dialogue with its supply chain partners and define a structured methodology for the collection and validation of Scope 3 data, in order to ensure increasingly comprehensive and traceable environmental reporting that is aligned with European standards.

Greenhouse gas emissions Total GHG [tCO₂eq]



ESRS E1

	2022	2023	2024
	tCO2 eq	tCO2 eq	tCO2 eq
Scope 1 GHG emissions	1,103.75	990.29	1,108.36
Scope 2 GHG emissions	3,539.61	2,247.51	1,348.79
Total GHG emissions	4,643.36	3,237.81	2,457.15

[1] In the representation of Scope 2 gross GHG (Greenhouse Gas) emissions, in accordance with the provisions of RA45 – ESRS E1 Reg. EU 2772, carbon credits purchased from third parties (GO) were excluded from the calculation.

Environmental

Climate changes

Emissions

Scope 1

Within the area of SCOPE 1 emissions produced, the combustion of methane gas in the thermal power plant remains the largest item in terms of total direct emissions. The impact of the plant expansion, which came into operation in the second quarter of 2024, had a limited effect on the increase in emissions generated in this area. This growth factor is also mitigated by the significant technological development of the moulding machines and, in particular, the mould temperature control system. The synergy of the technological improvements implemented in the new facility has enabled Elleci to maintain excellent performance in SCOPE 1.

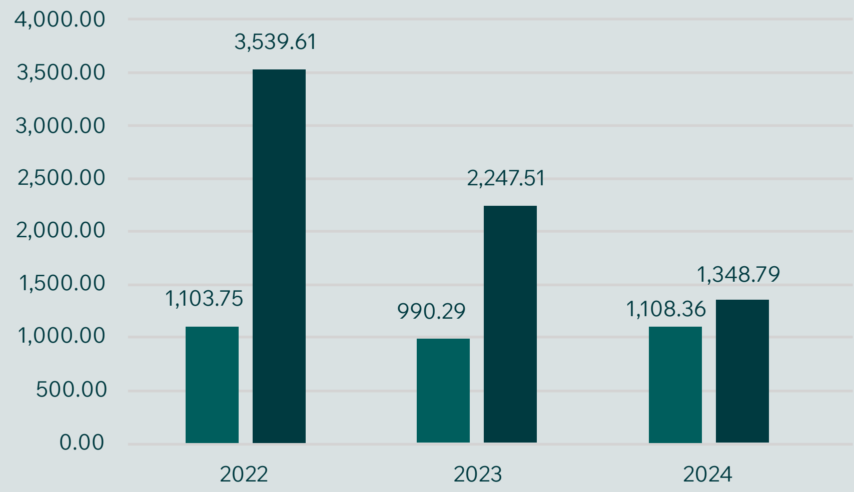
A research programme has also been launched with the aim of eliminating the use of fossil fuels, in line with Elleci's strategy and targets for decarbonisation.

Scope 2

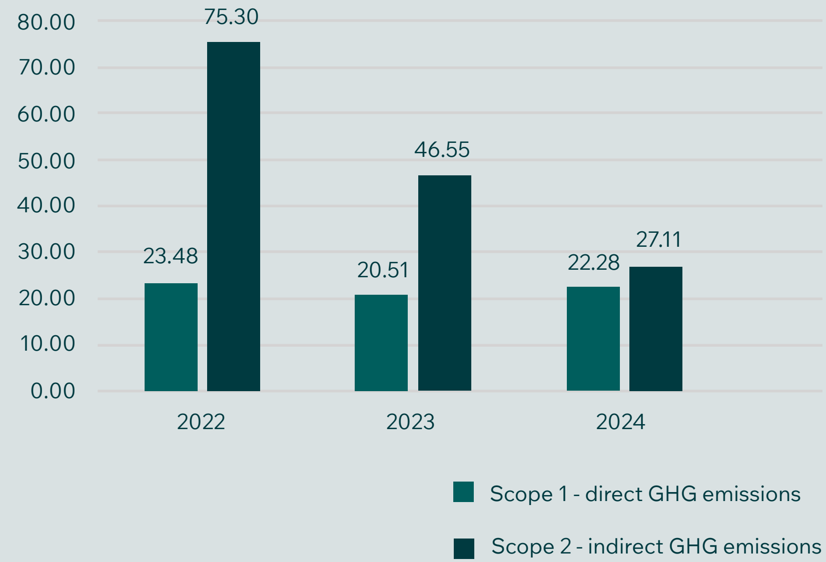
In the three-year period 2022–2024, Elleci recorded a progressive reduction in Scope 2 greenhouse gas emissions. Scope 2 emissions fell from 3,539.61 tonnes of CO_2 equivalent in 2022 to 1,348.79 tonnes in 2024, marking an overall decrease of 44% in two years. This reduction is mainly attributable to the start-up of the first photovoltaic system (1,250 kWp) in April 2024, which generated clean energy for self-consumption.

Furthermore, this analysis does not take into account carbon credits (GO – Guarantees of Origin) that have enabled the company to further improve its Scope 2 environmental performance (expected reduction through the purchase of Scope 2 GO equal to 634 Tonnes of CO2 eq).
We expect a further improvement in Scope 2 environmental performance in 2025, due to the full implementation of the 1250 kWp PV system and the connection to the grid of the second 848 kWp PV system.

Greenhouse gas emissions GHG - tCO_2eq



Normalised GHG emissions broken down by scope - tCO_2eq/M€



Environmental

Climate changes

Emissions - Road to 2030 – 2050

Our company has adopted a gradual and sustainable approach to decarbonisation. The use of photovoltaics not only reduces our carbon footprint, but marks the first of many steps that bring us closer to the EU's goals for greater sustainability by 2030 and complete decarbonisation by 2050.

SBT – Science-Based Targets

Our decarbonisation journey will be submitted for recognition under the SBTI (Science-Based Target Initiative) scheme. This confirms our commitment to significantly reduce greenhouse gas emissions in accordance with scientifically accepted standards. This path reflects our determination to contribute significantly to the fight against climate change and to meet global commitments to keep global warming within acceptable limits.

Ambitious goals

We have set ambitious emission reduction targets based on scientific approaches that take into account global needs to limit climate warming.

Verifiability and transparency

Our efficiency improvement programme is structured to ensure the verifiability and transparency of our actions, complying with the rigorous SBT methodologies for reporting and measuring emissions reductions.

Involvement of business functions

We involve all business functions to ensure an integrated approach to achieving efficiency goals. Cooperation between departments is essential to maximise the impact of our initiatives.

Innovation and adoption of clean technologies

We invest in innovation and adopt clean technologies to improve the efficiency of our processes. This not only reduces emissions, but also strategically positions us to embrace a resilient and sustainable business model.

Adherence to the Science-Based Targets principles underscores our commitment to being an active part of the solution to global climate challenges. The efficiency improvement programme we have undertaken is a concrete demonstration of our commitment to sustainable and environmentally friendly business growth.

Environmental

Climate changes

Emissions - Focus on green areas

Elleci has always invested in the care of green areas both within the production site and in the surrounding area. We believe that they are not only important for aesthetic reasons, but also represent our tangible commitment to environmental sustainability.

Every tree and every plant we grow is part of our commitment to preserving and improving the environment. For this reason, we intend to strengthen our commitment to mitigating our environmental impact by undertaking new planting projects aimed at offsetting emissions.

In particular, we have set ourselves two main goals that we intend to pursue in the short term:

- Request authorisation from local authorities to manage a green island near the production area, where we will plant giant bamboo.
- Double the green areas we manage. This is the ultimate goal we hope to achieve by 2030.

Environmental

Climate changes

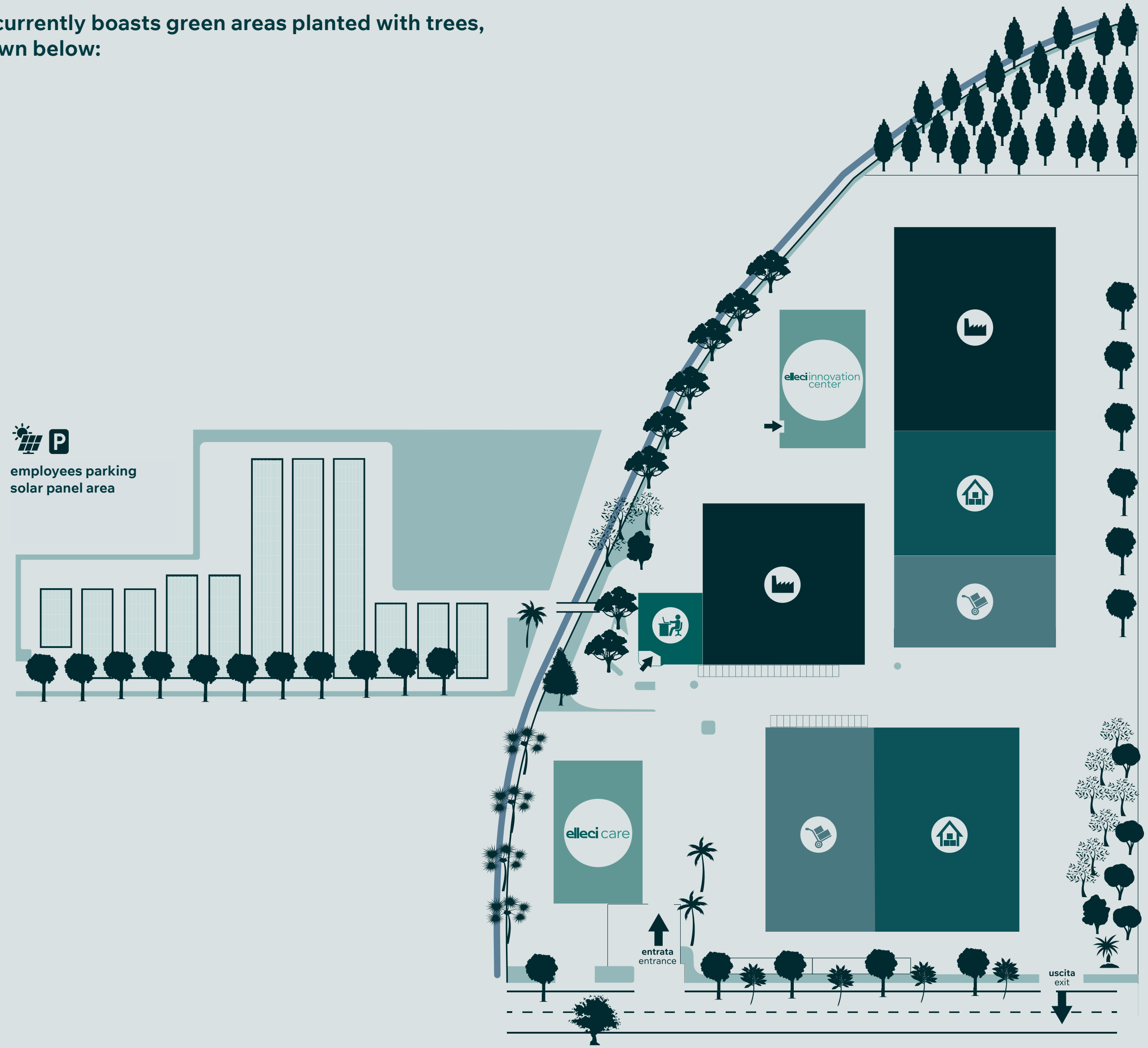
Emissions - Focus on green areas

Total CO_2 absorbed: 20,659 kgCO_2/year

- 8 HOLM OAKS
- 17 OLIVE TREES
- 2 CUNONIA CAPENSIS (Red Alder)
- 6 FICUS AUSTRALIS (Australian Fig)
- 1 YUCCA
- 1 EVERGREEN MAGNOLIA
- 76 CAMPHOR TREES
- 1 COCOS PLUMOSA (Queen Palm)
- 10 CHAMAEROPS PALMS (European Fan Palm)
- 2 COCOS NUCIFERA PALMS (Coconut Palm)
- 1 MAPLE
- 6 BAY TREES (Laurus Nobilis)
- 1 DRACAENA
- 270 BLACK POPLARS

Total number of tall trees: 402

Elleci currently boasts green areas planted with trees, as shown below:



Environmental

Climate changes

Emissions - Product Certifications

THE INTERNATIONAL EPD® SYSTEM

In 2024, Elleci took an important step forward in its commitment to environmental transparency by publishing its first **Environmental Product Declarations (EPD)**, in accordance with ISO 14025:2006 and EN 15804:2012+A2:2019/AC:2021, for three product lines: Duratek washbasins, Granitek sinks and Keratek sinks.
The EPDs have been registered with the international Environdec programme (International EPD® System) and represent a certified and verified third-party tool for communicating the environmental impacts associated with the entire product life cycle in an objective, comparable and transparent manner, according to the **Life Cycle Assessment (LCA)**.

KERATEK

Info and documents on the official EPD website

Keratek

GRANITEK

Info and documents on the official EPD website

Granitek

DURATEK

Info and documents on the official EPD website

Duratek

Environmental

Water

Responsible water management is a fundamental part of Elleci's sustainability strategy. Our production facilities adopt solutions aimed at water circularity and waste reduction, with the aim of minimising the environmental impact associated with industrial processes.
The conscious use of this precious resource is even more important in the current context, characterised by the start-up of the second production plant in 2024, which has inevitably led to an increase in water consumption linked to the expansion of production capacity.
The following section analyses the trend of the main indicators recorded in the three-year period 2022–2024.

Environmental

Water

Current analysis

Analysis of data for the three-year period 2022–2024 shows a significant increase in water use in 2024. This increase is directly related to the start-up of the second production plant, which led to an increase in plant utilities and, consequently, in water demand.
Water discharge shows a substantially stable behaviour compared to 2023. This trend is consistent with the water management policies implemented in 2024. In 2025, the data will be consolidated using the monitoring system introduced in 2024.

Starting in 2025, projects to improve water performance will also be launched, in line with sustainability and responsible resource use goals.

Environmental

Water

Road to 2030

In response to the need to reduce water consumption and promote sustainable water resource management, we are developing the implementation of measures aimed at monitoring consumption and technological solutions that enable a reduction in water use and the reuse of water drawn.

2024

Implementation of a water monitoring system

2025

Introduction of technological improvements in sink cleaning:

- **First step** transition from high to low pressure
- **Second step** study of filtration systems

2030

Installation of a new industrial water purifier

Environmental

Water

Road to 2030

In order to achieve the goals set out above, the measures we have implemented during 2024 and intend to implement in the near future consist of the following:

Project 1

Installation of Flow Meters

To fully understand water consumption by user, flow meters have been installed at strategic points in the company's water network. This has provided accurate data on actual water consumption and identified any inefficiencies so that targeted corrective measures can be taken.

Project 2

Introduction of Technological Improvements in Sink Cleaning

In order to maximise water reuse in the sink cleaning process, technological improvements will be implemented. The goal is to achieve 100% water reuse through advanced recycling and filtering systems, thus ensuring efficient use of water resources. In particular, in 2024, two new sink washing systems were installed, designed from the engineering stage to be ready for the implementation of a closed-loop water recovery system. This system, currently being tested, is designed to maximise the internal reuse of water in production cycles, significantly reducing groundwater use and the volume of discharges. In addition to this operation, an experimental project has also been launched to modify high-pressure motors with low-pressure solutions and introduce a filtering system to optimise the quality of process water. The goal is to verify the possibility of reducing water consumption while maintaining the quality standards of the production cycles.

