



Nice

# Welcome to the Nice future



Sustainability  
Report 2022



## Sustainability Report 2022

**Nice S.p.A.**  
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# Letter to our stakeholders

Dear readers,

We are delighted to introduce the **second edition of “Welcome to the Nice Future”, our Nice Sustainability Report**, which underscores the pivotal role of sustainability in our business strategy. This report showcases the cultural transformation and global evolution that has taken place within our operations during this year. Our core objective remains to provide accessible, secure and comfortable homes while upholding our commitment to our ultimate home, the Earth.

The publication of the Nice Sustainability Report is a demonstration of our commitment to transparency with stakeholders, as we openly share our goals and progress. In alignment with this commitment, in 2021 we launched “**NiceLoveEarth**”, a long-term sustainability program aimed at actively contributing to sustainable development. Recognising the dynamic and challenging landscape that has reshaped the role of companies, we continuously strive to enhance our sustainability performance.

In 2021, we established a **sustainability committee**, engaging key roles within the company to comprehensively embrace sustainability. In 2022, we carefully assessed the industry’s international impacts, with the aim of using them as a perpetual reminder to enhance our daily practices and establish more ambitious objectives in the areas where we can strive for continuous improvement.

This compelling vision of the future also encompasses our aspiration to create a lasting impact as a united company committed to sustainability. By 2025, we endeavour to achieve our goals in four key sustainability areas: Governance, Social, Environment and Product. Every year, we will strengthen and integrate our **sustainability governance**, striving for

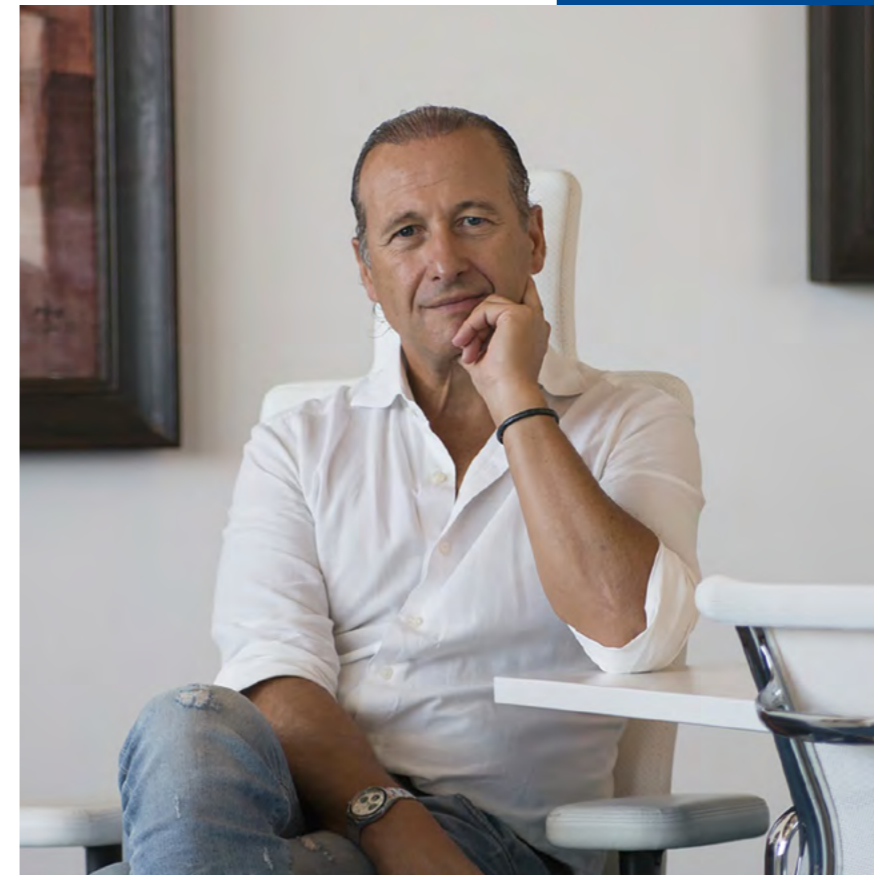
continuous improvement, enhancing diversity and inclusivity within our organisation, increasing representation of women in leadership roles, promoting multiculturalism at all levels, providing equal employment and career opportunities for individuals with disabilities and measuring and reducing our emissions and environmental impacts, driving transformative change throughout the entire organisation.

