

Nice



Welcome to the Nice future

Sustainability Report 2021



Sustainability Report 2021

Nice S.p.A.
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www.niceforyou.com

Letter to our stakeholders

Dear readers,

It is with great satisfaction that we present to you our first Nice Sustainability Report. This document portrays an important year in our organisation's history.

In fact, in 2021, Nice expanded its boundaries by acquiring the American company, Nortek Security & Control. This process is helping to reshape not only our size and perimeter, but also the nature of our activities. It is precisely during such a significant year that we launched our **programme for a sustainable transition in accordance with ESG** (environment, social and governance) pillars. A full-fledged paradigm change through which we intend to make sustainability the foundation of our business strategy, aligning it with our values of paying attention to the society and environment in which we operate.

Our mission is to offer an **accessible, secure and comfortable home**. And we also wish to do the same for our bigger (common) home, the Earth. Our solutions are a valid ally in reducing the environmental impact of buildings. We have combined this **"enabling"** role with a commitment to reduce our ecological footprint and contributing actively to the **fight against climate change**. This is why we have begun to calculate our organisation's direct and indirect greenhouse gas emissions. An important analysis that allowed us to understand that the use phase of our products is the part of the value chain that accounts for most of our emissions. Therefore, this is the phase that we wish to focus on, to improve the energy performance and environmental requirements of our systems.

As part of this effort, starting in 2022 we are benefiting from extending **EPD certification** (which describes the environmental performances of the life cycles of products and services) to our entire production process in order to expand our range of green solutions.

In other words, we now have a precise snapshot of our footprint and can continue in the right direction: that of greater respect for the environment.

Yet we could not make such important commitments without an adequate governance structure. We have created a sustainability function that sets goals, monitors performance and ensures that everyone has all the right tools to embark on this journey.

A journey we could not undertake without the fundamental contribution of **our people**. We believe in an approach to work on a human scale that also takes into account the wellbeing of our employees, combining stable employment (95% of contracts are permanent) with the promotion of a healthy, active lifestyle. We intend to continue in this direction even now that we have over 3,000 Nice People.

We have become a large group, but above all we want to be One Company: a closely knit team with a shared vision and goals.

We want to expand our ability to **include** and harness **diversity**: to increase the presence of women in positions of leadership, bring multiculturalism to all levels of the hierarchy, ensure equal employment and career opportunities to people with disabilities and extend change across the entire organisation.

At Nice, the foundations have been laid for a sustainable, inclusive new phase.

It is for this reason, among others, that the first report is entitled: **"Welcome to the Nice Future"**. We stand at the brink of a major change that poses many challenges: in these pages, we aim to share with you the milestones we have reached and the ambitious goals that lie ahead of us.

Enjoy your reading,

Lauro Buoro
Founder and Chairman

Roberto Griffa
Chief Executive Officer



Lauro Buoro,
Founder & Chairman



Roberto Griffa,
Chief Executive Officer

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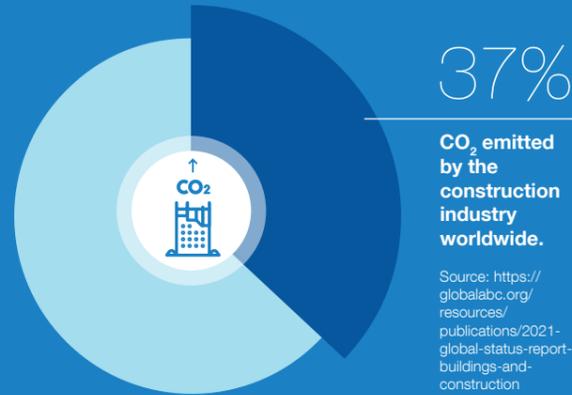
Scenario

Environmental context

Global growth rates mean that greenhouse gas emissions must be cut and less energy consumed.

2°C

Maximum global temperature increase compatible with the Paris Agreement limits.



The need to **reduce the impact of buildings** and respect the planet's limits drives research into **more sustainable ways of living**.

A look at Europe:

The European Commission's Green Deal aims to reduce greenhouse gas emissions by

55%
by 2030

To achieve this goal, heating and cooling consumption must be cut by

18%

Heating and cooling account for 80% of the energy use of residential buildings.

Source: Es-so Position Paper – February 2021



60%
of Germans

believe that smart home applications help people live more efficiently from an energy standpoint.



46%
of Italians

would like to make changes to their homes after the pandemic, and **16% of them would like to improve technological equipment, while 11% would like to increase efficiency.**

Source: TIM Centro Studi Smart Home Report

Social backdrop



Disabilities

Worldwide there are 1 billion people with disabilities.

Source: <https://www.worldbank.org/en/topic/disability>



Over 65

The fastest-growing age bracket in the world: by 2050, it will exceed adolescents and young people (between 15 and 24 years of age).

Source: https://population.un.org/wpp/Publications/Files/WPP2019_Highlights.pdf



Covid-19

The pandemic resulted in a need to reconfigure home spaces.



Fragile segments of the population are growing and home automation provides them with solutions for **improved quality of life**.

The drivers of smart home purchases



Energy savings

Increased desire to live in more efficient homes, with environmental and economic benefits.

Source: <https://interpret.la/is-energy-savings-a-motivator-for-smart-home-adoption/>



Health and safety

Security against intrusions, but also safety against home accidents, for example with anti-fire devices, is a widespread concern.*



Post-Covid-19 renovations

Home spaces are being converted into flexible, polyfunctional, digital environments to meet new needs such as agile work. **3 out of 5 Americans have refurbished at least one room in their home***

*Source: TIM Centro Studi Smart Home Report – based on Xiaomi data



Elimination of physical barriers

Absence of barriers, voice commands for disabilities, sensors and automation enable remote control of non-self-sufficient persons such as the elderly*



Nice to meet you

“ We improve the quality of life of individuals and the planet. ”



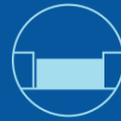
Note: figures after acquisition of Nortek Security & Control

Nice underwent profound change in 2021, marking a step forward for our organisation. Our borders expanded: **Nortek Security & Control** joined the Nice ecosystem.

About us

Our story begins in 1993 with us as a player in **gate and garage door automation**. We are now the global leaders in the **Smart Home, Security and Home and Building Automation** sectors. Since our business was founded, design has been at the heart of our philosophy, and our quality standards and painstaking attention to detail set us apart.

We improve the quality of life of individuals and the planet by designing low environmental impact solutions, thanks to research into environmentally friendly materials, with reduced energy consumption as well as the development of solar power sources. Nice solutions manage light and heat, limiting buildings' energy usage.



Solutions for Gates and Barriers



Solutions for Commercial & Industrial Door



Sun Shading Solutions



Smart Security Solutions



Smart Home Solutions



Audio/Video and Power Management Solutions



Health & PERS Solutions

Our locations worldwide

We are now on all continents, with a direct presence in 23 nations and over 100 countries served. We have 13 manufacturing plants, 15 R&D centres and over 3,000 Nice People. Our broad network allows us to spread Italian craftsmanship through the world, offering highquality solutions that cleverly combine **technology, design, innovation, digital connectivity** and **ease of use**.

23
countries

- | | | |
|---------|--------------|-----------|
| Italy | Brazil | China |
| France | South Africa | India |
| Germany | UK | Singapore |
| Spain | Romania | Australia |
| Poland | Turkey | UAE |
| Belgium | Portugal | Morocco |
| USA | Sweden | Tunisia |
| Canada | Russia | |



+100
countries served

15
R&D centres

13
manufacturing plants

Over
3,000
Nice People

Where we work

Our Headquarters

More than a simple workplace

The Nice Headquarters in Oderzo (TV), Italy was designed by architect Carlo Dal Bo and inaugurated in 2007. It was born from the dream of creating a structure whose lines and forms evoke the philosophy that inspires our company: movement and dynamism.

The Nice Headquarters is a comfortable, lively place for a convivial coffee or lunch and cultivating wellbeing in the gym and sauna during lunch breaks.

TheNicePlace

A space to get together and grow

This is the head office's social hub, extending over more than **3,000 square metres**, devoted to meetings, exchanges, interaction, participation and knowledge-building. It is a "living" place, open to experiences and initiatives that gives space to the needs of a constantly growing company and reflects its international nature.

TheNicePlace worldwide

After Italy, we opened other conceptually similar spaces in France and Brazil, where the facility in Santa Rita do Sapucaí hosts a major training centre and administrative offices.

Focused factories

Dynamic, specialised centres of excellence

We are taking strategic steps for our global growth based on a "focused-factory" approach to consolidate **production excellence in specific business units**.

In 2019, our production lines devoted to gate and garage door automation, the **Gate-Focused Factory**, were installed at the Headquarters in Oderzo, in a structure inspired by the Galeries des Machines, built in Paris in the last quarter of the 19th century, which extends over an area of 11,000 square metres.

The **production facility in Germany** was upgraded to enhance our production of automation systems for high-quality sun screens.

In **Brazil**, we inaugurated a new production facility in Santa Rita do Sapucaí in 2016: a 5,000 square metre facility dedicated to the production of electronic components that employs over 90 people.

This facility will be complemented by the structure currently being built in the Sao Paulo region of Brazil, based on the design by the prestigious firm **MC A – Mario Cucinella Architects**.

TheNiceLabs

To ensure the quality of all products

Through our advanced laboratories, **we test and carefully check our products every day** to ensure security, quality, reliability and durability over time.

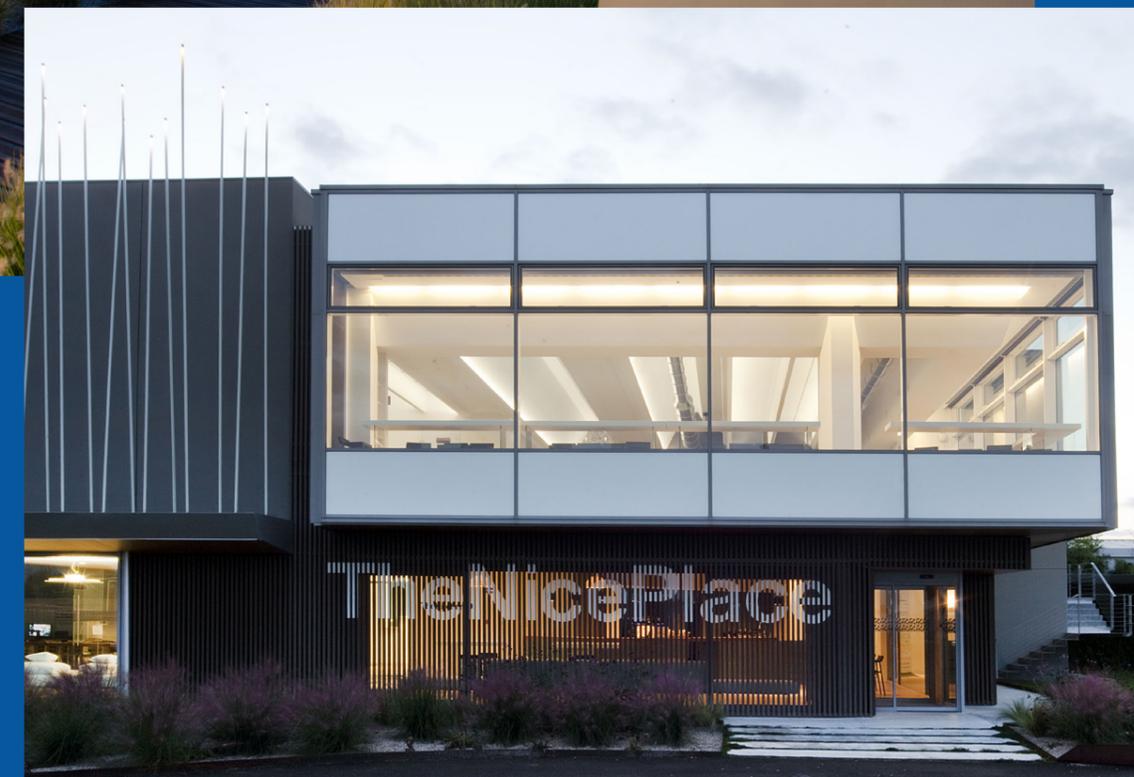
R&D Labs

in 8 Countries

- Italy
- Germany
- Brazil
- USA
- Canada
- South Africa
- Poland

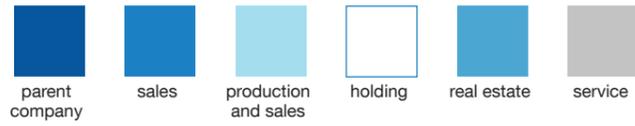
Our laboratories have been recognised by certification authorities, bearing out their technical standards and suitability for conducting tests that cover the needs of our company's numerous products:

- LCIE (France)
- IMQ (Italy)
- CTC Advanced (Germany)
- Intertek (Sweden)
- UL (USA)



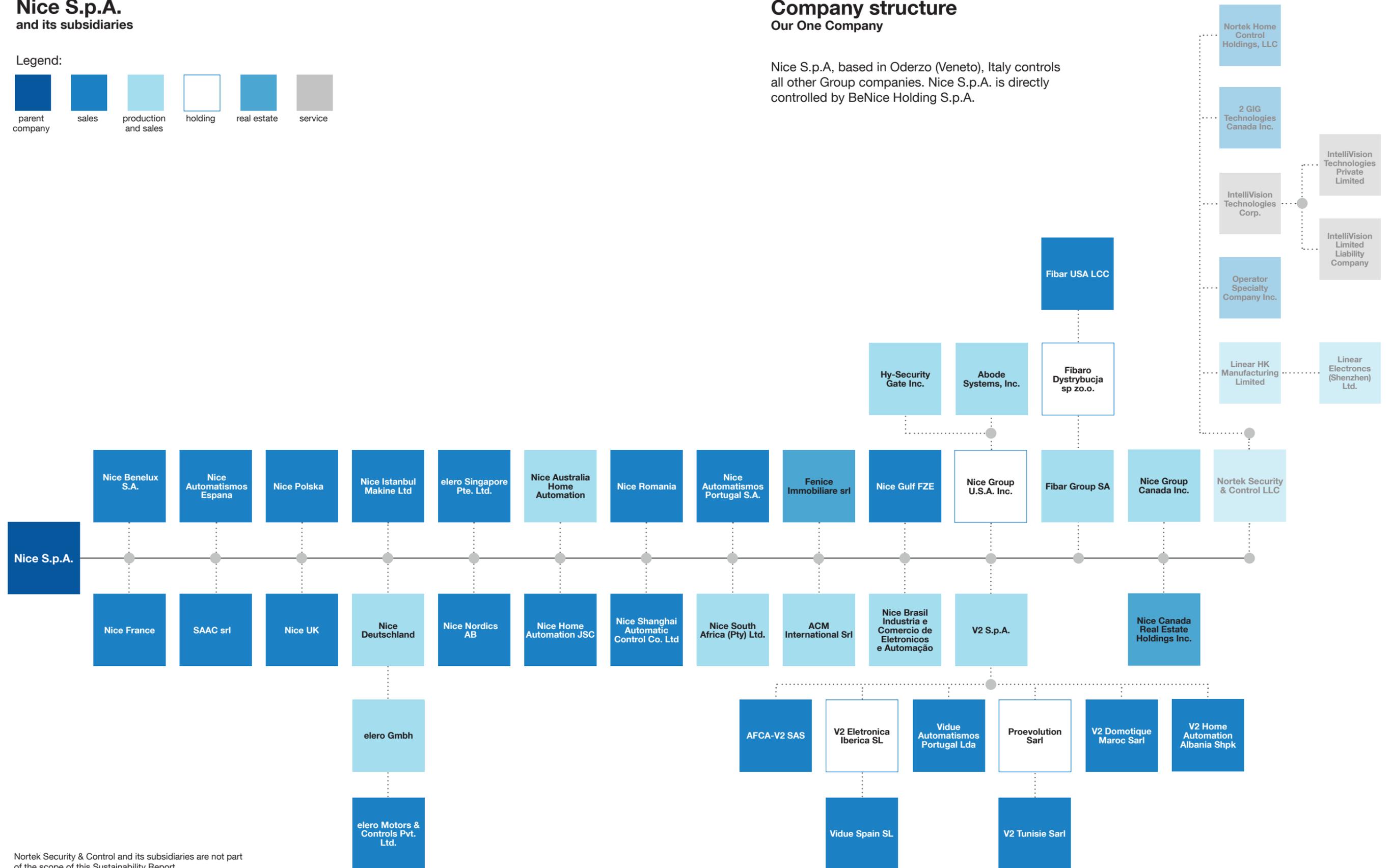
Nice S.p.A. and its subsidiaries

Legend:



Company structure Our One Company

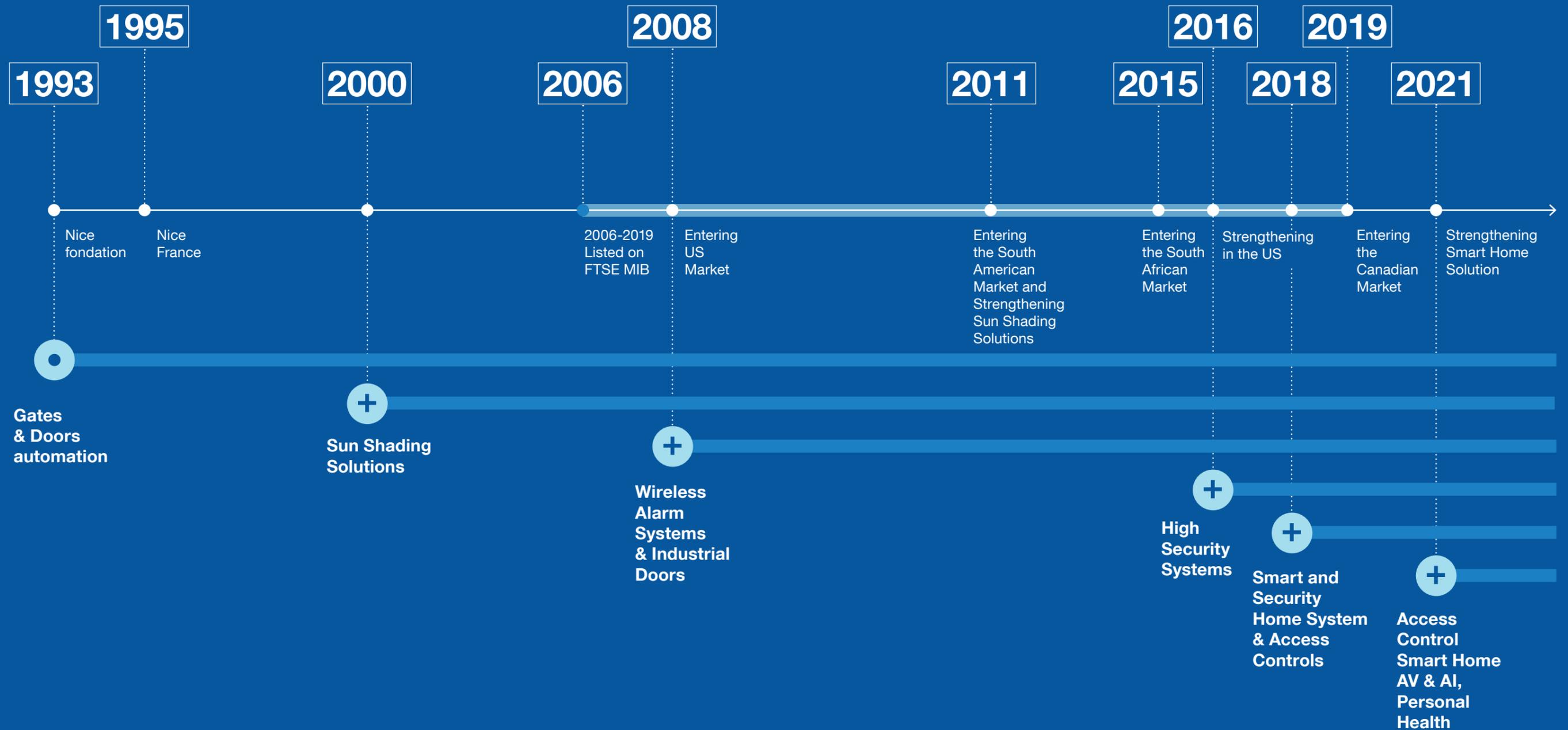
Nice S.p.A, based in Oderzo (Veneto), Italy controls all other Group companies. Nice S.p.A. is directly controlled by BeNice Holding S.p.A.



Nortek Security & Control and its subsidiaries are not part of the scope of this Sustainability Report.

Our history

In the 90s, Nice was founded in search of a new way of designing. Our business concept is based on offering integrated automation systems, created to be simple to use and quick to install, functional and accessible.



Main events in 2021

Growth and innovation were the themes of 2021. It was a crucial year for our company: a milestone in the life of the business that led us to face 2022 with renewed momentum.

Yubii Home, the heart of the new smart home experience.

Yubii Home is the smart hub that connects Nice, FIBARO and elero technologies and is open to integration with over 3,000 third-party devices. A gateway that allows a home to become intelligent and tends to the comfort and safety of the entire family.

Nice new Smart Home Business Unit is born.

The business unit seeks to offer a new way of experiencing the home, focused on the needs of those who live in it, to create an increasingly close connection with end users. The business unit seeks to integrate Nice solutions to connect the entire home.

Nortek Control

Before

Nice People
2,300

R&D centres
13 with 208 people

After

Nice People
3,000

R&D centres
15 with 450 people

The personnel numbers in this table also include temporary workers. The report's scope refers to the figures prior to the acquisition of Nortek Security & Control (October 2021) and solely to personnel hired.

Sun Shading Solutions: the business unit that consolidates the Screen segment.

On the 1st of January, a new business unit was created, dedicated solely to sun shading systems (applications for roll-down curtains, blinds and shades for outdoor and façade usage), among the fundamental elements of energy efficiency.

Launch of the ESG sustainable transition programme.

An internal and external paradigm shift focused on making sustainability key to our strategy, in line with our values of attention to the environment, the society in which we operate, our way of doing business and the drive to innovate.

The **highlight in 2021**, which changed Nice range of brands and products, as well as the organisation's geographical, economic and demographic scope, was the acquisition of the **US-based Nortek Security and Control** in October 2021.

Through this acquisition, which includes strategic brands with multiple awards, we are expanding our portfolio and offering a full range of integrated solutions for residential, commercial, industrial and government applications, from do-it-yourself to specialised, professional installation, with personalised products and high standards of security.

The deal strengthened our presence on the North American market, doubling our research and development capacity, thus further boosting innovation processes and expansion of integrated solutions based on the concept of the platform, increasing our customer base in a rapidly growing market at the global level.

Nice to meet you

Mission and values

Our family has grown and this will have a significant impact on our future. In fact, our borders are expanding not only in geographical terms, but also in terms of the solutions offered.

Our configuration has required a revision of our vision and mission, to better represent the stages in our company's history.

Thus, our Manifesto was born.

We want to live in a Nice world



Nice to meet you

At the same time, we redefined the brand's values, which now more explicitly and thoroughly incorporate what is guiding us through the sustainable transition on which we have embarked.

The Nice Manifesto

Improving quality of life by simplifying the everyday.

We are Nice, the **Home Management**, Building Automation and Security solutions provider.

We believe in the power of good **experiences** and beauty to improve the quality of living spaces.

We create safe and **smart environments**, where people feel truly free.

We contribute to build a **sustainable** future. We want to live in a Nice world.

Nice values

Life made simple Human/Caring/Reliable

We design from the human perspective, creating reliable solutions that simplify people lives.

The present is not enough Innovative/Brave/Optimistic

By pushing the boundaries of the ordinary and challenging the status quo, we dare to create new paths.

Style meets passion Authentic/Unique/Fresh

Authenticity makes us unique, we express it with original ideas through our very own personality.

Embrace diversity Open /Free/Inclusive

As thinkers and creators, we look at the world with an open mind: engaging with possibilities and broadening our perspective in an inclusive way.

Beyond green Sustainable/Conscious/Transparent

Through smart technology adoption and human intelligence, we generate sustainable value while aiming to offer back more than we take.

Our solutions

Gate & Door Solutions

Solutions for Gates, Barriers, Commercial & Industrial Doors

Access control and automation solutions for gates, barriers and garage doors that improve users' wellbeing and stand out for their reduced energy consumption during use and on stand-by, ecological materials and greater product maintainability.



Sliding gates



Swing gates



Barriers



Garage doors

Sun Shading Solutions

Solutions systems for awnings, sun shades and rolling shutters

Heating and cooling account for 80% of building energy use. Automated sun screens help limit emissions and generates energy savings.



Awnings



Rolling shutters



Sun Shades



Climatic sensors

Smart Home & Security Solutions

Intruder alarm systems for a secure and connected home

Smart home sensors and solutions monitor home energy consumption, reducing waste and preventing power overload, planning device shutdown when necessary. Smart security products ensure the security and peace of mind of a home's inhabitants. An integrated, connected, open system that makes a home secure, efficient and comfortable.



Control units & remote controls



Access control and accessories



Biometrics



Hostile Vehicle Mitigation



Our projects

The sectors in which we operate:

- Culture Hospitality
- Commercial & Retail
- Public Spaces
- Residential

Technological innovation, design and a focus on environmental impact are the main characteristics that allowed us to be partners in the construction of major, prestigious public and private projects of undisputed architectural relevance.

Some of the most celebrated examples include the recent installations in the Sinar Mas Plaza skyscraper in Shanghai, the city's fifth-highest tower, where elero motors, Sun Shading Solutions Nice, were selected to control sun screens and living comfort. Our automation systems have also been installed in

the futuristic Bluewaters Island complex in Dubai, and in Istanbul International Airport where we installed approximately 150 interior curtain automation motors in the control tower and weather station.

Other prominent projects include Marina Bay Sands Hotel in Singapore, Vodafone Headquarters in Lisbon, IBM Pavilion in Milan and Messe Stuttgart in Stuttgart. Designers, architects, engineers and contractors from around the world recognise Nice as a unique partner capable of meeting all Home Management Solution needs.

This is Nice

We are alongside Emergency in Uganda

Our company donated **85 motors** to automate the exterior curtains of the new **Paediatric Surgery** centre of excellence in Entebbe, near Lake Victoria in Uganda, designed by architect **Renzo Piano** and his firm RPBW, in collaboration with the firm TAM Associati of Venice. The motors were made by the Italian manufacturer **Resstende**, our long-term partner for projects of international prestige. The structure, which occupies an **area of 12,000 square metres**, has been operational since April 2021 and offers 72 beds and three operating theatres, in addition to full diagnostic and auxiliary facilities. In view of sustainability and integration with the local community, the centre's roof is made up of around **2,600 solar panels** capable of meeting part of its energy needs.



Marina Bay Sands Hotel, Singapore

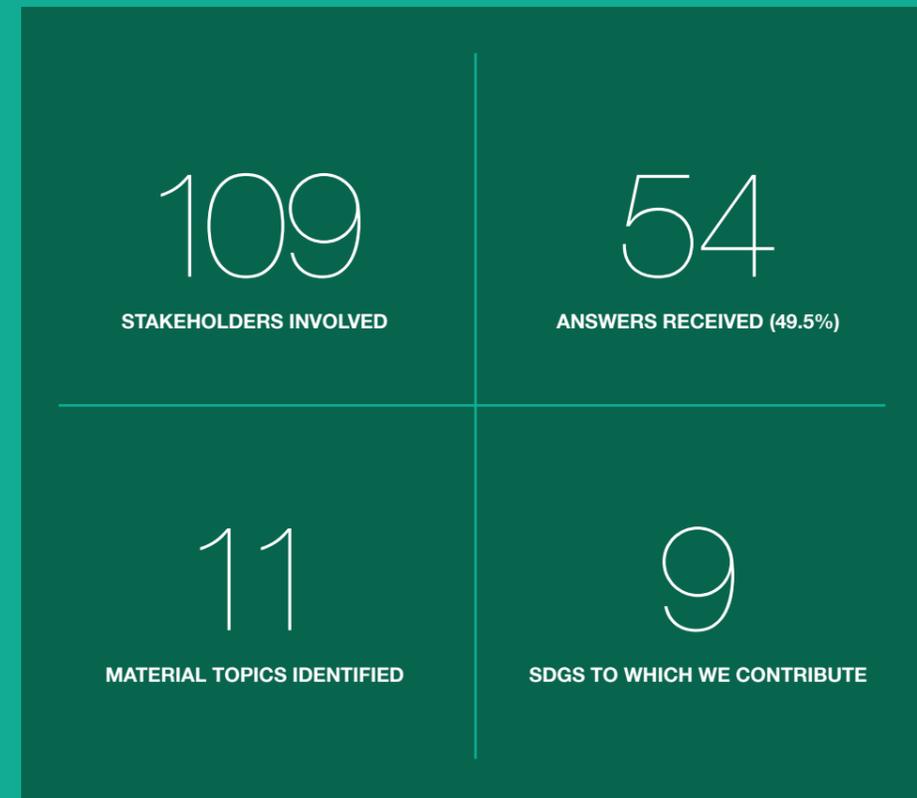


Photo credit Marcello Bonfanti



The Nice journey to sustainability

“ Sustainability is thoroughly transforming our business. ”



We announced the launch of our **sustainable transition** plan in July 2021.

Our approach to sustainability



In 2021, we began to organise sustainability activities in a **more conscious process** that we want to become the keystone of our company strategy, triggering a **cultural transformation and a thorough evolution of our way of doing business**.

In line with the development of a “world without barriers”, we are determined to become “**One Company**” that knocks down barriers within and outside of the organisation, just as our solutions enable communication and interconnection between living spaces and the environment, embracing and leveraging differences.

The launch of our **sustainable transition programme** was announced in July 2021. We aim to promote a model of production attentive to the wellbeing of the planet and individuals, as summarised by the **NiceLoveEarth** logo, which marks our ESG company journey.