Project 3

Installation of a Wastewater Treatment System

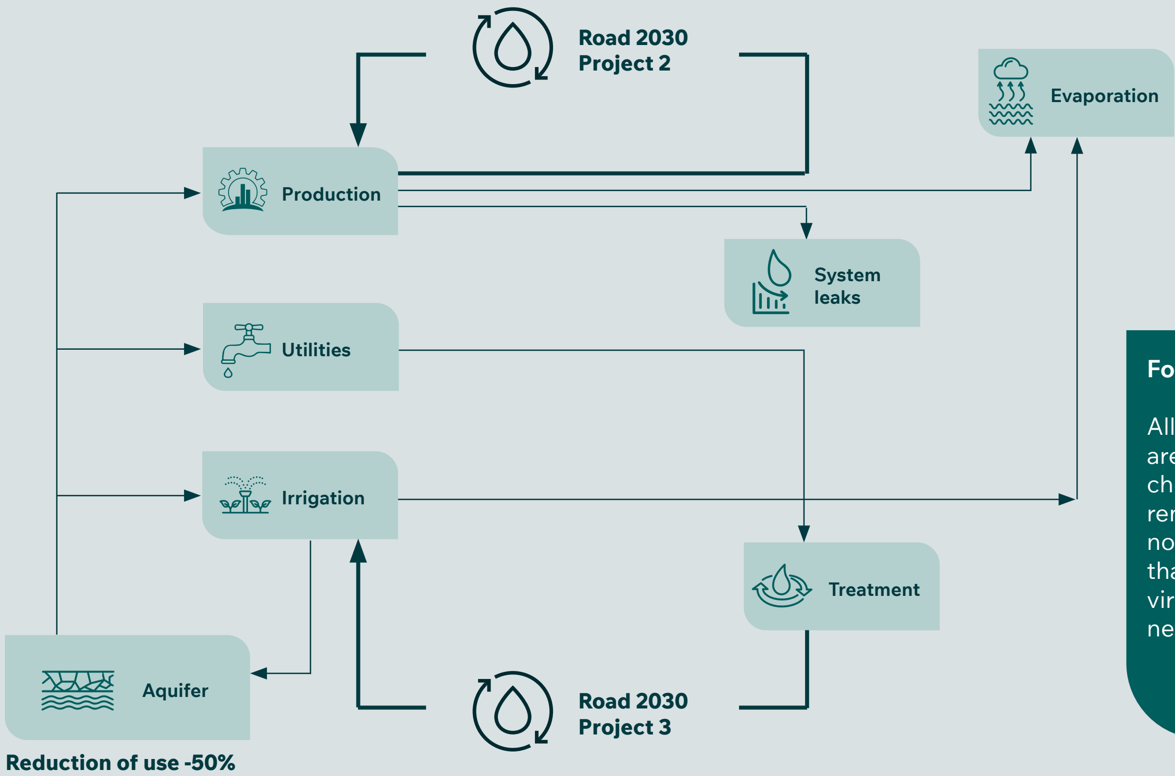
A treatment system dedicated to the treatment of wastewater from users will be installed. This treatment system will be able to completely purify the water, making it suitable for irrigation. The treated water will then be used entirely for irrigation, reducing the need for fresh water use and promoting sustainable water resource management. The implementation of this plan will enable us to significantly reduce water use while promoting more efficient and sustainable water management. Specifically, we hope to achieve a 50% reduction in water use for production by 2030.

Environmental

Water

Water cycle

We are focusing our efforts on optimising the water cycle with the aim of reducing total water consumption and minimising groundwater extraction. Our investments in this area are focused on studying technologies that can be implemented in our production system, enabling water treatment and reuse in production processes.
By reducing water waste and maximising its reuse, we not only improve the environmental sustainability of our operations, but also reduce costs and contribute to the conservation of water resources. The current and prospective water cycle is shown below. We hope to achieve full implementation of the prospective water cycle in 2030, the year in which we have set ourselves the target of a 50% reduction in consumption.



Focus on Pollutants

All our water discharges are subject to rigorous checks, in line with current legislation, and do not contain pollutants that could harm the environment or local water networks.

Environmental

Use of resources
and circular economy

Raw materials

The use of sustainable materials is a fundamental aspect of environmental sustainability in the industrial sector. We are investing in the integration of renewable and recyclable materials, as well as in reducing the use of natural resources. This commitment represents a key step in our mission to move towards a more sustainable business model. Our strategy aims not only to use sustainable materials, but also to reduce the overall impact of our activities on the environment, actively contributing to the creation of a more eco-sustainable and responsible production cycle.

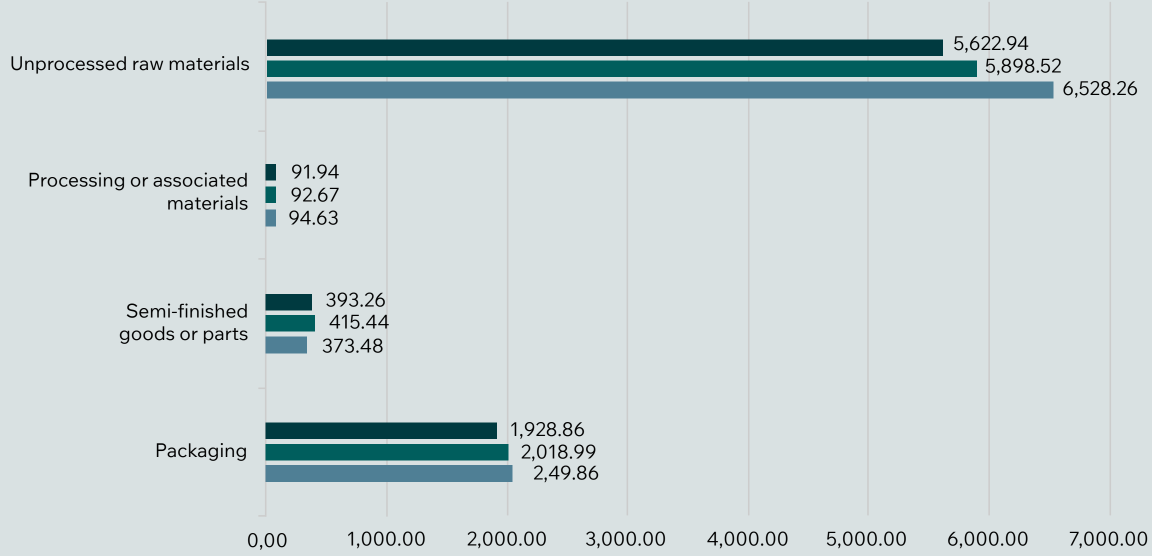
Environmental

Use of resources
and circular economy

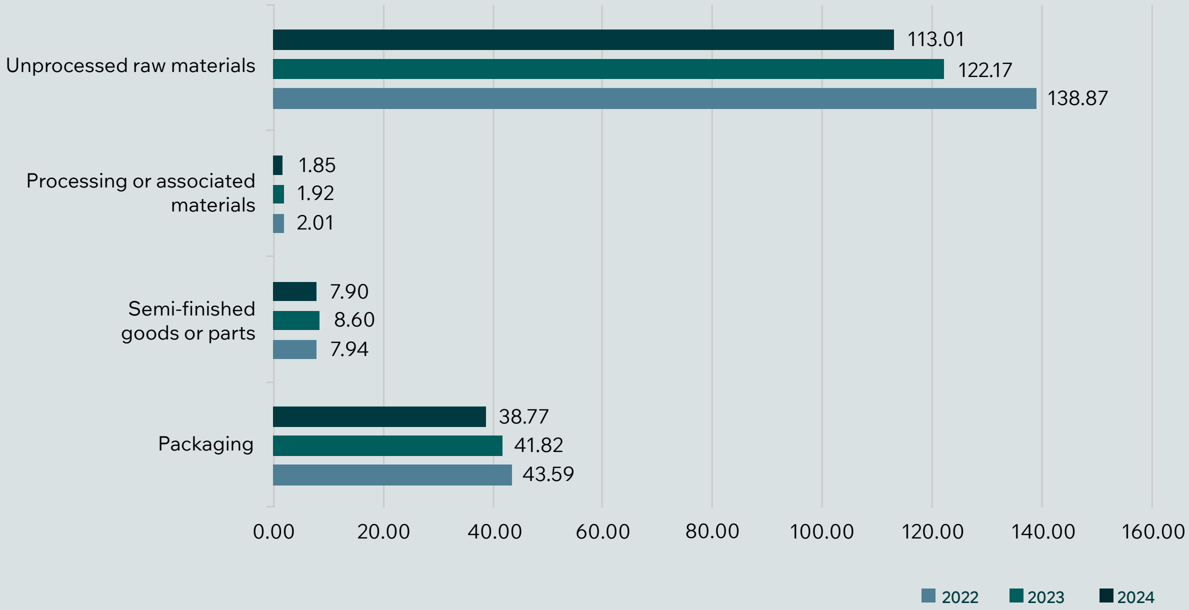
Raw materials

Over the last three years, the supply trend has remained virtually unchanged.
The steady decline in this indicator is a tangible sign of the excellent economic performance that the Company is achieving.
The graph shows an overall downward trend in incoming raw materials, with a more marked decline in unprocessed raw materials and especially in packaging. This trend reflects the strategic actions taken by the company with a view to efficiency, sustainability and logistical simplification.

Incoming raw materials [t]



Indicator of incoming raw materials in relation to turnover [t/M€]



Environmental

Use of resources
and circular economy

Raw materials

Reduction in packaging

The progressive reduction in packaging from 2022 to 2024 is attributable to a series of structural and design measures:

- Growing project relating to the sale of ultra-slim packaging, introduced with a commercial policy aimed at reducing packaging components in order to simplify logistics and reduce the use of materials.

- Implementation of nesting arrangements to optimise the layout of products within packaging.

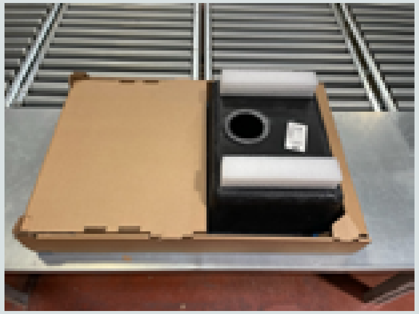
- Study of the logistics flow to eliminate redundancies and improve transport efficiency.

- Adoption of a policy to optimise volumetric space, integrated into the design of new product lines: products have been redesigned with reduced height and depth, allowing packaging to be reduced by up to 13% compared to previous versions.

Other materials

- Unprocessed raw materials recorded a 13.9% decrease compared to 2022, consistent with a rationalisation of production processes and a possible change in the mix of raw materials.

- Associated processing materials and semi-finished goods remain essentially stable, with minor variations linked to specific production requirements.



Environmental

Use of resources
and circular economy

Raw materials

The actions taken in **Plant 2** demonstrate the effectiveness of a continuous improvement approach, with positive results both in terms of the environment (less waste) and production (greater efficiency and standardisation).

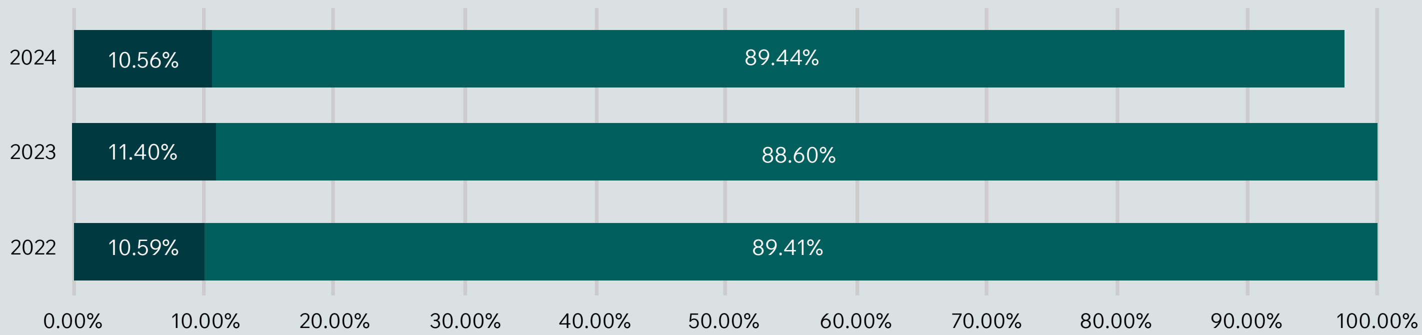
Plant 2 has seen a significant improvement in terms of efficiency and waste reduction, thanks to a series of structural and organisational measures:

- **Standardisation of the process and product**: the introduction of uniform procedures and production configurations has enabled a reduction in waste of up to 4%. In particular, the production of "high-rotation" models, previously managed in Plant 1 (where they generated more waste), has been transferred to Plant 2, where efficiency is higher.

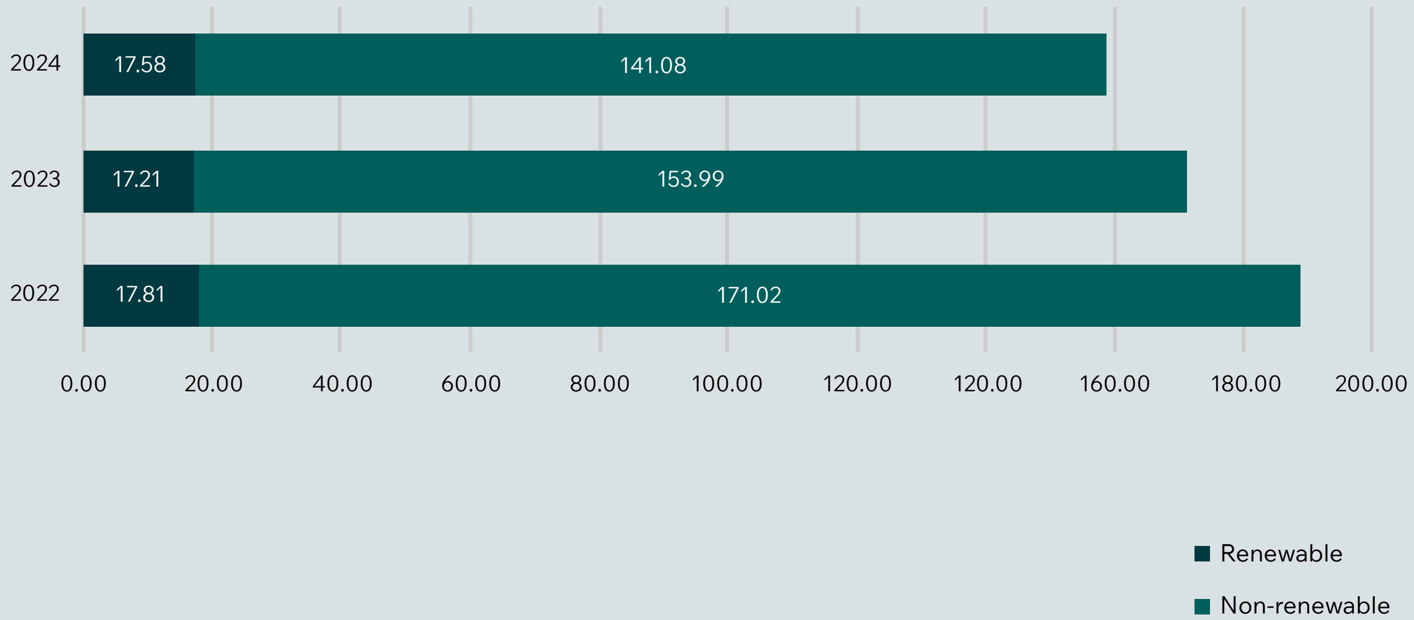
- **Optimisation of production set-ups**: Plant 2 implements set-ups every 20 days, compared to three daily changes in Plant 1, drastically reducing downtime and related waste.

This change has led to a decrease in waste from the previous 11% to significantly lower levels.

Percentage of incoming renewable materials



Incoming renewable materials [t renewable material/M€ turnover]



Environmental

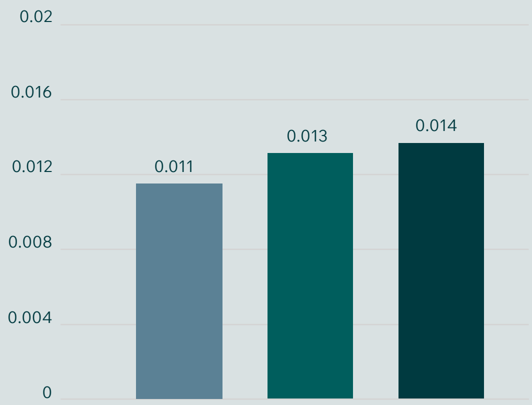
Use of resources
and circular economy

The percentages of recyclable and renewable materials recorded in the last three years have not undergone significant changes. In this regard, Elleci has launched a major plan to convert to sustainable raw material supplies.