In the realm of **product development**, we are dedicated to investing our time and resources in research and development, diligently working towards creating products in the most sustainable manner possible. This entails considering sustainability at every stage, starting from the design, integrating a Life Cycle Assessment (LCA) perspective, ensuring responsible end-of-life management and partnering with reliable entities that demonstrate proximity to production sites and outstanding environmental performance.

“Welcome to the Nice Future” is the second edition of our Sustainability Report. In 2022, we laid a strong foundation to transform Nice into a company that is increasingly conscious and committed to a sustainable future.

Enjoy your reading,

Lauro Buoro                      Roberto Griffa  
*Founder and Chairman      Chief Executive Officer*



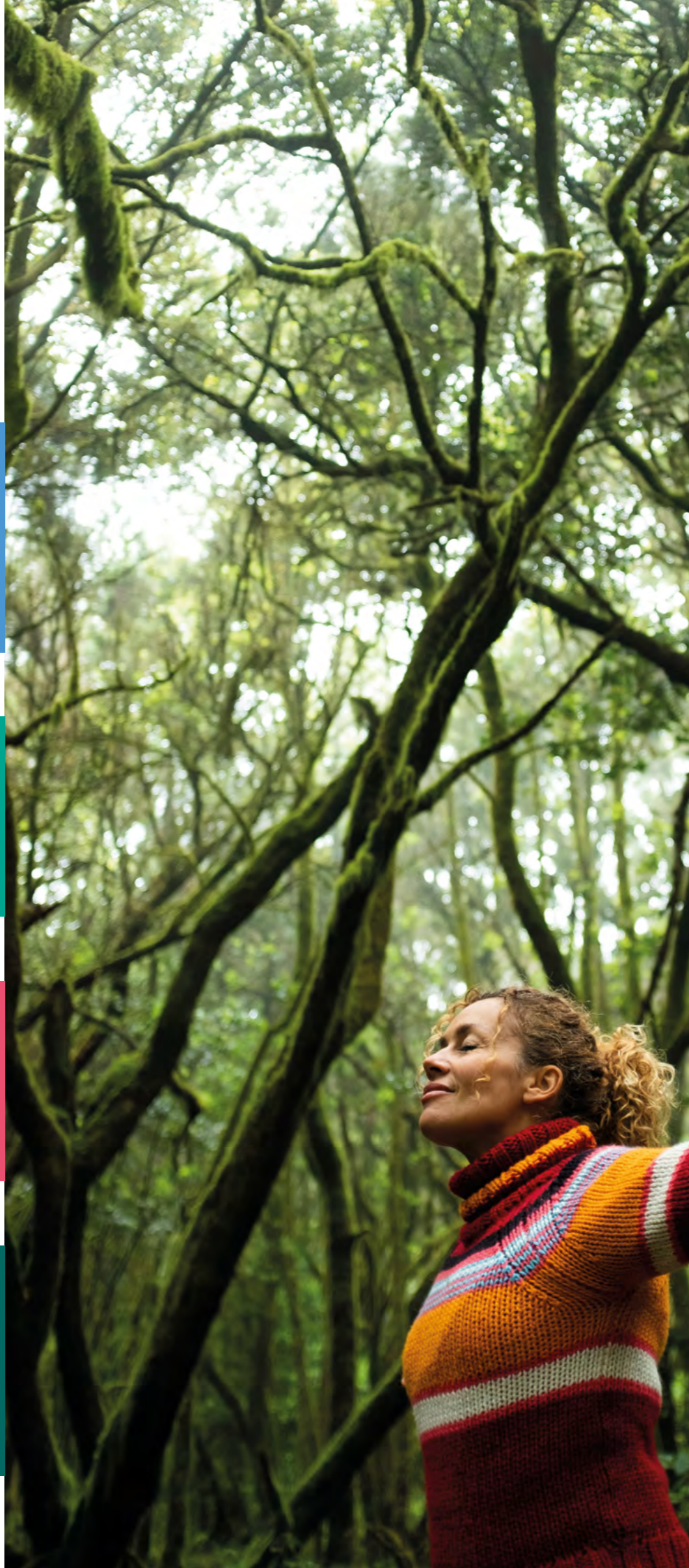
Lauro Buoro,  
Founder & Chairman



Roberto Griffa,  
Chief Executive Officer

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# Scenario

**The Smart Home & Building Automation sector impacts all ESG pillars.** Environmentally, it reduces energy consumption and inefficiencies. Socially, it enhances social well-being by providing comfort and safety, particularly for vulnerable populations. In terms of governance, it promotes proper disposal and refurbishment of electronic devices, extending their lifespan.

## Brand Activism shared values with our customers

### Consumer perspective



**67%**  
want to have positive environmental impact with their actions.



**63%**  
buy brands aligned with personal values<sup>(1)</sup>.



**78%**  
expect climate change to affect consumer demand and behaviors<sup>(2)</sup>.



**42%**  
of European green claims were deceptive, indicating widespread risky industrial greenwashing<sup>(3)</sup>.

### Company perspective

## The Nice stakeholder perspective<sup>(4)</sup>

### For Nice customers



are afraid of global warming.