There were two milestones to this new direction in 2021: **measuring greenhouse gas emissions** and the resulting plan to reduce our carbon footprint and the preparation of the first **Sustainability Report**, designed to stimulate ongoing performance gains, improve dialogue with stakeholders and foster positive competition in which all actors may contribute to pursuing common goals, pooling all their resources and abilities.

Right for our business

To achieve our sustainability goals, we are adopting adequate governance and policy structures, while harmonizing quality, environment and safety management systems and investments in sustainable innovation.

Right for our planet

There are two main aspects of respect for the environment: decreasing the direct impact of our production and sales activities and creating devices that minimize the environmental impacts for the planet and climate, thus becoming enablers of sustainable buildings.

Right for our people

We embrace multiple voices, engaging in constant, ongoing dialogue with the various categories of stakeholders. We protect the rights of our people and improve everyone’s quality of life by creating connected, comfortable, secure and sustainable spaces.

Right for our products

Nice designs its solutions according to the principles of eco-design, favouring regenerated materials and limiting energy consumption by integrating dedicated technologies. Since 2018, Nice has been studying the life cycles of its products and publishing the EPD Declarations of its main products in the Gate, Door and Sun Shading Solutions lines. We also introduced the Nice Green Innovation icon to help customers identify the solutions most attentive to protecting the planet.



We want to live in a Nice world. Contributing to build a sustainable future.



Stakeholder engagement

Identifying and selecting stakeholders

How we set our priorities of action

Dialogue with stakeholders is fundamental to identifying the topics of this report and the priority areas of action on which we wish to focus our energies. Stakeholder engagement is structured according to a procedure divided into phases.

1

Identification

Identification of the most strategic internal and external stakeholders.

2

Classification

Assignment of a level of responsibility/dependence and power/influence to all stakeholders on the basis of their relationships with Nice.

3

Positioning

Setting a priority for stakeholders based on the values assigned in phase 2 as an indicator of their strategic nature.

4

Engagement

Identification of the most appropriate engagement methods based on the category.

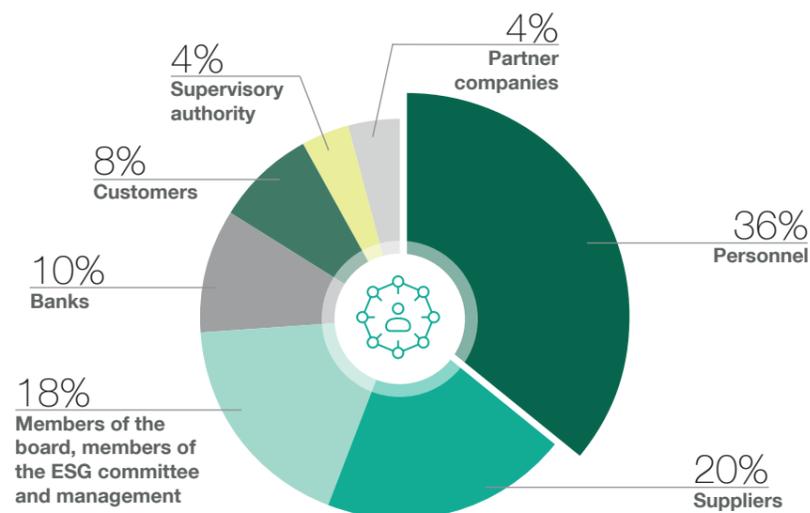
For the 2021 Sustainability Report, **stakeholder mapping** was carried out at our Headquarters, involving representatives from all departments and resulting in the identification of the stakeholders to be engaged and the specific individuals to whom the materiality questionnaire should be sent.

The questionnaire was structured as a list of potential material topics based on the benchmarking analysis performed on the main

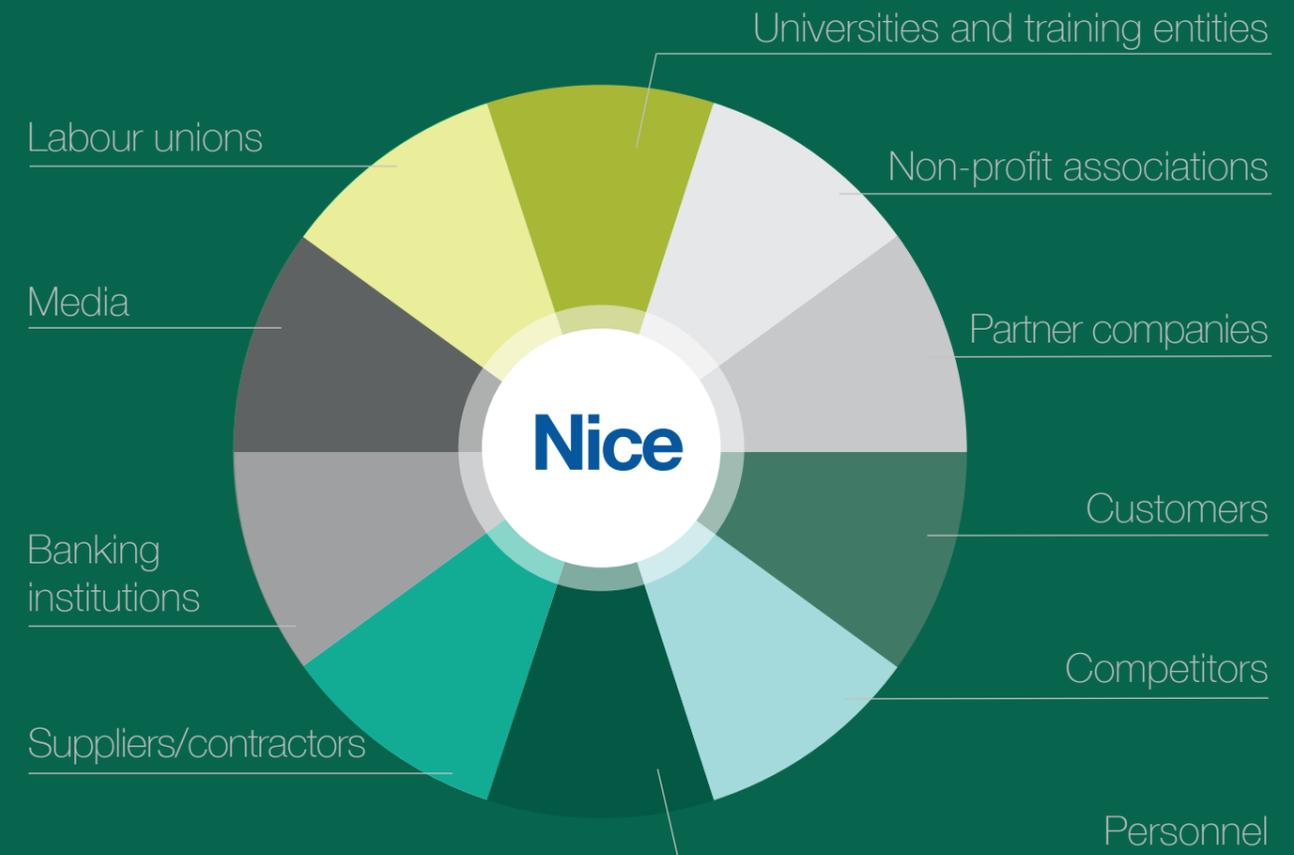
competitors and on the basis of the instructions provided in the international social responsibility standard ISO 26000.

The questions that emerged were divided into **10 environmental aspects, 8 social aspects and 9 governance issues** and were sent to 109 internal and external stakeholders in Italy and abroad. Of those involved, **49.5% participated in the analysis by completing the survey (54 answers received)**.

Responses by stakeholder category



Main groups of Nice stakeholders



Stakeholder communication

Internal communication

The DailyWonder

We are a constantly evolving and expanding company. In this framework, it is fundamental to activate tools and methods that enable the exchange and spread of information, know-how and knowledge to clarify goals and share them with all Nice People.

This enables not only a high-level view for the company, in line with the One Company definition, but also the engagement of potential customers, talents and stakeholders.

Accordingly, in 2019, we introduced our project The DailyWonder: a digital magazine designed to unite Nice people around the world through bottom-up communication that supports a common corporate

culture and one team: the Nice team.

The DailyWonder is available in six languages and all people from all companies have access to it. We also engage our staff through internal meetings that bring together the various work teams to foster collaboration, facilitate integration and the working group and share common goals and working methods.

The engagement of Nice People is the company's true strength and something we continue to work on and invest in with global coordination and a culture based on solid values.

Topics such as development, leadership and empowerment will be increasingly present on our agenda.

Main channels of dialogue

Stakeholder	Communications channel/methods
Management team President and CEO Nice HQ First Line BU Directors General managers of group companies Holding	Consultation and collaboration through dedicated periodic meetings
Personnel Function heads Workers' safety representatives	Consultation, collaboration and information through dedicated periodic meetings. Internal communication through dedicated digital magazine, company intranet or communications.
Gate customers Door customers Screen customers Smart home/alarm/integration customers	Sales meetings: the voice of the customer
Suppliers Component suppliers (electronic, mechanical, plastic moulds, packaging) Contractors Logistics partner	Contractual phases, verification and selection audits and periodic refresher meetings
Financial institutions/banks	Contractual phases, verification and selection audits and periodic refresher meetings
IT consultants Financial advisors	Consultation, collaboration and information through dedicated periodic meetings
Supervisory Body Board of Statutory Auditors	Periodic verification and update meetings

External communication

Open dialogue across all channels

We believe in clear, responsible communication regarding the commitment, values and products we sell. We thus ensure open dialogue with all our stakeholders through the various online and offline channels.

Apps: various applications, dedicated to both end users and professionals, to manage home automation devices.

Website: thanks to the contents of the website www.niceforyou.com, users can keep up to date with Nice activities, learn about its product line, the various features available and new products released into the market.

Social network: through the brand's social channels on LinkedIn, Facebook, Instagram and Twitter we reach all our stakeholders, diversifying our message and channel to suit the goal and audience. We use our channels to update our stakeholders on our sustainability journey.

Communications and public relations campaigns: in 2020-21, due to the pandemic crisis, we limited our launches of communication campaigns aimed at increasing brand and product awareness. In particular, an influencer marketing campaign was launched from June to December 2021 in Italy: videos were shown on YouTube, Instagram Post and Stories to bring end users closer to the Nice Smart Home world. In addition, in 2021 we resumed media relation activities.

Newsletter: we use it to share materials and information that accompany the launch of new products and services with our business partners.

Fairs: an important opportunity for direct contact with our partners and potential consumers to see and test out new products. Fairs are supported by the creation of dedicated communication materials.

Roadshow: travelling events created in collaboration with Nice business partners (distributors). We support our partners by creating the necessary informational material and conducting online and offline promotion of the event.

This is Nice

Eu sou o coração da Nice

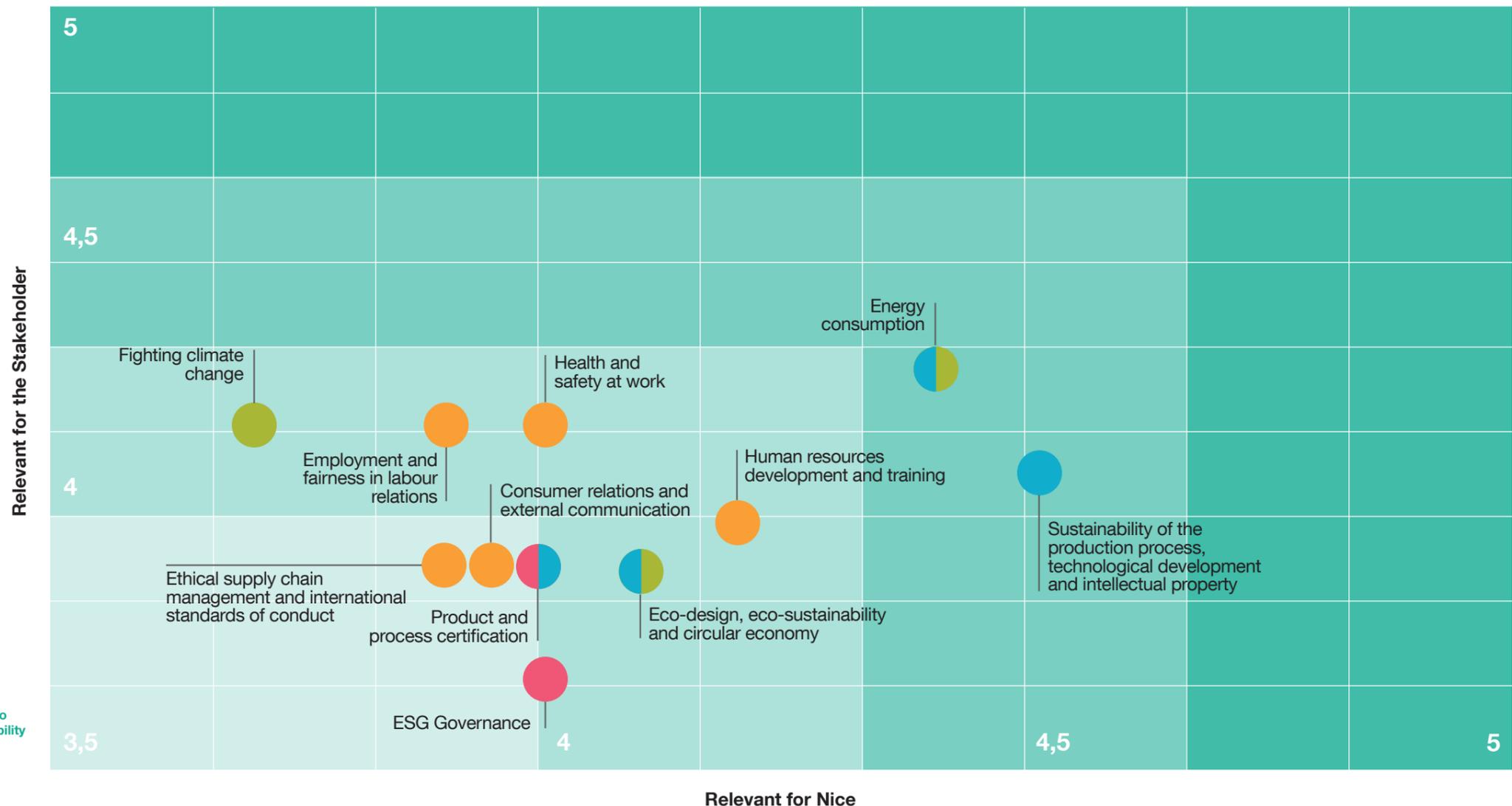
Some branches have begun to work on internal communication according to a systematic approach.

In particular, the Brazilian office organised a series of activities starting in March 2021 on issues such as Women's Day, Mother's and Father's Day, religious holidays, prevention (Pink October) and suggestions on how to manage one's working environment and desk better. In March 2021, employees launched a full-fledged staff engagement campaign entitled "Eu sou o coração da Nice" (I am the heart of Nice) to emphasise how the company's value resides in the people who comprise it.

Other activities brainstormed by our Brazilian colleagues: company parties, recognition of birthdays and work anniversaries, merchandising, gadgets for families and even a Nice Coffee digital podcast, in which the team interviews a colleague each episode, introducing them to the rest of the company.



Materiality Matrix



This is Nice

The co-design of Sustainability

To improve the environmental, social and governance sustainability performance of our company, we selected the co-design approach, involving the organisation of three online workshops dedicated to team brainstorming of ideas and improvements in company areas of primary importance.

The workshops involved an **internal group of stakeholders with various competencies and operating levels**, and were held on a web platform through the gamification formula.

The main phases of the workshop:

- 1 SWOT analyses based on ESG topics
- 2 Definition of the main elements on which to act and construction of the main cause-and-effect correlations
- 3 Identification of the most significant cause-and-effect correlation
- 4 Definition of tools, KPIs, strategies, partners and resources to create the solution identified

The working group identified two areas for further inquiry in two subsequent workshops:

- **Product quality**
- **Personnel retention**

Through the final focus group, guidelines were formulated for the intervention, to be organised as a strategy and an action plan, characterised by concrete actions supported by selected partners.

Governance

- ESG Governance
- Product and process certifications

Environment

- Energy consumption
- Eco-design, eco-sustainability and circular economy
- Fighting climate change and preventing pollution (water, soil, atmosphere)

Social

- Health and safety at work
- Human resources development and training
- Employment and fairness in labour relations
- Ethical supply chain management and international standards of conduct
- Consumer relations and external communication

Product

- Sustainability of the production process, technological development and intellectual property
- Product and process certifications
- Energy consumption
- Eco-design, eco-sustainability and circular economy

Our goals

In 2015, the UN identified the 2030 Agenda for Sustainable Development: a programme of 17 goals, known as the Sustainable Development Goals (SDGs), to define a new production and economic model that protects the planet and its inhabitants. The 2030 Agenda establishes a framework in which individuals, NGOs, companies and institutions are called to participate, each contributing to their area of operation.

We, at Nice, have also structured our sustainability goals from an Agenda 2030 perspective, identifying the SDGs to which we may contribute most significantly based on our sector of activity and the topics identified as material. This table shows our goals for 2025, broken down according to the ESG (environmental, social and governance) pillars, recognised at the international level as key aspects of sustainable development. For each area, we indicate the SDGs of reference.

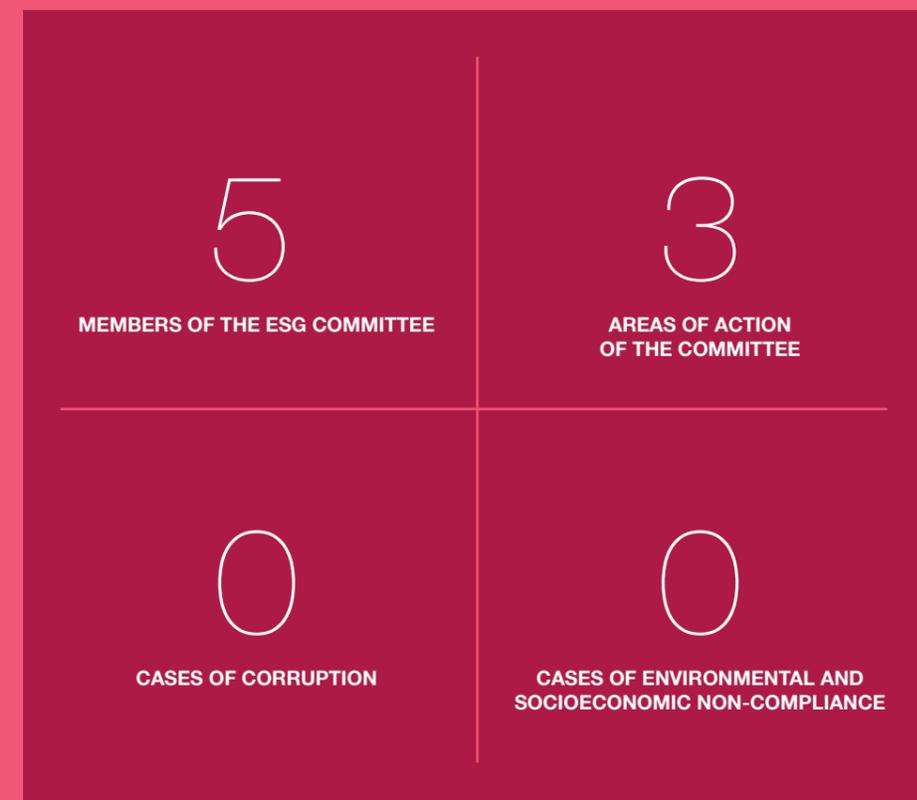
	MATERIALS TOPIC	2025 GOALS
Governance 	ESG Governance	<ul style="list-style-type: none"> Allocation of a share of the economic value generated for community projects Increased gender diversity on governance bodies and introduction of independent directors Adoption of tools for assessing and managing ESG risks
	Process certification	<ul style="list-style-type: none"> ISO 14001 certification of all manufacturing plants
Environment 	Energy consumption of the organization	<ul style="list-style-type: none"> Progressive achievement of energy self-sufficiency or 100% energy from renewable sources certified through guarantee of origin
	Fighting climate change and preventing pollution	<ul style="list-style-type: none"> For Scopes 1 and 2: 50% reduction in CO₂ emissions
	Circular economy	<ul style="list-style-type: none"> Keeping the percentage of recyclable waste near 99%, while reducing its overall quantity
Social 	Health and safety at work	<ul style="list-style-type: none"> Implementing a workplace health and safety management system for all manufacturing plants Zero accidents at all group production plants
	Human resources development	<ul style="list-style-type: none"> Implementation of a group e-learning platform Interdepartmental and intercompany mobility programme
	Employment and fairness in labour relations	<ul style="list-style-type: none"> Increasing the presence of women by 30% in leadership positions Reduction of the remuneration gap between male and female personnel, obtaining equal salary certification Introduction of flexible working hours and regulation of agile work for home-work balance
	Ethical supply chain	<ul style="list-style-type: none"> Vendor ratings: expansion of the supplier social and environmental responsibility section
Product 	Energy consumption of the product	<ul style="list-style-type: none"> Reduction of energy consumption during both the product use and stand-by phases Increase in the number of products powered by solar panels or batteries
	Eco-design and circular economy	<ul style="list-style-type: none"> Partnerships with research institutions and universities for research and development on reduced environmental impact materials Exclusive use of recycled plastic 100% low environmental impact packaging (recycled paper and cardboard, zero plastic, natural ink) Extension of product useful life, ensuring maintenance and the ability to replace worn and/or defective parts Adoption of biodegradable plastics in selected projects, where possible
	Product certification	<ul style="list-style-type: none"> EPD certification of all new product lines

The Nice governance, strong company

“

Economic sustainability means creating value for all our stakeholders.

”



In 2021, we set up an internal team to implement ESG policies.

Governance



Material topic:
ESG Governance

2025 Goals

- Allocation of a share of economic value generated to community projects
- Increased gender diversity on governance bodies and introduction of independent directors
- Adoption of ESG risk assessment and management tools

Material topic:
Process certifications

2025 Goals

- ISO 14001 certification of all manufacturing plants

Governance bodies

Clear rules and shared principles, management procedures, risk monitoring and economic solidity are the foundation of a structured, coherent sustainability programme.

As part of this process, we have adopted consolidated policies, while referring to the most virtuous examples, going far beyond regulatory requirements.

Management of Nice S.p.A. is entrusted to a Board of Directors that performs all ordinary and extraordinary governance functions, except for powers that by law are reserved to the shareholders' meeting.

Composition of the BoD

As at 31 December 2021 the Board of Directors was composed of **five members** and had appointed a Chairman (company founder, Lauro Buoro) and a CEO (Roberto Griffa), to whom special powers were delegated in the area of environmental risk.

Governance of ESG policies

The BoD does not refer to internal committees and is directly responsible for the decision-making process in economic, environmental and social matters. However, in 2021 we formed an **internal team to implement ESG policies**, coordinated by Marco Bianchet, Global Quality & Sustainability Director. The tools we use to ensure environmental protection are our Code of Ethics and the Organisation Model under Legislative Decree 231/2001, which set the guidelines for monitoring environmental risk. Their application is periodically verified by the Supervisory Body through audits.

Our Code of Ethics

An integral part of our business

Our **Code of Ethics**, approved by the Board of Directors, is an integral, substantial part of our Legislative Decree 231 Organisation, Management and Control Model and contains the general ethics values that, along with legal, regulatory and contractual provisions, guide us in preventing the risk of criminal offences.

In particular, Section Q of the Code of Ethics governs environmental offences:

- Environmental pollution
- Environmental disaster
- Negligent offences against the environment

- Trafficking in and dumping highly radioactive material
- Aggravating circumstances
- Organised illegal waste trafficking
- Killing, destroying, capturing, removing and possessing specimens of protected animal or plant species
- Destruction or degradation of a protected site habitat
- Trading in specimens of the species set out in Annex A of Art. 1 of Law 150 of 7 February 1992
- Trading in specimens of the species set out in Annexes B and C of Art. 2 of Law 150 of 7 February 1992

The Code of Ethics also provides guidance on the preventative measures that we have adopted to protect the health and environmental safety of workers.

In particular, an organisational structure has been set up to ensure adequate technical competencies and the powers needed to assess, manage and monitor **risks for the health and safety of workers** and the environment. In addition, training courses are provided for personnel according to the needs identified periodically and in view of the peculiarities of the various areas of risk.

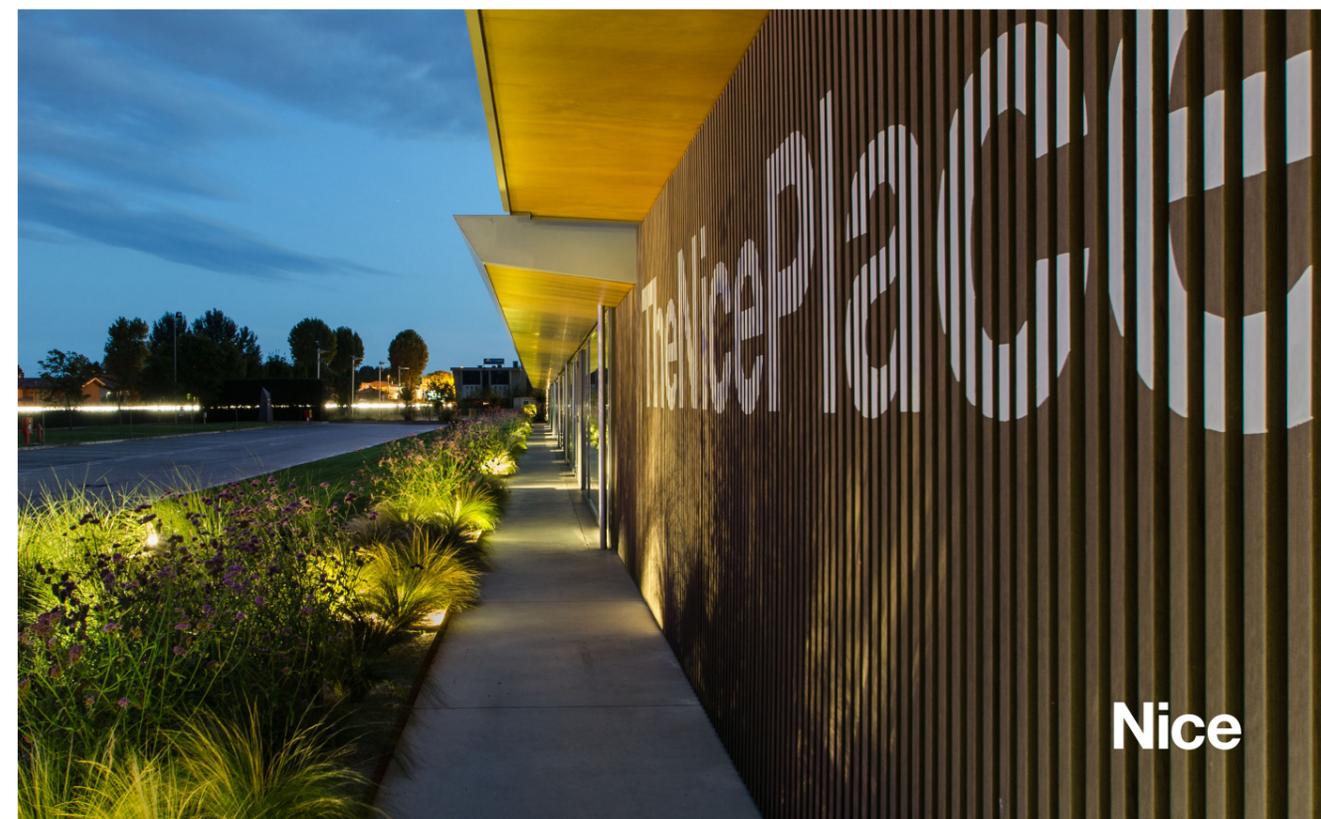
Operational health and safety management

involves the integration of the overall management and control system for company processes and is supported by adequate monitoring systems.

Through the Code of Ethics and Legislative Decree 231 Organisational Model, we provide guidance for complying with the **Precautionary Principle** (Principle 15 of the 1992 Rio Declaration), which is the foundation of international environmental law.

Before starting a new production process or a new business, we conduct a preliminary assessment of:

- the adequacy of the financial investments required to carry out the project and/or the transaction;
- compliance with the procedures and criteria imposed with regard to the quality of products and their conformity with national and European legislation applicable to the company's core business;
- compliance with the procedures established by the existing quality certifications;
- compliance with workplace safety and environmental risk legislation, although the company's typical production processes do not expose us to high levels of environmental risk under national and European legislation.