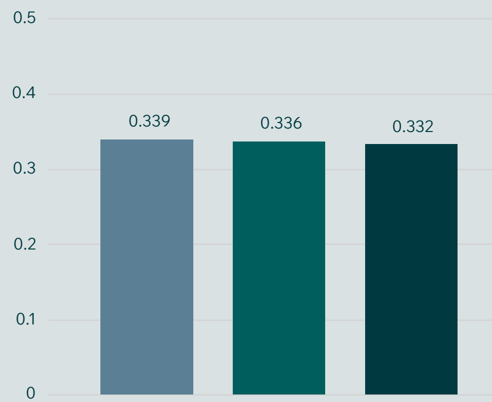
Raw materials

Recycled incoming materials [%]

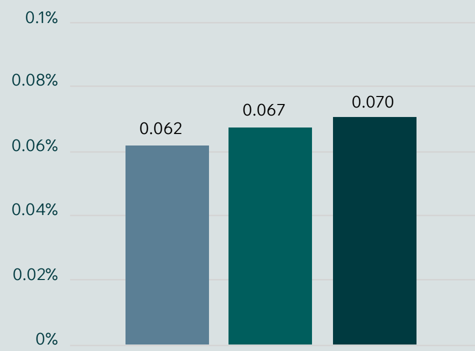
Product manufacturing



Packaging

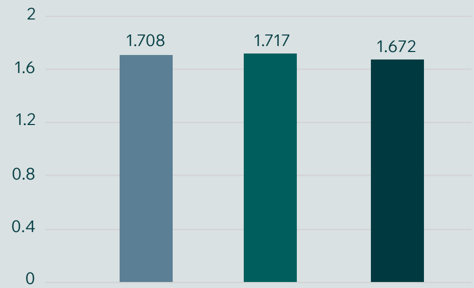


Total recycled materials

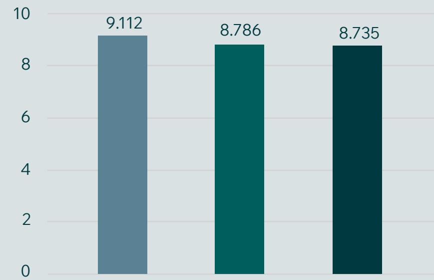


Recycled materials indicator relative to turnover [t/M€]

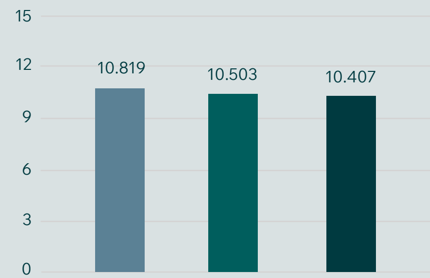
Product manufacturing



Packaging



Total recycled materials



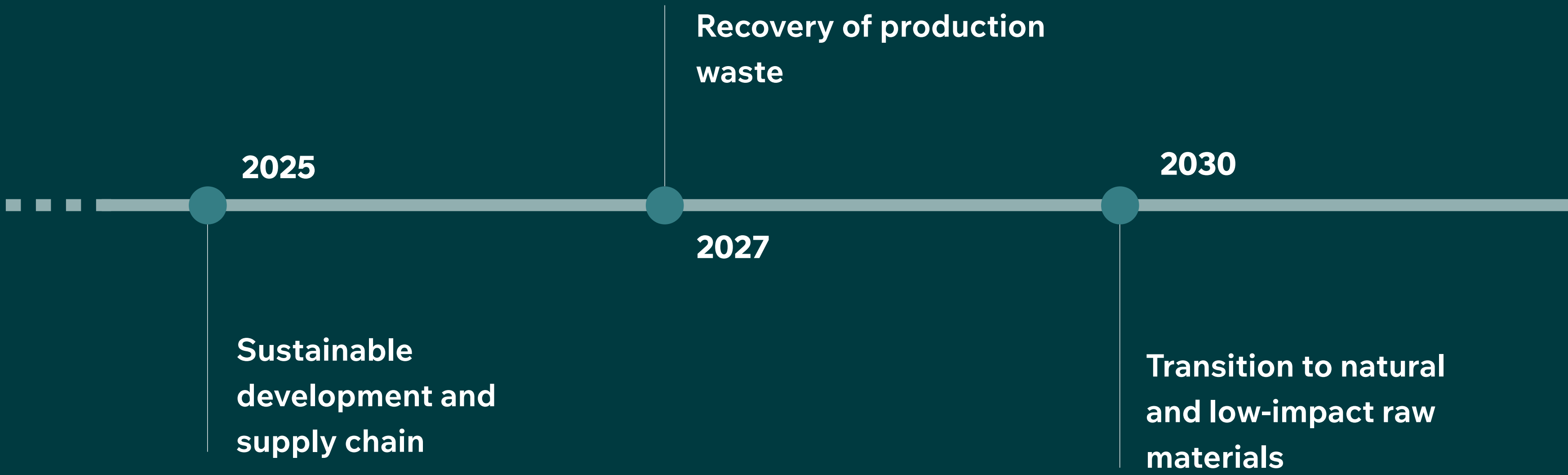
■ 2022 ■ 2023 ■ 2024

Environmental

Use of resources
and circular economy

Raw materials - Road to 2030

Following this strategic approach, the Innovation Centre has embarked on **two ambitious projects** which, although pursuing different lines of research, will lead to the creation of a fully green sink in the medium term. The projects involve the introduction of **recycled raw materials** into our formulations and the gradual replacement of virgin raw materials with **raw materials of natural origin**.



Environmental

Use of resources
and circular economy

Raw materials - Road to 2030

2025
Sustainable development and supply chain

Elleci continues to promote the use of bio-based and recycled raw materials, in line with its environmental goals. However, there are still difficulties in finding suppliers that can meet the company's quality and quantity standards, especially in the ESG area.

Current critical issues

- Limited responsiveness from suppliers to sustainability inputs slows down the development of new solutions with low environmental impact.
- In particular, the search for bio-based and recycled materials is still hampered by poor alignment and low innovation in the supply chain.

Role of the supply chain

The active involvement of supply chain partners will be essential to the success of these initiatives, as they are called upon to share their vision, investments and commitment to the development of innovative and sustainable raw materials.

2027
Recovery of production waste

Over 90% of waste from the production process will be recovered and reintroduced into the process.

2030
Transition to natural and low-impact raw materials

Elleci continues its journey towards the gradual replacement of non-renewable quartz, focusing on alternative raw materials of natural origin, developed with environmental sustainability and circularity in mind.

Innovative materials – Green lines

- All Green lines, developed specifically to meet environmental criteria, already achieve 100% use of low-impact materials, specially designed with bio-based, recycled or regenerated components.

Traditional production – Progressive integration

- Elleci is gradually integrating the same sustainability principles into its traditional production chain, with an achievable short- to medium-term goal of: 30% "green" content, thanks to the introduction of alternative raw materials and partnerships with innovative suppliers.

Environmental

Use of resources
and circular economy

The goals represented on the timetable are achievable thanks to the gradual introduction into the production cycle of high-performance technological solutions that optimise multiple aspects mainly concerning the type of raw materials used in the formulation of materials.

Raw materials

1. Introduction into the formulation of recycled PMMA and MMA raw materials

This project focuses on the possibility of using recycled raw materials to reduce environmental impact and promote sustainability. The Elleci Innovation Centre is focusing on identifying, recovering and transforming recyclable materials into valuable resources for industrial production. Our goal is to reduce carbon emissions, conserve natural resources and promote sustainable economic development through the responsible use of recycled raw materials. Ultimately, we aim to create a lasting positive impact on the environment and society by promoting a circular economy and greater environmental awareness.

2. Reuse of production waste in the production cycle to replace virgin quartz

Our research centre is embarking on a path through which we hope to recover part of the waste material produced in the various production phases, which is currently sent to collection centres for recovery. The study is analysing the possibility of subjecting production waste to a shredding and grinding cycle in order to obtain particles that can be reused as a substitute for the virgin quartz currently used in the production cycle. There are numerous challenges to overcome in order to formulate a high-performance product made from recycled materials, and we have set ourselves the goal of achieving this by 2027.

3. Introduction to the formulation of naturally occurring quartz

In addition, we are undertaking an ambitious research project with an external Research Body aimed at analysing the possibility of replacing, at least partially, the use of quartz extracted from quarries with additional materials of natural origin that are completely renewable. The project is currently in its initial phase of analysis and selection of raw materials that can be used in the formulation process.

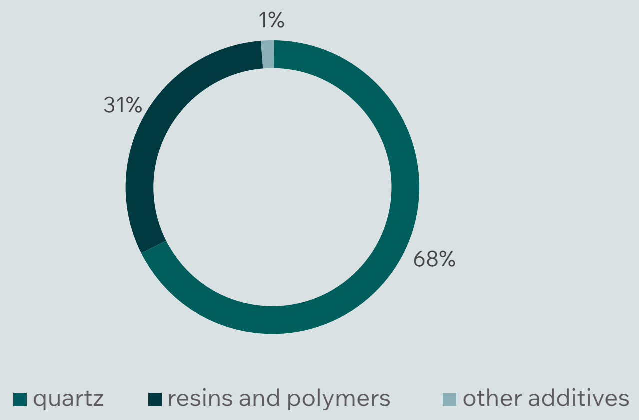
Environmental

Use of resources
and circular economy

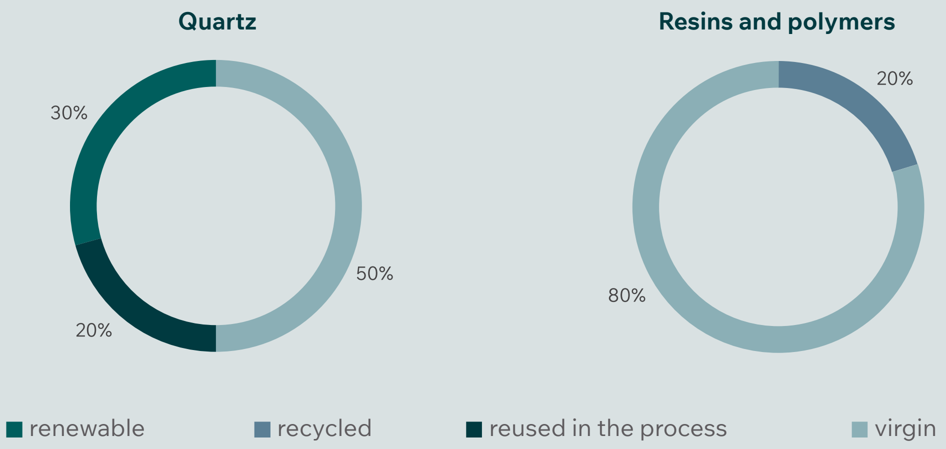
Raw materials

Achieving the goals set by the above-stated projects means completing a revolution in the formulation of materials used to manufacture sinks by 2030.
The following are the goals we hope to achieve for each of the macro-components of the production recipe.

Current composition of the formula made with non-recycled, non-renewable and non-recyclable materials



2030 goals for the composition of the formula



Environmental

Use of resources
and circular economy

Raw materials

At Elleci, we are implementing an ambitious project to make our packaging more sustainable. Since 2017, we have been a member of the ISTA (International Safe Transit Association), an association that helps us guarantee the safety and quality of our packaging through rigorous testing. We are currently focusing on two important areas:

Current composition | Future composition

Standard packaging 1C

Standard packaging ISTA 6

Transition to recycled materials for standard 1C

We are committed to converting our 1C cardboard to a fully recycled variant made exclusively from cardboard without polyethylene.
Elleci is continuing an important project to optimise its 1C packaging, with the aim of reducing its environmental impact and promoting the circular economy.
Plastic components are being replaced with recycled paper materials, contributing to a reduction in plastic consumption in favour of more sustainable and easily recoverable solutions.
A circular economy project for paper is currently being studied, aimed at creating a virtuous cycle of cardboard recovery and reuse:
- Elleci returns used boxes to the supplier, where they are regenerated or replaced.
- In return, the company receives clean, reusable cardboard, reducing its dependence on virgin raw materials and optimising the entire logistics process.

Use of recycled cardboard for ISTA 6 standards

Our ISTA 6 packaging for drop shipping currently uses 40% recycled cardboard. Studies and tests are continuing to increase this percentage, with the aim of maximising the use of sustainable materials.
Compared to other standards, such as 1C, the ISTA 6 standard is less flexible, as it imposes strict resistance and performance requirements to ensure product integrity during transport.
These constraints make the integration of recycled materials more complex, particularly due to the need to maintain a certain percentage of polyethylene in the packaging structure to ensure the required mechanical properties.
Despite these limitations, Elleci has embarked on a path of research and collaboration with suppliers to:
- drastically reduce the amount of plastic in ISTA 6 packaging;
- Identify innovative solutions that allow for increased use of recycled cardboard without compromising the technical performance required by the standard.
This commitment is part of a broader vision of circular economy and packaging sustainability, with the aim of combining functionality, safety and environmental responsibility.

Environmental

Use of resources
and circular economy

Waste

The total waste generated in 2024, which includes waste from all activities carried out at the plant, amounts to approximately 1,750 tonnes. Almost all of the waste, approximately 97%, is sent for recovery or reuse, while the remainder is sent to landfill.
We are continuing to optimise our production processes with the aim of identifying and reducing all sources of waste along the supply chain. At the heart of this strategy is the adoption of advanced technologies and sophisticated operating practices capable of improving overall efficiency.
A key role is played by the active involvement of our people, thanks to dedicated training and awareness programmes geared towards a culture of continuous improvement and operational sustainability.

We have also introduced constant product monitoring and traceability systems, which allow us to promptly identify any inefficiencies, identify areas for improvement, and enable more effective, transparent and sustainable production performance.

Environmental

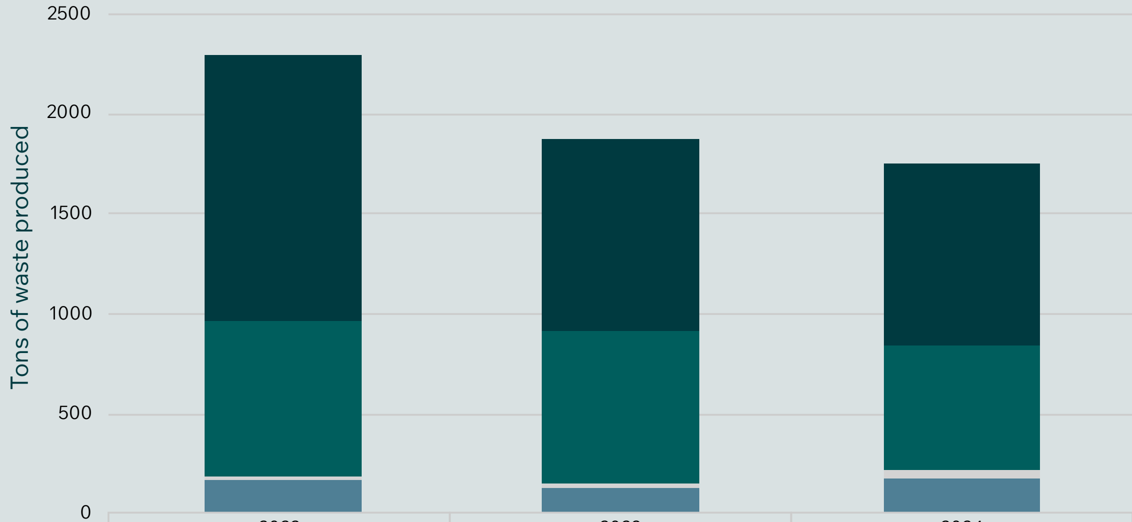
Use of resources
and circular economy

Waste

In 2024, Elleci continued to optimise its waste management, recording improved environmental performance despite the start-up of the new production plant.
2024 saw **a 5.1% reduction in production waste**, which is particularly significant considering the start-up phase of the new plant.
The reduction is attributable to greater efficiency in the moulding and finishing processes thanks to ongoing research and development activities and the adoption of in-line quality control technologies, which reduce non-compliance rates.

Mixed material packaging fell by over 137 tonnes, reinforcing the positive trend in packaging waste management.