value the Nice commitment to ESG.



consider product materials and features for a smaller environmental footprint.



French partners rate Nice's sustainability commitment

**7/10**  
in importance.

### For Nice business partners



Only 2% see product sustainability as customers' main factor in gate automation.

Companies such as Nice have to respond to market demands, designing electrical and electronic products that enable energy savings, high performance in terms of circularity and recyclability of products, and that can meet the needs of users, simplifying their lives and providing support to people also in terms of healthcare

## Circular economy the role of e-waste



**53mln**  
tonnes of e-waste produced by the electronic sector in 2020<sup>(5)</sup>.



of tonnes of e-waste is properly collected and recycled<sup>(5)</sup>.



of users are open to using refurbished products<sup>(6)</sup>.



Europeans want manufacturers to make digital devices easier to repair<sup>(7)</sup>.

**21%**

Not interested

**25%**

Without limits on their prices



**54%**

Without additional costs

## Energy challenges<sup>(8)</sup> energy control and management at home



**9/10**  
Italians are very **energy-conscious**.



**35%**  
of Italians prefer homes with lower energy bills.

### BUT



think about the smart home to reach energy-saving in their homes.



use smart devices to optimise consumption.

From 2020 to 2025 the value of the global IoT market, applied to energy sector, is expected to increase from 28,2 billion \$ of 2023 to 35,2 billion \$ in 2025<sup>(9)</sup>.

## Smart home and healthcare in support of elderly people

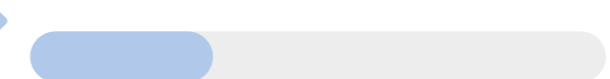


By **2030**, older people are estimated to account for over **25%** of the population in Europe and Northern America<sup>(10)</sup>.



Nearly **75%** of adults aged 50 and older want to **remain in their homes**<sup>(11)</sup>.