Nice

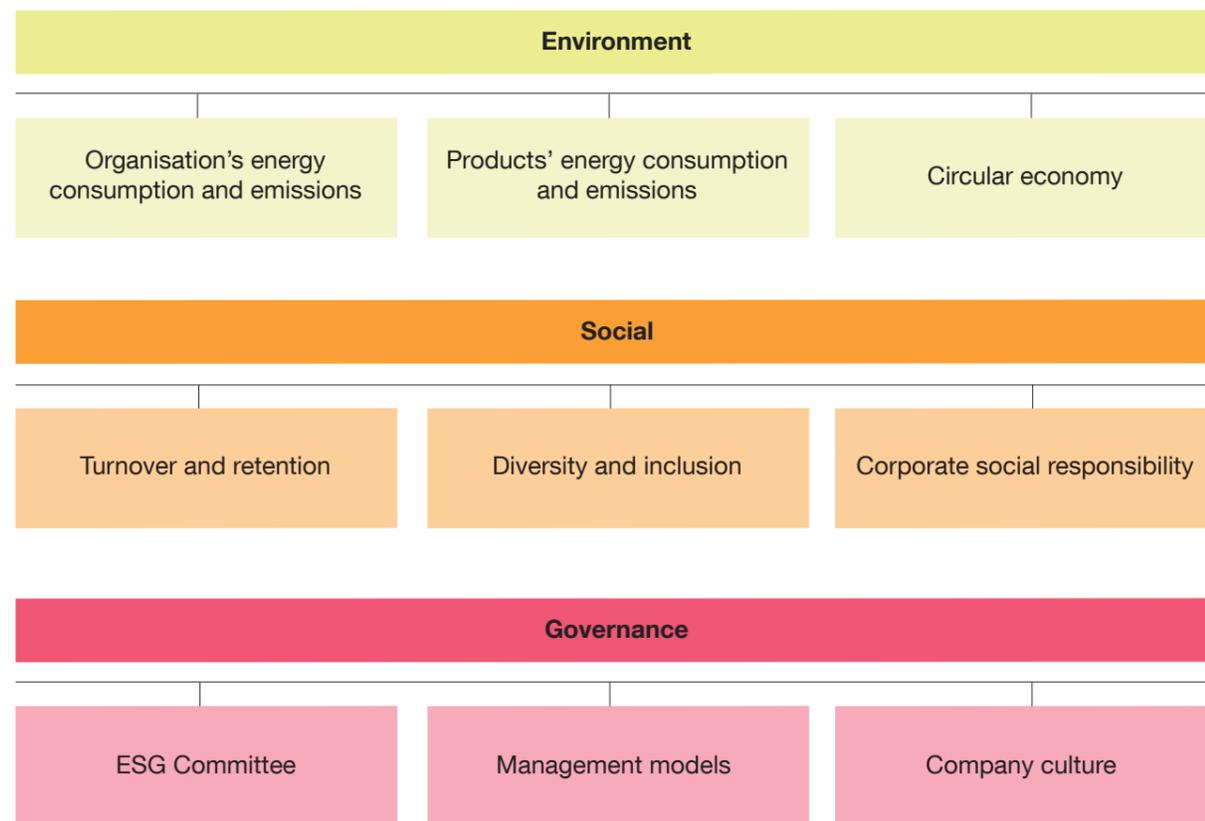
Sustainability governance

A committee in support of strategy

To pursue our sustainability strategy, we have set up a **Sustainability Governance Committee** with a guiding role, consisting of five members, four men and one woman, which acts transversally at the level of the Headquarters and all our

companies, through an ESG Operational Team and ESG local points of contact, and includes members of the Research and Development, Operations, Marketing, HR and Finance areas.

Committee's main areas of intervention



The Nice governance, strong company

Anti-bribery and corruption procedures

We put into practice our focus on the issue of preventing corruption in accordance with Legislative Decree 231/2001 and hence the Code of Ethics and Organisational Model, which we adopted and updated on 4 March 2019, with regard to:

- Undue collection of payments, fraud against the state or a public entity or to obtain public money and cyberfraud against the state or a public entity and corruption, undue instigation to give or promise benefits and corruption.
- Corporate crimes such as instigation of corruption between private parties and illegitimate influence over a shareholders' meeting.

The ethical principles of **integrity, transparency, legality, impartiality and prudence** are essential values both in commercial and institutional relations between Nice and public and government entities (for example in the event of participation in public tenders) and relations between legal representatives, directors, executives and senior executives who act in the name and on the account of Nice in the performance of their functions (for example, relations with any other person or professional during the discussion of a commercial transaction that we are to undertake). Compliance with the provisions of the

Organisational Model and Code of Ethics that we have adopted pursuant to Legislative Decree 231/01 is constantly monitored, including through the audits conducted by the **Supervisory Body** over the year.

We promote the prevention and verification of all unlawful conduct, encouraging addressees to report conduct of which they become aware by virtue of their dealings with the company to the Supervisory Body promptly. No episodes of corruption occurred in 2020-2021.

Anti-corruption Communication and training

We regularly communicate the **Organisational Model** and **Code of Ethics** to all members of the Board of Directors (which also approves all updates), the auditors and the members of the Supervisory Body, all our executives, middle managers and personnel when they are hired and over the course of all employment relationships, as well as to all consultants, professionals and suppliers.

These documents are also available from our official website, <https://www.niceforyou.com/en>.

Customer privacy

In accordance with the provisions of the GDPR (EU General Data Protection Regulation 2016/679, entered into force in May 2018), we involve all functions in our commitment:

- to constantly determine and monitor the most appropriate safety measures for protecting the data stored and processed by the company;
- to periodically assess safety measures in relation to the risk of data breaches (due to cyberattacks internal and external to the company);
- to properly process the personal data of personnel and customers in the CRM system used by the company and through the websites of the company and its EU subsidiaries;
- to properly process the data owned by the company used by suppliers and consultants, also appointed external personal data processors.

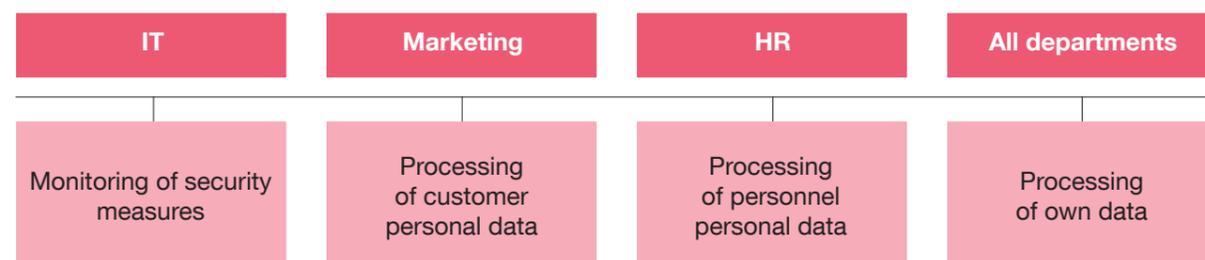
We protect our customers' privacy by monitoring all new processing of their data and updating our Privacy Organisational Model, the document that sets out the technical and organisational model measures suited to the proper management of data and protection of the rights and freedoms of data subjects.

To us, protecting our customers' privacy is the foundation of **cooperation**, to foster **sound commercial development and a stable balance over time**.

We thus strengthen the trust that our customers place in us.

Thanks to the focus on this issue, in 2020-2021 there were no substantiated reports of privacy breaches and customer data losses.

Assessment of the methods of managing impacts on customer and personnel privacy is managed with the support of the internal legal department and external privacy consultant, without prejudice to monitoring of compliance with the Organisational Model adopted by the Company pursuant to Legislative Decree 231/2001.



Environmental compliance

Managing and monitoring risks of non-compliance with environmental protection legislation is an important issue to us.

In producing electrical and electronic equipment (EEE), we are subject to extended producer responsibility and, pursuant to the Organisation and Management Model (OMG), we are directly involved in and responsible for the impacts of possible improper environmental management of the supply chain. In this framework, any non-compliance with regulations and the OMG could result in consequences in economic, legal and brand reliability terms. Conversely, **proper management of environmental issues may have positive impacts in terms of visibility, reputation and social wellbeing**.

The main environmental impacts we generate have to do with the atmospheric emissions associated with the consumption of resources and components and the energy consumed by our equipment over the course of their lives and our products at the end of their useful lives, which considerably reduce the potential environmental risks if their disposal process is managed appropriately.

We entrust environmental compliance to the HSE Manager, who periodically conducts spot checks and reports any non-compliance to the Supervisory Body (SB) periodically. Legislative developments that could affect the organisation are specifically identified by specialised external consultants, such as the business association ANIMA.

Moreover, in 2021, there was a significant push by the CEO to structure a process to lead the organisation towards sustainable development. In this regard, an executive and a **structure dedicated to sustainability** were identified with the task and responsibility of coordinating all the group's manufacturing and commercial companies in accordance with environmental regulations.

The efficacy of the management model is assessed by the Supervisory Body with half-yearly frequency. The results of the assessment are presented to the Board of Directors in qualitative terms. There were no cases of non-conformity throughout the Group in 2020-2021.

This is Nice

In view of ISO 14001:2015 certification

Given the strategic importance that environmental issues have for us and our stakeholders, we want to adopt an environmental management system compliant with the ISO 14001:2015 standard. In May 2021, we conducted an analysis of the requirements to be met for the implementation, in 2022, of an **environmental management system** compliant with the certification standard.

At the Polish company, FIBARO, this scheme has already been implemented and includes: procedures for assessing environmental aspects, monitoring, emergency response, operational control and oversight of environmental regulations in the regulatory supervision procedure. The processes relating to the environmental impact are subject to internal and external audits and the efficacy of the management system is assessed within the framework of the annual management audits conducted by the ISO 9001:2015 and ISO 14001:2015 standards.

Socioeconomic compliance

Compliance with socioeconomic regulations is a priority for a multinational company like ours.

In 2020/2021 **we did not record any episodes of non-compliance** with laws and regulations concerning social and economic matters.

The impact of socioeconomic compliance may be felt in all types of relations between ongoing business projects, including to fulfil the duty to comply with the Code of Ethics and Organisational Model that we have adopted, pursuant to Legislative Decree 231/01, and to comply with the laws of the various countries in which we operate.

However, impacts may also be felt as a result of a decision to divest and/or discontinue the operation of a specific business unit or legal entity in a given country.

These special sections include a detailed list of socioeconomic violation (for example, violation against commerce and industry, corporate violation, offences against individuals, etc.).

The Nice Code of Ethics is addressed to the company's directors, executives and personnel.

The company's directors and executives are also responsible for creating a **culture structured** on the principles laid down in the Code of Ethics, thus promoting awareness and encouraging commitment to it.

To conduct our business with integrity, we define:

- the **processes necessary** to discharge the compliance obligations and objectives of each process, designing and implementing control for each of them;
- a series of **measurable indicators** to help the organisation quantify the level of achievement of our goals and compliance performance.

We organise audits at planned intervals for regular review of the organisation's compliance management system to ensure that it is constantly applicable, adequate and effective.

In the event of non-compliance, we intervene promptly with the appropriate assessments of the advisability of implementing new corrective measures, reviewing the efficacy of the actions taken and, where necessary, revising the compliance management system.

Tax strategy

Our tax strategy is based on the principles of **integrity, transparency, legality, impartiality and prudence** envisaged in our Code of Ethics and has as its main objectives the lasting growth of company assets and the creation of sustainable value over time for stakeholders.

In implementing our tax strategy, we adopt the principles laid down in the **OECD Guidelines for Multinational Enterprises**.

To eliminate or contain phenomena of double taxation, we apply the provisions of international treaties against double taxation of income and capital and for the prevention of tax evasion and avoidance. Intragroup dealings are governed on the basis of the arm's length principle, in

accordance with the OECD Guidelines, while pursuing the aim of aligning transfer conditions and prices with the places in which value is created within the group as correctly as possible. The CFO is responsible for implementing the tax strategy agreed upon with senior positions at the executive level. The tax function collaborates with the other company functions to ensure that possible tax risks are identified and adequately managed.

In line with our sustainability strategy, we pursue behaviour aimed at compliance with the law, aware that tax revenue is one of the main sources of contribution to economic and social development in the countries in which we operate.

Integrity Transparency Legality Prudence



Nice

Economic value generated and distributed

As at 31 December 2021, the direct economic value generated by Nice S.p.A. amounted to nearly **€159 million**, up nearly 18% on 2020. This trend reflects the solidity of our balance sheet and cash flows.

Value generated, retained and distributed

	2021	2020
Economic value generated	158,840,511	134,830,794
Economic value distributed	142,880,471	123,233,925
Operating costs	121,837,181	91,250,735
Personnel salaries and benefits	17,066,888	15,954,771
Payments to capital providers	3,976,401	13,222,792
Payments to the public administration	*	2,805,627
Economic value retained	15,960,040	11,596,869

In euros - 2020-2021 - Figures referring only to Nice S.p.A.

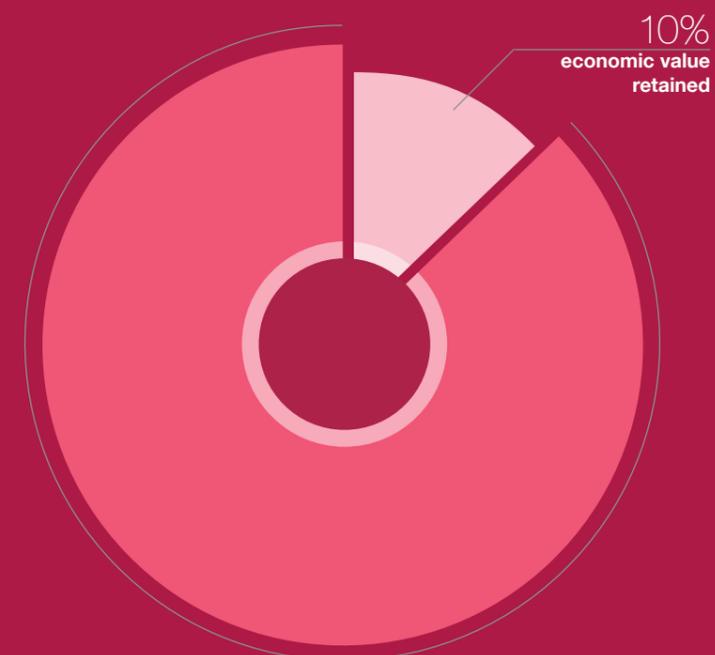
* Figure not significant

The economic value distributed is the wealth we create for our stakeholders.

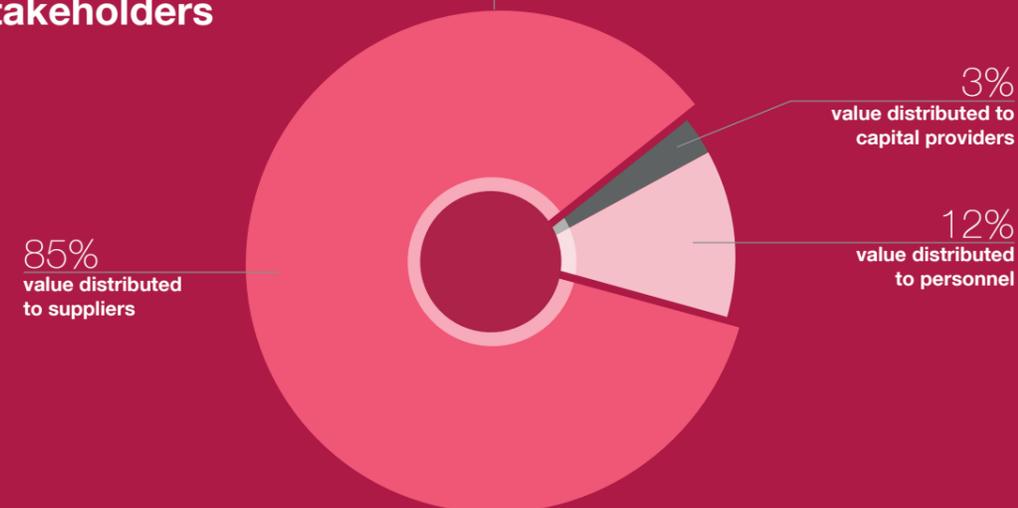
In particular, 85% of the direct economic value is **distributed to suppliers** through operating costs, **12% to personnel through salaries and benefits** and **3% to providers of capital and shareholders** through financial interest.

As part of a constant process of technological innovation of the assets produced and the production processes used, part of the value retained is reinvested in research and development to identify new solutions and ensure their technological and functional improvement, bringing added value to the company and benefits for individuals and the environment.

Economic value generated



Value distributed to stakeholders



Figures referring only to Nice S.p.A.



The Nice environment, gentle footprint

“ Our focus on reducing our environmental footprint enables new sustainability scenarios. ”



Reducing greenhouse gas emissions is a key issue in our sustainable development process. Since 2021, in line with the UN's Climate Action goal, we have started mapping **greenhouse gases** to identify the most suitable strategies to minimize emissions.

Environment



Material topic:
Energy Consumption of the organization

2025 Goals

- Progressive achievement of energy self-sufficiency or 100% energy from renewable sources certified through guarantee of origin

Material topic:
Fighting climate change and preventing pollution

2025 Goals

- Scope 1 and 2: 50% reduction in CO₂ emissions

Material topic:
Circular economy

2025 Goals

- Keeping the percentage of recyclable waste near 99%, while reducing its overall quantity

Climate action

Reducing climate-altering greenhouse gas emissions is a key issue in our sustainable development process.

Since 2021, in keeping with the United Nations' Climate Action goal, we have begun to **map our greenhouse gas emissions**.

This process will allow us to identify a baseline to prepare, through the Science Based Target initiative (SBTi), a programme for reducing emissions in line with the objectives of the Paris Agreement, which requires that the global temperature increase be kept below 1.5 °C.

The emissions of Nice S.p.A. and its 36 subsidiaries are set out in a document called the GHG Inventory, created in accordance with the standards set by the GHG Protocol and the ISO 14064 standard, considering the following emissions categories:

- Scope 1** emissions are from owned or directly controlled facilities and are attributable to the use of fossil fuels to power heating systems, generators or vehicles, in addition to refrigerant gas leak emissions;
- Scope 2** emissions include all indirect emissions arising from the energy purchased by the company;
- Scope 3** emissions include all indirect emissions not considered in the Scope 2 category and refer to the emissions produced in the upstream and downstream phases of the value chain.

After analysing their significance, we included:

- Purchased goods
- Waste generated in operations
- Upstream and downstream transportation
- Employee commuting
- Business travel
- Use of sold products

Scope 1-2 emissions

		2020	2021
Scope 1 2020 3,361 2021 4,091	Stationary installations emissions	1,026	1,523
	Vehicles emissions	2,098	2,295
	Refrigerant gas emissions	237	273
Scope 2 2020 1,583 2021 1,608	Electricity emissions	1,583	1,608
	Total Scope 1-2	4,944	5,699

Tonnes of CO₂eq. - 2020-2021

From the calculations of the GHG inventory, it showed that our emissions for the Scope 1 category are mostly related to the **vehicles used** (56% of the total), with 37% relating to **heating systems** and leaks of F-gases (fluorinated greenhouse gases) from climate-control systems contributing 7%.

During the two-year period, an approximately 22% increase in Scope 1 emissions was identified, along with an increase in Scope 2 emissions of 2%. Overall, in 2021 we emitted (directly and indirectly) approximately **5,699 tonnes of CO₂eq**, a figure

that was up 15% on 2020. The increase in Scope 1 emissions is due to the gradual easing of the Covid-19 pandemic containment measures, which enabled regular resumption of activities and in-presence work. However, in 2021, electricity consumption declined.

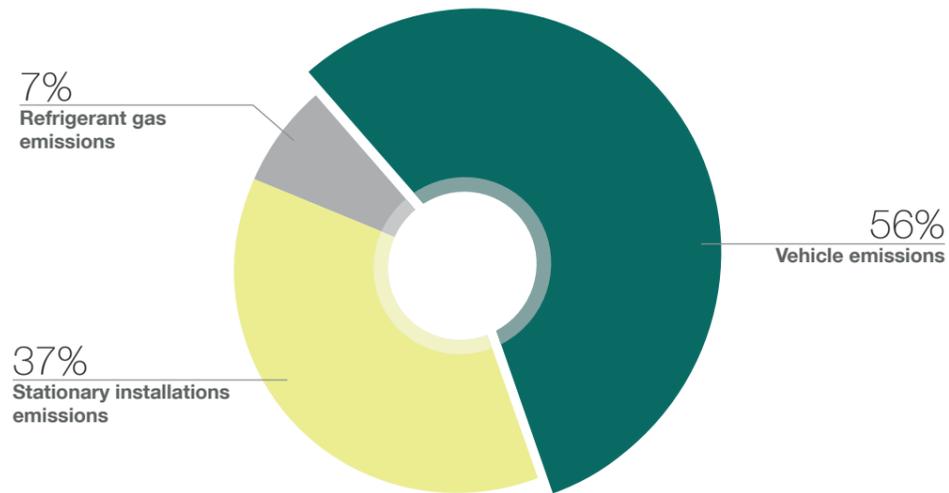
Restricting the scope of study to production companies, it may be seen that such companies contribute approximately 65% of aggregate Scope 1 and 2 emissions, and 87% of Scope 2 emissions attributable to electricity supply.

Scope 1-2 emissions of manufacturing plants

		2020	2021	% of total generated in 2021
Scope 1 2020 2,201 2021 2,276 % of total 56%	Stationary installations emissions	1,067	1,138	75%
	Vehicles emissions	901	917	40%
	Refrigerant gas emissions	233	221	81%
Scope 2 2020 1,464 2021 1,402 % of total 87%	Electricity emissions	1,464	1,402	
Total Scope 1-2		3,665	3,678	65%

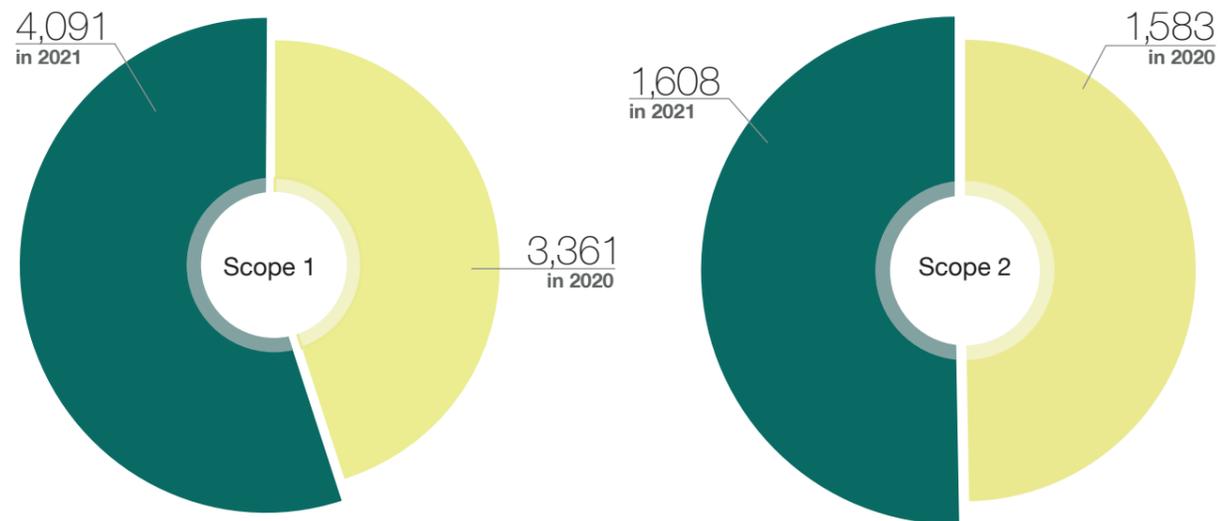
Tonnes of CO₂eq. - 2020-2021

Percentage of Scope 1 emissions by source



2021

Scope 1-2 emissions

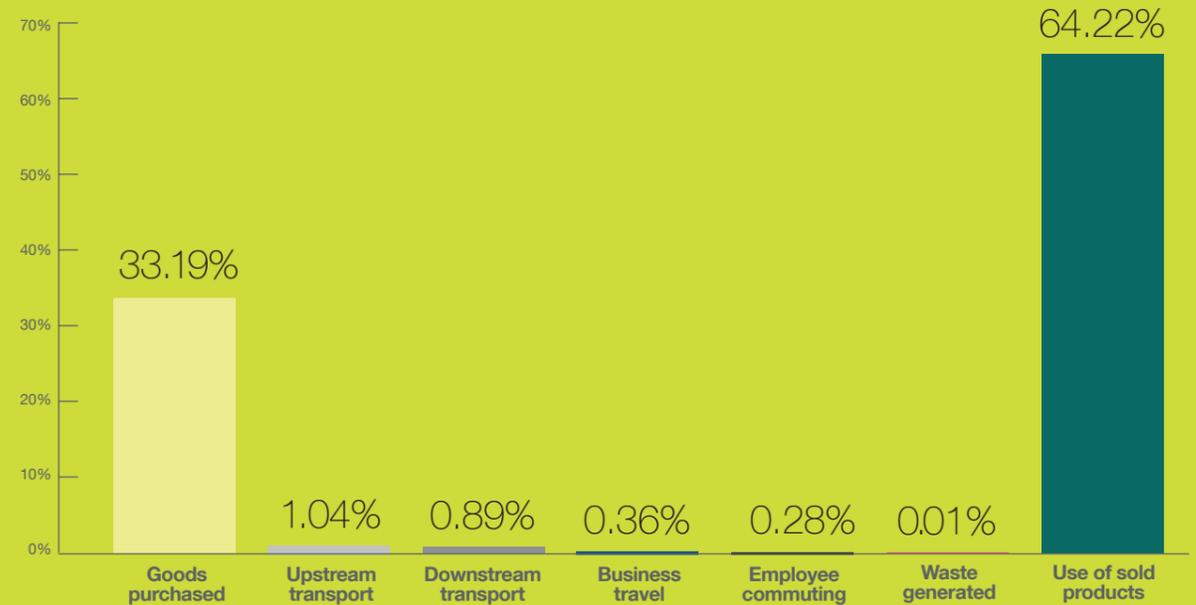


2020-2021

Overall, direct emissions have a more significant weight than indirect emissions relating to energy.

Percentage of Scope 3 emissions by category

In addition to Scope 1 and 2, we also calculated Scope 3 emissions, further expanding the measurement and reporting scope. It was thus found that, in our business, the two categories most affected – which account for approximately 97.41% of emissions produced – are goods purchased and sold.



2021

Emissions reduction action plan

The choice to trace the overall contribution that company activity makes to the atmospheric concentration of greenhouse gases is aimed at identifying the strategies best suited to minimising emissions.

	<p>To reduce direct (Scope 1) emissions, the company fleet will gradually be replaced with hybrid or electric cars. Work will also be done on improving the performance of the building envelope to reduce the need for cooling and heating. An additional option is to transition from thermal heating systems based on fossil fuels to electrically powered systems, such as heat pumps.</p>
	<p>To reduce indirect (Scope 2) emissions deriving from owned and leased properties, we intend to activate renewable source electricity supply with a guarantee of origin and through the use, where possible, of the installation of solar panels.</p>
	<p>To act on the Scope 3 category, we intend to integrate environmental impact goals in terms of the carbon incorporated into materials, energy consumption and reparability/reuse into the design phase of automation products and solutions.</p>

Energy consumption

Rational energy use is a priority for us. We are therefore very attentive to preventing all waste and inefficiency, to reduce the impact of our facilities and control their operating costs. In fact, reducing energy consumption, in addition to being crucial to mitigating climate change, has significant consequences on our income statement.

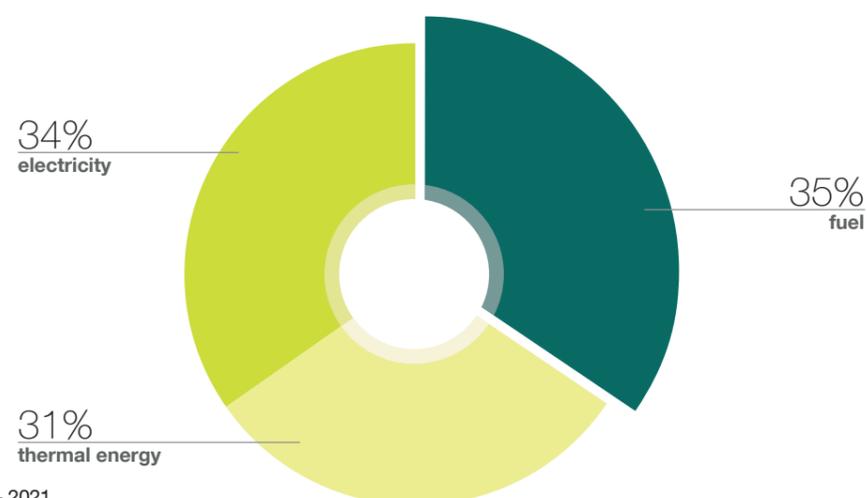
In this regard, at all our facilities in Italy and eventually abroad, we aim to **activate energy supply contracts with a guaranteed renewable**

source origin and are constantly committed to implementing **efficiency enhancement measures at our facilities.**

Our energy consumption derives mostly from inbound logistics, storage, assembly, packaging and distribution, as well as from the climate-control of the various facilities and sales offices.

In 2021 we consumed over 80,000 GJ of energy, a 5% increase on 2020, justified by the resumption of activity after the end of Covid-19 restrictions.