Waste produced broken down by EWC code



	2022	2023	2024
Production waste	1,330.22	957.48	909.11
Mixed material packaging	785.40	757.99	620.48
Paper and cardboard packaging	15.96	26.58	42.00
Other	165.34	127.73	176.43

Environmental

Use of resources
and circular economy

Waste

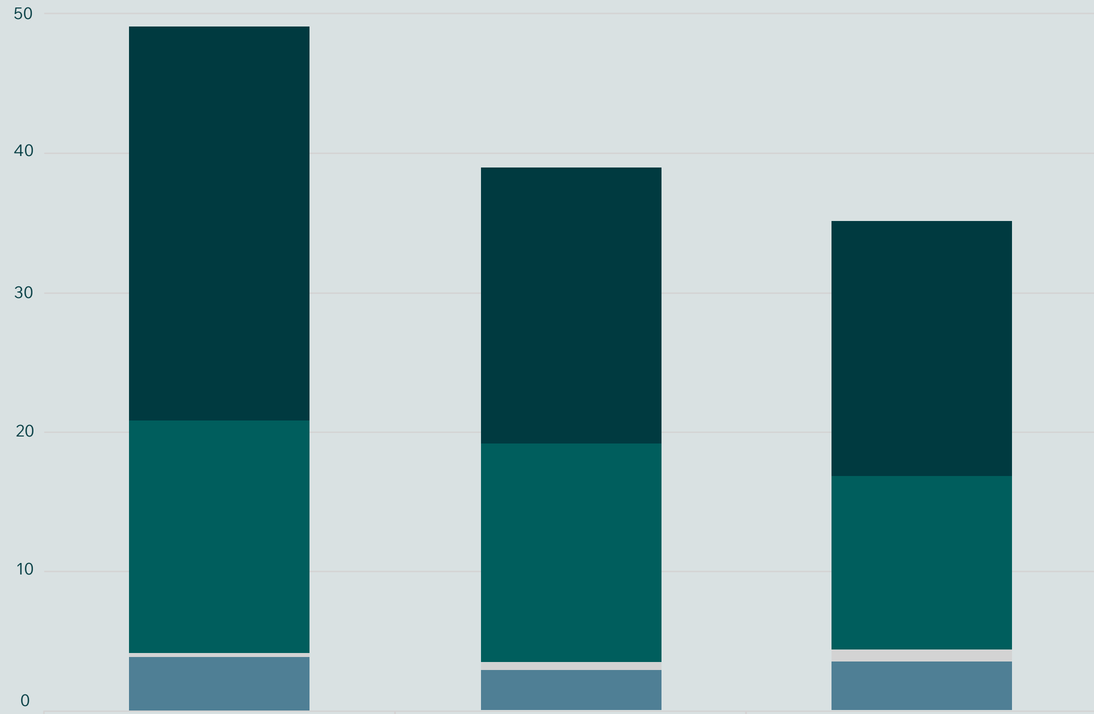
There has been an increase in the use of paper and cardboard packaging, which should be interpreted as positive: this trend reflects a **gradual replacement of mixed or composite materials** with single-material solutions that are easier to recycle.
In support of this change:
- a programme has been launched to **raise awareness among operators**, aimed at promoting the correct separation of materials and encouraging the conscious use of paper rather than mixed packaging;
- an economic return mechanism has been activated thanks to the **sale or collection of selected paper materials**, which can now be more easily sent for recycling.

This approach generates **environmental benefits** and, at the same time, **economic efficiencies**, helping to make packaging management more sustainable and circular.

The increase in the “Other” category is mainly attributable to non-recurring waste related to the **commissioning of the new plant**, with a reduction expected in 2025.

In summary, 2024 represents a turning point in industrial waste management for Elleci, highlighting a **substantial reduction in production waste** despite the increase in plant complexity and the progressive replacement of materials with more sustainable alternatives.
Overall, 2024 is shaping up to be a positive year on the environmental front, thanks to a combination of quantitative waste reduction, qualitative improvement of materials and a focus on circularity.

Waste produced broken down by EWC code



	2022	2023	2024
Production waste	28.29	19.83	18.27
Mixed material packaging	16.70	15.70	12.47
Paper and cardboard packaging	0.34	0.55	0.84
Other	3.83	2.94	3.54

Environmental

Use of resources
and circular economy

Waste - Road to 2030

In order to minimise the amount of waste sent for recovery or disposal, we have embarked on an internal research programme aimed at studying solutions that allow the reuse of specific types of waste.
To this end, development is focused on finding a system for recovering and reusing waste that will enable us to achieve our target of reducing the waste generated by the process by 50% by 2030 through reuse within the production cycle, replacing natural raw materials.

Reuse of production waste

2025 - 2026

2030

50% reduction in waste produced

Focus on continuous improvement

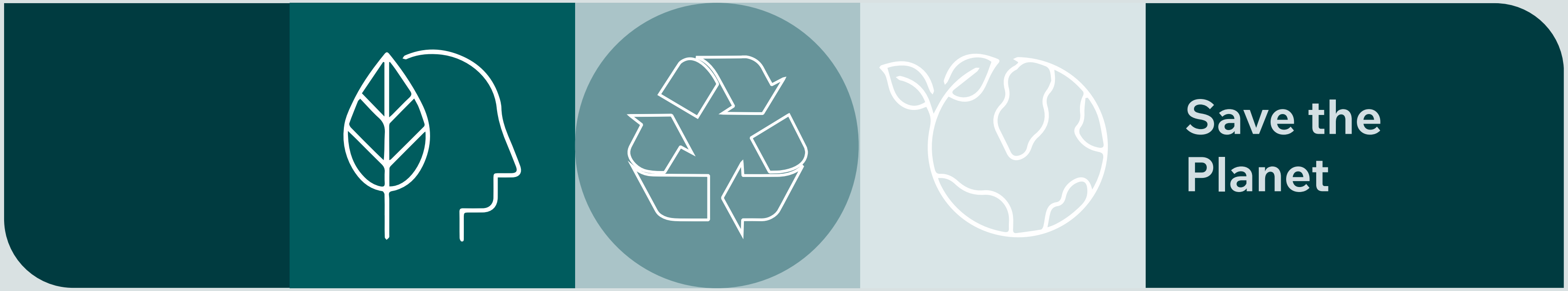
The “**continuous improvement**” approach is a key element for the long-term sustainability of our organisation.
This approach has the following medium-term goals:

- the **reduction of waste** through the application of advanced chemical techniques and process optimisation;

- the **study of innovative systems for the partial reuse of waste generated**, paying particular attention to solutions that reduce environmental impact and optimise the use of resources.

Environmental

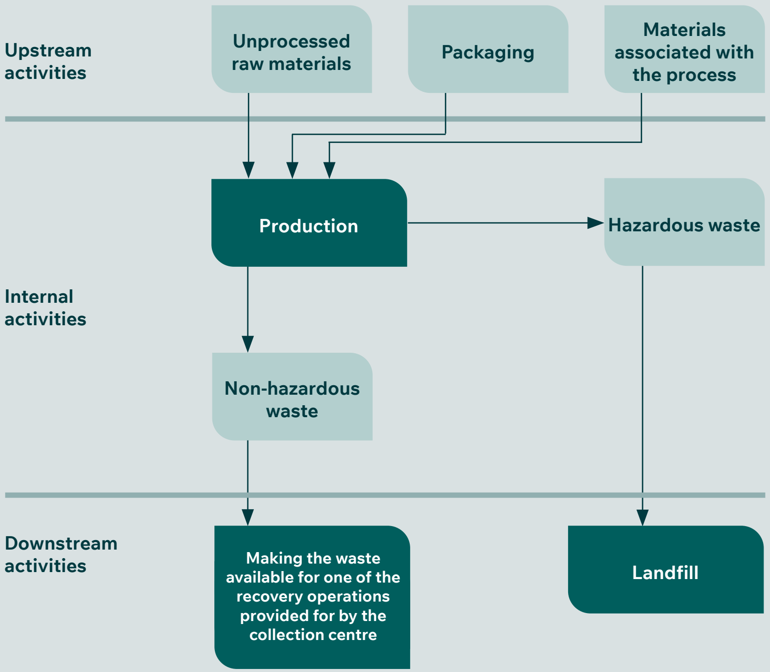
Use of resources
and circular economy



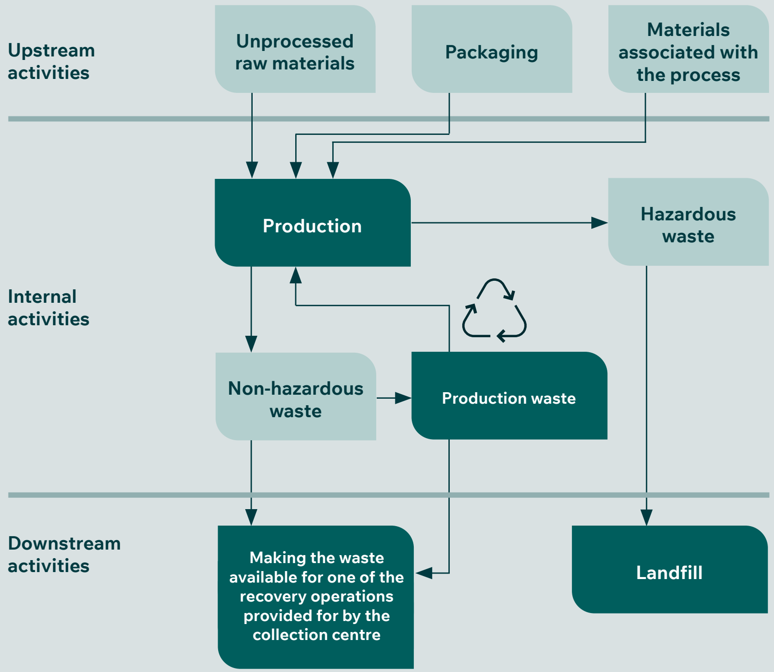
Waste - Waste management

One of our ambitious projects for the near future involves implementing a production waste recovery system into the production cycle. The introduction of such a recovery system will lead to a reduction in waste and its reuse in the production cycle to replace quartz raw material. Following the implementation of this system, the waste cycle will undergo the changes shown in the following diagrams.

Pre-operation



Post-operation



04

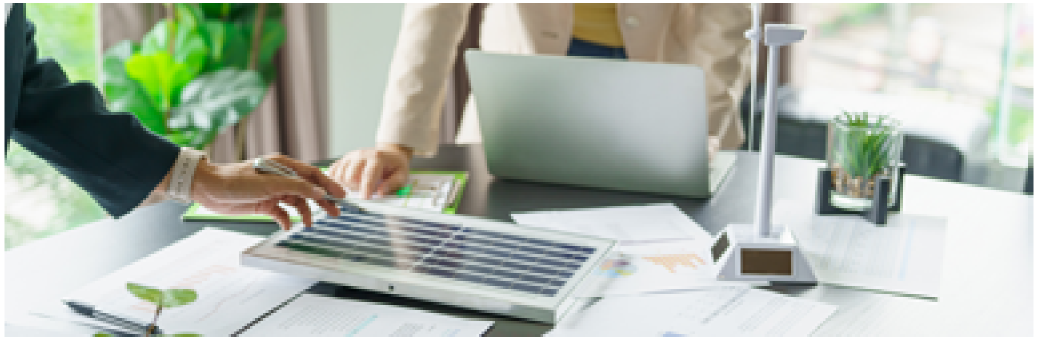
Social

Social

We support **professional growth and well-being**

At Elleci, human capital has always been at the heart of the organisation: a strategic resource capable of fuelling innovation, productivity and sustainable growth.
We are deeply aware that each person contributes a unique set of skills, creativity and passion. It is precisely from the synergy of these talents that our distinctive value arises. For this reason, we are committed to promoting an inclusive, stimulating and respectful work environment, where each individual can feel valued and empowered to express their potential.

We strongly believe in open dialogue and constructive feedback as fundamental tools for continuous improvement. Our managers are encouraged to offer constant support, recognising achievements and guiding employees towards new opportunities for growth.
Training and professional development are a cornerstone of our corporate culture. We offer structured internal growth paths, mentoring programmes and continuous training initiatives, in the belief that constant learning is the key to successfully facing future challenges.



Social

Principles

Elleci has always considered its human capital to be the beating heart of the organisation, capable of fuelling innovation, productivity and growth.

No discrimination

on grounds of gender, age, religion, ideology and ethnicity

Development and professional training

continuous improvement of skills

Work continuity

internal promotion and horizontal mobility within the company

Work-life balance

flexibility and conditions conducive to a work-life balance

Social

Hiring trends and new employees

New hires over the last three years are perfectly in line with economic results and annual production.

Quantitative data on employees 2024

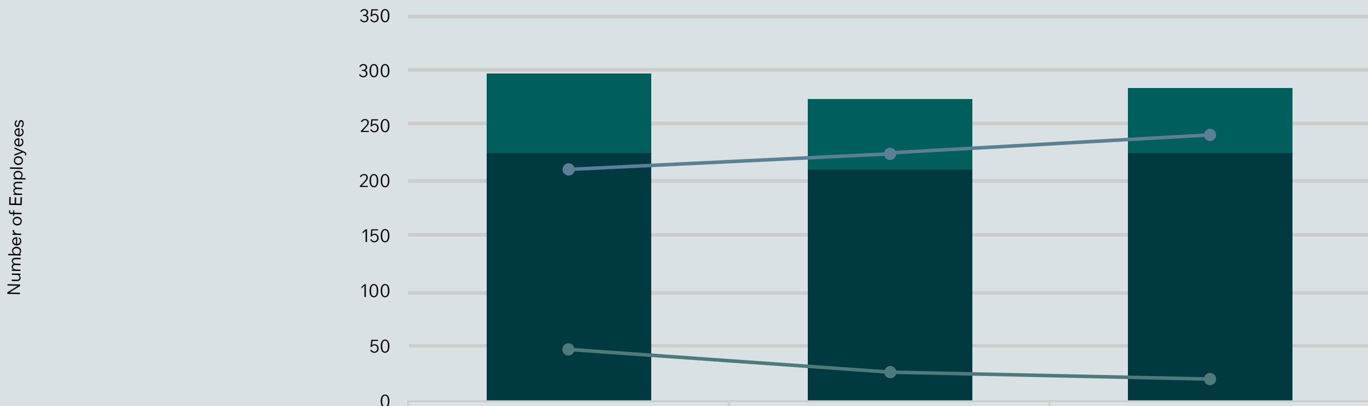
Total number of employees: 242

Total training hours: 21,522

Female hires: +30% vs 2023

In 2024, Elleci had a total of 242 employees, with a lower turnover rate than the previous year, confirming the growing stability and loyalty of its human capital.
New hires show a balanced distribution by age group and gender.
The significant presence of male professionals in the 31-40 age group is particularly relevant for Elleci: this generation brings with it consolidated skills, operational experience and leadership potential, key elements for managing complex projects and supporting the company's strategic growth in a competitive and constantly evolving environment.

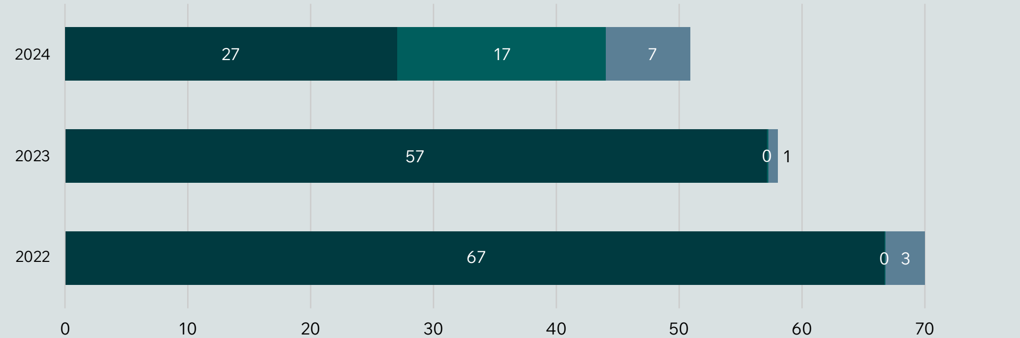
The high number of permanent contracts compared to fixed-term contracts highlights Elleci's commitment to promoting stable and long-lasting employment relationships, a crucial element in creating a cohesive and motivating work environment. Almost all personnel work full-time, demonstrating their full integration and dedication to the company's mission.