Smart home care market<sup>(12)</sup>:



**\$8.7**  
billions in 2019



**\$96.2**  
billions in 2030

1. Ipsos Study 2016 - 2. Euromonitor International Voice of the Consumer: Lifestyles Survey - 3. Harvard Business Review - 4. Internal Nice document: Internal Voice of Customer 2023

5. Global Recycling Foundation, 2021 <https://www.globalrecyclingday.com/wp-content/uploads/2021/02/Electronic-Waste.pdf> - 6. WRAP 2017. Switched on to value: Powering business change - 7. Attitudes towards the impact of digitalisation on daily lives, Special Eurobarometer 503. - 8. Osservatorio Internet of Things, La Smart Home guarda al futuro: energia, servizi, ecosistemi - 9. Statista 2023 - 10. UNDESA (2015a) - 11. AARP 2021 Home and Community Preferences Survey. <https://www.forbes.com/health/healthy-aging/smart-home-upgrades-for-aging-in-place/> - 12. P&S Intelligence Report



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



# Nice to meet you

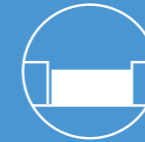
In 2022, Nice completes the transition from Nortek Security & Control to Nice North America. This transformative shift reinforced our market presence and commitment.



# 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.

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

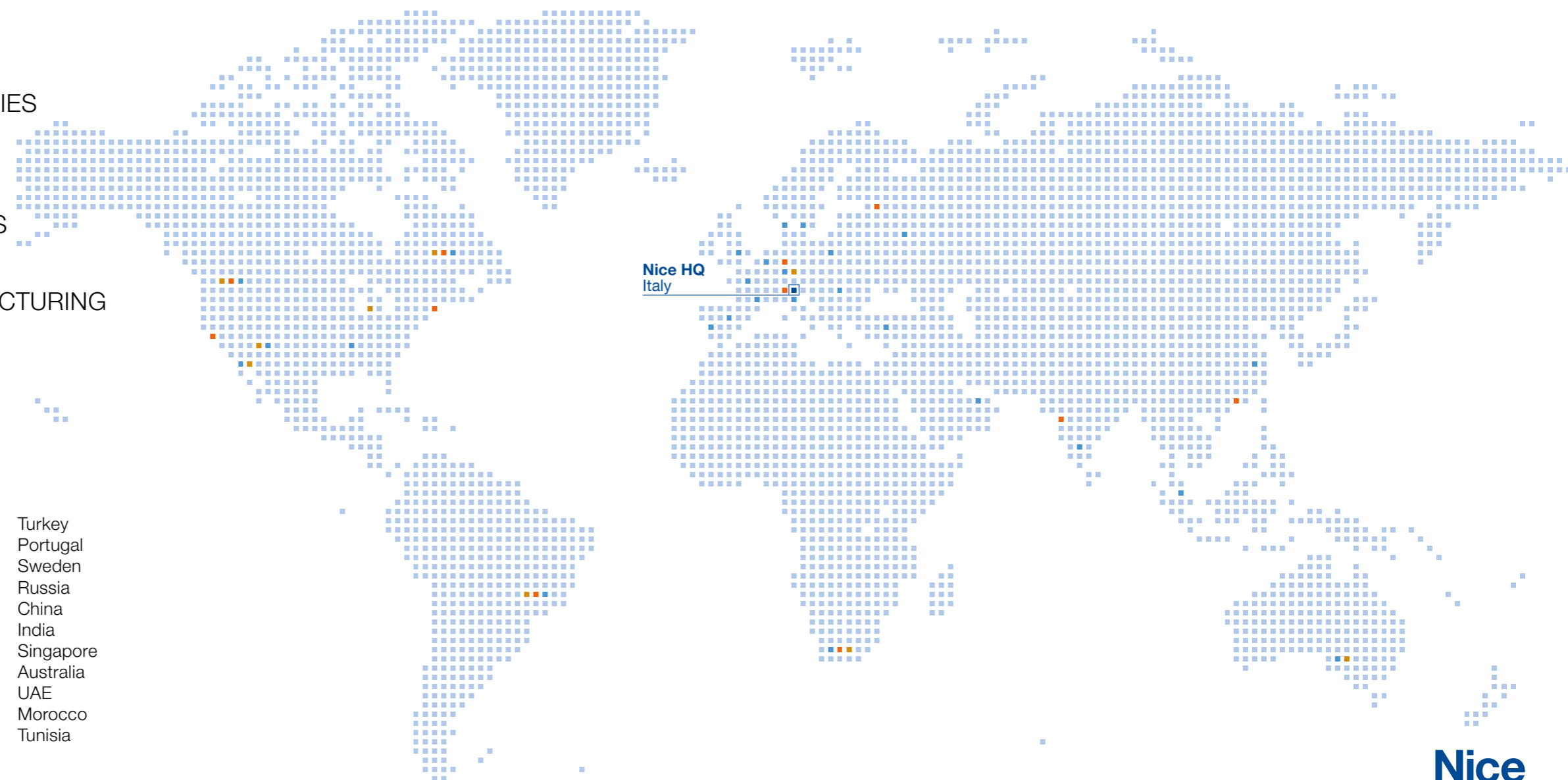
## Our locations worldwide

**+100** | COUNTRIES SERVED

**15** | R&D CENTRES

**13** | MANUFACTURING PLANTS

**~3000** | NICE PEOPLE



Nice HQ  
Italy

Nice to meet you

Countries

**23**

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

# 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.

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.



## Focused factories

Specialised centres of excellence in automation

We are taking strategic steps for our global growth based on a "focused-factory" approach. We now count on 13 industrial plants to consolidate **production excellence in specific business units, dedicated to automation systems.**



## TheNiceLabs

Technology for quality and innovation

Through our advanced laboratories, we are exploiting high tech procedures and experimentation. **We test and carefully check our products every day** to ensure security, quality, reliability and durability over time.