Energy sources used



By type of source - 2021

Total energy consumption

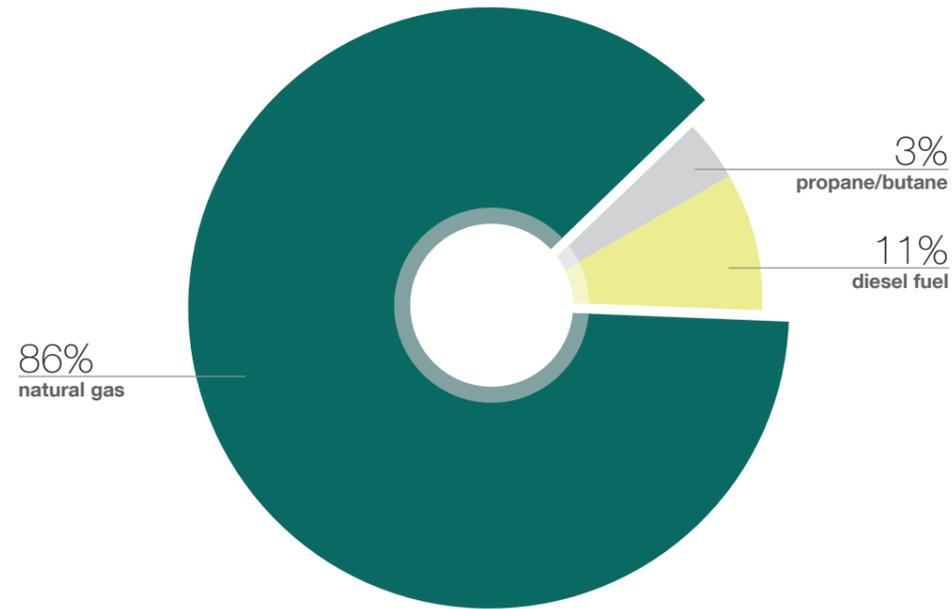


In GJ

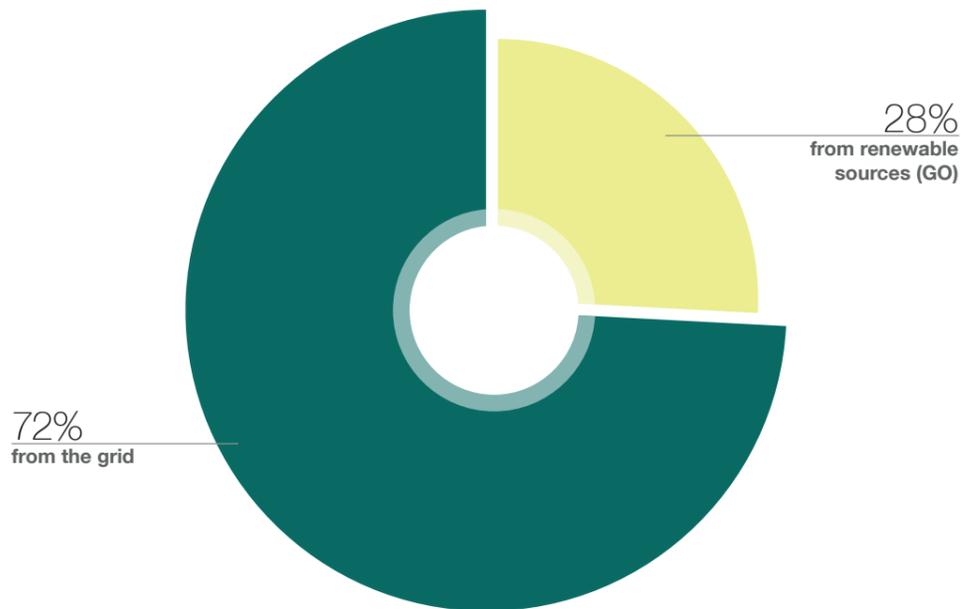
Energy consumption

	Units of measure	2020	2021	% change
Total consumption	MJ	76,622,997.21	80,697,149.97	+5%
of which fuel for vehicles	MJ	27,558,281.78	27,913,818.33	+1%
of which electricity	MJ	25,910,267.49	27,622,513.85	+7%
of which thermal energy	MJ	23,154,447.93	25,160,817.78	+9%
Intensity of consumption compared to turnover	MJ/€	0.18	0.15	-18%
Total consumption of fuel for thermal energy (MJ)	MJ	23,154,447.93	25,160,817.78	+9%
of which natural gas	MJ	20,861,556.69	21,738,250.22	+4%
of which diesel fuel	MJ	1,786,774.10	2,730,425.95	+53%
of which propane/butane	MJ	506,117.15	692,141.61	+37%
Company vehicle fleets	Unit	447.00	442.00	-1%
Internal combustion vehicles	Unit	434.00	423.00	-3%
Hybrid vehicles	Unit	10.00	15.00	+50%
Electric vehicles	Unit	3.00	4.00	+33%
Electricity consumption	MJ	25,910,267.49	27,622,513.85	+7%
From the national grid	MJ	19,492,882.29	19,986,096.65	+3%
From renewable sources - guaranteed origin	MJ	6,417,385.20	7,636,417.20	+19%

Breakdown of fuels for heating systems



Main electricity source



Mobility and fuels

Main consumption types

Over the last year the distances travelled by company vehicles increased, as did consumption of thermal energy and electricity, due to occasional, voluntary (and no longer constant and mandatory) use of agile work.

In 2021 the company fleet, composed of **442 vehicles**, 96% of which are internal combustion, is the category responsible for the main share of energy consumption, since they are powered by diesel fuel, petrol and, in some cases, ethanol (22 vehicles in Brazil).

The remaining 4% of the company fleet is composed of hybrid and electric vehicles.

We are gradually converting the fleet with low-carbon fuel solutions, mainly electric or hybrid cars, as shown by the changes over the two years: in 2021 diesel vehicles decreased by 11, while hybrid vehicles increased by five and full-electric vehicles by one.

Energy mix

More clean energy and efficiency

In 2021, we consumed approximately **7.6 GWh of electricity**, 28% of which was generated by certified renewable sources with guaranteed origin, whereas the remainder was drawn from the national grids of the respective countries.

To mitigate our contribution to global warming, we wish to increase our supply of **guaranteed renewable electricity** over the years, along with **onsite renewable energy** generation systems.

To power heating systems, 86% of the requirements were used for the combustion of natural gas, and for the remaining 14% we used fuels such as diesel, propane and butane.

In new building construction or renovation projects, we pay particular attention to the subject of energy savings, through an approach to design focused on sustainability and the use of the most innovative technologies available, for both the envelope and technological systems.

This is Nice

We use all (and only) the energy we need

The **Nice Shanghai** facility intends to introduce an energy management system, contributing to energy savings and the consequent reduction in emissions and operating costs.

The goal is to form a group with the company's managers and the various department heads, whose main responsibilities will be spreading and implementing national policies, laws and regulations on energy and water savings and supervising the formulation of company energy conservation policies.

Nice France intends to raise awareness among all its people on the issue of energy efficiency through internal communication that encourages them to make rational use of electricity through small gestures, such as optimising the use of heating and cooling, turning off lights when leaving offices, reducing the use of paper and using the standby function on electric devices.

In addition, it installed an electric charging station at the facility for the electric and hybrid vehicles of personnel and customers.

At the **FIBARO** plant in Poland, solutions to reduce energy consumption were implemented, including an automatic LED lighting system and shrink-wrap systems with the introduction of new ecological packing. At **Nice Poland**, the administrative office monitors the level of energy consumption and plans activities to reduce energy consumption.

In addition, it identifies the areas for completing projects aimed at reducing consumption, such as replacing energy-inefficient devices with other more effective models.

Smart and Home Automation for the environment

Our contribution to combating climate emergency does not stop with reducing our direct impacts, but by becoming **enablers**. In fact, the efficiency solutions made possible by home automation enable us to reduce the energy consumption of homes and buildings, and are therefore essential to achieving carbon neutrality goals.



Environmental sustainability of buildings

The use of automation solutions favours **building environmental sustainability**, ensuring reduced energy consumption.

Sun Shading Solutions

If a dynamic sun-shading system was installed on 75% of windows, 19% of the energy required for home heating and cooling could be saved, thus also reducing CO₂ emissions*.



Energy efficiency

Smart devices in connected homes make it possible to monitor energy consumption, reducing unnecessary usage, avoiding energy overload and planning device shutdown when necessary.

Gates and doors

The latest-generation garage door and gate automation feature technologies that enable reduced energy consumption both when in use and in stand-by mode.

* Source: Es-so Position Paper – February 2021

Materials

We are committed to identifying new sustainability scenarios through research into environmentally friendly materials and designs (see page 100).

Sustainability is the foundation of all our projects: on one hand, it is the inspiring principle for creating all our products from the design phase. On the other, it inspires our unwavering commitment to improving products already on the market, which are constantly revised.

The design of an environmentally sustainable product involves the necessary phases of study, simulation and analysis of the methods that can be used to produce using **regenerated or recycled materials, reduce weights and, through the FEM* methodology, verify the structural soundness of the pieces.**

The virtuous cycle of analysis and reduction allows for continuous improvement of the environmental impact, while ensuring performance and functionality.

- 1 Use of easily recyclable raw materials** (e.g., aluminium and alloys)
- 2 Reduction of waste of the various types of materials** (e.g., tendency towards monopolymer for plastics)
- 3 Reduction of total weights** with adequate design based on FEM* simulation
- 4 Reduction of parts** to limit the need to separate components at the end of their life (disposal)
- 5 Reduction of the use of petroleum-derived parts** (e.g., oils and lubricants)
- 6 Reduction of consumption of paper** used for manuals with paperless solutions

For further information on the materials purchased, see the Appendix on page 118.

* A structural FEM (Finite Element Method) analysis makes it possible to study the behaviour of structures and machines (including those of a very complex nature), separating and dividing them into many small elements so as then to act on them.

Advantages for Nice	Advantages for installers	Advantages for the end customer
<ul style="list-style-type: none"> • Reduction of parts purchased. • Reduction of disposal issues. • Reduction of transport-related costs/impacts. • Reduced use of materials, even if from renewable sources. 	<ul style="list-style-type: none"> • During installation, reduction of packaging materials and manuals to be disposed of. <p>This phase translates into a positive impact that increases as the number of customers increases.</p>	<ul style="list-style-type: none"> • Greater ease of separation of the parts to be recycled and disposed of correctly once the product has reached the end of its life cycle. <p>This phase translates into a positive impact that increases as the number of customers increases.</p>

Reducing impacts

A multifaceted commitment

Various departments are involved, in various capacities, in identifying how to reduce environmental impacts.



The amount of improvement to be contributed has been calculated through this collaboration.

The **indicators** for reduced impact products are:

- volumes of plastic material (recycled or virgin);
- volumes of aluminium parts;
- total weight of the new product and phase-out product;
- use of paper for manuals and packing.

The waste reduction plan shows that, through careful environmental planning, we have pursued and achieved the impact-reduction goals we had set.

Waste

We are aware of the importance of proper waste management: observance of environmental aspects, in addition to reflecting the company policy, has positive impacts in terms of visibility and trust on the part of customers and installers.

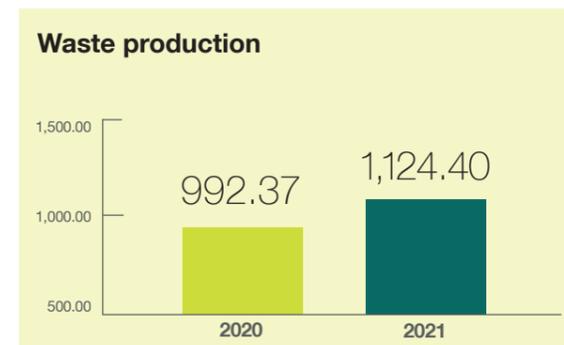
Our suppliers/contractors also declare their environmental conformity and, to verify effective compliance with waste management legislation, the HSE Manager performs spot checks, reporting any non-conformities.

Updates regarding any legislative developments that may affect the organisation are provided

through specific reports from ANIMA (a Confindustria association), specialised consultants or periodic sector newsletters.

The efficacy of the management model is assessed by the Supervisory Body with half-yearly frequency and the results of the assessment are presented to the Board of Directors in qualitative terms.

Any reports from stakeholders can be sent to the dedicated certified e-mail address.



In tonnes - 2020-2021

The waste generated during our activities consists primarily of **packaging and waste components not meeting** the established quality requirements and filtration and absorption materials (81%). Almost all waste produced consists of non-hazardous waste (99.6% of the total).

Waste production

Type of waste	2020	2021
Hazardous waste	9	5
Non-hazardous waste	983	1,119
Total	992	1,124

In tonnes

Managing the waste produced

We recover almost all of it

Nearly 100% of the waste produced by our production facilities is sent to processing centres that recover the materials. Just 0.1% (1.71 tonnes on average) of the waste produced is sent for disposal.

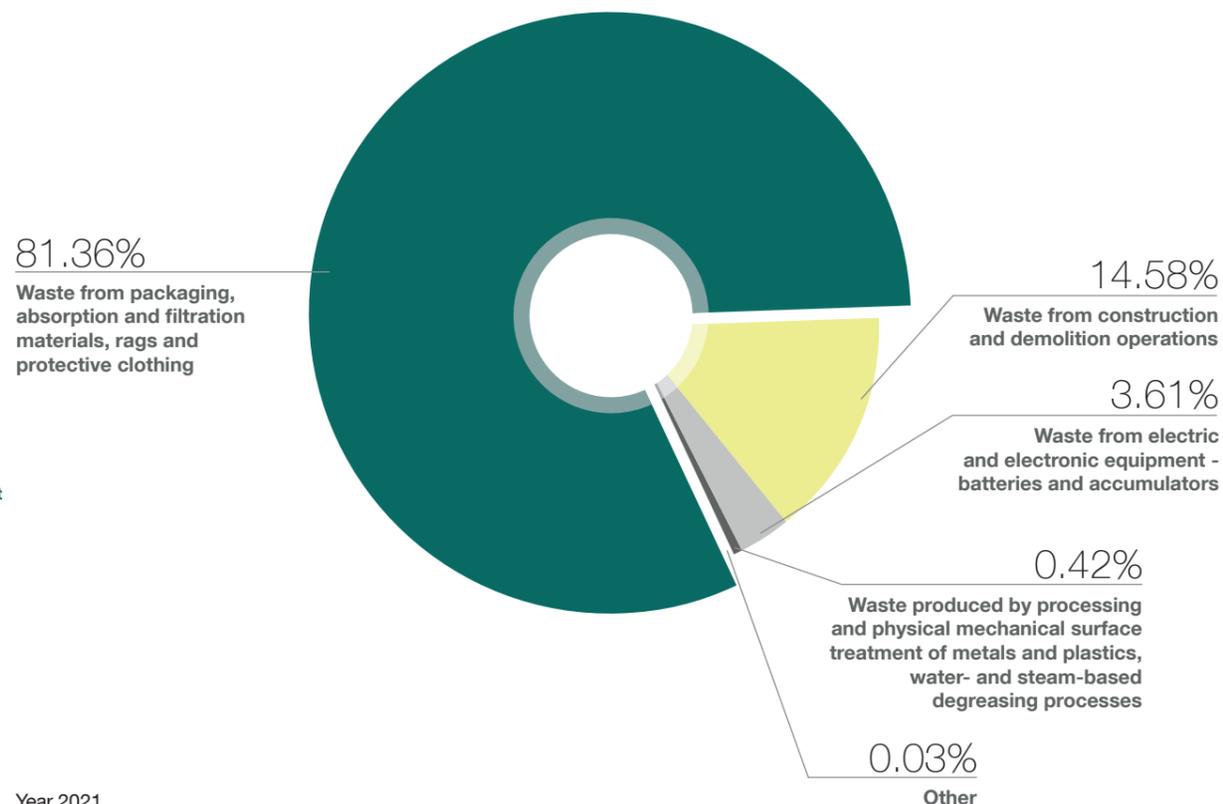
Waste management

Management option	2020	2021
Waste recovered	877	979.6
Waste sent for disposal	1.6	1.8
Total	879	981.5

In tonnes - 2020-2021

As per the process, waste is identified (by consulting safety sheets, the packaging type, identification code and analysis) and then monitored by environmental supervisors who verify that the chosen containers are filled. When maximum capacity is reached, the environmental supervisor notifies the HSE Manager of the need to contact the waste hauler to collect the container.

Origin of waste produced



Year 2021

Water withdrawals and discharge

In our production processes, based mainly on assembling components and semi-finished products, the use of water is not required. The only withdrawals from the mains are made for hygiene and sanitation use (bathrooms and canteen) and from groundwater wells for irrigation. The water drawn from wells is returned to the aquifer through infiltration into the soil and without any processing, whereas that drawn from the mains is released into municipal sewers after treatment in septic tanks and/or grease condensation pits.

Although we do not have a significant direct impact on water resources, we still believe it is important to monitor consumption through **periodic meter readings** to avoid possible leaks from our plumbing and avoid jeopardising the availability of this fundamental resource for future generations.

Similarly, we do not produce water discharges other than wastewater or domestic run-off, since **our production processes do not generate process water or industrial discharge**. Small quantities of water are used to dilute the substances employed in the processes of cleaning metallic components, but the discharges generated are disposed of as waste in specific recovery and disposal centres. The only impacts would occur in the event of accidental spillage of containers during loading of waste into vehicles.

This is Nice

Waste: how to prevent it

Since 2020, our production system has **significantly reduced the production of waste from packaging according to the kanban technique**, a key element for streamlined production that avoids the risk of excessive production and thus waste and inefficiencies. This technique has been applied, above all, to optimise **consumption of plastic cases** used as containers for small components: the cases are delivered empty to suppliers and reused several times.

Before the delivery of the materials by suppliers, we perform quality checks to reduce scraps, and therefore waste, and other components that present slight defects are, where possible, restored on site.

Zero-impact offices: it starts here

Among the initiatives implemented to reduce waste, we have identified various best practices to make our daily life in the office more sustainable.

At our Oderzo Headquarters, we have introduced waste stations for separation and replaced the cups and stirrers traditionally used for coffee with compostable versions.

At its various branches, **HySecurity in North America** reuses or recycles waste, where possible, such as the packaging of products purchased from suppliers.

It applies several circular measures to prevent waste production. For example, it takes particular care in choosing materials and product design, focusing on reliability and longevity and avoiding the use of hazardous materials.

In addition, the possible options for reducing waste are assessed together with suppliers. At **Nice Canada**, operators also collaborate with suppliers to reduce packaging waste to a minimum and encourage the use of loose packaging.

FIBARO in Poland has identified the possibility of reusing some materials, such as wood pallets, which are reused for shipments to the warehouse, or certain electric and electronic components, which are then reused by the Research and Development department. In addition, campaigns are often launched to raise awareness among personnel.



The Nice people, perfect balance

“

Human capital is a fundamental asset for our company. Thanks to the top professionals who work at Nice and to their ideas, we create innovation that facilitates even the smallest daily gestures.

Lauro Buoro, Founder and Chairman

”



In 2021 we pledged to **become increasingly inclusive**, develop full awareness of diversity and allow everyone to express their full potential and identity.

Social



Material topic:
Health and safety at work

2025 Goals

- Implementing a workplace health and safety management system for all manufacturing plants
- Zero accidents at all group manufacturing plants

Material topic:
Human resources development

2025 Goals

- Implementation of a group e-learning platform
- Interdepartmental and intercompany mobility programme

Material topic:
Employment and fairness in labour relations

2025 Goals

- Increasing the presence of women by 30% in leadership positions
- Reduction of the remuneration gap between male and female personnel, obtaining equal salary certification
- Introduction of flexible working hours and regulation of agile work for home-work balance

Material topic:
Ethical supply chain

2025 Goals

- Vendor ratings: expansion of the supplier social and environmental responsibility section

Ethical management of the supply chain

It is fundamental to create lasting, collaborative partnerships with suppliers so that they are an integral, active part of our processes. Collaboration and mutual enrichment must draw on a **shared journey**, planned and supported by contributions by both parties, with which everyone identifies.

It bears noting that we do not use or transform any raw materials directly. Instead, we manufacture and assemble home automation products using components and goods provided by suppliers.

Accordingly, the geographical proximity of suppliers to our facilities, the quality of the materials offered and compliance by suppliers with regulations in the areas of energy consumption and environmental impact are all very important aspects.

The supply chain



In 2021, we implemented two strategies that had an impact on our supply structure and relations with suppliers:

- Verticalisation of the electronics assembly manufacturing strategy to shorten and optimise the supply chain;
- Selection of alternative suppliers, improving the country/cost sourcing strategy.

In recent years, all departments that interact most with suppliers – from the Purchasing Office to Quality and Research & Development – have developed a strong focus on and deep sensitivity to assessing the social and environmental responsibility of suppliers.

The greater the attention paid to **the supplier selection and qualification process**, in view of the new requirements we have set, the more significant the positive impact that the supply chain may have on improving our performance.

Supplier quality audits verify not only the company's general aspects – its internal processes (R&D, Purchasing, Planning, Quality, Manufacturing and Warehouse) and product conformity – but also environmental and workplace health and safety issues. On the basis of an assessment of all these aspects, each supplier is assigned a score that places it in one of the three available classes (A, B and C).

Supplier class	Audit required
Type-A supplier	No additional audits need to be planned
Type-B supplier	The supplier will be verified after two years
Type-C supplier	The supplier will be verified within 12 months
Supplier under discussion	The Quality Office suggests that the Purchasing Office assess discontinuing use of the supplier

Observations, suggestions and opportunities for improvement identified during audits are submitted to the supplier in reports. We then assess the improvements in later audits.

The performance of qualified suppliers is assessed and measured through the vendor rating system in terms of quality, level of service and the economic aspect.

Direct assessments of suppliers and third parties are conducted by personnel from the Quality Office, sometimes accompanied by buyers, through an

inspection (audit) and completion of a checklist.

Inspections may be performed in response to a need for additional information regarding the new potential supplier, failure to meet quality levels of the products and services received and the need to assess the supplier's manufacturing processes and non-conformities.

The audit questionnaire contains a generic section and then is differentiated according to the products supplied (electronics, plastic/moulding, die casting).

Structure of assessment questionnaire

Generic sections		
Section 1 - Company profile	Company size, organisational structure, medium-/long-term goals, technologies available and workload.	
Section 2 - Questions regarding cooperation	Data-transfer systems, knowledge of Nice quality policy, potential future development of collaboration.	
Section 3 - Questions regarding products and processes	Research and development, product liability, FMEA (Failure Mode and Effect Analysis) method, communication with customers, product development and approval, quality management, supplier assessment procedures, supply traceability, delivery management, cleaning management, personnel training and qualification plans, maintenance plans and production process monitoring.	
Section 4 - Questions regarding products and processes - Workplace safety	Risk assessment - workplace health and safety management system (WHMS, OHSAS 18001 or ISO 45001) - safety organisation chart.	
Section 5 - Questions regarding products and processes - Environment	Environmental certification (ISO 14001) - waste management procedures - observance of maximum limits on hazardous substances as established by Directive 2011/65/EU	
Specific sections		
Electronics	Plastic	Die-castings

Audits resumed in 2021, resulting in a total of 11 audits, of which 5 smart and 6 full, with the following outcomes:

- **Smart audits:** 3 "good" scores and 2 "excellent" scores
- **Full audits:** 3 class B and 3 class C

In 2021, **additional questions to be implemented starting in 2022** were drawn up to **expand the suppliers' social and environmental responsibility section.**

Elimination of child and forced labour

Even for suppliers

Our Code of Ethics calls for the rejection and elimination of child exploitation and labour including through the rejection of third parties that make use of it. In fact, through the General Conditions of Purchase, it requires that suppliers comply with **all requirements in the areas of regulations on environmental protection, worker health and safety and human rights.**

Before introducing new suppliers, we conduct an assessment to verify all relevant aspects, whereas in the case of already active suppliers we perform periodic audits according to a calendar set by the Quality department.

This is Nice

Safety without borders

Nice South Africa is committed to combating child labour through a solid system that effectively monitors worker age during hiring. If children are found to be in need of work, the proper procedures ensure that an appropriate solution is identified through social service channels.

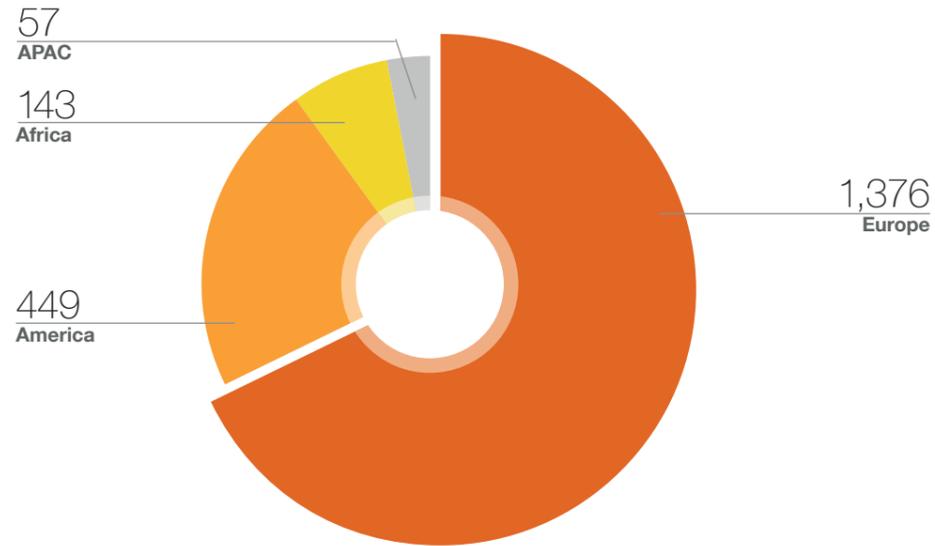
Nice Brasil complies with the national law against child labour: Brazilian laws set the minimum working age at 16, with the exception of specific "Jovem Aprendiz" programmes tied to the professional training of young people over age 14.



Creating quality jobs

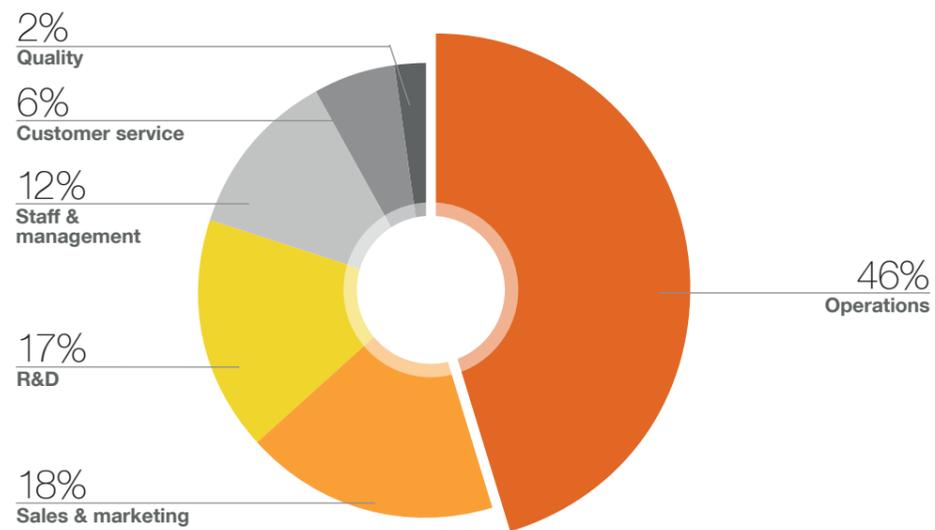
Before the acquisition of Nortek Control, we had 2,025 directly employed personnel, or 2,272 including temporary personnel. Most Nice People are based in Europe, followed by America, Africa and Asia.

Distribution of personnel by geographical area



Year 2021

Operations accounts for 46% of the headcount, with the remaining 54% in Sales & Marketing, Staff & Management, R&D, Customer Service and Quality.

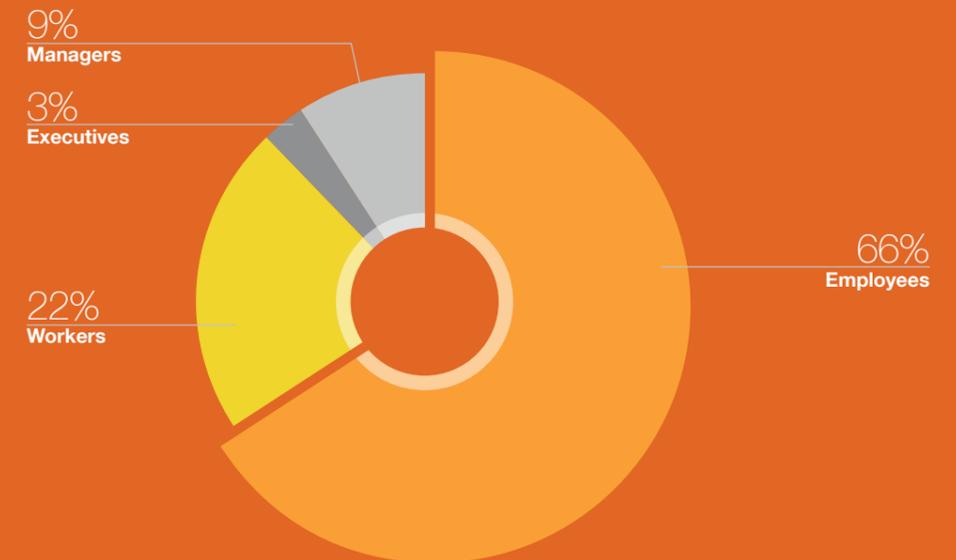


Year 2021

White-collar workers make up most of personnel, followed by blue-collar workers.