	2022	2023	2024
New Employees	71	64	58
Number of Employees at the end of the previous year	225	211	226
Number of Employees at the end of current year	211	226	242
Turn over	47	27	20

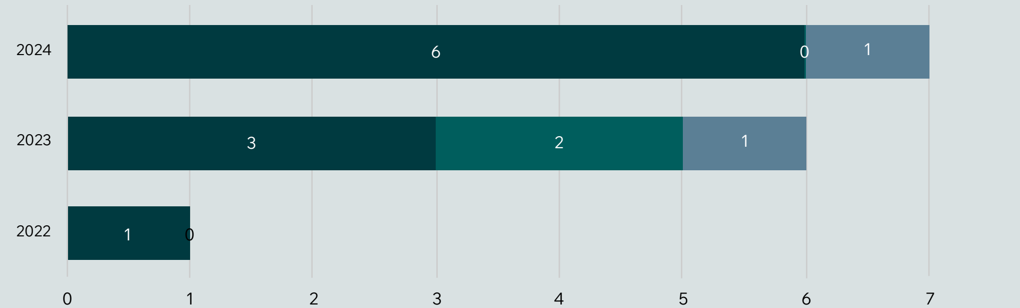
Hiring trends and new employees

Employees and new hires by age group - men



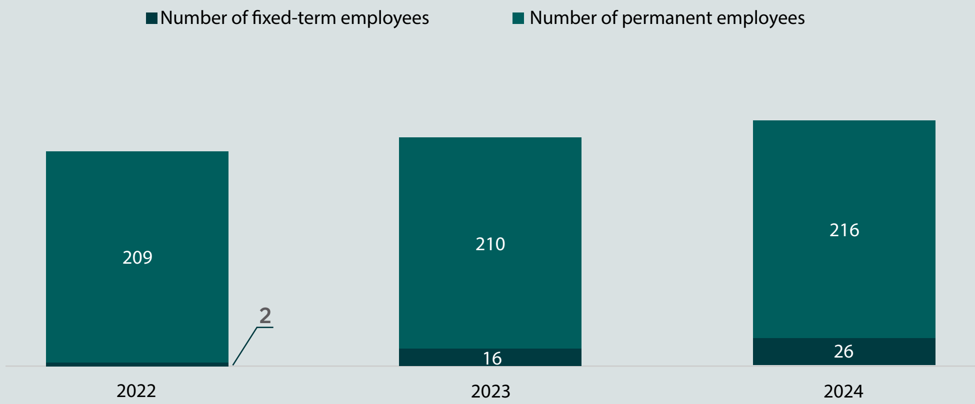
	2022	2023	2024
20-30	67	57	27
31-40	0	0	17
41-50	3	1	7

Employees and new hires by age group - women



	2022	2023	2024
20-30	1	3	6
31-40	0	2	0
41-50	3	1	1

Fixed-term/permanent employees



Full-time/part-time employees

Social

Gender equality

Elleci's commitment

Elleci recognises gender equality as a strategic element of its human resources management policy and corporate social responsibility. The company is committed to ensuring equal treatment and equal opportunities for all employees, regardless of gender, promoting an inclusive working environment that complies with current regulations.

This commitment is reflected not only in respect for rights and ethical values, but also in the adoption of measures consistent with the analysis of specific risks associated with different areas of operation, particularly production.

In the production area, manual handling of loads is a critical issue for the full inclusion of women, due to the high physical demands involved. In view of this, we are implementing, as already widely stated, technical and organisational measures, such as specific training, raising awareness of a culture of safety and awareness in the workplace, the use of ergonomic support devices and the review of production processes, aimed at promoting the integration and retention of female workers in this context, ensuring safety and well-being in the workplace.

The company is committed to constantly monitoring the effectiveness of the actions taken and promoting diversity and inclusion policies consistent with industry best practices, with the aim of ensuring an increasingly significant and sustainable gender balance in the long term.

Social

Gender equality

Elleci's commitment

Considering the current obstacles to the employment of female workers in certain production departments, it would be misleading to provide a general representation of the percentage of female employees. We felt it was more meaningful to highlight our commitment to promoting the recruitment of women in those departments where the occupational safety criteria are met.

As already stated, it is our priority to implement initiatives that are effective in introducing safe, inclusive and accessible working conditions for all our employees, regardless of gender. We are committed to pursuing the following initiatives, confident that they will be effective in achieving our goal.

Assessment of working conditions: we will conduct a thorough assessment of working conditions in the production area to identify areas where work activities may pose a challenge for female employees.

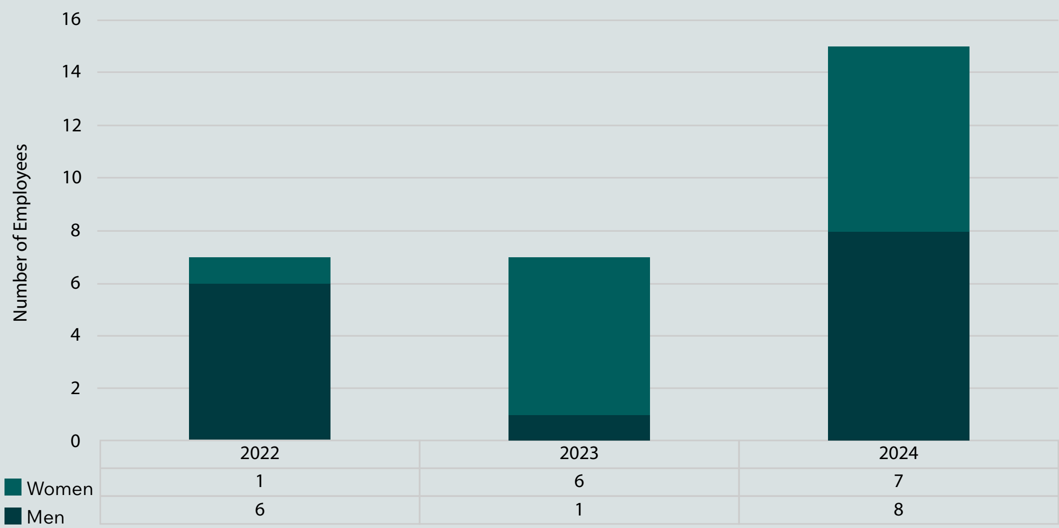
Introduction of safety and support measures: we will implement appropriate safety measures and provide the necessary equipment and technical support to minimise the risk of injury and make it easier to move heavy loads.

Training and awareness: we will provide specific training on safe lifting and ergonomic practices for all employees, promoting a culture of safety and awareness in the workplace.

Flexibility in work organisation: we will explore options to reduce reliance on manual lifting of heavy loads through the optimisation of production processes and the introduction of innovative solutions, where possible.

Continuous monitoring and evaluation: we will continuously monitor the effectiveness of our initiatives and be open to employee feedback in order to make any necessary improvements and adjustments.

Comparison of new hires by gender in offices



Social

New social policies

Road to 2030

We are working on defining policies to supplement the National Collective Labour Agreements in order to ensure compliance with certain principles that we consider strategic for the protection of all our workers. Below is our 2025-2030 roadmap, which highlights the D&I goals that will be defined in the **new Company Regulations**, which will include the social support measures to be implemented over the five-year period 2025-2030.

2025

Production bonus

Definition of the rules governing the production bonus for the period

Welfare

Opening discussion to define a policy aimed at implementing a corporate welfare plan

2026

Production bonus

Verification of results achieved and possible disbursement of the relevant production plan 2025

2027

Complete definition of remuneration policy

2028

Adoption of the D&I principles set out in Reference Guidelines UNI/PdR 125:2022

2030

Full implementation of all projects outlined in the social policy plan

Social

Production bonus

Road to 2030

Elleci will establish a performance bonus aimed at recognising the contribution of its employees and promoting greater operational efficiency.

Elleci has launched a structured programme to introduce a performance-related bonus system aimed at recognising individual and collective contributions to the achievement of company objectives, while strengthening motivation and a sense of belonging.
In 2024, the start of operations at a new production plant marked an important evolution in the company's organisational model. This transition necessitated a comprehensive rethinking of the management system with the aim of harmonising its operational, production and management processes.
In this context, Elleci has initiated a process to define and calibrate the KPIs (Key Performance Indicators) that will form the basis of the reward system.
The KPIs will be integrated into a shared corporate framework, which will ensure consistency, transparency and traceability of results.
From a management perspective, this involves reviewing information flows, performance monitoring systems, as well as productivity and quality metrics.
From a technical perspective, digital tools are being developed to collect and analyse production data, which will form the objective basis for performance evaluation and bonus payment. This approach aims to ensure data reliability and an objective and meritocratic assessment of the results achieved.
Finally, from an HR perspective, the production bonus is designed as a strategic lever for enhancing human capital, in line with personnel development and engagement policies. The definition of clear, shared and measurable parameters will be accompanied by internal communication and training activities to ensure full awareness and participation by all employees.
Elleci's goal is to build a fair, sustainable reward system that is aligned with corporate values, capable of generating shared value and consolidating a culture of performance within a growing organisation.

Social

Welfare

Road to 2030

Elleci continues to work hard to define a structured corporate welfare policy, with the aim of strengthening the overall well-being of its employees and promoting a sustainable work-life balance.

A series of measures aimed at improving the quality of working life and responding effectively to people's needs are currently being studied and defined.
Among the main proposals under consideration are:

- the possibility for each employee to take 4 hours per year **of paid leave** to undergo free blood tests provided by the "**Enfea Salute**" health fund, fully paid for by the company;

- **the extension of health coverage to workers' families** through dedicated insurance packages. Among the options under consideration are the recognition of **24 hours per year of paid leave** for caring for sick family members or for invasive diagnostic tests;

- the establishment of a **specific benefit** to support employees returning to work after a **prolonged illness** (more than three months): **one hour of paid leave per day** during the first week of return, to be used by arriving late or leaving early;

- the launch in 2026 of a **cardiac protection project**, which involves the installation of **semi-automatic defibrillators (AEDs)** at the main company sites, accompanied by **certified training** for personnel responsible for their use. This initiative aims to strengthen the organisation's response capacity in the event of health emergencies, contributing to the creation of a safer and more health-conscious working environment.

These initiatives are part of a long-term vision that aims to build an integrated welfare system consistent with the company's values of care, attention and responsibility. Elleci intends to finalise these policies in the coming financial years, as part of its Road to 2030 strategic plan, with the active involvement of social partners and all personnel.

Social

Remuneration policy
Road to 2030

The Company Elleci, with reference to its Code of Ethics and in order to ensure maximum transparency in its remuneration processes towards its employees, considers it important to draw up a procedure on remuneration and compensation paid, consolidating the Company's growth path by constantly monitoring per capita profitability, with the aim of strengthening its business and accelerating a growth path towards the full application of gender inclusivity principles.
Elleci is gradually implementing a remuneration policy geared towards transparency, merit and fairness among employees, with a particular focus on overcoming any unjustified pay gaps, including from a gender perspective.
During 2024, the company continued to analyse and structure a fair and competitive remuneration system based on industry benchmarks, principles of inclusivity and objective performance evaluation criteria. This implementation phase involves the direct involvement of Human Resources in the collection and analysis of remuneration data, with the aim of mapping any discrepancies and defining uniform guidelines for the management of remuneration.
Elleci intends to consolidate this process by formalising an **internal remuneration procedure**, inspired by the principles of **UNI/PdR 125:2022**, which guarantees:

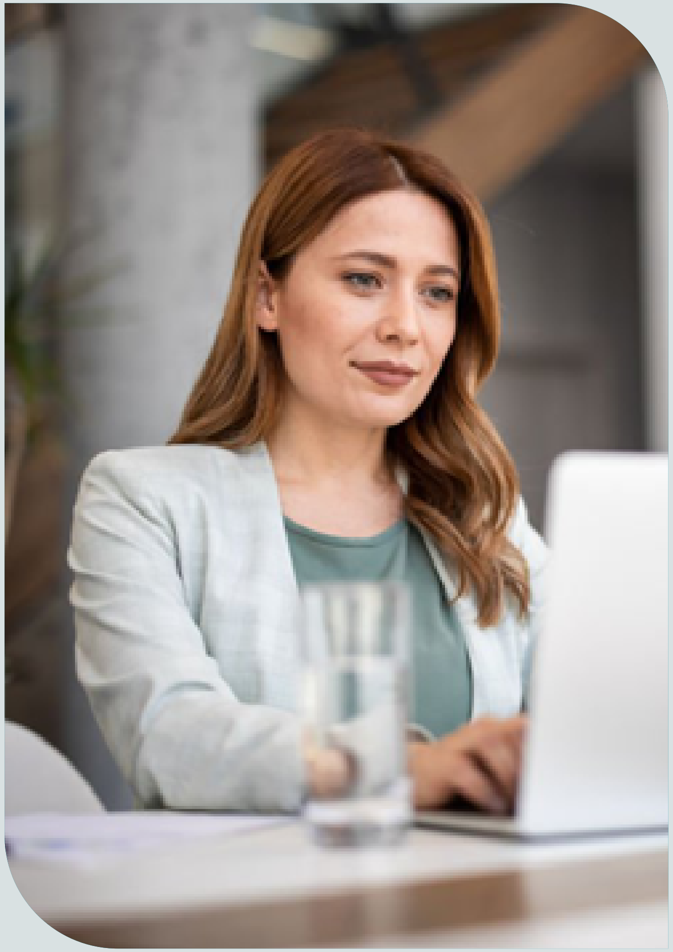
- alignment between remuneration, skills and responsibilities;

- traceability of remuneration allocation processes;

- consistency with the company's growth and sustainability strategies.

In the long term, the remuneration system will be an integral part of the people development strategy, contributing to strengthening engagement, retaining talent and promoting a fair, transparent and performance-oriented working environment.

Elleci works constantly to eliminate any unjustified pay gap between men and women in similar or equivalent roles, ensuring that remuneration is based on merit and professional responsibilities, regardless of gender.



Social

Adoption of the principles of UNI/PdR 125:2022

Road to 2030

Elleci values gender diversity and promotes an inclusive work environment where each individual is respected and valued for their uniqueness, thus contributing to a more creative, innovative and collaborative organisational climate.

Elleci intends to continue its efforts to promote gender equality by adopting a number of key principles and committing to ensuring that men and women have equal opportunities for development and career advancement based on their skills, performance and aspirations, without discrimination based on gender. As part of promoting equal career opportunities in a Diversity and Inclusion (D&I) context, we are seeking to ensure that every person has the same opportunities for growth and professional advancement. In practice, this means that business decisions are made based on ability and merit, without being influenced by prejudice or discrimination.
To achieve this goal, we are planning to adopt policies and procedures designed to ensure fair treatment for all employees. This includes hiring policies that favour merit, objective performance reviews, and transparent promotion processes.

In addition, it is essential to provide regular training on diversity and inclusion to educate all team members about unconscious bias and promote a respectful and welcoming work environment for everyone. Every employee should feel valued and respected for their abilities and contributions, regardless of personal characteristics such as gender, ethnicity or sexual orientation.

Company leaders are taking on a critical role in keeping the company on track toward inclusion and diversity. They consistently adopt inclusive behaviour patterns and actively commit to creating a fair and respectful work environment for all employees. These principles are implemented through initiatives designed to ensure compliance with D&I.

Furthermore, with a strong focus on the content of the UNI/PdR 125:2022 principles, we are working to implement gender equality criteria in terms of growth opportunities, equal pay and maternity protection. To support the implementation of this strategy, investigations continued in 2024 into the introduction of a remuneration policy aimed at increasing long-term competitiveness and ensuring the achievement of sustainable success.

Based on evidence from specific market benchmarking analyses and through the continuous involvement and consultation of all stakeholders, Elleci will support the evolution of its remuneration strategy by conducting a careful review each year in order to align the remuneration system with the Company's goals and strategy, with a view to pursuing long-term value creation.

Social

Adoption of the principles of UNI/PdR 125:2022

Road to 2030

Maternity Management

Elleci intends to establish a framework to support women at Elleci before and after biological or adoptive maternity, with appropriate support and development programmes through advance planning so that they can be fully valued and supported in expressing their personal and professional abilities. In this context, the relationship of trust is an enabling lever capable of promoting continuous dialogue between women and their managers, through active involvement in decisions concerning their role in the Company and the organisation of work, sharing the path from the time of notification of pregnancy in order to balance professional prospects and enhance the changes brought about by motherhood, including through the skills acquired. In particular:
- for parents who use breastfeeding leave and need to temporarily return to their home, Elleci will accommodate their requests, subject to organisational requirements:

- the granting of ten hours of paid leave per year for the enrolment of children in nursery/kindergarten;

- the granting of three paid days per year for childcare due to illness certified by the Primary Care Physician;

- the granting of four hours of paid leave per month worked for employees who work until the ninth month of pregnancy, from the seventh month onwards;

- the right of female employees to take hourly leave to undergo medical procedures for medically assisted procreation (MAP), for a maximum of sixteen hours per year, or if taken as full days, for a maximum of two days per year.