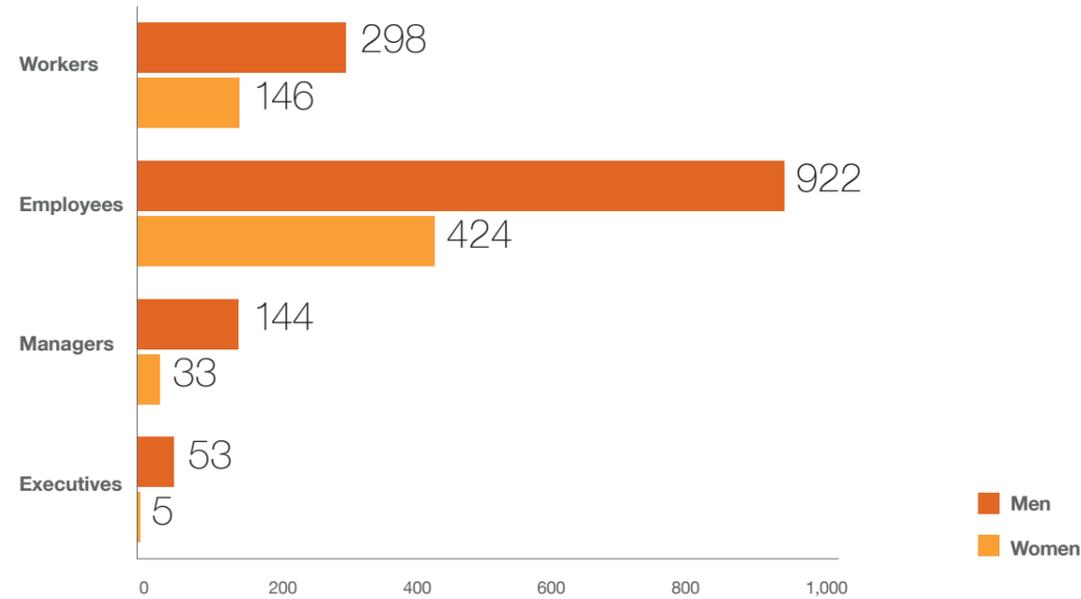
Professional classification	2020			2021		
	Men	Women	Total	Men	Women	Total
Executives	49	4	53	53	5	58
Managers	138	31	169	144	33	177
Employees	955	448	1,403	922	424	1,346
Workers	315	156	471	298	146	444
Total	1,457	639	2,096	1,417	608	2,025

Share of personnel by category



Year 2021

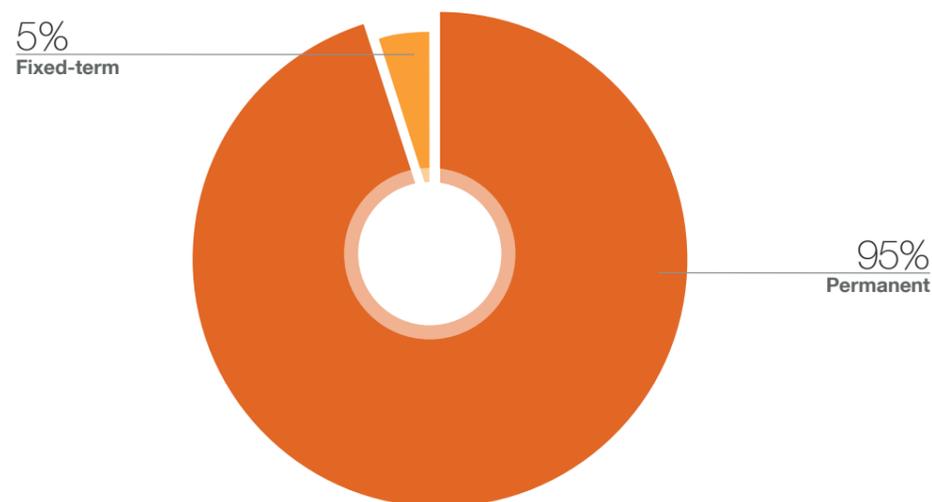
Breakdown of personnel by category and gender



Year 2021

Overall, in 2021, **95% of Nice People had a permanent contract** and just 5% had a fixed-term contract, bearing witness to our commitment to protecting stable work.

Contractual classification



Year 2021

Contractual classification	2020			2021		
	Men	Women	Total	Men	Women	Total
Permanent	1,399	601	2,000	1,366	567	1,933
Fixed-term	58	38	96	51	41	92
Total	1,457	639	2,096	1,417	608	2,025

In 2021, 96% of personnel had full-time contracts and 100% were covered by national collective bargaining agreements.

Number of full-time and part-time personnel by gender	2020			2021		
	Men	Women	Total	Men	Women	Total
Full-time	1,434	595	2,029	1,393	558	1,951
Part-time	23	44	67	24	50	74
Total	1,457	639	2,096	1,417	608	2,025

Recruitment e turnover

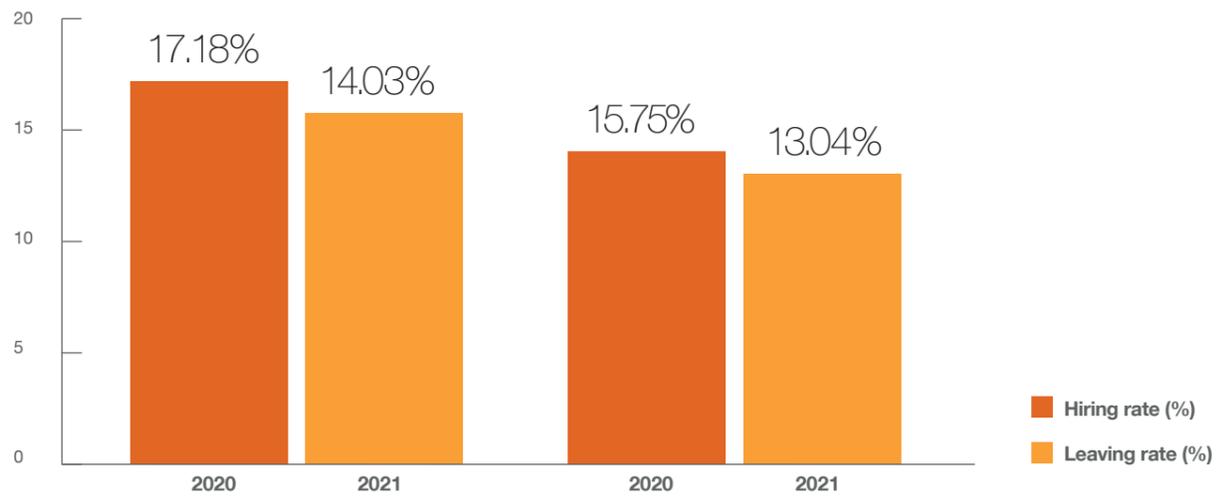
In 2021, **264 new staff members** were hired, compared to 294 in 2020 (-10%). Outgoing personnel amounted to 319 in 2021, down (-10%) in 2020, when 360 left the company. The result is a leaving rate of 1.4% lower than in the previous year.

Turnover	2020	2021	Delta
Hiring rate	14%	13%	-0.99%
Leaving rate	17.2%	15.8%	-1.4%

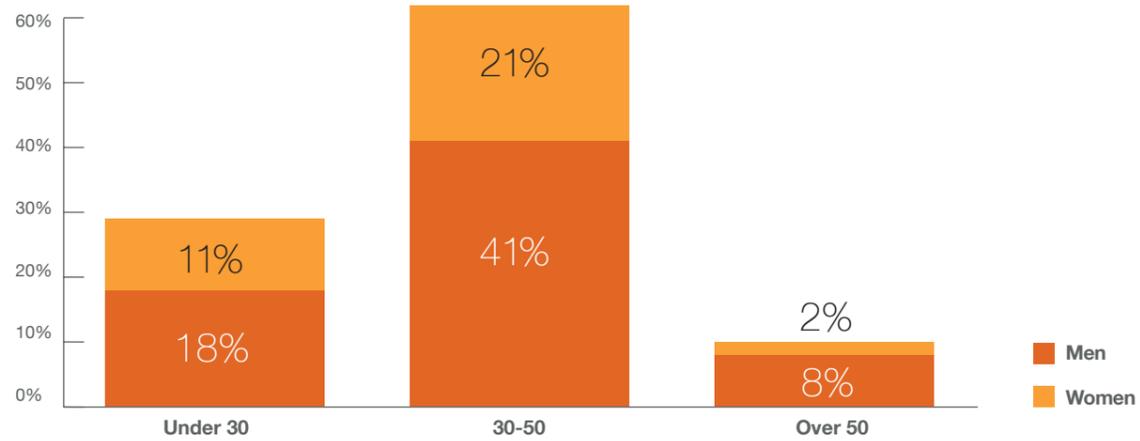
Most incoming personnel are men between the ages of 30 and 50, followed by men under age 30. The most significant figure in terms of outgoing turnover by age group relates to men between 30 and 50, followed by personnel under age 30. Both rates are in line with the previous year.

Incoming and outgoing personnel by age group in percentage	Gender	2020			2021		
		<30	30-50	> 50	<30	30-50	>50
Hiring rate (%)	Men	22%	34%	6%	18%	41%	8%
	Women	10%	25%	3%	11%	21%	2%
Leaving rate (%)	Men	14%	46%	9%	17%	39%	9%
	Women	9%	17%	5%	10%	22%	3%

Personnel turnover in 2020-2021

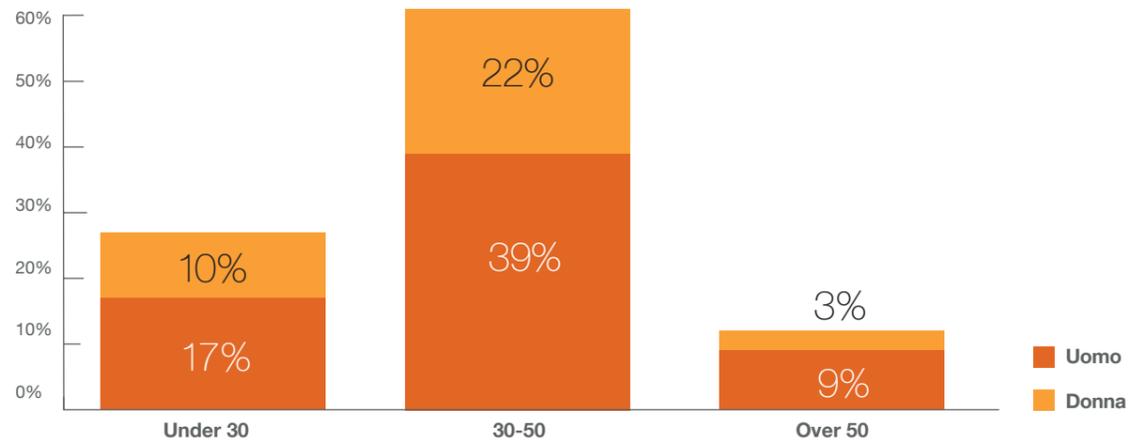


Diversity: hiring by age group



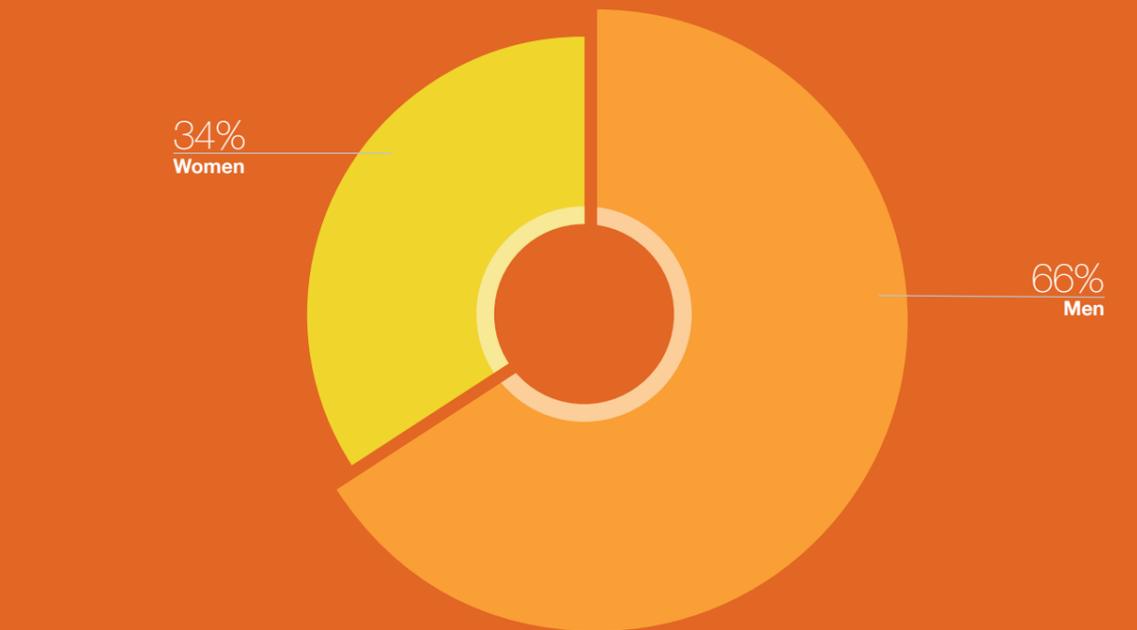
Year 2021

Diversity: leavers by age group



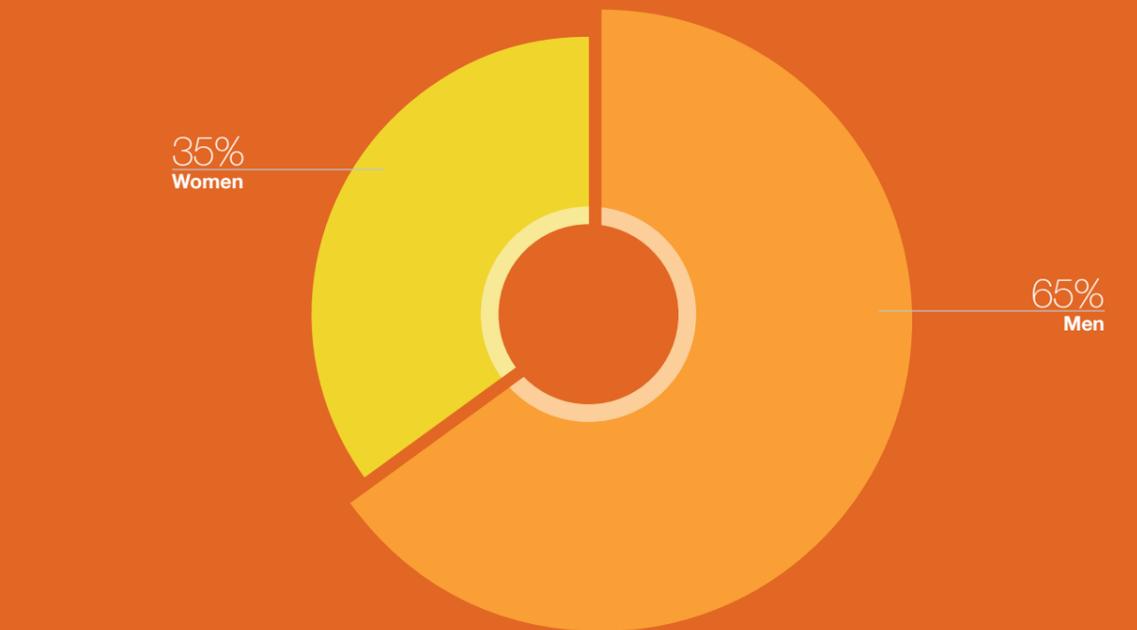
Year 2021

Diversity: hiring by gender



Year 2021

Diversity: leavers by gender



Year 2021

The Nice people, perfect balance

Wellbeing e welfare

Company welfare is a non-monetary component of the remuneration package for personnel aimed at the personal wellbeing of Nice People and their families.

To ensure a wide range of benefits for our people, we use a portal that allows them to choose how to allocate the amount available, choosing their benefits flexibly: from gift cards to spend on the best-known e-commerce services to fuel vouchers and special rates from daycare centres or travel agencies.

We foster the wellbeing of our people through several **supplementary healthcare solutions**. We have enrolled in care and solidarity funds that provide executives and managers with insurance cover against death, permanent disability, illness, occupational and non-occupational accidents; non-occupational accident insurance for personnel; life insurance and supplementary healthcare benefits that cover hospitalisation due to disease or accident, diagnostic examinations and visits to specialists, maternity packages, prevention packages and dentistry packages.

The benefits that contribute to the wellbeing of our people include food service, which promotes healthy nutrition with a varied range of fare to meet dietary needs or intolerances. In addition, it is an inclusive service: exclusively plant-based options were introduced in 2021.

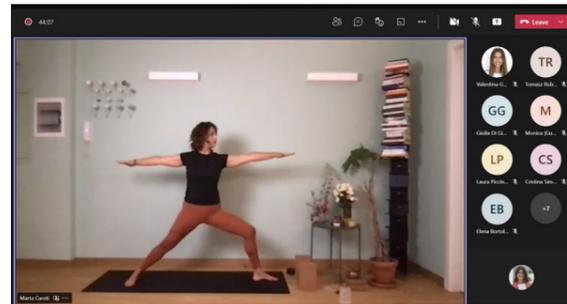
The goal for next year is to measure the impact on emissions of the various menu types and propose low-impact alternatives.

In addition, all employees have access to a gym, also equipped with a small spa, available for use for a symbolic monthly contribution that ensures access to a qualified trainer.

We also organise themed events to promote employee wellbeing.

In 2021, during World Yoga Day on 21 June, we invited all personnel to join in an online yoga lesson with a specialised teacher.

Finally, drawing on the experience with agile working during the pandemic, we are taking this approach to work-life balance.



This is Nice

Smart Home and inclusion: a winning combination

As part of the Gruppo Polis, Casa Dolce Casa (Home Sweet Home) project, we contributed to smarter, more automated living situations for those with disabilities, with the ultimate aim of increasing their independence and autonomy.

We collaborated with the Gruppo Polis and the association Informatici Senza Frontiere in the Casa Dolce Casa programme, which won a co-design tender to foster an approach to independent living for those with intellectual disabilities.

Overall, 48 FIBARO smart home devices were installed in two apartments, where participants – four or five per home – enjoyed maximum autonomy thanks to a domestic support system to reduce risks in the home and simplify external communication and interaction with caregivers.

The technologies in the two homes will thus support above all communication, but also the monitoring and sending of reports.

The sensor networks installed in the apartments can monitor some critical situations: windows and doors, including those of home appliances, left open, the presence of smoke or fire, water leaks in

the bathroom, anomalous temperature changes or lights left on.

The most important function is night monitoring: from 11 PM to 7:30 AM, sensors record inhabitants' movements, reporting via Telegram, e-mail, or the FIBARO app and dashboard, when residents do not go back to their rooms after a predetermined time.



Diversity and inclusion

In 2021, we pledged to become increasingly inclusive, develop full awareness of diversity at our company and to allow everyone to express their full potential and identity. **Full consideration and development of all Nice People** is the main goal of our social sustainability commitment. The issue of Diversity and Inclusion (D&I) has always been a focus of attention for us. In 2021 the Headquarters began a project to **recognise diversity within the company**, involving personnel and providing concrete suggestions for embracing and spreading the value of inclusiveness.

With the support of an external partner, Diversity Lab, we launched a series of meetings to develop and protect diversity and create a working environment that allows everyone to express and manifest their individuality and potential.

The project is designed to identify our **Inclusive DNA**, i.e. to determine our company's "inclusive" genetic code, draw up guidelines and come up with ways to spread and implement them.

Workshops involved the first lines of the Headquarters and **D&I Ambassadors**: a group of people who have shown particular interest in these issues and who are tasked with carrying out projects and initiatives within the Nice ecosystem. During the first session, the various areas of diversity were analyzed, identifying those that are priorities for us: **gender, ethnicity and disability**.

At the following workshop, the top management and D&I Ambassadors reflected together on the measures to be taken to make Nice One Company at the level of D&I. The most significant examples include: increasing the presence of women in positions of leadership, bringing multiculturalism to all levels of the company hierarchy, ensuring equal employment and career opportunities to people with disabilities and extending change to the entire organisation.

The results of these two workshops will lay the foundation for preparing the Inclusive DNA Guidelines.

To promote diversity, eliminate discrimination by gender and support equal opportunities, one of the steps that can be taken in this direction is an **increasingly balanced relationship between the base salary/remuneration of women and those of men of the same level**.

On average, **the women who work with us receive a base salary equal to 90% of that of men**: this relationship remained unchanged in 2020-2021.

At the level of average compensation, including bonuses, overtime and other additional amounts, women's remuneration was 80% of that of men in both years of the reporting period.

The findings make it possible to identify broader margins of improvement, particularly for the average remuneration of women who occupy the positions of managers or executives.

Non-discrimination Respect for diversity is key

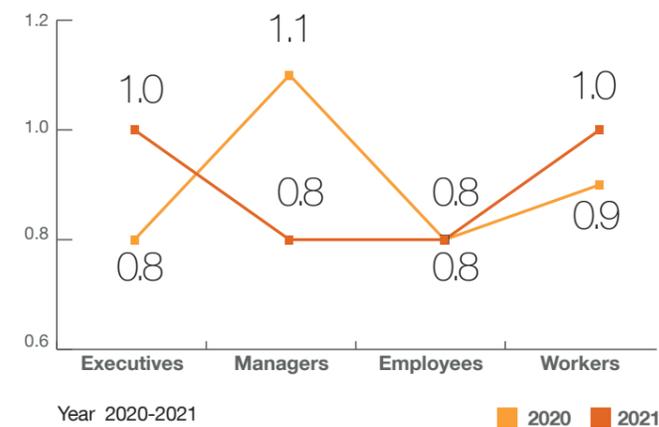
Respect for diversity and each individual's personal characteristics and rejection of all forms of discrimination by age, health, gender, religion, race and political and cultural opinions, as well as personal and social conditions, are among our general, fundamental ethical values, as stated in the Code of Ethics, in order to protect the impartiality of decisions and behaviour.

Episodes of discrimination violate our Code of Ethics and are subject to the provisions of our disciplinary and sanction system, laid down in the General Section of the Company's Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001.

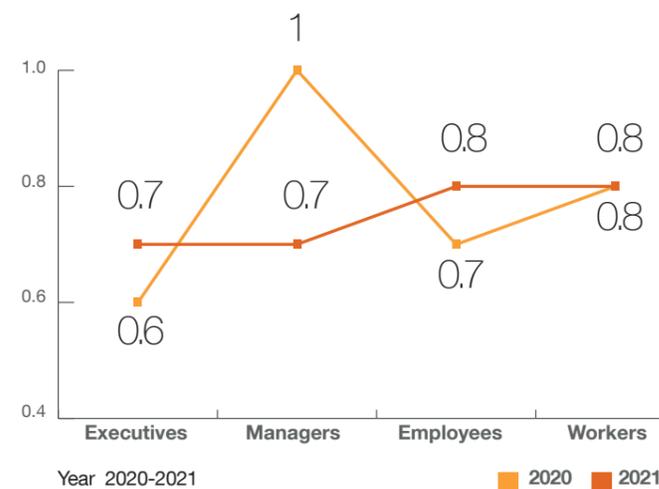
Following two episodes of discrimination recorded in 2020-2021, the unlawful conduct against other personnel was punished through disciplinary penalties and termination of employment.

To prevent the recurrence of further cases of discrimination, we launched a **campaign to raise awareness of respect for diversity** and against racism.

Ratio of women's to men's base salaries



Ratio of women's to men's average remuneration



This is Nice

Tools and virtuous practices for fair employment

Nice South Africa has an Employment Fairness Committee that **represents all categories of professionals**.

The Committee discusses the fairness plan every three months, before it is presented to the Department of Labour.

The Board of Directors of **FIBARO** in Poland has established a policy of respect for human rights that has been circulated at all internal levels within the organisation and to its commercial partners.

The policy is described in the Code of Ethics.

Human rights at FIBARO

- Guaranteed respect for human rights in the hiring process, written procedures and periodic internal audits;
- Dedicated e-mail address for sending notices of violations of the Code;
- Anti-harassment policy;
- Information for all personnel on the equal treatment policy;
- Clear, formal hiring process;
- Equal treatment in employment and access to career advancement and training opportunities, implemented by developing growth and training plans;
- Equal rights in terms of performance of duties, implemented by identifying the skills and abilities required for each position.

All personnel are required to comply with the Code of Ethics and notify their employers of any violations, including episodes of harassment and discrimination. Executives are under a special obligation to comply with the principles enshrined in the Code, while also helping and supporting personnel in properly interpreting and applying FIBARO ethics.

Leveraging talent and training

Training and skill development

People and their growth in terms of skills and leadership are the foundation of our success and solidity. The training and development programmes selected are assessed after completion by **monitoring skills** and identifying any additional training gaps. In particular, at Italian facilities, training programmes offer various avenues towards skill development:

- Leadership Program
- Nice Speed Up
- Soft Skills Management
- Project Management skill
- Technical Competences

Training courses differ from one facility to the next, but always include the **Nice Speed Up** programme, languages, **on-the-job training** and **ongoing feedback** for constant improvement of learning.

This is Nice

Poland and South Africa

Successful training

Nice South Africa, our facility in Cape Town, joined **merSeta**, one of the 21 education and training authorities (SETAs).

Set up to promote skill development under the 1998 law, the 21 SETAs reflect various sectors of the South Africa's economy: manufacturing services, engineering and related services.

FIBARO in Poland implemented its **Talent Programme** to identify talent at the company and support their development. Participation in the programme is a great opportunity to learn about and understand the potential of each individual at the company, based on their motivation and skills. The result is identifying strengths and growth potential.

The programme consists of four phases:



In addition, through the programme **Fibar Supports Creativity**, FIBARO personnel are encouraged to present innovative ideas to improve and develop the organisation, capable of promoting a non-standard approach and disruptive solutions.

The programme calls for a **competition** to be held: in addition to a cash prize, the winning personnel will receive the opportunity to lead or participate in the process of implementing the proposed project along with all departments involved.

The programme dedicated to personnel from FIBARO Sales Office is instead designed to develop their **sales skills**, with a particular focus on the acquisition of B2B customers.

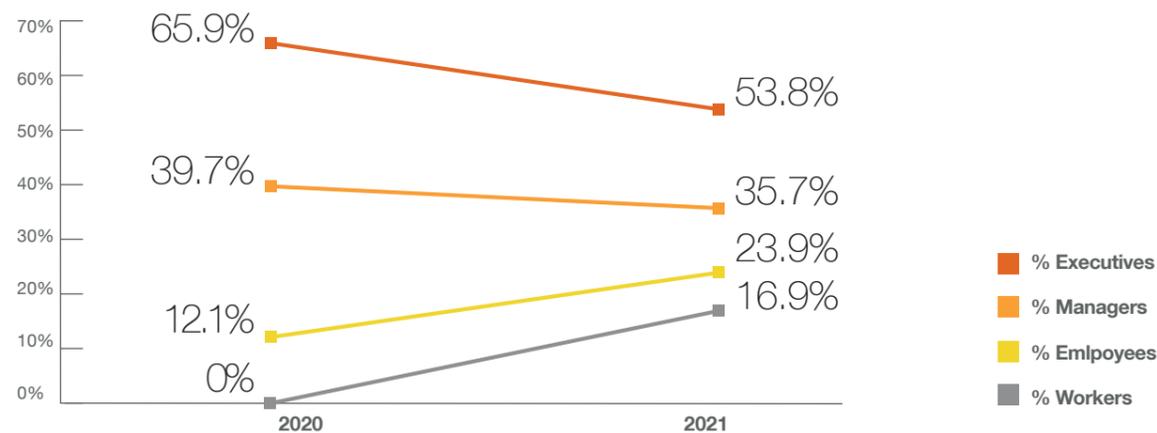


The Nice people, perfect balance

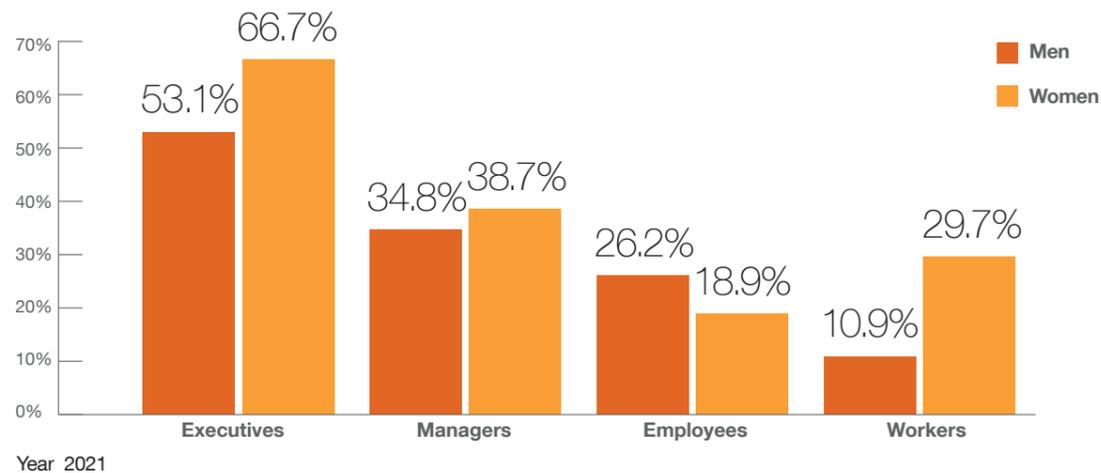
Average training hours per person



Personnel who received an assessment



Gender diversity in access to periodic assessments



This is Nice

Nice Speed Up: the career acceleration programme

Nice Speed Up is a programme involving rotation between the various Nice companies that offers the freedom to move between the Headquarters and international branches in keeping with the mission of "a world without barriers."

The programme lasts 18 months and allows periodic assignment to various sectors and functions of the business, at multiple companies, while carrying out major cross-functional projects and developing a wide range of skills.

Supporting training (Speed Up Executive Programme) has also been designed with a training institution to provide participants with all the tools and knowledge they need.

The purposes of this strategic initiative are:

- to contribute to the Group's international growth;
- to support the development of new processes and tools;
- to influence teams and spread the company culture;
- to allow personnel to enjoy new experiences, learn and grow to contribute even more significantly to the future of our company.

The Nice Speed Up programme enables a deep understanding and involvement in our company's fundamental processes.

The performance and the development of the **personal skills and professional paths** of individual staff members are accompanied and supported by periodic assessments.

In 2021, the coverage of these assessments increased for white-collar and blue-collar workers, whereas it declined for executives and managers.

The share of **average training hours of women in executive and white-collar positions is generally higher** than for the same categories of men.

Training proper is not the only way of developing and bringing out talent and leadership abilities.

We resumed events dedicated to the organisation's leaders, with virtual and physical meetings to discuss the company's strategic guidelines, followed by **NiceToLead communications**: positive, empowering messages for all management roles.

Finally, we reinforced – and aim to continue to reinforce – constantly increasing access to international work experiences, in view of personal and professional growth, but also synergies and collaboration between the various teams, as in the case of Nice Speed Up, the international career acceleration plan active within the company since 2017.

Health and safety in the workplace

A safe, healthy workplace is one of the fundamental pillars of ensuring **the wellbeing to which all workers are entitled**.

Since 2015, our Safety Policy has been designed to improve workplace health and safety, full, substantial compliance with the law, the prevention of occupational accidents and illnesses and the involvement of all levels so that everyone sets a good example and spreads a culture of safety.

To reach these goals, we provide access to adequate organisational, instrumental and economic resources.

Workplace safety is entrusted to a dedicated **organisational structure** that conducts periodic audits.

To achieve these objectives, we are committed to training, providing the skills needed to perform work tasks, implementing and carrying out maintenance programmes for infrastructure, plant

and machinery and ensuring the safe storage and use of substances.

In 2021, training courses were provided to emergency personnel, alongside general and specific training courses on safety, additional specific training courses for supervisors and updates for lift truck operators.

Particular attention is devoted to operating personnel based at the main manufacturing facilities. For requests or clarification, workers may contact their **Workers' Safety Representatives**, who in turn may refer any claims or complaints to the Employer's Representative or the Head of the Prevention and Protection Service during the monthly meeting and/or directly to the Employer during the periodic annual meeting.

Finally, as provided in the Legislative Decree 231/2001 OMG, a certified e-mail address is available for submissions from all stakeholders.

The health and safety Management system

Since 2015, we have had an **Organisation and Management Model** (OMG) pursuant to Legislative Decree 231/2001 to identify the chain of responsibility in managing worker health and safety: the safety organisational structure identifies the safety executives and supervisors of the various departments and the Head of the Prevention and Protection Service draws on various external consultants to conduct assessments and measurements and prepare the risk assessment documents.

The efficacy of the worker health and safety management methods is assessed by the Supervisory Body, an external entity envisaged in the OMG, with half-yearly frequency. The OMG covers all workers present within the organisation and all related tasks, along with 100% of workers at our manufacturing companies, are covered by a workplace health and safety system.

Risk monitoring A focus on accidents

To identify any risks in the workplace, the Head of the Prevention and Protection Service/Workplace Health and Safety Manager conducts inspections of manufacturing premises and interfaces with the various managers.

Any accidents and injuries are analysed together with the supervisors to verify any critical issues and identify dangers not taken into due account and preventative and protective measures to prevent them from recurring.

As changes occur in manufacturing and operations, the related risk assessments are also updated.

Reports of the presence of risks or situations of non-compliance with workplace health and safety regulations are generally submitted by the worker directly to his or her supervisor or Head of the Prevention and Protection Service in verbal form.

To **investigate the causes of a workplace accident**, prevent it from recurring and improve company safety, a form describing the process, equipment and circumstances of the accident is completed.

The form describes any improvements and actions to be taken to eliminate the causes.

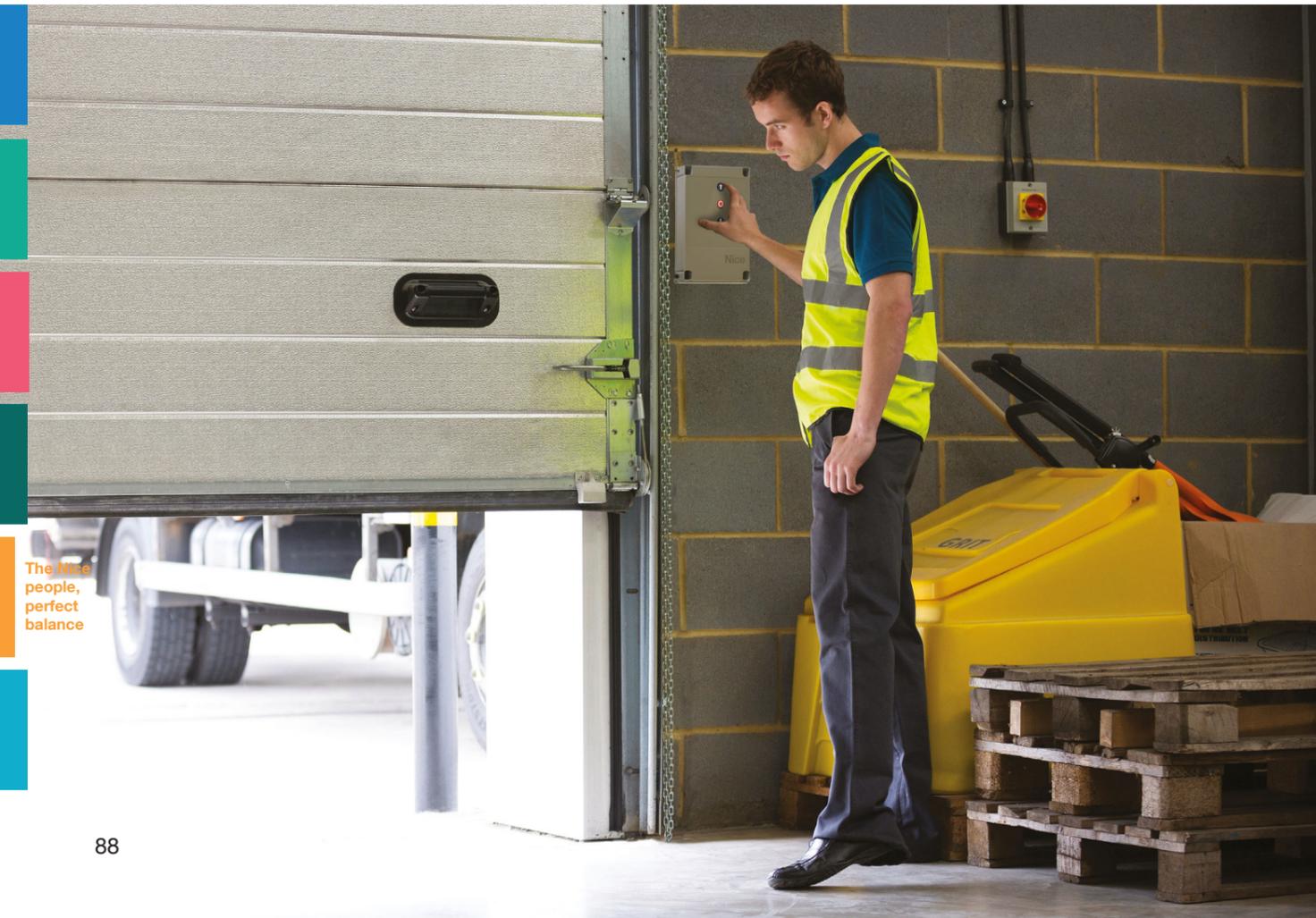
At the annual and monthly meetings, accidents are analysed with the Workers' Safety Representatives and Employer's Representative.

Covid-19 pandemic containment measures

The Covid-19 pandemic had a radical influence on companies' lives and businesses. We did not underestimate this threat, immediately taking a series of measures to ensure the health and safety of all our personnel in the workplace, alongside business continuity.

On 16 March 2020, the Covid Committee was set up and the Covid Manager was identified as the Head of the Prevention and Protection Service. Thanks to the timely measures that we took, we succeeded in minimising the negative impact on our activities. We immediately made use of agile work for duties that were compatible with it and took advantage of temporary redundancy schemes for the reduced workloads of the various departments.

Although the Covid-19 pandemic posed a serious health and socioeconomic threat, the measures taken in the field allowed us to manage the situation, ensure business continuity and protect individual health.



Workplace injuries	2020			2021		
	Men	Women	Total	Men	Women	Total
Number of recordable workplace injuries	21	4	25	31	7	38
of which, number of deaths due to workplace injuries	0	0	0	0	0	0
of which, workplace injuries with serious consequences (other than death)	0	0	0	0	0	0

Workplace injuries A trend conditioned by Covid-19

The number of accidents increased by 52% in 2021 compared to 2020. The period 2020-2021 was characterised by severe instability and complexity in view of the constant presence of Covid-19, which did not permit work to go ahead on a regular basis and fostered the emergence of conditions with greater potential risk of accidents.

Despite the complexity of the last two years, some manufacturing companies (V2, ACM and Nice Australia) stood out for having recorded zero injuries. Accordingly, they will not appear in the following tables and their value will be zero in the calculation of rates.

Occupational Medicine

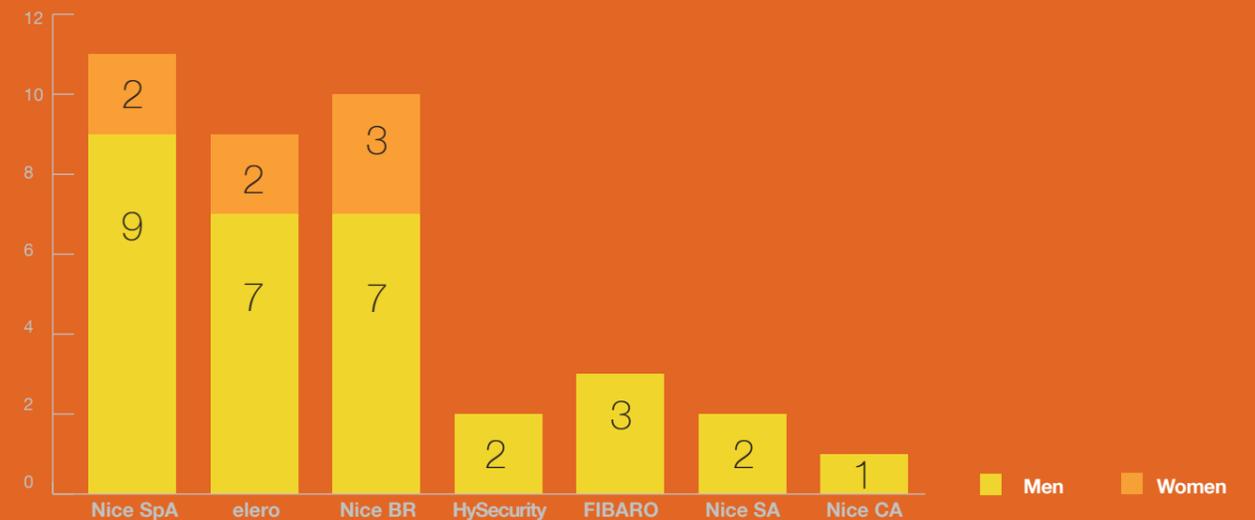
The Occupational Medicine service for the Oderzo facility is entrusted to a leading local company. The Head of the Prevention and Protection Service/HSE Manager speaks periodically with the contact person at the Oderzo Medicine Centre to plan initial specialist visits, periodic visits and clinical examinations with constant, profitable collaboration.

Assessments of fitness for duty are submitted to the Head of the Prevention and Protection Service/HSE Manager, so that he or she may identify, together with the supervisors, actions and corrections to the activities to which workers may be exposed in the event of prescriptions/limitations.

Participation and consultation of workers on health and safety

Our people participate and are involved monthly by Workers' Safety Representatives in formal periodic meetings, even though they are in fact involved actively in management on a daily basis, so as to permit the implementation of prevention and protection measures at the company. In addition, the meeting required pursuant to Art. 35 of Legislative Decree 81/08 is held each year.

Number of workplace injuries



Year 2021

Rate of workplace injuries



Year 2020-2021

Frequency index - Number of accidents/number of hours worked * 1,000,000

2020 2021

Promotion of worker health

Work on a human scale

At our company, healthcare is guaranteed to all direct workers and provided at accessible prices. At our Headquarters, for example, we have set up a healthcare programme for personnel through the Fasi Open fund, which provides some health benefits completely free of charge (specific screening by gender and age) and other benefits at specific rates.

The fund is financed by the employee and, in part, by the worker concerned, through withholding of small sums from the payroll.

Workers can also extend health coverage for their family members for an additional fee.

In addition, in 2021 the organisation contracted an **additional insurance service** for any hospitalisations and treatments relating to Covid-19.

We believe in **promoting a healthy, active lifestyle**, which is why we have provided access to a company gym. Alongside the gym, we also offer a relax area with sauna for company use.

In addition, to **promote proper nutrition**, our

canteen menus indicate foods with high fat content alongside low-calorie options.

Occupational illnesses

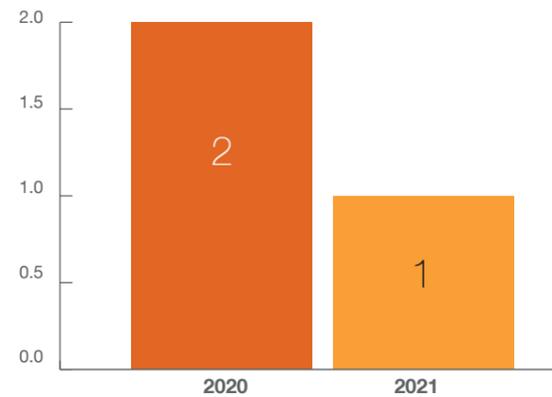
In our sector, the factors that could cause occupational illnesses are: mechanical vibrations transmitted to the hand and arm; microtraumas and inappropriate posture of the arms due to activities performed at a constant, repetitive rate for at least half a shift; vibrations transmitted to the entire body when driving heavy vehicles and operating mechanical systems; and dysfunctions of work organisation.

These cases occur, for example, during the use of manual tools for product assembly.

To prevent occupational illnesses that develop as a consequence of improper ergonomics, it is sought to ensure the rotation of workers within a single line and various lines.

During the two-year period, personnel reported three occupational illnesses (two in 2020 and one in 2021). No occupational illnesses were recorded among external workers.

Cases of occupational illnesses



Number of cases of recordable occupational illnesses (employee personnel) - 2020-2021

To minimise risks, in addition to the specific assessment of physical agents that may cause occupational illnesses, relating to dysfunctional work organisation through an assessment of the related stress, measures are implemented to **improve workstation ergonomics and assess less harmful movements** in terms of biomechanical

overloading of the arms and spinal column. Finally, **opportunities for dialogue between workers and management (factory meetings)** were organised to allow workers to present their remarks in the work environment. All workers are informed of the possible risks through the provision of general and specific training courses.

We believe
in the promotion
of a healthy and
active lifestyle



The Nice products, green design

“

For a strategy designed to improve environmental performance, focusing on product sustainability throughout the value chain becomes strategic.

”



In 2022, obtaining **EPD process certification** will allow us to create an increasing number of green products.

Product



Material topic:

Energy consumption of the product

Goals for 2025

- Reduction of energy consumption both during product use and stand-by
- Increase in the number of products powered by solar panels or batteries

Material topic:

Eco-design and circular economy

Goals for 2025

- Partnerships with research organisations and universities for research and development into materials and technologies with a lesser environmental impact
- Exclusive use of recycled plastic
- 100% low environmental impact packaging (recycled paper and cardboard, zero plastic, natural ink)
- Extension of product useful life, ensuring maintenance and the ability to replace worn and/or defective parts
- Adoption of biodegradable plastics in selected projects, where possible

Material topic:

Product certifications

Goals for 2025

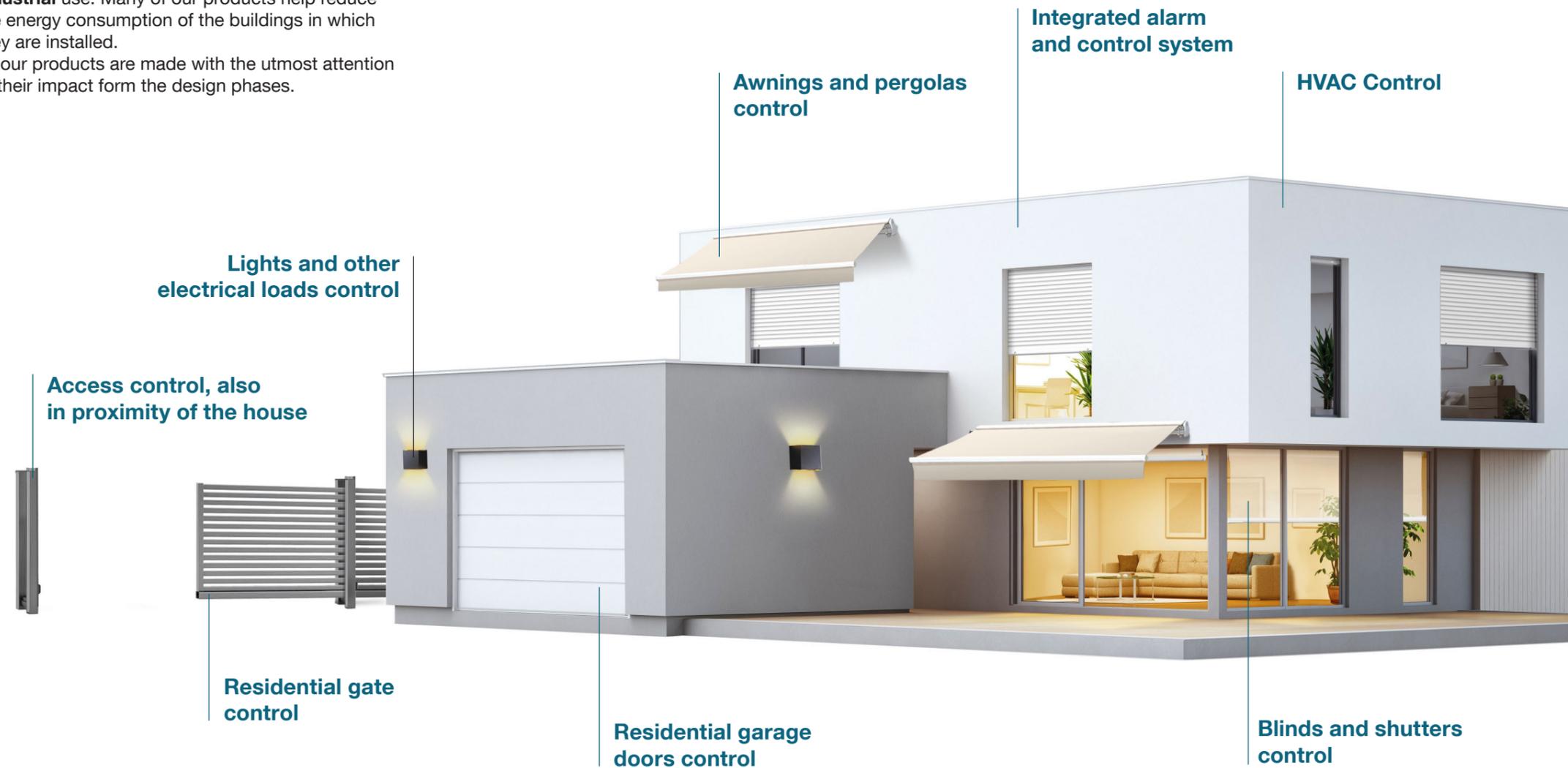
- EPD certification of all new product lines

Our solutions

We offer a **broad, integrated portfolio of solutions** that ranges from **residential** to **commercial and industrial** use. Many of our products help reduce the energy consumption of the buildings in which they are installed.

All our products are made with the utmost attention to their impact from the design phases.

Home solutions



Industrial solutions

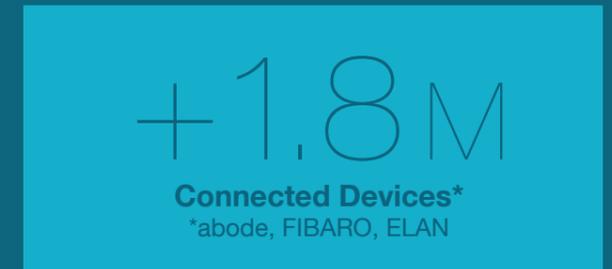
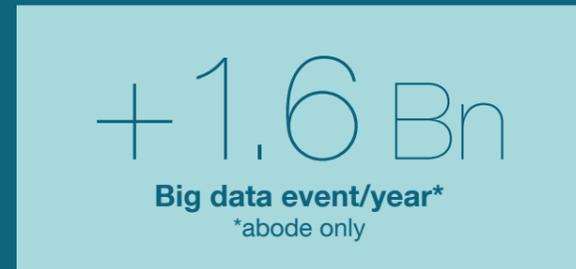
- Blinds and shutters control
- Garage doors control
- Gates & barrier control
- Perimeter security solution hostile vehicle mitigation

Commercial solutions

- Gate & barrier control
- Lights and other electrical loads control
- Sun shades control
- A/V control
- Access controls

Our products have already made millions of homes smarter

Since 2016, we have installed millions of products worldwide, making homes more welcoming, modern, accessible and connected. Our commitment to making these solutions even greener has thus had a significant impact, because it affects a very considerable and growing number of units.



Electronics & Accessories



Transmitters



Screen motors



Gates, Doors & Barriers



Smart Home Controllers



figures at 31.12.2021



Electronics & Accessories
All the devices to complete, connect and control the Nice automation systems.



Transmitters
Practical and functional solutions to manage Nice automation systems.



Screen motors
Automation systems for awnings, sun shades and rolling shutters.



Gates, Doors & Barriers
Solutions to open and close the automation systems easily and in total safety.



Smart Home Controllers
Smart gateways and smart devices to take care of the comfort and safety of the entire house.

Eco-design and the circular economy

Sustainability is an issue dear to us from the design phases. Producing optimal solutions from the standpoint of their environmental impact is a challenge that we intend to pursue over time thanks to technological innovation and by investing in eco-design and the materials used.

Since 2018, we have performed an LCA (Life Cycle Assessment) analysis on our products, which has made us aware of the indirect impacts of their use. For example, the study conducted on our Robus 600 model of sliding gate motors shows that **86% of greenhouse gas emissions are associated with the use phase.** The importance of creating products with a lesser impact over their entire life cycles is also underscored by the Scope 3 emissions analysed in the process of calculating the carbon footprint, which confirms that the **categories with the highest emissions are the materials purchased and the use of the products sold.** (see page 57).

To implement a sustainability strategy designed to improve environmental performance, it thus becomes strategic to act on product sustainability

throughout the supply chain, by both using materials with a lesser impact in terms of consumption of natural and energy resources and producing even more efficient solutions from the energy standpoint.

Since 2019, we have obtained the EPD (Environmental Product Declaration) certification for four products (Robus 600, Era Inn, Era Mat and Spy 550), and in 2022, we will extend this certification at the process level, so as to be able to apply it to more articles. This effort is designed to create **new product ranges with a lesser impact on the planet** thanks to:

- elements made from 100% regenerated plastic;
- reduced energy consumption during use and stand-by;
- solar-energy power sources;
- modularity and easy of repair;
- instructions in digital format;
- replacement of plastic packaging with paper;
- environmental product labelling.

Research and innovation

Our **R&D division** is composed of a highly specialised international team constantly at work on developing increasingly innovative products: every day at our laboratories we **perform rigorous, thorough tests** using cutting-edge procedures and tools so as to ensure **the highest technological and qualitative standards in our prototypes.**

As part of a constant process of technological innovation of our products and production processes, we reinvest part of the value we generate in research and development to improve the technical aspects, functionality and safety of our solutions. In particular, in 2020, an **innovation programme** was developed, involving the launch of

numerous investigations and **prototyping** processes, with subsequent analyses and tests verifying the quality and functional characteristics of our products, also considering the various regulations.

This programme resulted in the formulation of new models and products, as well as technological and functional improvements, bringing added value to the company.

Investments in research and development	
2020	€18.46 million
2021	€16.74 million

This is Nice

Solar energy within reach

For our main product lines, we offer solar-powered solutions that enable energy savings and help reduce the building environmental impact. For example, **Nice Solemyo** is the solar-powered kit for residential use for gate, garage door and barrier system automation.

The kit contains a 15W and 30W photovoltaic panel and a battery box that stores the electricity generated by the solar panel, supplying it constantly and stably throughout the day. In sun shades, **RoISolar M-868** is a solar-powered

solution for motorising interior roller blinds and shutters produced by elero, the flagship brand of our Sun Shading Solutions business unit. The kit contains the RoISolar 868 motor, battery and solar panel, connected simply using a plug-in cable, without the need for a connection to the power main or a control unit.

The battery is charged by a solar panel, and it is also possible to add another solar panel, additional battery or battery-charger can be added at any time.



Intellectual property

We work in a dynamic market, stimulated by constant technological progress. Our strategy for maintaining our competitive advantage is based on investing in research and development and intellectual property (IP) tools that protect our know-how. Over the years, we have developed approximately 425 intellectual property rights, mainly brands, inventions and designs and, to a lesser extent, copyrights and utility models.

Given the importance of the topic, we decided to invest in a brand and product protection strategy, since the sale of counterfeit, poor-quality or even hazardous products is very widespread and causes enormous damages to our brand, undermining consumer health and confidence.

For example, the strategy involves constantly monitoring all information circulating on the Web and other channels of information to protect the brand and prevent possible defamation attacks, illegal use of the brand and infringement of intellectual property rights.

In support of these measures, we use a platform that, thanks to algorithms based on artificial intelligence, is capable of identifying counterfeiting, illegal sales and inappropriate price lists and images.

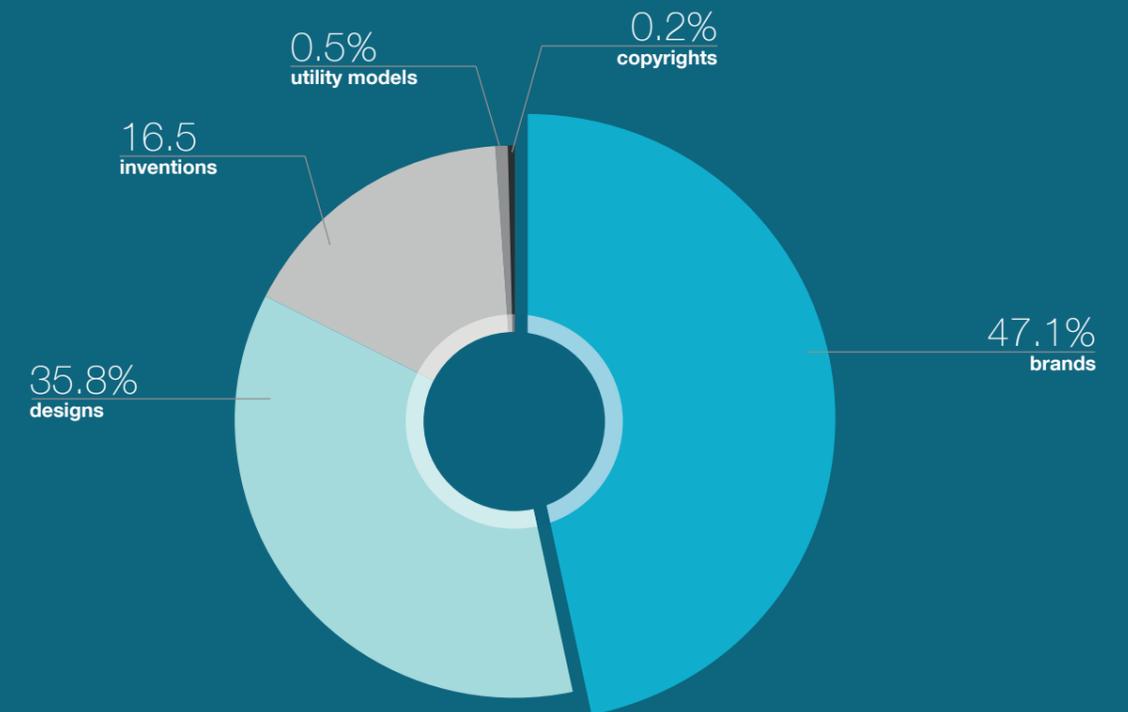
The various anomalies that can be detected via the tool include: illicit Internet domains, unauthorised use of brands, counterfeiting of products, infringement of patents, designs and copyright, unfair competition, unauthorised commercial promotions and damage to our online reputation. The tool's reports are then reviewed by the IP Department, which verifies which of them are actual violations.

The platform, which has been in use since July 2019, has shown that most counterfeiting takes place in marketplaces in China, Poland and France.

Intellectual property rights

Status	Number
Granted	387
Question	15
Opposition	4
Pending	12
Published	7
Total	425

Intellectual property rights filed



Responsible, transparent communication of information

We believe that correct, clear product information is indispensable not only to complying with the law, but also to gaining the lasting confidence of customers and consumers.

Compliant labelling is therefore a marketing tool for all intents and purposes, used to position a product on the market responsibly.

Labelling is a tool that a manufacturer can use to inform consumers of a product's characteristics clearly and transparently.

In 2020-2021, we ensured compliance with all legal obligations relating to product information and labelling.

Product labelling

Legal requirements

All product legislation requires markings that contain at least some functional and performance parameters that may change depending on the product concerned.

This information is included in a label that is not easy to remove or printed directly on the product surface (pad, screen or laser printing).

The information generally required includes:

- Manufacturer (full postal address);
- Product identification (model);
- Production date or lot;
- Operational voltage;
- Power use;
- Operational temperature range;
- Performance characteristics (speed, torque, force, etc.).

Mandatory symbols and logos such as the CE marking (for sale in the European Union), any certification logos, and logos indicating disposal of the product on its package and in its documentation (for example, the instruction manual) are also required.

Declaration of conformity

Regulatory framework

Manufacturers are also required to prepare a declaration of conformity listing the directives applicable to the product and indicating which regulations or portions of regulations have been consulted in assessing conformity. Non-conformity with requirements entails the inability to sell the product or withdrawal from the market.

The declaration of conformity is either provided with the product or must be made easily available.

The declarations of conformity for our products are available on our website.

Compliance with European directives

Most of our products use electricity to function. Accordingly, to be sold on the European market, which is among our main target markets, our products must comply with various **directives** such as:

- **2006/42/CE** (Machines), regarding machine safety;
- **2006/95/CE** (LVD) the Low Voltage Directive covers health and safety hazards from from the use of electrical equipment;
- **2011/65/UE** (RoHS 2) "RoHS", which limits the use of certain hazardous substances in electrical and electronic devices;
- **2014/30/UE** (EU EMC), the "EMC" Directive is related to electromagnetic compatibility between various electrical appliances;
- **2014/53/UE** (RED), the "Radio" Directive applies to products that emit or receive intentionally radio frequencies;
- **2012/19/UE** (WEEE), which concerns electrical and electronic device waste.