The company policy defines and regulates, within the Human Resources department and in line with current company policies, the procedures for the development and management of female employees on maternity leave with the aim of ensuring adequate personal and professional support in line with the needs and specific technical and professional skills of the person concerned within the relevant organisational area (e.g. production, sales, staff, etc.), during the pre- and post-maternity period and, in general, to achieve a lower rate of professional dispersion among parents.

Social

Adoption of the principles of UNI/PdR 125:2022

Road to 2030

Support for work-life balance

Elleci offers policies and programmes that support work-life balance, including parental leave, flexible working arrangements and assistance services for employees with family responsibilities, in order to enable men and women to balance their personal and professional needs in a balanced way.
One of the Company's strategic goals is to strengthen the presence of women in various departments in order to improve and increase career opportunities for women, ensuring greater gender balance, including in roles characterised by increasing organisational complexity. Similarly, the Company places great emphasis on the presence of women in mentoring and coaching programmes with the aim of developing leadership and empowerment, enabling women to be supported in their professional development.

Shared parenting

The focus on increasing the birth rate and promoting motherhood has naturally evolved towards the concept of shared parenting, linked to the constant increase in fathers' involvement and participation in family life and commitments. The consequence of this phenomenon is the strengthening of work-life adjustment mechanisms in terms of both reconciliation and sharing of family responsibilities, child-rearing and care, with policies and measures capable of fostering culturally ready contexts to balance these evolutionary and social needs.

Elleci therefore aims to define similar opportunities for development and support in dedicated management programmes for male staff, with a twofold expected benefit:

1) increase the number of male employees taking paternity leave;

2) promote the development of a culture of collaboration on care issues, because the inclusion and development of women's careers also depends on rebalancing care needs with a view to equal distribution of family responsibilities. In this context, the relevant Human Resources departments will be responsible for analysing data on shared parenting, monitoring the use of leave and paternity leave.

The course of action outlined in this Policy will be accompanied by communication initiatives, awareness-raising training programmes and active support aimed at increasing awareness at all managerial and leadership levels in order to make inclusion a consistent and pervasive cultural and managerial paradigm. The goal is to undertake increasingly personalised monitoring and attention to individuals, with widespread and multi-channel actions, in order to responsibly influence corporate culture, relationships, work processes and business contexts.

Social

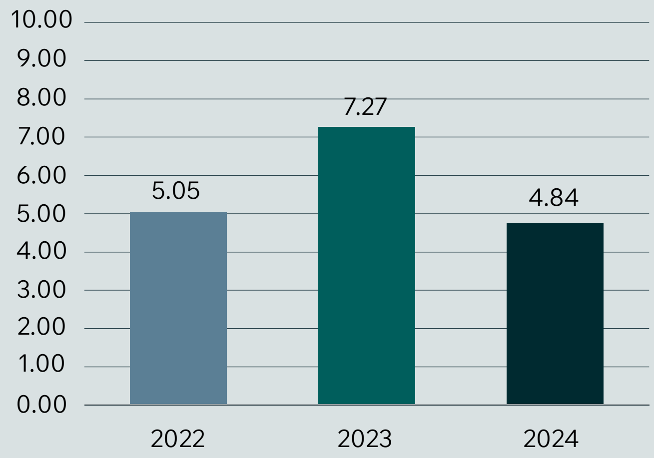
Health and safety

Elleci's commitment to health and safety is a fundamental aspect of its corporate culture and social responsibility.

The health and safety of its employees is a top priority for Elleci, which is committed to ensuring safe, compliant and risk-preventive work environments.
In 2024, the company recorded a significant improvement in its accident rate, which stood at **0.97 per 1,000,000 hours worked**, confirming the effectiveness of the preventive measures adopted and the ongoing focus on health and safety in the workplace.
Elleci constantly promotes a culture of safety through training programmes, regulatory updates and employee awareness of the importance of adopting responsible behaviour.
In line with its prevention-oriented approach, in **2026** the company plans to **implement a cardio protection project** consisting of the installation of **semi-automatic defibrillators (AEDs)** in the main company areas.

The project will be accompanied by **certified training courses for personnel** authorised to use the devices, with the aim of ensuring a timely and effective response in the event of cardiac emergencies.
This initiative is part of a broader strategic plan for safety and well-being, helping to strengthen the ability to respond in critical situations and promote an even safer, more secure and people-oriented work environment.

Accidents per 1,000,000 hours worked



Social

Health and safety

Elleci provides regular safety training and awareness for all employees. This includes training sessions on safety regulations, the proper use of tools and equipment, and emergency management. Elleci is committed to complying with all laws and regulations relating to health and safety in the workplace, ensuring compliance with current regulatory requirements and maintaining high standards in all its operations.

Therefore, our commitment to health and safety reflects our responsibility towards the well-being of our employees and our desire to create a safe, healthy and sustainable working environment.

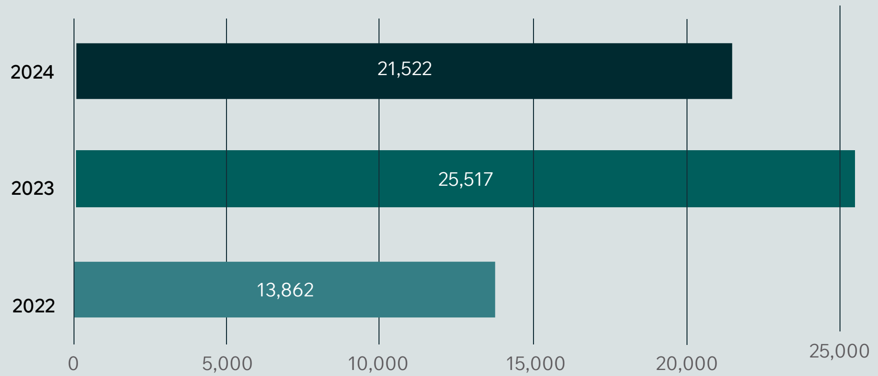
Social

Training

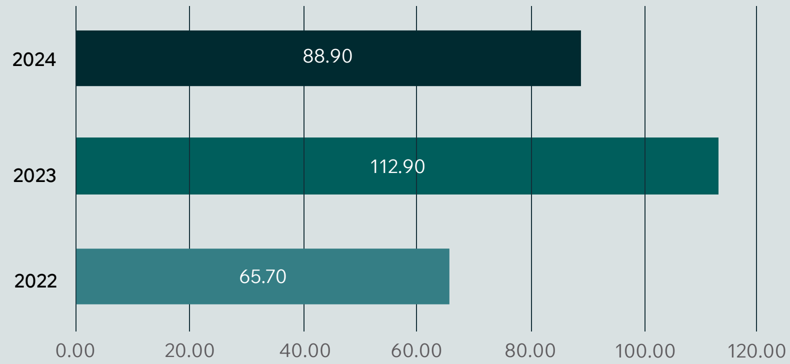
Elleci is committed to promoting the professional growth of its people through the provision of training courses aimed at developing skills.

In 2024, Elleci provided a total of 21,522 hours of training to its employees.
This reflects a more targeted and qualitative approach to training, with a growing focus on highly specialised professional courses.
In particular, in 2024, 2,252 hours were dedicated to professional training courses aimed at consolidating the technical and specific skills of our employees. This type of training, combined with compulsory training and a significant number of hours of on-the-job training, contributes significantly to raising the level of internal professionalism, promoting the development of targeted growth paths, innovation and corporate competitiveness. These courses include training on new technologies, industry regulations, workplace safety and the development of digital skills, which are key elements for maintaining a competitive advantage in an ever-changing environment.
The focus on professional training demonstrates Elleci's commitment to enhancing human capital through the development of strategic skills that promote the personal growth of employees and the sustainable success of the company.
Elleci thus confirms its willingness to invest in a continuous and targeted learning model capable of responding to market needs and supporting the digital and green transformation currently underway.

Total number of training hours provided to employees



Average number of training hours per year per employee



Social

Community

Elleci confirms its commitment to supporting and enhancing the local communities in which it operates, maintaining numerous social responsibility initiatives that reflect the company's values of solidarity, inclusion and sustainable development.

Work experience programme with vocational schools

Elleci is actively committed to collaborating with local vocational schools to offer school-work experience opportunities to students. This programme allows students to gain practical experience in the field, develop professional skills and gain a clearer view of career opportunities in the sector. In addition, it strengthens ties between the company and the local educational community, contributing to the training of future generations of workers.

Work placement internship

Elleci offers internship programmes to promote the entry of young people into the industrial sector. These internships offer students the opportunity to put the knowledge they have acquired in school into practice, gain experience in the field and develop specific professional skills. These can also be a first step towards future employment at Elleci or other companies in the sector.

Reconstruction of the Terracina playground

Elleci is committed to rebuilding the playground in Terracina, which was damaged by natural disasters in 2021. This project demonstrates Elleci's commitment to supporting and contributing to the recovery and improvement of public infrastructure in the local community, providing residents with a safe and welcoming place for recreation and enjoyment.

Electric charging stations at the Elleci site

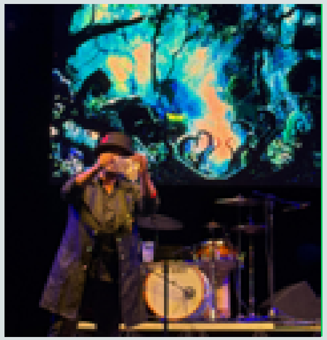
Elleci plans to install electric charging stations at its company site, offering not only a useful service to employees and visitors, but also contributing to the promotion of sustainable mobility and the reduction of greenhouse gas emissions. In addition, Elleci will offer benefits on charging costs, encouraging the adoption of electric vehicles in the community.

Social

Community

Family Day and Elleci Home

Elleci organises an annual Family Day to engage and celebrate employees and their families, creating an opportunity to strengthen bonds within the corporate community. In addition, Elleci is planning to build Elleci Home, a multifunctional facility dedicated to inclusion and hospitality, which will offer catering services, a gym and an auditorium for the local community. This project demonstrates Elleci's commitment to creating spaces and opportunities to promote integration and well-being for the community as a whole.



Social

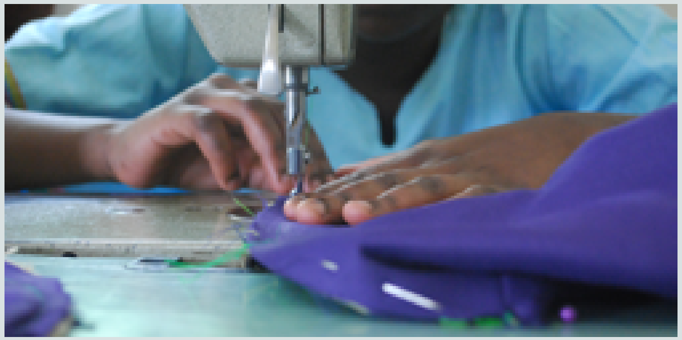
Community

Elleci for Amani

The desire that drove Elleci to embark on a journey with the Amani Foundation is to give hope for a better future to hundreds of children and young people who live on the streets of the suburbs of large cities in sub-Saharan Africa, far from their families and in constant danger.

Since 2006, we have been supporting Amani in the construction of shelters, training projects, prevention programmes and medical assistance.

We want to make a concrete contribution to the creation of a fairer world, where rights and opportunities for growth are guaranteed.



AMANI

05

Governance

Governance

We base our company's growth **on ethical principles**

At Elleci, governance is not just a set of rules and control bodies, but represents the pillar on which a responsible, transparent and long-term business idea is built. The company's strategic vision is based on a balance between economic solidity, integrity-based behaviour and concrete attention to the impact generated on all stakeholders.
It is based on these principles that Elleci has developed its approach to management and sustainability. The tools on which this model is based are well established and fully operational: the Code of Ethics, which defines the values and criteria of corporate conduct, and the Organisational, Management and Control Model adopted pursuant to Italian Legislative Decree. 231/2001. The latter is a key reference point for preventing risks, promoting legality and building a system based on shared responsibility.
Model 231, which is updated and implemented on an ongoing basis, includes the analysis of activities at risk, operating protocols, internal controls, an independent supervisory body and a disciplinary system. To support this, a cross-functional training programme is in place, designed to involve every level of the organisation and raise awareness. These tools not only respond to regulatory compliance requirements, but also reinforce a management model that makes ethics a competitive lever.
At Elleci, responsibility also means knowing how to guide strategic choices towards the creation of shared value, promoting relationships based on trust, mutual respect and inclusion. This approach allows us to consistently address regulatory developments and respond to stakeholders' growing expectations on issues such as integrity, fairness and transparency.
The governance system is based on a number of cornerstones: careful risk management, clarity in roles and decision-making processes, a culture of accountability and the promotion of widespread ethics. The company is committed to constantly monitoring and improving its organisational structure with a view to sustainable growth based on solid processes, well-defined roles and leadership guided by shared values. With this vision, Elleci intends to strengthen a governance model capable of combining solidity, adaptability and sustainability, in line with a modern and inclusive business concept. In this context, ethics is not a constraint but a strategic resource: a tool for building trust, reducing risks, attracting talent and generating a participatory and solid future.

We are committed to building a transparent, responsible and solid company capable of creating a solid and participatory future.

Governance

Governance model

The governance of the company Elleci is structured as follows:

Shareholders' Meeting:

The Shareholders' Meeting, composed of the shareholders, has powers such as approving the financial statements, appointing and removing directors, appointing and removing the board of statutory auditors, determining the remuneration of directors, and other matters reserved by law and the Articles of Association.

Board of Directors:

The Board of Directors consists of four members: Giancarlo Traversa (Chair and Chief Executive Officer), Veronica Traversa (Chief Executive Officer), Graziano Traversa (Chief Executive Officer), Daniele Traversa (Chief Executive Officer) and Nicola Paglietti (Director).

Board of Statutory Auditors:

The Board of Statutory Auditors acts as a control body, supervising the activities of the directors and ensuring that management and administration comply with the law and the articles of association. The members of the Board of Statutory Auditors changed when the 2024 Financial Statements were approved (on 30/03/2025).

Supervisory Body - SB

Elleci, in implementation of the provisions of Legislative Decree No. 231 of 8 June 2001, has appointed a Supervisory Body with the specific responsibility of verifying the functioning and compliance with Model 231, as well as ensuring its updating. It is appointed by the administrative body and normally has a three-year term, renewable at each expiry, in order to ensure adequate continuity of action. The Supervisory Body is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the functioning and compliance with Model 231.

By definition, the SB is therefore a body with independent powers of initiative and control, although it is subject to supervision by the management body.

Board of Directors

Giancarlo Traversa
Chair and Chief Executive Officer

Daniele Traversa
Chief Executive Officer

Graziano Traversa
Chief Executive Officer

Veronica Traversa
Chief Executive Officer

Nicola Paglietti
Director

Board of Statutory Auditors (until March 29, 2025)

Chairperson: Antonio Diso
Auditor: Elisabetta Capitini
Auditor: Andrea Lauri
Deputy Auditor: Marco Caroppo
Deputy Auditor: Francesco Balestrieri
Statutory Auditor: EY S.p.A.

Board of Statutory Auditors (from March 30, 2025)

Chairperson: Antonio Diso
Auditor: Elisabetta Capitini
Auditor: Francesco Balestrieri
Deputy Auditor: Francesco Ceccarelli
Deputy Auditor: Marco Paris
Statutory Auditor: EY S.p.A.