The goals of these directives are:

- **setting minimum requirements** to ensure adequate **safety of product use against** some of the following risks:
 - mechanical (crushing, impact, cutting, high temperatures, falling parts, etc.);
 - of an electrical nature (electrocution of people or animals, fires, explosions, etc.);
 - release of substances deemed hazardous into the environment;
 - interference with the functioning of the devices in question and other devices (including radio devices).
- **ensuring that the manufacturer supports the reuse or recycling of its products** or helps finance the costs of disposing of products at the end of their life cycle.
- ensuring the **identification of the manufacturer and product**, application of the **"CE" marking and traceability**.

Technical product documentation

Components

The **technical documentation** prepared by the manufacturer contains, where applicable, at least the following elements:

- planning and manufacturing designs, plans for components, sub-units, parts, etc.;
- descriptions and explanations needed to understand such designs and product functioning;
- a list of the regulations, applied in whole or in part, and a description of the solutions adopted to meet safety objectives.

This is Nice

Light – very light – packaging

In 2015, Nice's Headquarters began to reduce and optimise the number of product codes, packaging and plastic components, introducing recyclable natural cardboard packaging.

An additional step was taken in 2018 when a **policy of reducing polystyrene** in packaging was launched.

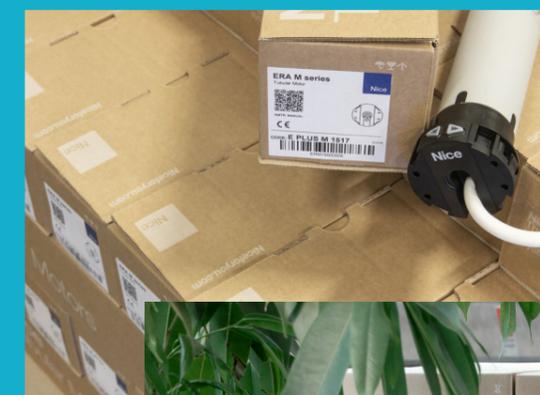
Since 2021, everything that is produced at the Oderzo plant does not contain any polystyrene in its packaging and is **100% recyclable**.

Thanks to this process, we saved **over 45 tCO₂eq** in two years.

Nice sustainable journey dovetails with its virtuous processes of **company digitalisation**: the environmental lightening of packaging over the years is a further example.

In 2020, we introduced a **QR code** that can be used to access product instructions in digital format.

Considering products to which it is applicable by law, in 2020-21 coverage reached **20%**, with a savings of nearly **800 tCO₂eq** and the goal of completing the process by 2023.



Certified quality

Quality and safety, along with a focus on product design, are the focus of our commitment to constant improvement of our products and processes sustainability.

All products must meet certain legal standards and requirements in effect in the countries in which they are marketed, while also satisfying the expectations of direct customers and end users.

Product certifications meet the **essential requirements set by two directives** of the European Parliament and of the Council of 26 February 2014: **Directive 2014/35/EU**, also known as the Low Voltage Directive (LVD), on electrical equipment designed for use within certain voltage limits, and Directive 2014/30/EU on electromagnetic compatibility (EMC), which harmonises the laws of the Member States relating to electromagnetic compatibility of devices to be placed on the market.

We have adopted a **certified quality management system** in conformity with the ISO 9001:2015 standard, and in the new product development phase we take all necessary precautions to ensure that all applicable regulatory requirements are analysed and complied with from the design phase:

- functional requirements, i.e. compliance with the performance characteristics declared in the product marking (labelling) and instruction manuals.
- safety requirements, i.e. that the product cannot become hazardous.
- environmental requirements, i.e. that they do not contain prohibited substances and that they do not release hazardous substances and involve a commitment to research into low-impact technologies, considering the entire product life cycle (LCA).

Our quality system is subject to certification by a third-party entity. No critical issues have been identified during inspections.

In addition, we have an internal audit system to verify internal processes for ISO 9001:2015 certification annually. If necessary, changes are made to product specifications, documented and approved by the responsible external laboratories, which issue product conformity reports.

All products and processes are monitored annually and **laboratories**, in **conformity with the applicable standard, EN 17025**, are responsible for performing tests on products and their certification. Thanks to our internal laboratories, we manage the CE marking and declarations of conformity for our products.

Certification or recognition of processes and products

Type of certification	Certification	Description
System certification	ISO 9001:2015	Quality Management System.
System and product certification (radio)	RED	European directive that sets manufacturing standards for radio products with regard to their health and safety, electromagnetic compatibility (EMC) and efficient use of the radio spectrum.
Product certification (Sun Shading Solutions)	UL	US market certification that attests to product conformity, deeming it to be suitable in terms of, for example, anti-fire, electric shock or mechanical hazard risks.
Product certification (Sun Shading Solutions)	NF	French market certification that attests to product conformity with national, European and international regulations.
Product certification (Sun Shading Solutions)	CCC	Chinese market safety mark.
Product certification (Sun Shading Solutions)	CQC	Chinese market safety mark.
Product certification (Sun Shading Solutions)	VDE	European market certification for electrotechnical and medical products.
Product certification (Gate and Door)	ETL	US market certification that attests to product conformity, deeming it to be suitable in terms of, for example anti-fire, electric shock or mechanical hazard risks.
Product certification (Alarm)	IMQ	European market certification of product safety and quality.
Certificazione di prodotto (Industrial Door)	TUV	European (mainly Italian and German) and Swiss market certification of product safety and quality.
Laboratory recognition	UL	Laboratory recognition certification (levels certified: CTDP and CTF3).
Laboratory recognition	Intertek	Laboratory recognition certification (Satellite 3).
Laboratory recognition	IMQ	Laboratory recognition certification required by the FCC in America.

Customer health and safety

In 2022, the Environmental Product Declaration was joined by **EPD process certification**, which describes the environmental performance relating to the life cycles of products and services in accordance with the international standard ISO 14025 (see page 100).

The entire organisation is actively involved in the certification process: all departments supervise and review the company processes that involve them and then subject them to verification by the **Quality Office**.

In the case of **product certifications**, the main functions involved are **Product Marketing**, for product selection and formulation, **Research and Development**, from design to testing, and **Operations**, for verification of the production process, all coordinated by the **Laboratory and Quality Office**.

The conformity of a product to certain standards and certifications makes it possible to obtain advantages such as **reduced exposure to safety risk** associated with the use of electronic components and moving mechanical parts and **consolidation of a good reputation** and brand continuity on the market thanks to the presence of the accreditation mark on the product.

The tools we use to verify and constantly improve product quality are analyses to design new products, conformity with **certification standards** and, of course, **customer feedback**.

When problems with the use of products occur, the **Assistance Team** provides proactive support to customers to resolve the reports and, after forwarding them to the Quality Office, provides elements useful to product improvement. This process yields the product's return index.

Product statistics are generated weekly and analysed monthly. Quality reports indicate any problems with warranties and **out-of-box (OBF) failures**, indicative of the negative impact of perception of a product on first use, for example due to damage to the product in packaging, complexity of installation, or irregularity of the device's functioning.

In 2021, to improve the quality of our products constantly and proactively, we introduced an update to management methods, i.e. a **meeting on OBFs, involving our most strategic stakeholders**, as a result of which we can:

- determine the main cause of each OBF;
- identify preventative and corrective measures.

Customer health and safety is our prerogative: we are constantly committed to ensuring the safety of electromechanical products with an electrical component for both domestic and industrial use.

For reliable, safe products we make use of standardised procedures for the design and production phases.

Measures for monitoring project and product safety	
Design phase	FMEA (Failure Mode and Effect Analysis) in the laboratory for electronic and mechanical parts.
	Laboratory tests and live tests.
	Internal alpha tests to verify that a new product is functioning properly.
	External beta tests.
Manufacturing phase	Safety tests: <ul style="list-style-type: none"> • Ground continuity testing; • Dielectric strength testing.
	Functional tests: <ul style="list-style-type: none"> • voltage and current usage testing; • unlock testing; • load and empty testing.

FMEA (Failure Mode and Effect Analysis) analyses are also applied to the manufacturing process to identify operations that may compromise product functioning and safety.

To optimise safety management during the **marketing and after-sale phase**, we use software to track reports from customers that makes it possible to identify the problem, analyse the anomaly and identify an ad-hoc solution.

Monitoring of KPIs relating to the non-conformities reported by customers (type of report, number, response time) and to returns and withdrawals (withdrawals of finished products by type of defect) allows us to **assess the efficacy of our safety management system** and constantly improve our performance.

In **2020-2021, there were no episodes of non-conformity** relating to the impacts on consumer health and safety of the use of our products.

Methodological note

This is the first Nice Sustainability Report, designed to provide a totally voluntary account of topics relevant to our organisation and our main stakeholders.

It has been prepared in accordance with the Global Reporting Initiative Sustainability Standards, international guidelines drawn up in 2016 by the Global Reporting Initiative (GRI), an independent international association that promotes the development of voluntary reporting of economic, environmental and social performance. The GRI is the most widespread international sustainability reporting reference.

Appended to this document below is the "GRI Content Index" with the details of the qualitative and quantitative information reported.

The reporting scope includes the 33 companies of the Nice Group, including the parent company, Nice S.p.A., and refers to the period 2020-2021.

The information to be reported has been diversified according to the type of organisation: commercial companies (22) and manufacturing companies (11).

The General Disclosure (GRI 102) contains information mostly managed at the centralised level (provided by Nice S.p.A.), along with Economic Performance (GRI 201) and Tax (GRI 207).

"Manufacturing" companies have been entrusted with information on products and related certifications, the materials used in design and manufacture (GRI 301), management of water withdrawals and effluents (GRI 303) together with waste (GRI 306).

With regard to the Social GRI Standards, information has been collected on the management of occupational health and safety (GRI 403), training (GRI 404) and the fight against child and forced labour.

For the remaining GRI Standards considered, all companies, including commercial companies, have provided information.

The document has been prepared according to the reporting principles set out in the GRI Standards:

- **Completeness:** the material topics discussed in the report are discussed in their entirety

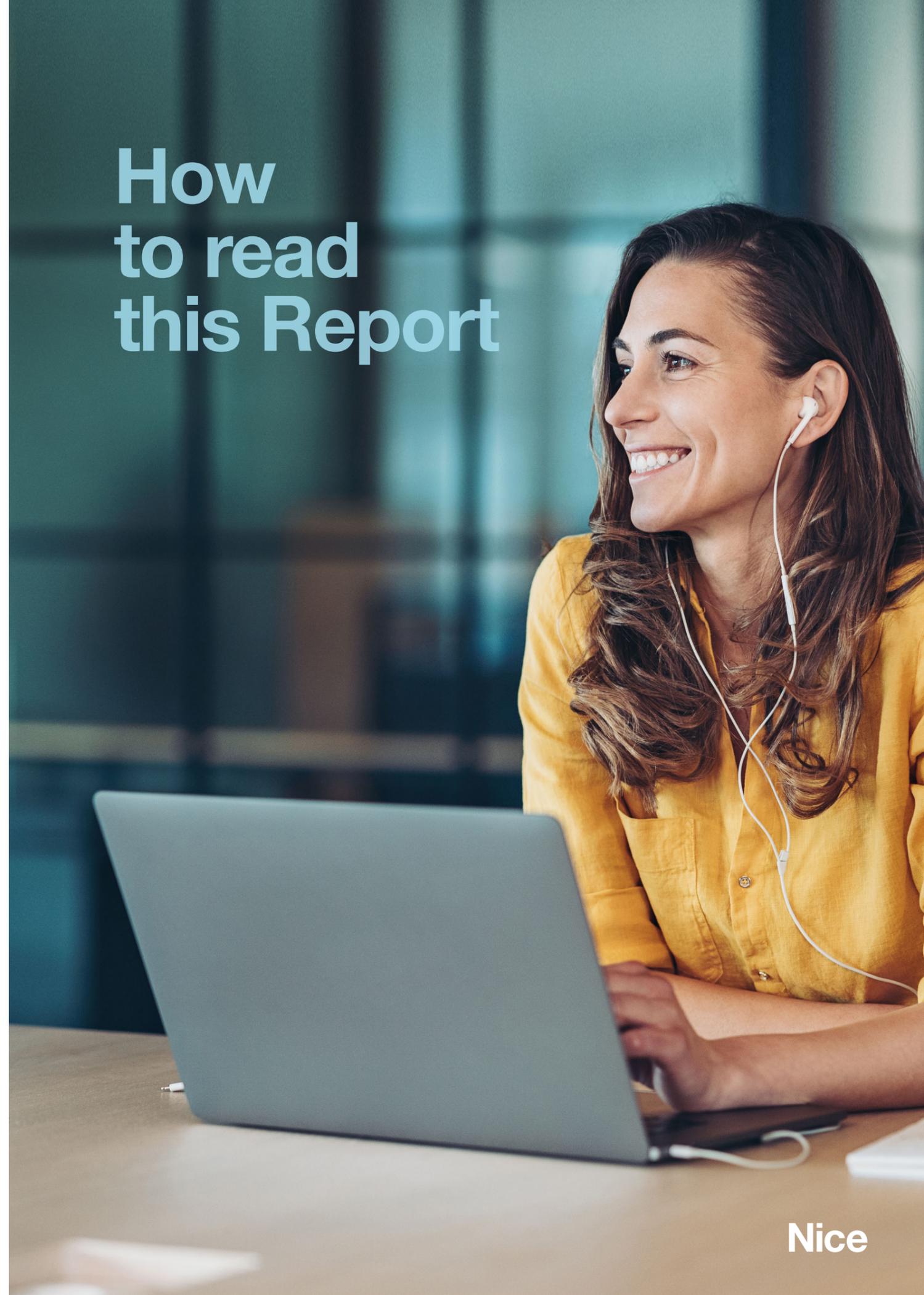
and represent the environmental, social and economic aspects most relevant to the group's activities, thereby enabling a full assessment of the company's performance in the reporting year.

- **Sustainability context:** the performance of Nice, as presented in this report, has been set within the broader context of the sustainability of the company business.
- **Stakeholder inclusion:** this document indicates the group's stakeholders and the methods by which their interests have been considered in formulating the contents of the report.
- **Materiality:** the topics reported have been identified on the basis of their relevance to the business of Nice and its stakeholders. To ensure the quality of the information reported, the quality principles suggested by the GRI have been followed in preparing the report.
- **Accuracy:** the level of detail of the content presented in the Report is adequate to understanding and assessing the sustainability performance of Nice during the reporting period.
- **Reliability:** the information presented in the document has been collected, processed and validated by the heads of the individual functions and/or companies, with the collaboration of a consulting firm.
- **Clarity:** the choice of clear, accessible language and the use of graphs and tables to represent data trends help make this report easy for stakeholders to understand.
- **Comparability:** the Report's indicators have been presented for the two-year period 2020-2021.
- **Balance:** the content of this document provides a balanced analysis of the company's sustainability in the reporting period.
- **Timeliness:** the report takes into account events between 1 January 2020 and 31 December 2021 that may be significant to an assessment of the group's performance by its stakeholders.

The full report is also available from the group's website: www.niceforyou.com

For information regarding the report:
Sustainability Dept.
e-mail: sustainability@niceforyou.com

How to read this Report

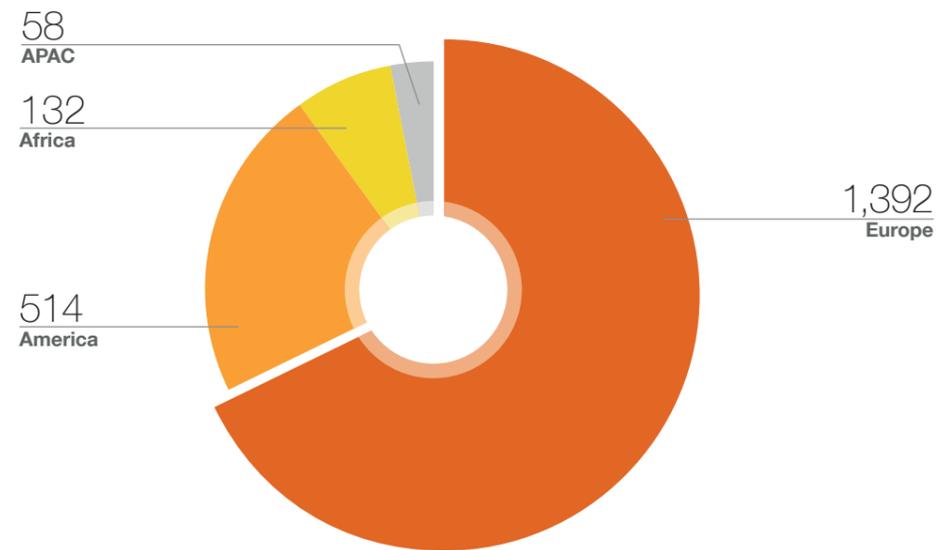


Appendix

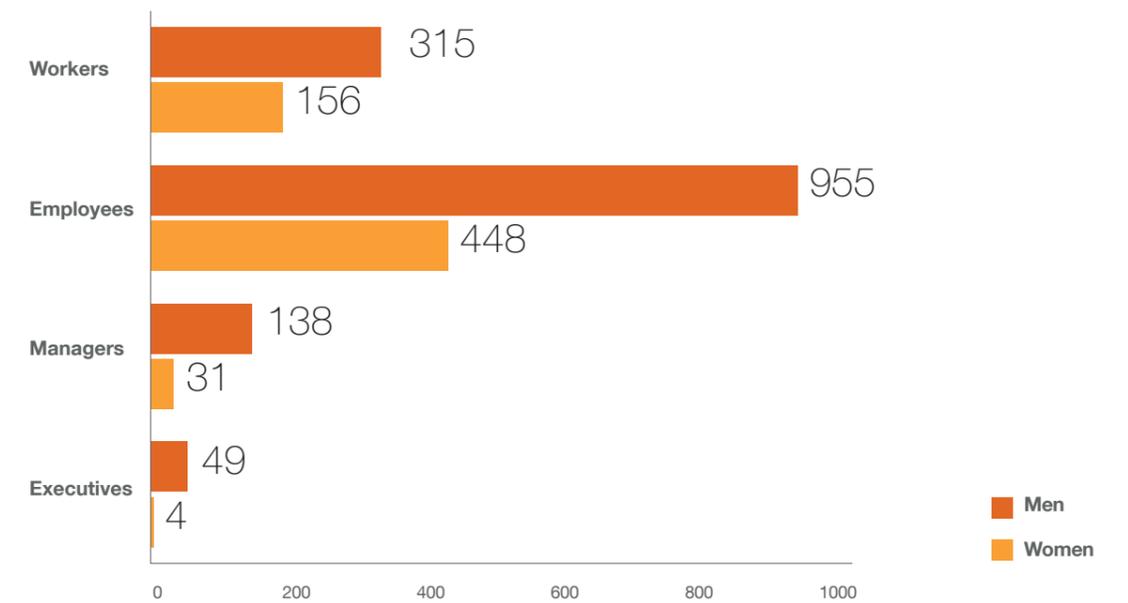
The Nice Group's information for 2020 (unless otherwise indicated) is presented below.

GRI 102-8, Information on employees and other workers

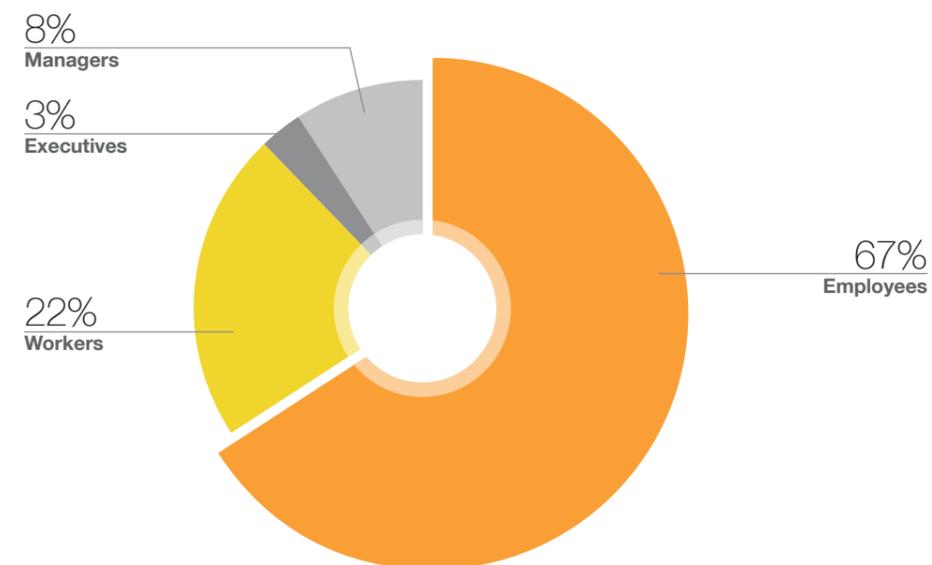
Distribution of employees by geographical area



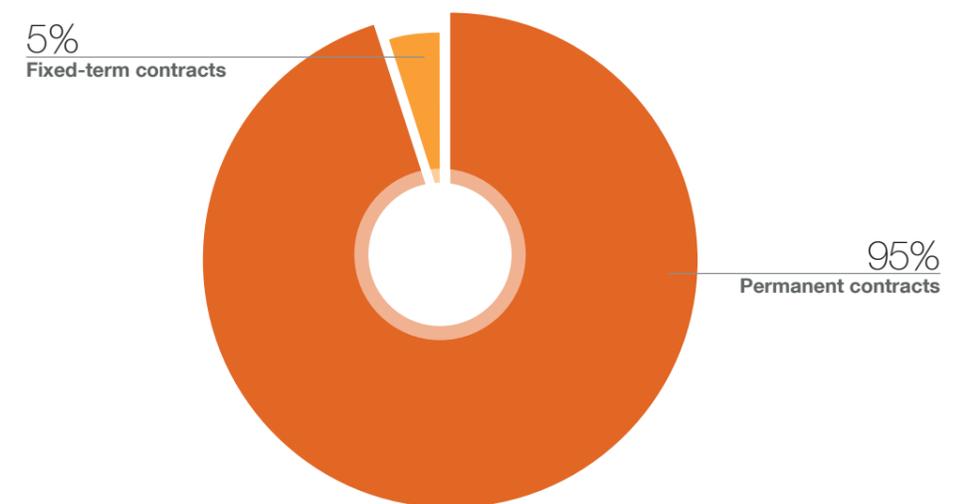
Breakdown of employees by category and gender