Supervisory Body (SB)

Chairperson: Attorney Stefano Iucci
Eng. Marco Tavani
Mr. Costantino Iaboni

Auditing Firm

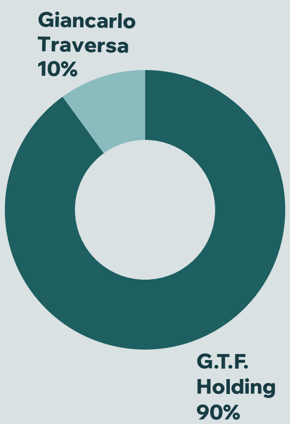
EY

Governance

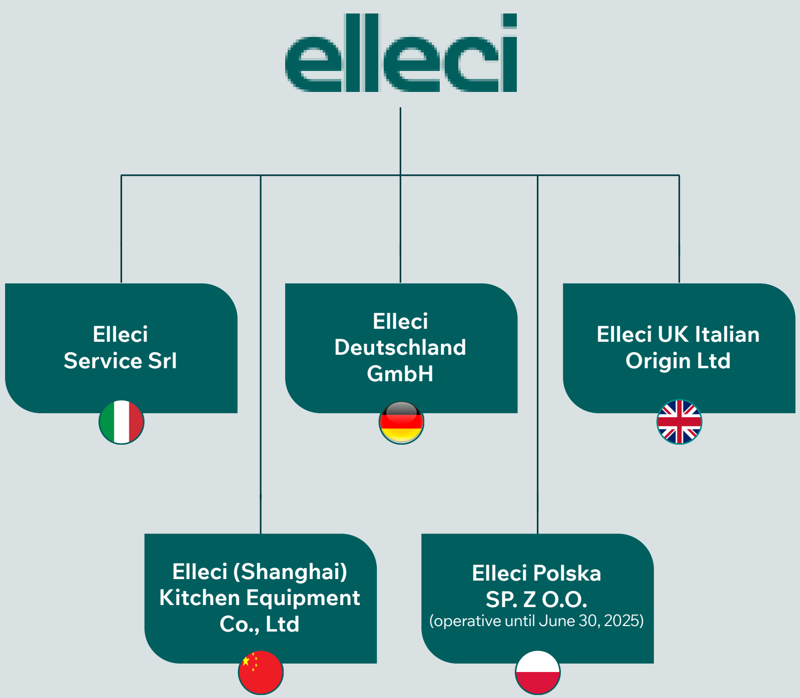
Relationships with other companies

The corporate structure redefined in 2023, with the creation of Giancarlo Traversa Family Holding S.r.l., is also confirmed for 2024.

Shareholders

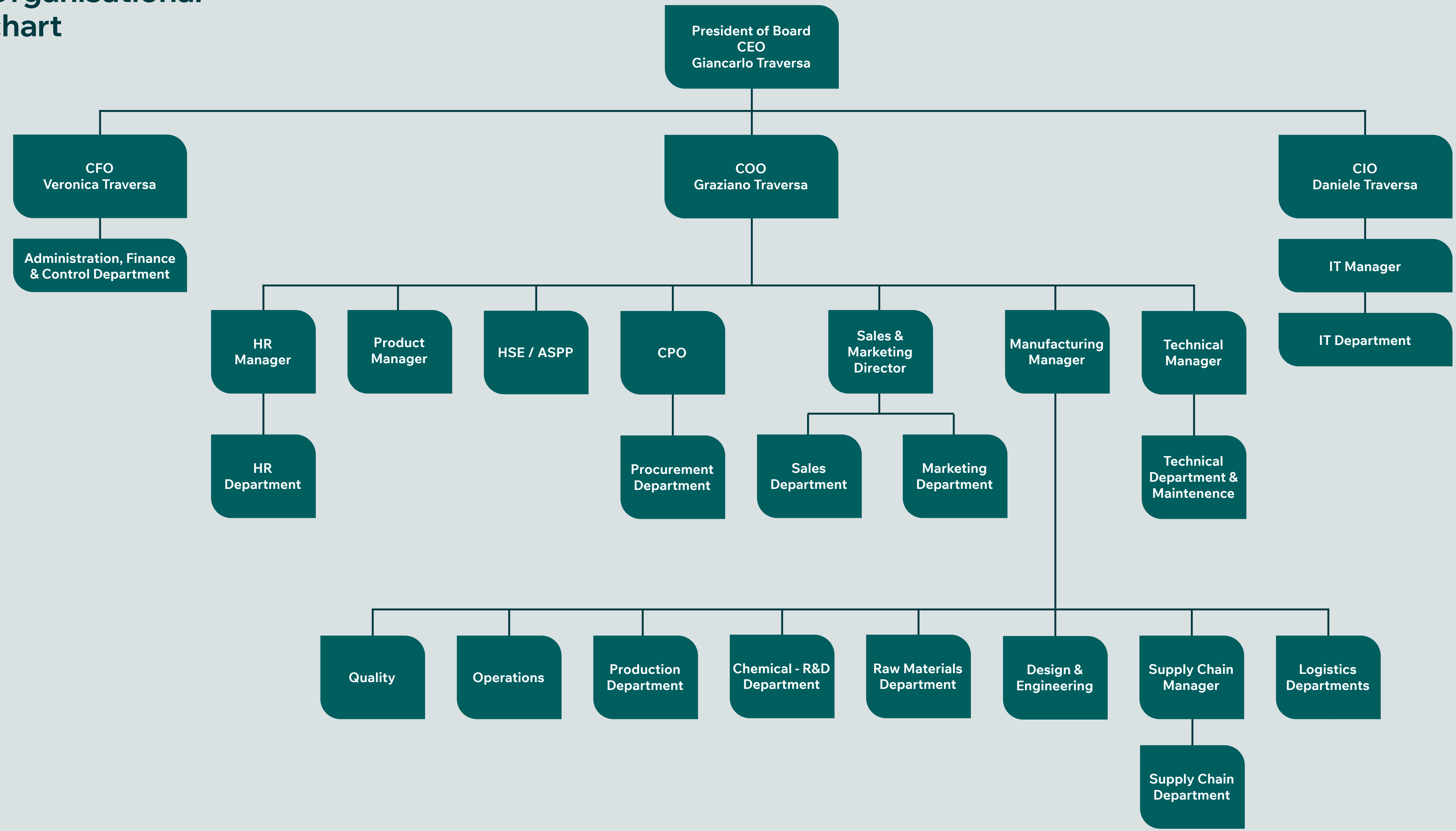


Elleci Structure



Governance

Organisational chart



Governance

Management of financial resources

As part of Elleci's financial strategy, diversifying its financial structure across multiple credit institutions is a key lever for risk management and safeguarding the company's stability. This conscious choice allows for effective distribution of exposure, ensuring operational continuity even in uncertain or unstable economic contexts.
Maintaining active relationships with a number of banking partners also allows us to access a wider range of financial services and instruments, improving the efficiency of operations and enhancing the use of available resources.
The soundness of this approach is reinforced by careful monitoring, which involves the constant assessment of the conditions offered by the various institutions and the adoption of disciplined cash flow management. In this manner, the diversification policy not only supports the company's economic and financial resilience, but also helps to strengthen its ability to adapt to market developments.

Diversification is a prudent practice that contributes to our financial strength.

Governance

Awards and recognitions

2021

Award for the promotion of Italian products worldwide

“RD Editore”

2021

Recognition for innovation and driving force behind Italian industry

“Intesa Sanpaolo”

2021 - 2022

Top financial award for performance, financial reliability and sustainability

“Il Sole 24 Ore”

2024

Award for family businesses representing entrepreneurial excellence

“Il Sole 24 Ore”

Governance

Focus
Whistleblowing

Prevention is protection: the strength of an ethical organisation

Elleci recognises whistleblowing as a fundamental tool for protecting legality, preventing irregularities and strengthening a corporate culture based on ethics and transparency. The possibility of reporting illegal behaviour or behaviour contrary to the principles of our Model 231 and Code of Ethics is not only a regulatory obligation for us, but also a strategic choice of responsibility and governance.

For this reason, we have adopted a procedure in accordance with Italian Legislative Decree 24/2023, which extends protection to all individuals who interact with Elleci, including:
- employees, managers and members of corporate bodies;
- collaborators, consultants, business partners, suppliers and customers;
- shareholders, public bodies and other stakeholders in relation to the company.

The procedure guarantees maximum confidentiality and prohibits any form of retaliation. The identity of the whistleblower may only be disclosed with their consent, and any discriminatory measures, such as dismissal, demotion or professional isolation, are null and void and punishable.

To ensure a safe and transparent working environment, we have set up diverse, easily accessible reporting channels designed to protect anonymity where requested: registered letter in a triple sealed envelope, confidential telephone line managed by trained staff, internal post box for written reports and secure email or dedicated online platform.
Reports may concern:
- violations of national or European Union regulations;
- conduct contrary to the Code of Ethics, Model 231 or other company policies;
- improper practices, fraud, conflicts of interest or misuse of company resources;
- facts that may constitute a criminal offence or damage the company's reputation.

Where reports are found to be defamatory or instrumental, disciplinary sanctions and, where appropriate, criminal sanctions will be imposed, in accordance with the guarantees afforded to the reported person and the reporter.

We firmly believe that an effective, secure and well-structured whistleblowing channel not only protects the organisation, but also strengthens people's sense of belonging and engagement, improving the quality of the internal climate and mutual trust.

For Elleci, every report is an opportunity to improve. Whistleblowing is not just an obligation to be fulfilled, but a concrete form of active participation in company life, a demonstration of care for the integrity of our work and an essential pillar of our commitment to transparent, responsible and sustainable governance.

Providing employees with a channel to report concerns helps create a corporate culture based on trust and transparency.

Governance

Focus
Anti-corruption

Control, transparency and integrity: the pillars of our corporate culture.

As part of its commitment to transparent, responsible and ethical business management, Elleci has adopted a structured approach to preventing corruption, integrated into its Organisational Model in accordance with Italian Legislative Decree 231/2001. This model provides for specific procedural measures aimed at identifying, monitoring and mitigating risks associated with unlawful conduct, with particular reference to corruption and incitement to corruption between private individuals.

An analysis of business processes has identified the procurement phase as one of the areas most exposed to the risk of corruption, due to the possibility of establishing non-transparent relationships or relationships based on patronage with external counterparties. For this reason, Elleci has strengthened its control measures throughout the entire purchasing cycle, defining strict rules for every decision and expenditure commitment, to be adopted according to a codified and fully traceable approval process.

In particular, strict compliance with internal authorisation powers is required, together with the retention of documentation supporting the entire process of acquiring goods and services. Suppliers are selected in accordance with criteria of transparency, efficiency and cost-effectiveness, without any possibility of favouritism or unjustified preferential treatment. External collaborators, professionals and consultants must be selected on the basis of a careful assessment of their technical and professional requirements, in line with the company's goals and in compliance with budget constraints.

During contract negotiations, conduct based on fairness and integrity is also required. Business opportunities must be submitted to the internal approval process, involving the relevant departments in accordance with current company procedures. The purchasing department carries out an initial check on the supplier's compliance, followed by technical and operational validation by the two Chief Executive Officers, who also exercise financial authorisation control and legal supervision of the proposed contract. The entire process is supported by an integrated management system, which ensures the traceability and monitoring of all authorisation levels.

The procedure requires that all decisions and expenditure commitments by the Company must comply with the company rules expressly laid down for the acquisition of goods and services.

Governance

Focus
Stakeholder involvement

Elleci recognises the central role of stakeholders in pursuing responsible, ethical and sustainable business growth. For this reason, it pays particular attention to structured dialogue and the transparent sharing of its values, principles and goals with all internal and external stakeholders. Our commitment to stakeholder engagement translates into concrete, systematic and continuous actions that involve the entire organisation and the ecosystem of relationships in which we operate.
One of the main tools in this process is the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, which represents for Elleci not only a guarantee of regulatory compliance, but also an opportunity to promote a culture of legality, responsibility and integrity. The Model is an integral part of the company's value system and is adopted with the aim of preventing crime by promoting virtuous and transparent behaviour throughout the value chain.

Disclosure of the model to employees and members of corporate bodies

Its disclosure is handled with care: all employees, managers and members of corporate bodies are provided with a copy of the Model through formal and traceable channels, accompanied by training sessions, briefings and dedicated information materials. Understanding of the Model and Code of Ethics, as well as the related operating procedures, is verified over time through periodic updates and awareness-raising activities, to ensure full compliance with and effective application of the principles expressed.

Disclosure of the model to external collaborators and partners

External collaborators, consultants, business partners, suppliers and, in general, all those who work in the name or on behalf of the Company are also recipients of careful communication of Model 231 and the Code of Ethics. These individuals are formally informed of the contents and ethical obligations to which they are bound, in order to create a cohesive and responsible network of individuals who share the same corporate values. In particular, a clause acknowledging and accepting the rules of conduct is included in contracts, thus consolidating the alignment between corporate culture and the conduct of external partners.

We are committed to ensuring that the Governance Model is widely shared both internally and externally of the organisation.

Governance

Focus
Stakeholder involvement

Transparency is a strategic choice of shared responsibility with regard to sustainability goals.

Transparency is a strategic choice for Elleci. In this area too, the company has implemented a structured policy for the disclosure of its sustainability report. The previous year's financial statements were distributed to all stakeholders through direct channels, such as sending them to partners, customers, suppliers and consultants, and indirect channels, such as publication in full on the company website. The online accessibility of the document has amplified its reach, allowing free, timely and permanent consultation by any interested party.

The digital publication initiative aims to encourage greater stakeholder participation in the life of the company, enabling them to monitor environmental, social and governance performance and contribute feedback and comments to the definition of future strategic priorities. The interaction generated by this communication channel strengthens the sense of shared responsibility for sustainability goals and creates the conditions for truly participatory governance.

In addition, Elleci has launched a series of information and training activities on Italian Legislative Decree 231/2001 and the implications of the Model, aimed not only at staff but also at external stakeholders involved in sensitive processes or exposed to risk. The goal is to ensure widespread and informed knowledge of the relevant regulations, expected behaviour and the consequences of violations, thereby promoting an increasingly ethical, safe and collaborative corporate environment.

The function of the Supervisory Body, which has been specifically set up, also extends to promoting and coordinating communication and training activities, as well as verifying the effectiveness of information flows and reporting channels, in accordance with the provisions of the Model.
Its responsibilities also include collecting and analysing comments and reports from stakeholders in order to identify areas for improvement and ensure that the internal control system is constantly updated.

Through this integrated approach to stakeholder engagement, Elleci aims to build relationships based on mutual trust, shared goals and active participation in the creation of sustainable value. The culture of respect, transparency and legality is an asset that the company is committed to preserving and passing on every day, so that all people and organisations involved in its work can feel part of a shared, responsible and lasting growth path.

The 2023 sustainability report has been distributed to all stakeholders and published online for free and timely consultation by any interested party.

Governance

Focus
Communicating values through design: the flagship store experience

Design, sustainability and strategic vision: the first Elleci flagship store

As part of Milan Design Week 2025, Elleci has opened its first flagship store in the heart of the Brera district, a symbol of Milanese creativity and innovation. This space is designed as a dynamic and interactive hub, intended to encourage interaction and discussion between the company, design professionals and other stakeholders in the sector.
The flagship store houses the company's main collections, Élite, Kitchen and Bath, and offers an experiential journey that illustrates the fundamental principles of Elleci's design philosophy. At the heart of this philosophy is a focus on human-centred and sustainable design, capable of enhancing everyday experiences through solutions that combine functionality, aesthetics and attention to the environment. The theme chosen for the inaugural exhibition, "Connected Worlds", reflects the company's commitment to promoting a balance between man and nature through conscious and responsible design.
The audiovisual installation created for the occasion symbolically represented the dualism between man and nature, intertwining images and sounds that interact with the products on display. This installation emphasised man's responsibility towards natural cycles and invited visitors to reflect on how every creation is the result of a deep connection with nature.
In this manner, the flagship store has become a strategic engagement tool, capable of strengthening relationships with stakeholders and consolidating Elleci's reputation as a company that cares about sustainability and dialogue with its community.

Governance

In Milan,
in the heart of the Brera Design District

Governance

Focus
Tax and legal strategy

In an increasingly complex and interconnected global economic environment, Elleci assigns a central role to the management of tax and legal issues, considering them strategic levers for ensuring integrity, transparency and sustainability in the long term. This vision is based on the principle of responsibility, which guides every business decision and translates into the conscious and structured management of all tax areas: extraordinary transactions, tax administration and litigation, tax incentives, international taxation and VAT.
Particular attention is paid to tax compliance, recognised as a particularly complex area requiring constant vigilance and a systematic approach. These activities are overseen by the AFC (Administration, Finance and Control) Team, which plays a key role in ensuring that the company's operations comply with current tax regulations. The team acts with competence and experience, supervising internal processes and ensuring the timely fulfilment of tax obligations.
Given the dynamic nature of the regulatory framework and the growing complexity of tax issues, Elleci also draws on the expertise of qualified external tax consultants, whose support is strategic in dealing with specialist or particularly sensitive areas. The collaboration between the AFC Team and external advisors allows us to take a proactive approach to tax management, whistleblowing complementary skills and strengthening compliance.
Another area of focus is transfer pricing, where Elleci has chosen to strengthen its position by signing a unilateral Advance Pricing Agreement (APA) with the tax authorities. The adoption of the APA allows for the advance definition of criteria for determining intra-group transfer prices, reducing the risk of litigation and promoting greater certainty regarding the correct application of the regulations.
This strategic choice helps to consolidate the collaborative relationship with the tax authorities and allows the company to optimise the use of resources, avoiding disputes and ensuring a constant focus on the development of its core business and the achievement of its economic sustainability goals.
Elleci's constant focus on optimising the opportunities provided by regional and national tax incentives confirms the company's commitment to adopting responsible tax practices, maximising the benefits deriving from public policies and reinvesting them in the sustainable development of its industrial model.
Since 2017, Elleci has successfully participated in the National Industry 4.0 Plan, which has enabled it to implement advanced digital technologies and innovative production processes, significantly improving productivity, competitiveness and overall efficiency.
This path has generated positive impacts not only for the company, but also for the local economy and employment.
During 2024, Elleci began the process of qualifying an investment project under Transition 5.0, taking advantage of the opportunities offered by the new package of incentives provided for in the PNRR. This process represents a further step in the company's strategy to combine technological innovation, environmental sustainability and energy efficiency.

The internal AFC team coordinates tax compliance activities and, with the support of qualified consultants, proactively addresses complex challenges such as digital and ecological transition.

Governance

Focus
Digital trasformation

An organisational model at the service of digital transformation

In 2024, Elleci launched a major digital transformation project aimed at systematically rethinking the Group's information architecture, management processes and organisational model. At the heart of this initiative is the introduction of a new advanced management platform, selected for its ability to support a growing business environment, divided into several companies and characterised by progressive integration between functions and operating areas. The project represents a strategic step in the evolution of the company, with the aim of improving efficiency, transparency and the organisation's ability to adapt to market changes.

The transformation has been set up according to a solid and cross-functional project governance approach, defining roles, responsibilities and decision-making flows in a structured manner from the outset. To support this, a steering committee, an internal project management team, external consultants and operational stakeholders were involved at multiple levels, from process owners to key users and end users, according to a logic of widespread accountability.

This approach reflects the principles of accountability, participation and strategic consistency that guide the company's actions, even in areas of high technological and organisational complexity.

From the early stages, starting in autumn 2024, the project has prioritised the involvement of administrative and financial functions, which are central to corporate governance and essential for ensuring the consistency of management processes with the new digital architecture. These areas have played a key role in defining functional requirements, validating operating models and launching the first testing activities, contributing significantly to the construction of a solid organisational structure aligned with strategic goals.

Activities were planned and monitored using a consolidated methodology based on clear milestones, shared documentation, formal approvals and periodic reviews and alignment. The digitisation process, currently at an advanced stage, has included the review of business processes, data mapping and migration, system configuration and the gradual roll-out of training activities, with full operation expected by early 2026. These elements have ensured risk management, the quality of the solutions implemented and full traceability of operational decisions.

The introduction of the new management platform has also facilitated the standardisation of management practices, the introduction of structured workflows and the automation of manual activities, contributing to the strengthening of internal controls, integration between business areas and the spread of a culture of efficiency supported by digital technology.

In this perspective, digital transformation is fully in line with Elleci's vision of organisational sustainability.

Technological innovation is not an end in itself but a means of supporting a growing business environment, consolidating solid processes, clear roles and relationships based on trust.

Governance

Developments 2024
Sustainability Management

During 2024, Elleci took significant steps to consolidate sustainability as a strategic and cross-cutting lever in its business model. As part of this process, structured procedures have been launched to systematically integrate material ESG issues into corporate strategies, operational processes and throughout the entire value chain. This approach has made sustainability a central element not only in production choices, but also in product development, process management and resource optimisation, generating value for all stakeholders. Looking ahead to 2025, Elleci will continue on this path by further strengthening its alignment with European ESRS standards, integrating environmental, social and governance issues even more effectively into its strategic choices, investments and development plans.

The goal is to consolidate an increasingly responsible and resilient business model focused on creating sustainable value in the long term.

Our sustainability strategy is based on the following pillars

Environmental

In the environmental field, we have set ourselves the following goals to be achieved by 2030:

- 50% reduction in CO2_eq emissions through increased energy efficiency in production facilities and the installation of renewable energy production plants, as well as the procurement of energy produced from renewable sources guaranteed by certificates of origin;

- 50% reduction in water consumption in production;

- 50% reduction in waste generated by the production cycle;

- introduction of 50% renewable, reused and recycled raw materials in product formulation.

Social

The timeline for the goals, which envisages the implementation of all the projects proposed in the social sphere by 2030, is divided into the following steps:

- definition of the rules governing the production bonus for the period 2025;

- opening discussions to define a policy aimed at implementing a corporate welfare plan (2025);

- verification of the results achieved and possible implementation of the 2025 production plan (2026);

- complete definition of the remuneration policy (2027);

- adoption of the D&I principles set out in Guidelines UNI/PdR 125:2022 (2028).

Governance for sustainability

In 2024, activities initiated in line with the commitments outlined in the 2023 Sustainability Report continued, with the aim of strengthening the focus on ESG issues within the corporate governance system. The actions taken during the year represented a preparatory phase, focused on scenario analysis and the design of guidelines, which will form the technical and methodological basis for future updates to the Code of Ethics and the organisational, management and control model.
This phase saw the start of mapping, assessment and priority-setting activities, with the aim of establishing a governance structure capable of ensuring effective and transparent management of environmental, social and governance issues. The model under development is designed to ensure clarity in processes, controls and responsibilities, promoting a corporate culture based on sustainability.
The Board confirmed its intention to gradually delegate the supervision of ESG issues to dedicated committees, whistleblowing the specialist skills needed to address the complexity and cross-cutting nature of these areas. In this context, the Corporate Governance and Sustainability Committee has launched preliminary guidance and monitoring activities, supporting the definition of a strategic framework for integrating sustainability into corporate decisions.
The entire process will continue over the next few years, with the aim of translating what has been developed in this phase into a formal update of the company's regulatory and management tools.

Governance

Operations & Economics Highlights

To better understand the economic context in which Elleci operates, below are some considerations on the performance of the global economy and the main reference markets in 2024, which help to outline the dynamics and challenges affecting the Company's business sector.

During the year under review, the global economy showed different dynamics in the main geographical areas. The United States maintained robust economic activity, while other advanced economies showed a loss of momentum. In China, the real estate market crisis continued to negatively affect domestic demand.

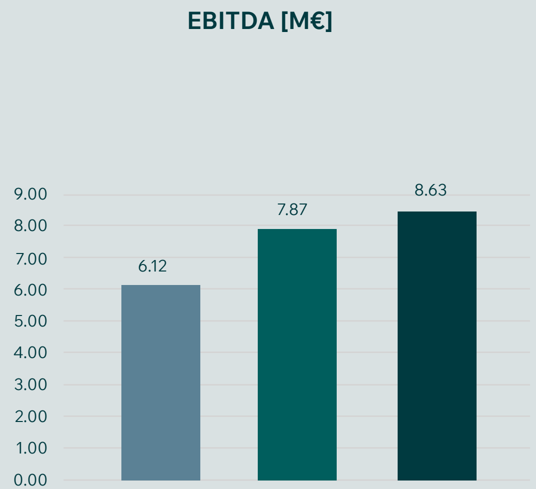
Persistent geopolitical tensions and the announced tightening of US trade policies have generated uncertainty and risks for international trade. This environment has led to volatility in energy commodity prices, with a modest increase in oil and upward pressure on natural gas prices due to both demand and supply factors.
Major central banks have adopted a more gradual approach to monetary policy, intervening with moderate interest rate cuts, while inflation levels have varied across countries, with a slight upturn in the United States and fluctuations elsewhere.

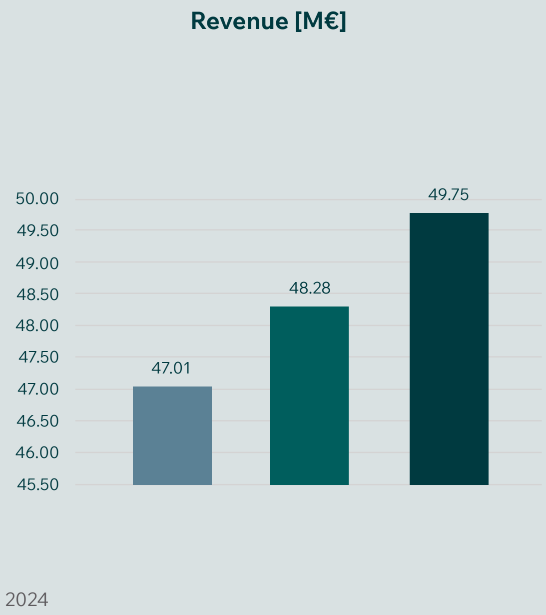
Governance

Operations & Economics Highlights

Despite the divergent dynamics that characterised the international economic environment, Elleci consolidated its growth trajectory, recording a +3.0% increase in revenues compared to 2023. EBITDA reached €8.63 M, the highest figure for the three-year period 2022–2024, reflecting a solid recovery in operating profitability. This result highlights not only the effectiveness of cost containment and production efficiency strategies, but also the company's ability to maintain high margins in a complex market environment.

The increase in EBITDA has strengthened the Company's economic and financial sustainability, improving its self-financing capacity, attractiveness to investors and resilience to possible external shocks. The figure also confirms the adequacy of Elleci's business model in combining innovation, quality and competitiveness in its reference markets.

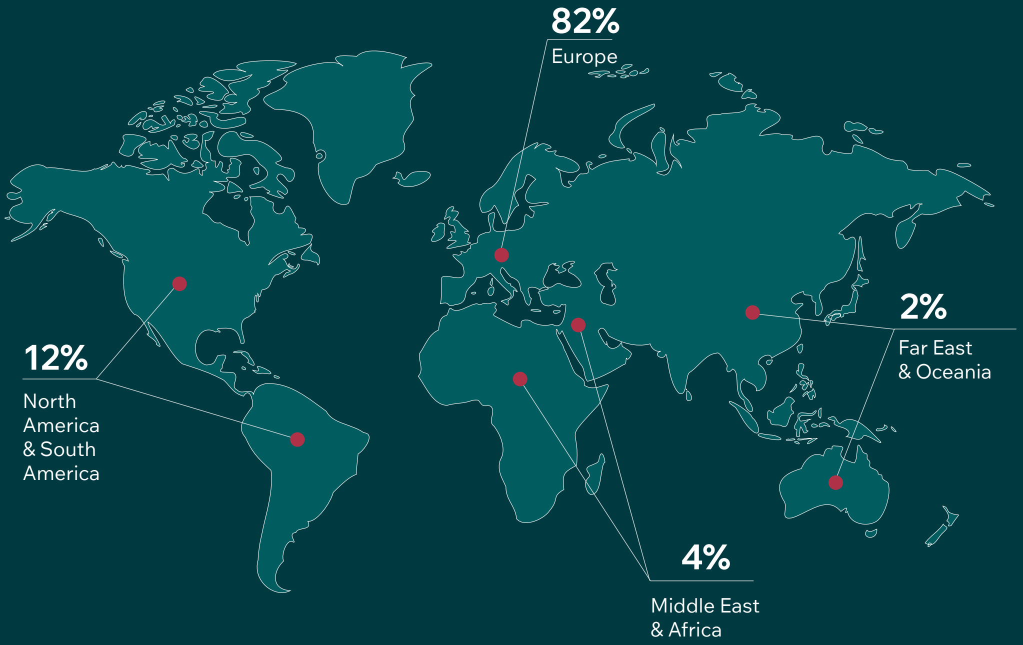




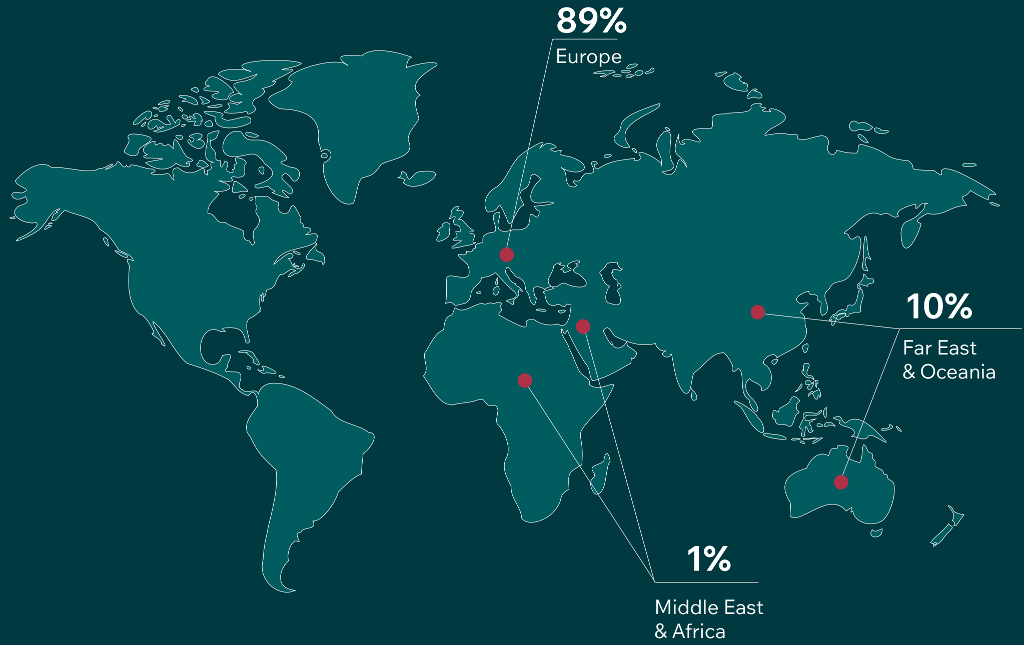
Governance

Operations & Economics Highlights

Revenues by geographical area 2024



Raw material costs by geographical area 2024

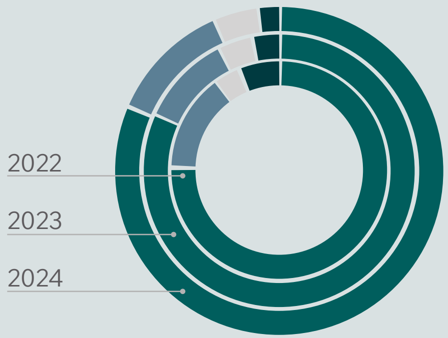


Governance

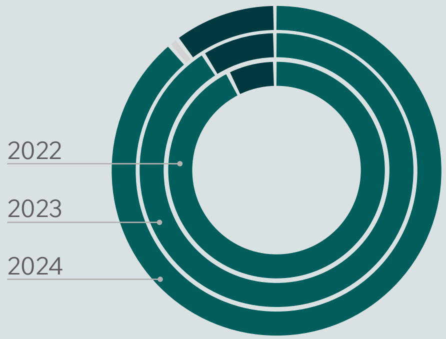
Operations & Economics Highlights

In the three-year period 2022–2024, Elleci maintained a strong focus on European markets, which generated on average over 80% of turnover. This configuration is also reflected in the distribution of raw material costs, which are largely attributed to Europe, albeit with a slight decrease in their relative incidence (from 93% in 2022 to 89% in 2024), indicating a gradual move towards greater diversification of supply sources.
Although the American area contributes steadily between 11% and 14% of revenues, it has no direct costs related to raw materials, highlighting a centralised production in Europe.
On the other hand, the Far East and Asia area, despite a decline in revenues (from 6% to 2%), shows an increase in the incidence of procurement costs (from 7% to 10%), suggesting a strengthening of relations with Asian suppliers.
The Middle East and Africa area, which is marginal in terms of revenues, recorded its first contribution to raw material costs in 2024, indicating a potential geographical expansion of supply sources.
Overall, Elleci confirms its international focus, gradually strengthening its presence in foreign markets while maintaining its strategic and operational centre in Europe.

■ Europe
■ Middle East & Africa
■ North America & South America
■ Far East & Oceania



Revenue by geographical area



Raw material costs by geographical area

	2022		2023		2024	
	Revenue by geographical area	Raw material costs by geographical area	Revenue by geographical area	Raw material costs by geographical area	Revenue by geographical area	Raw material costs by geographical area
Europe	76%	93%	82%	91%	82%	89%
North America & South America	14%	0%	11%	0%	12%	0%
Middle East & Africa	4%	0%	4%	0%	4%	1%
Far East & Oceania	6%	7%	3%	9%	2%	10%

There must be a better way to make the things we want, a way that doesn't spoil the sky, or the rain or the land.

Paul McCartney

elleci

TOGETHER, WITH STYLE

Elleci.com