Employees by category

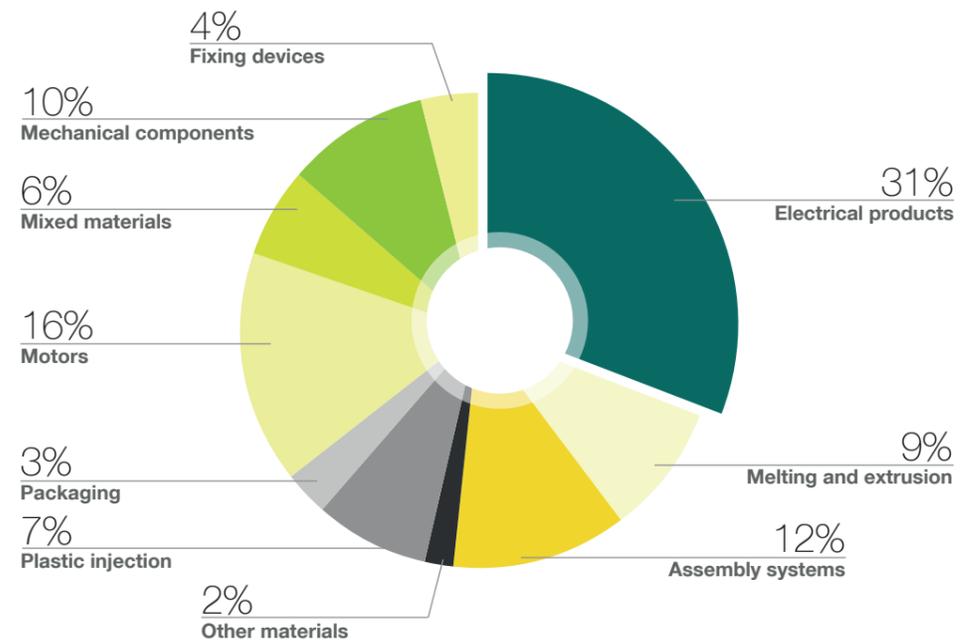


Contract type

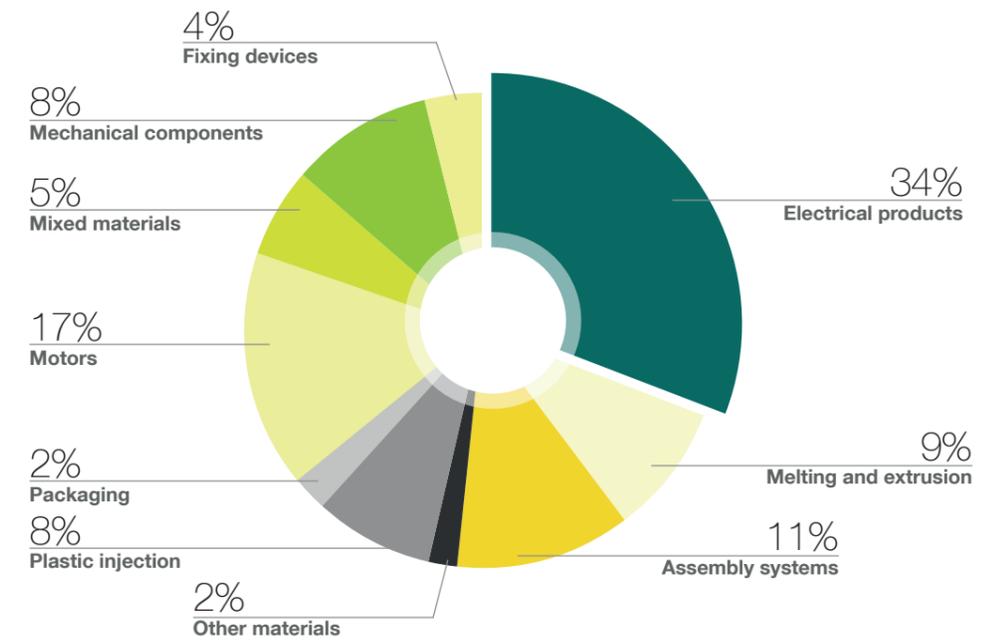


Materials

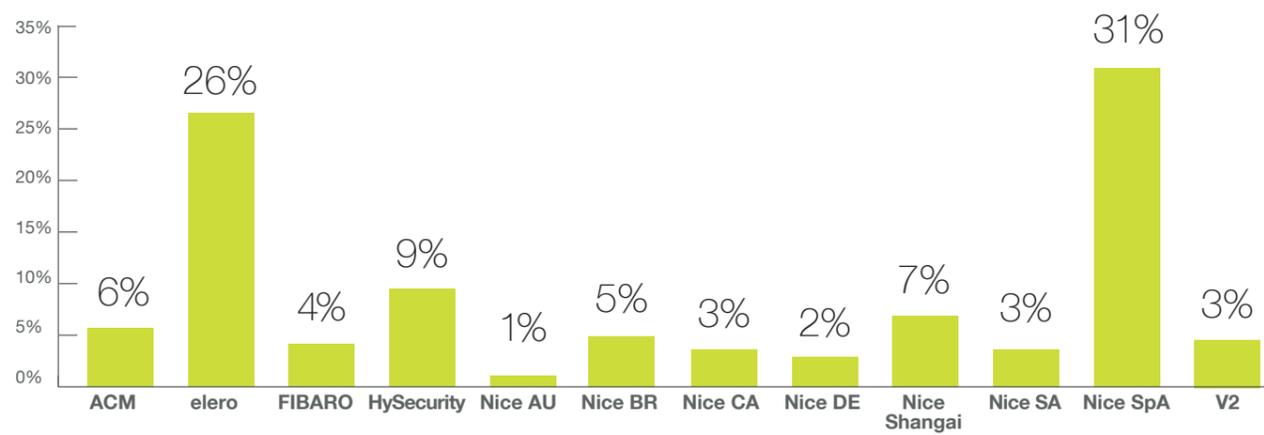
Material purchases by type - 2020



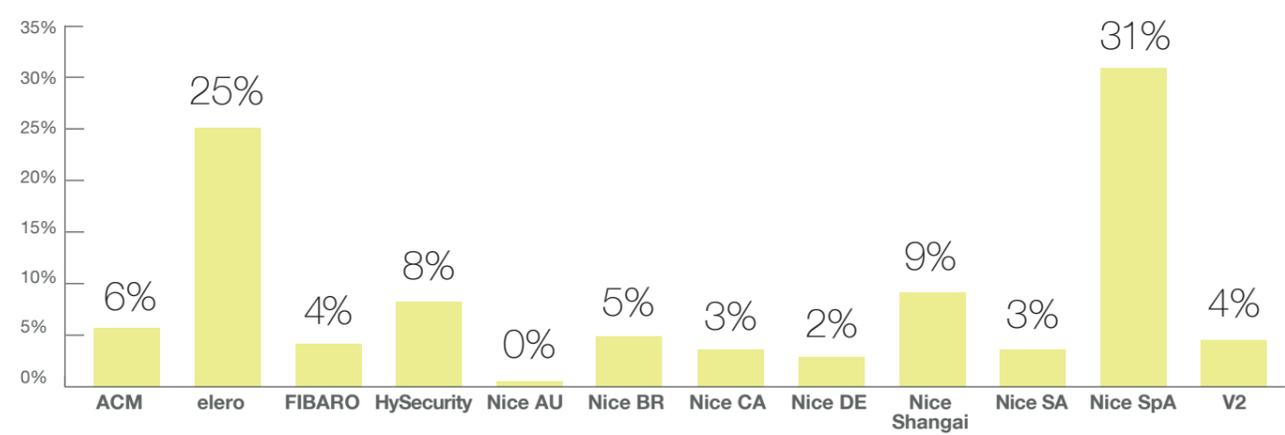
Material purchases by type - 2021



Materials purchases by company - 2020

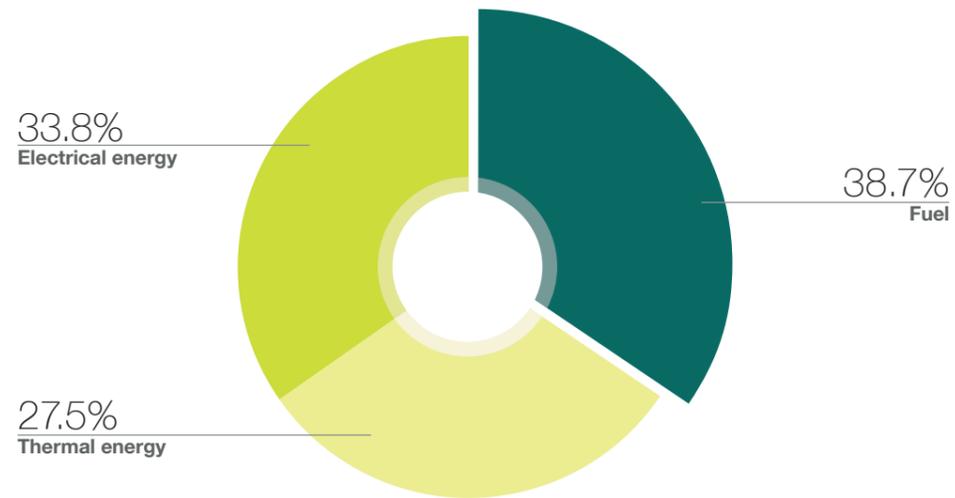


Materials purchases by company - 2021

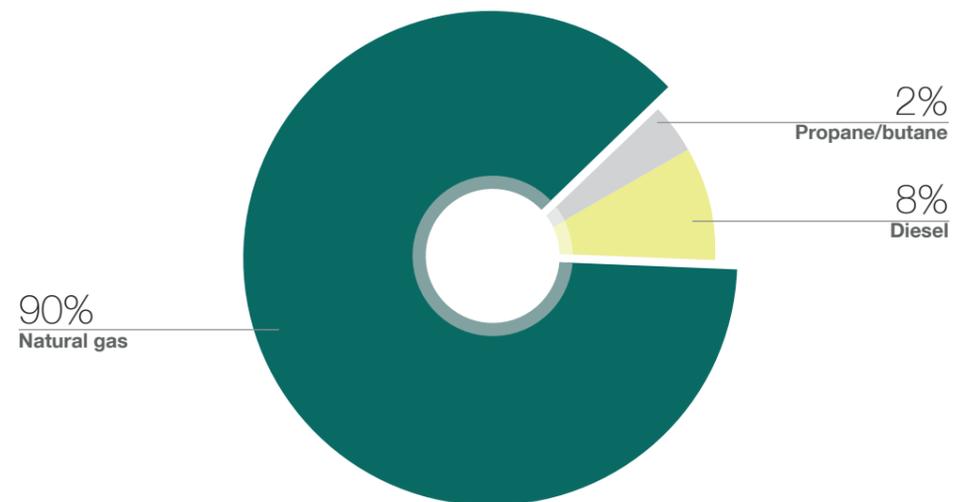


GRI 302-1 1 Energy consumption within the organisation

Energy sources used

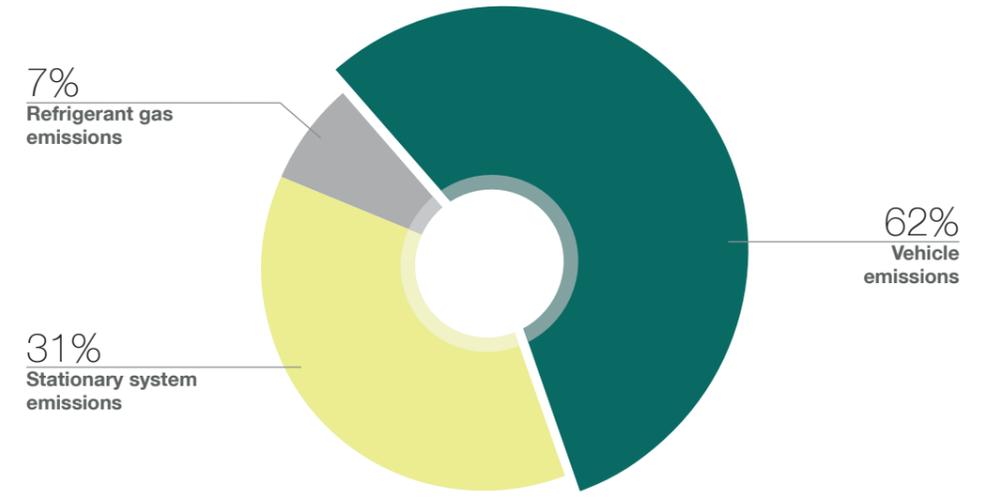


Breakdown of fuels for heating systems



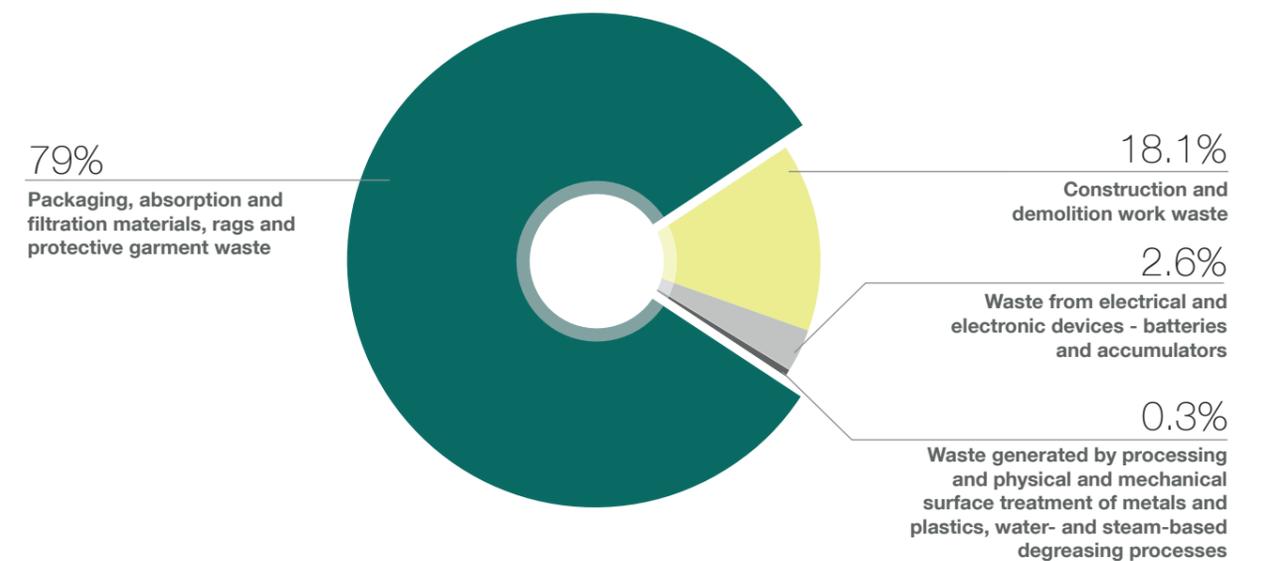
GRI 305-1 Direct (Scope 1) emissions

Percentage of Scope 1 emissions by source



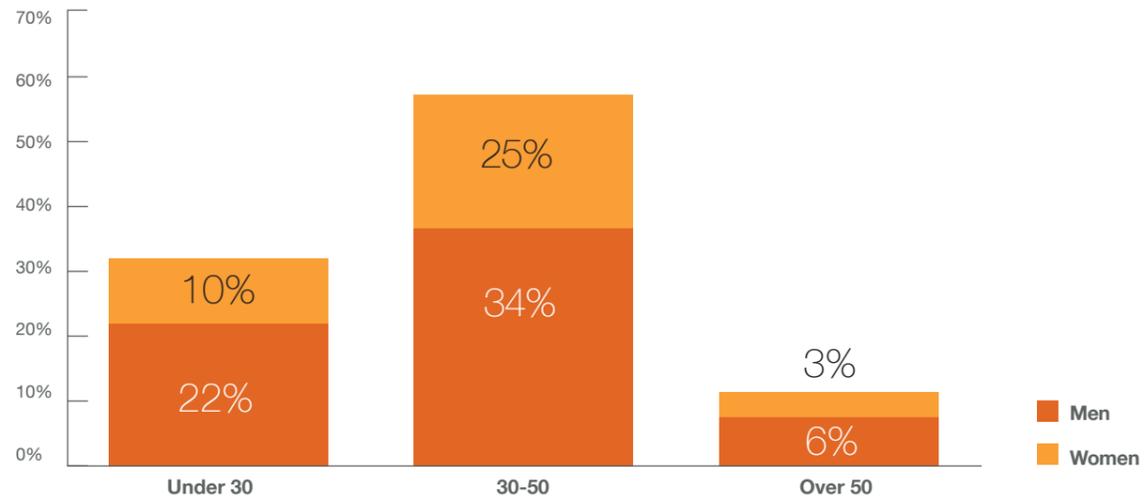
GRI 306-3 Waste generated

Source of waste generated

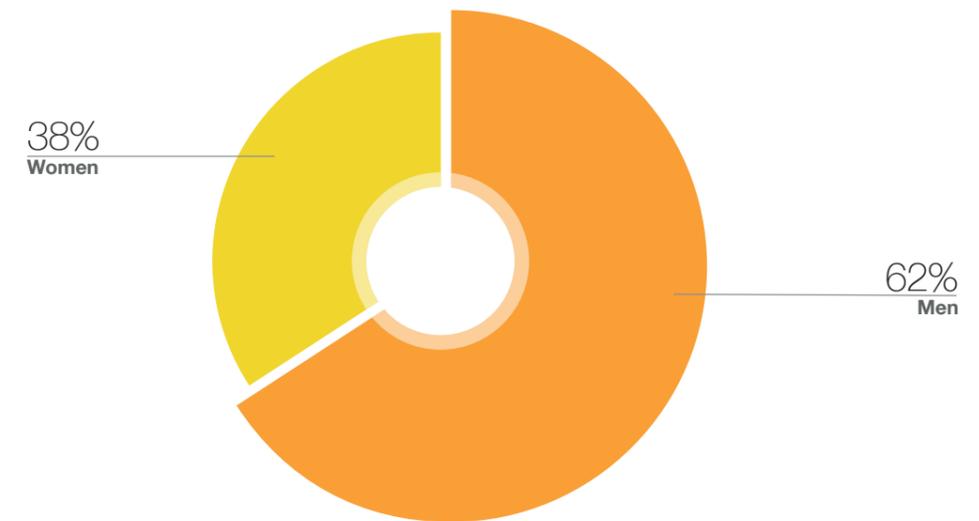


GRI 401-1 New employee hires and turnover

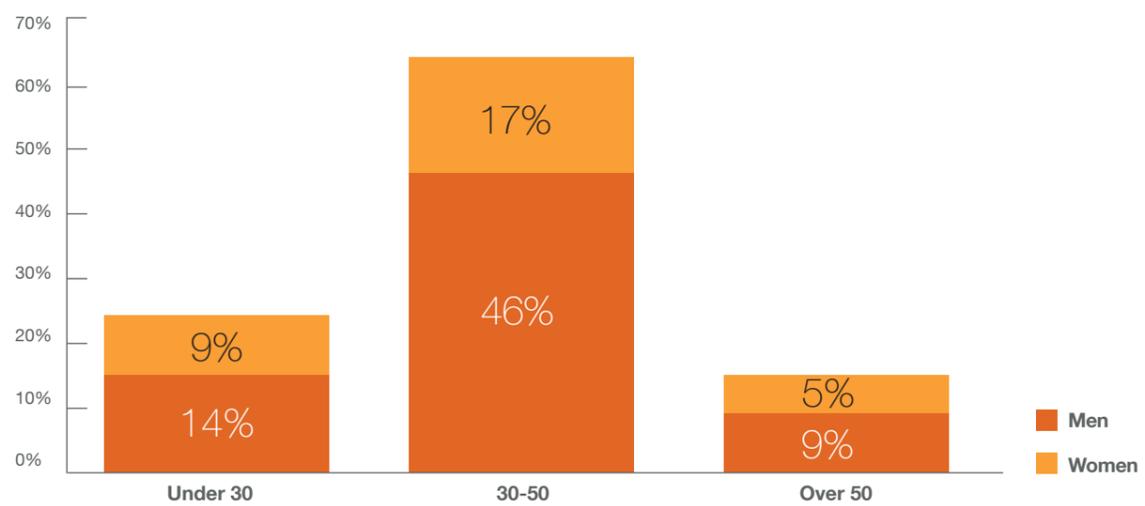
Diversity: hiring by age groups



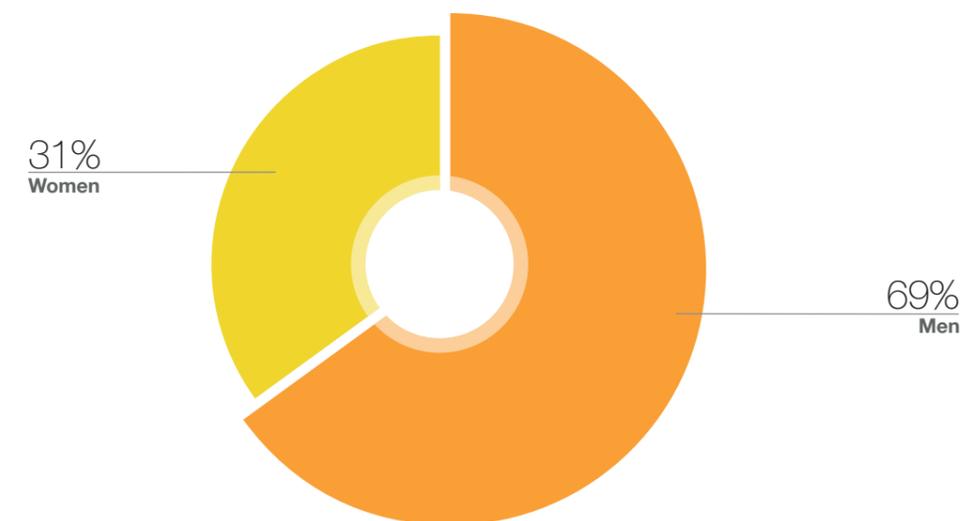
Diversity: new hires by gender



Turnover by age groups

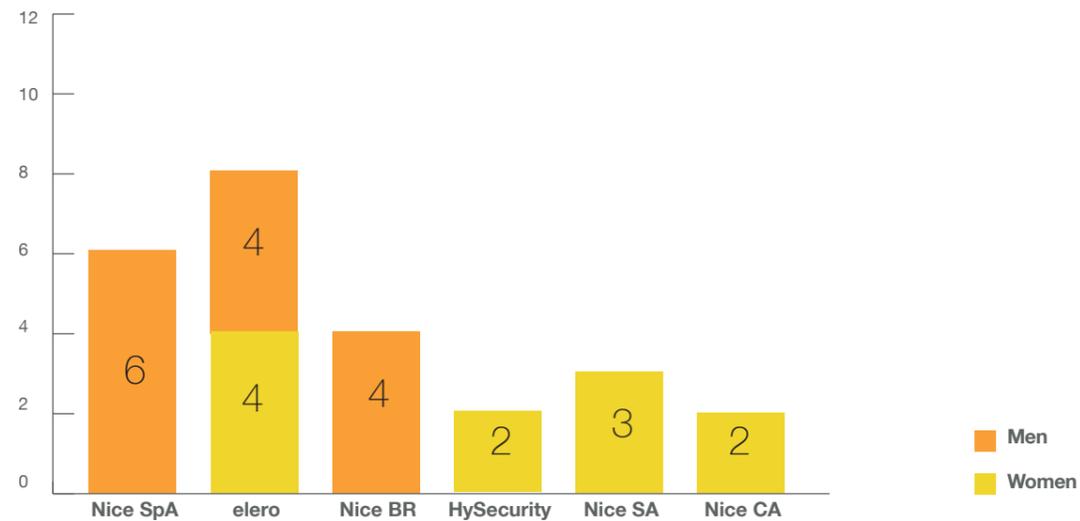


Turnover by gender



GRI 403-9 Work-related injuries

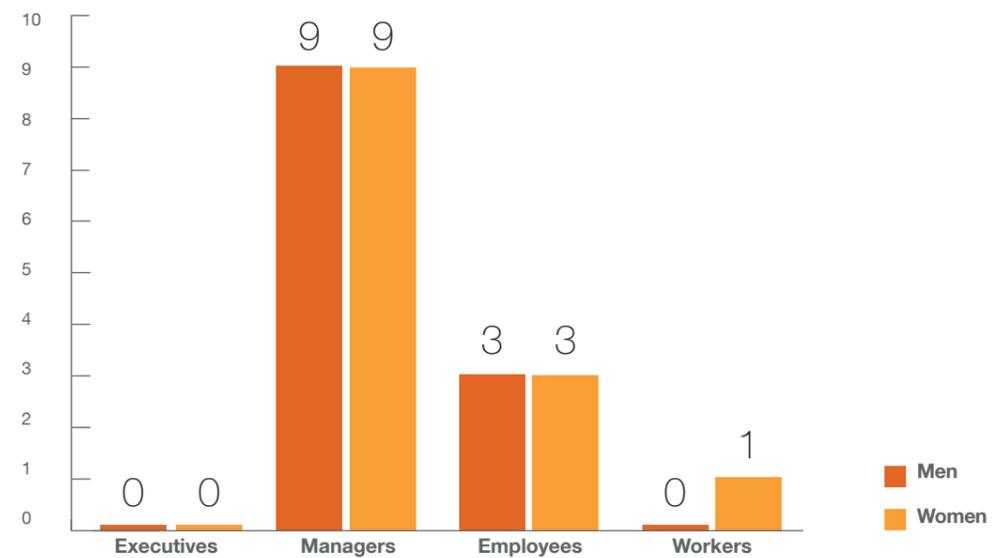
Number of work-related injuries



The manufacturing plants of FIBARO, Nice AU, V2 SpA, ACM and Nice Australia did not present any injuries in 2020.

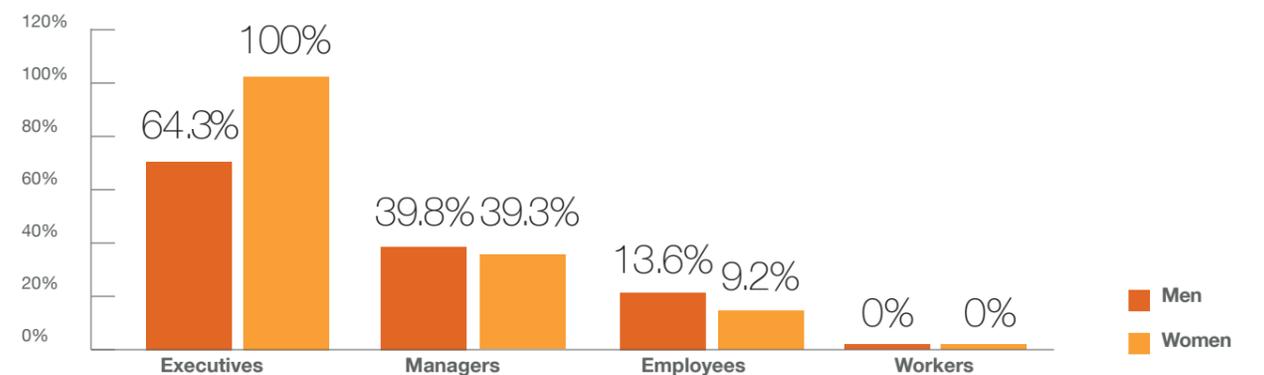
GRI 404-1 Average hours of training per year per employee

Average hours of training per employee



GRI 404-2 Programs for upgrading employee skills and transition assistance programs

Gender diversity in access to periodic assessment



GRI context index

GRI Standard	Disclosure	Page number	Omissions/notes
General disclosure			
GRI 102: General disclosures 2016	GRI 102-1 Name of the organisation	3	
	GRI 102-2 Activities, brands, products and services	12-13	
	GRI 102-3 Location of Headquarters	14	
	GRI 102-4 Location of operations	14	
	GRI 102-5 Ownership and legal form	16-17	
	GRI 102-6 Markets served	12	
	GRI 102-7 Scale of the organisation	13	
	GRI 102-8 Information on employees and other workers	74-79	
	GRI 102-9 Supply chain	70-73	
	GRI 102-10 Significant changes to the organisation and its supply chain	70-73	
	GRI 102-11 Precautionary principle	43	
	GRI 102-12 External initiatives		No external initiatives to be reported
	GRI 102-13 Membership of associations	47, 65	<ul style="list-style-type: none"> • CEI – Committee • Ente Nazionale Italiano di Unificazione • Fed. Anima • Assoc. Nazionale Industria Meccanica • IFTTT inc. • KNX Association Cvba • Z-Wave Alliance LLC • WI-FI Alliance • IBC – Associazione • Assonime Assindustria Veneto Centro • Federmanager Fondazione IDI Dirigenti
	GRI 102-14 Statement from senior decision-maker	4-5	
GRI 102-16 Values, principles, standards, and norms of behaviour	22-23 42-43		

GRI Standard	Disclosure	Page number	Omissions/notes
GRI 102: General disclosures 2016	GRI 102-18 Governance structure	42-43	
	GRI 102-40 List of stakeholder groups	33	
	GRI 102-41 Collective bargaining agreements	77	
	GRI 102-42 Identifying and selecting stakeholders	32-33	
	GRI 102-43 Approach to stakeholder engagement	34	
	GRI 102-44 Key topics and concerns raised	36-37	
	GRI 102-45 Entities included in the consolidated financial statements		<p>Companies excluded from the scope of the Report but included in the consolidated financial statements:</p> <ul style="list-style-type: none"> • Nortek Security & Control LLC • Linear HK Manufacturing Limited • Linear Electronics (Shenzhen) Co. Ltd • Operator Specialty Company Inc • IntelliVision Technologies Corp. • IntelliVision Technologies Private Limited • IntelliVision Limited Liability Company • 2 GIG Technologies Canada Inc • Nortek Home Control Holdings, LLC
	GRI 102-46 Defining report content and topic Boundaries	38, 39	
	GRI 102-47 List of material topics	36	
	GRI 102-48 Restatements of information		This document is the first Nice Sustainability Report
	GRI 102-49 Changes in reporting		This document is the first Nice Sustainability Report
	GRI 102-50 Reporting period		2020 and 2021
	GRI 102-51 Date of most recent report		This document is the first Nice Sustainability Report
	GRI 102-52 Reporting cycle		Annual
	GRI 102-53 Contact point for questions regarding the report	110, 131	
GRI 102-55 GRI context index	122		

GRI Standard	Disclosure	Page number	Omissions/notes
GRI 201 Economic performance 2016	GRI 103 Management approach	48	The reporting scope includes only Nice S.p.A.
	GRI 201-1 Direct economic value generated and distributed	45	
GRI 205 Anti-corruption 2016	GRI 103 Management approach	45	The reporting scope includes all companies with the exception of:
	GRI 205-2 Communication and training about anti-corruption policies and procedures	45	<ul style="list-style-type: none"> • Nice UK • Nice Benelux • V2 Domotique Maroc Sarl • V2 Tunisie Sarl • AFCA-V2 SAS
	GRI 205-3 Confirmed incidents of corruption and actions taken	45	<ul style="list-style-type: none"> • Vidue Automatismos Portugal Lda • Elero Motors & Controls • Nice Deutschland
GRI 207 Taxes 2019	GRI 207-1 Approach to taxes	48	Management of the topic at the Headquarters level
Eco-design, environmental sustainability and the circular economy.			
GRI 301 Materials 2016	GRI 103 Management approach	63-64	Management of the topic at the Headquarters level
GRI 306 Waste 2020	GRI 103 Management approach	65-66	
	GRI 306-1 Waste generation and significant waste-related impacts	65-66	
	GRI 306-2 Management of significant waste-related impacts	65-66	
	GRI 306-3 Waste generated	65-66	<p>The reporting scope includes all manufacturing companies with the exception of:</p> <ul style="list-style-type: none"> • Nice Deutschland
Energy consumption (energy efficiency, renewable energy and cogeneration).			
GRI 302 Energy 2016	GRI 103 Management approach	58-61	2021: The reporting scope includes all companies with the exception of:
	GRI 302-1 Energy consumption within the organization	58-61	
	GRI 302-2 Energy consumption outside of the organisation	58-61	
Fight against climate change and prevention of pollution (water, soil, atmosphere)			
GRI 303 Water and effluents 2018	GRI 103 Management approach	67	The reporting scope includes all manufacturing companies with the exception of:
	GRI 302-1 Energy consumption within the organization	67	<ul style="list-style-type: none"> • Nice Deutschland

GRI Standard	Disclosure	Page number	Omissions/notes
Fight against climate change and prevention of pollution (water, soil, atmosphere)			
GRI 305 Emissions 2016	GRI 103 Management approach	54-57	<p>The reporting scope includes all companies for 2020. In 2021 the following were excluded:</p> <ul style="list-style-type: none"> • Nice Benelux • Elero Motors & Controls • Nice Deutschland <p>2020: The reporting scope includes all companies with the exception of:</p> <ul style="list-style-type: none"> • Nice UK • Nice Benelux • V2 Domotique Maroc Sarl • V2 Tunisie Sarl • AFCA-V2 SAS • Vidue Automatismos Portugal Lda • Elero Motors & Controls • Nice Deutschland <p>For the categories of goods purchased, waste generated and the use of products sold, only manufacturing companies were considered. In addition, the commercial company Abode Systems, Inc. was also considered for the goods categories.</p> <p>2021: The reporting scope includes all companies with the exception of:</p> <ul style="list-style-type: none"> • Nice UK • Nice Benelux • Elero Motors & Controls • Nice Deutschland <p>For the categories of good purchased, waste generated, and the use of products sold, only manufacturing companies were considered. In addition, the commercial company Abode Systems, Inc. was also considered for the goods and services categories.</p>
	GRI 305-1 Direct (Scope 1) GHG emissions	54-57	
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	54-57	
	GRI 305-3 Other indirect (Scope 3) GHG emissions	57	
GRI 307 Environmental compliance 2016	GRI 103 Management approach	47	
	GRI 307-1 Non-compliance with environmental laws and regulations	47	

GRI Standard	Disclosure	Page number	Omissions/notes
Employment and fairness in work relationships (e.g., no child labour, non-discrimination)			
GRI 401 Employment 2016	GRI 103 Management approach	74-79	The reporting scope includes all companies with the exception of:
	GRI 401-1 New employee hires and turnover	74-79	<ul style="list-style-type: none"> • Nice UK • Nice Benelux • V2 Domotique Maroc Sarl • V2 Tunisie Sarl • AFCA-V2 SAS • V2 Portugal • Elero Motors & Controls • Nice Deutschland
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74-79	
GRI 409 Forced or compulsory labour 2016	GRI 103 Management approach	82-83	
	GRI 406-1 Incidents of discrimination and corrective actions taken	82-83	
GRI 408 Child labour 2016	GRI 103 Management approach	74	
	GRI 408-1 Operations and suppliers at significant risk for incidents of child labour	74	
GRI 409 Forced or compulsory labour 2016	GRI 103 Management approach	74	
	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	74	

GRI Standard	Disclosure	Page number	Omissions/notes
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	GRI 403-1 Occupational health and safety management system	88-91	
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	88-91	
	GRI 403-3 Occupational health services	90	
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	90	
	GRI 403-6 Promotion of worker health	92	
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	92	
	GRI 403-8 Workers covered by an occupational health and safety management system	92	
	GRI 403-9 Work-related injuries	91	<p>The reporting scope includes all manufacturing companies with the exception of:</p> <ul style="list-style-type: none"> • Nice Deutschland
	GRI 403-10 Work-related ill health	92	<p>The reporting scope includes all manufacturing companies with the exception of:</p> <ul style="list-style-type: none"> • Nice Deutschland

GRI Standard	Disclosure	Page number	Omissions/notes
Development of human resources and training in the workplace.			
GRI 404 Training and education 2016	GRI 103 Management approach	84-87	
	GRI 404-1 Average hours of training per employee	86	The reporting scope includes all manufacturing companies with the exception of: <ul style="list-style-type: none"> Nice Deutschland
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	84-87	
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	84-87	The reporting scope includes all manufacturing companies with the exception of: <ul style="list-style-type: none"> Nice Deutschland
GRI 405 Diversity and equal opportunity 2016	GRI 103 Management approach	79, 82-83	Management of the topic at the Headquarters level
	GRI 405-2 Ratio of basic salary and remuneration of women to men	83	
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GRI 414 Supplier social assessment 2016	GRI 103 Management approach	72	Management of the topic at the Headquarters level
	GRI 414-1 New suppliers that were screened using social criteria	72	
GRI 307 Environmental compliance 2016	GRI 103 Management approach	47	
	GRI 307-1 Non-compliance with environmental laws and regulations	47	
GRI 419 Socioeconomic compliance 2016	GRI 103 Management approach	48	
	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	48	

GRI Standard	Disclosure	Page number	Omissions/notes
Responsible relations with consumers and external communication.			
GRI 416 Customer health and safety 2016	GRI 103 Management approach	109	
	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	109	
GRI 417 Marketing and labelling 2016	GRI 103 Management approach	104-105	
	GRI 417-1 Requirements for product and service information and labelling	104-105	Management of the topic at the Headquarters level
	GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	104-105	
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	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	46	
Product and process management system certifications.			
Approach to management	GRI 103 Management approach	106-107	
Organisational policies for integrating social responsibility into the organisation (ESG structure chart, ESG committee, ESG training, stakeholder involvement) and internal communication			
Management approach	GRI 103 Management approach	38, 42	Management of the topic at the Headquarters level

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Nice



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