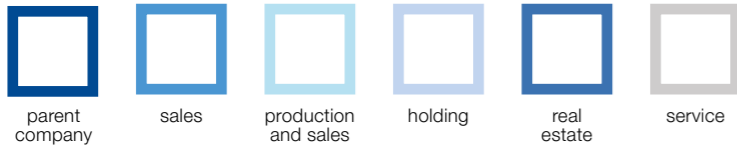


Nice to meet you



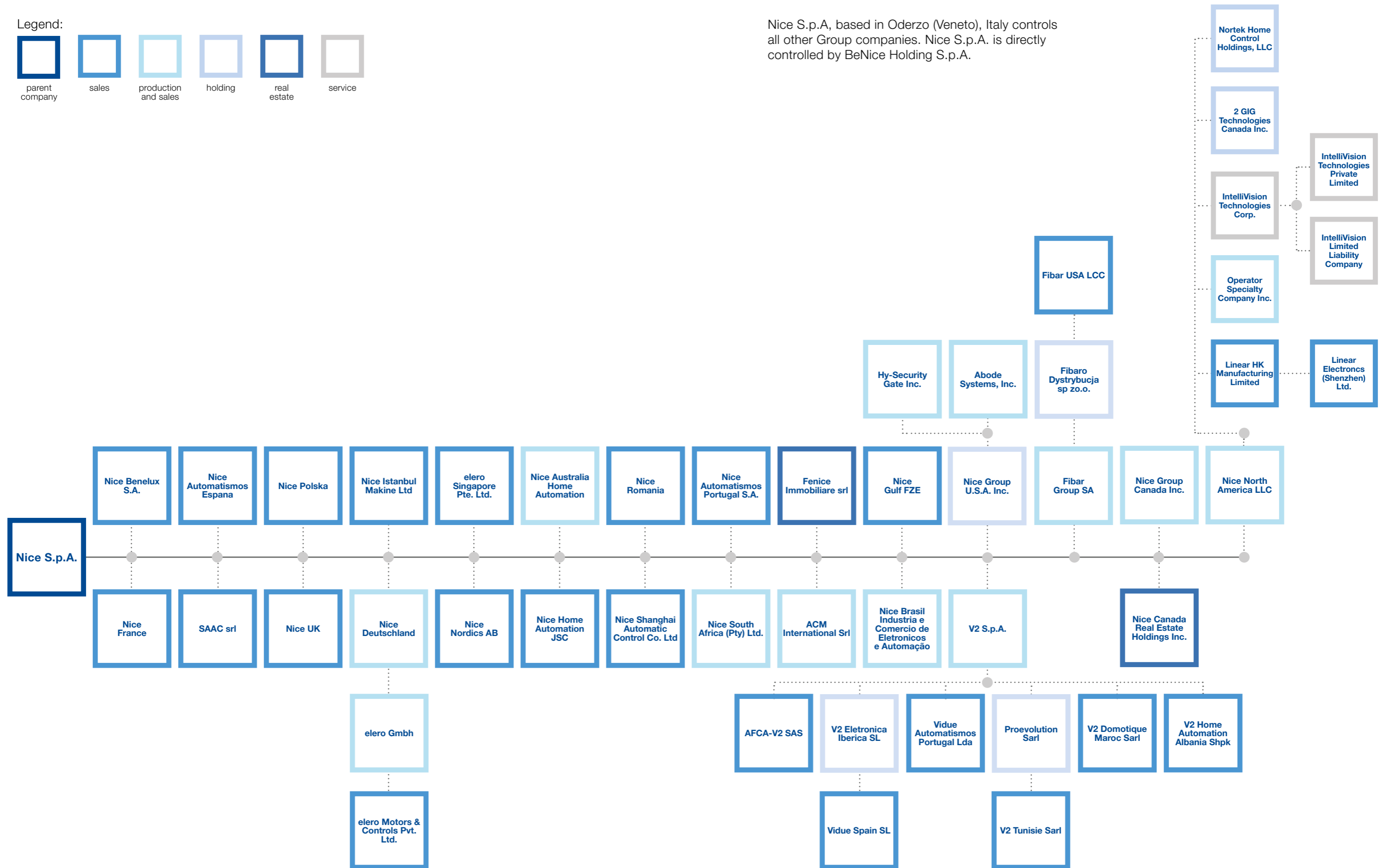
# Nice S.p.A. and its subsidiaries

Legend:



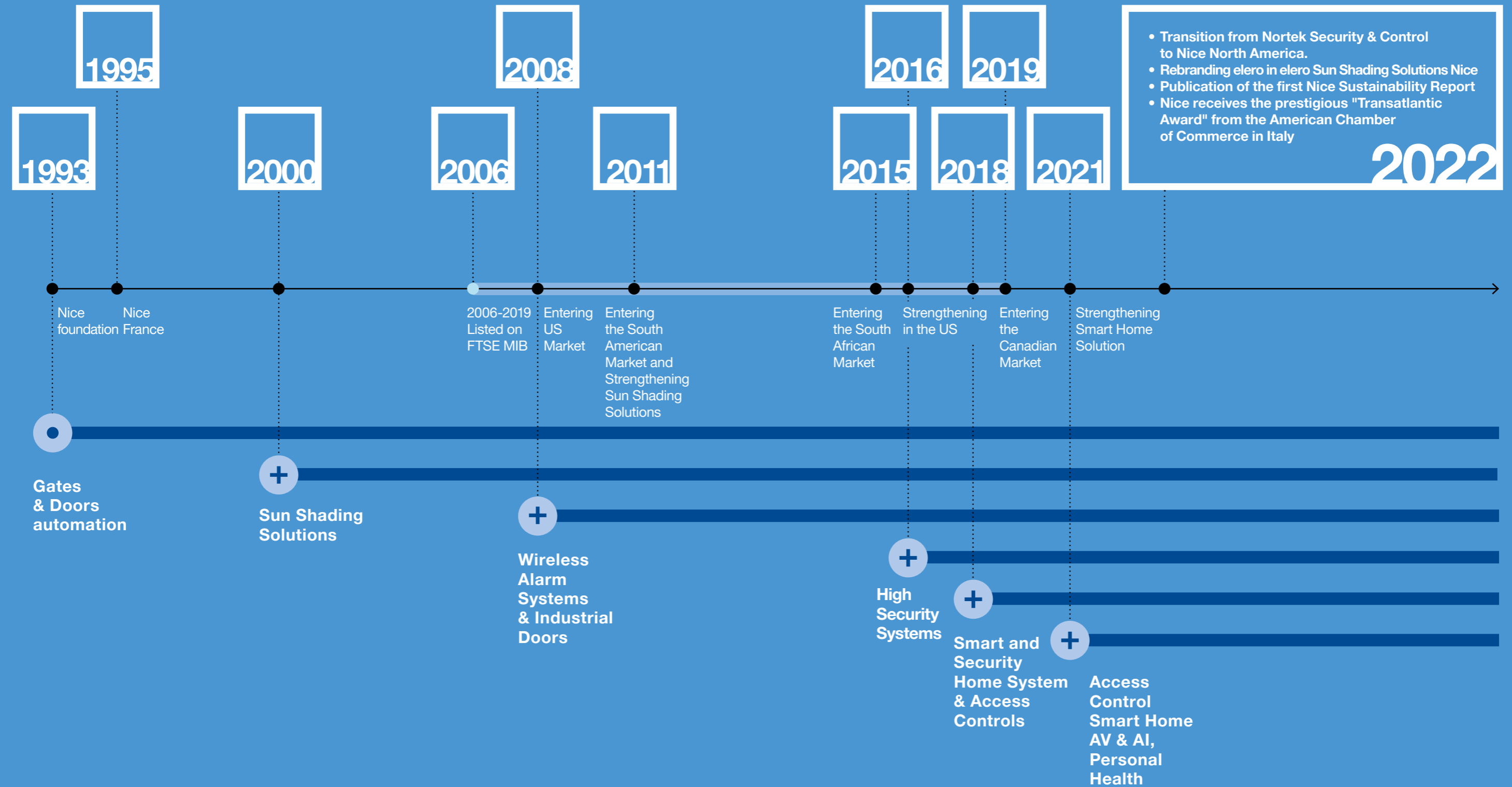
# Company structure Our One Company

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.



# 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.



Nice to meet you

# Mission and values

Nice makes everyday life of people better, reaching excellence of commercial, industrial, and residential space management, through design, technology and sustainability.

## Designing a Nice world

Our mission is to improve people's quality of life by simplifying the everyday, while making experiences enjoyable and places more sustainable.

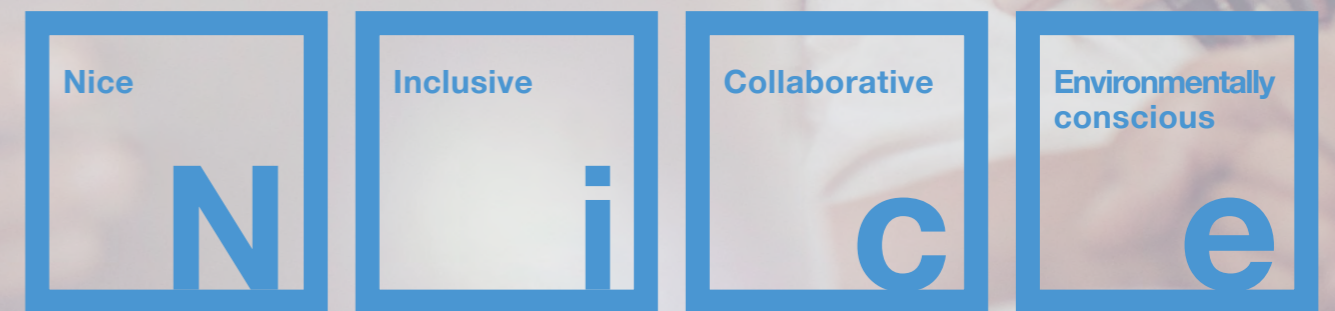
### Mission

## True freedom is an open world

To help people feel safe and secure and to enable them to experience an open world.

### Vision

### Nice values



Our mindset is innovative, agile, humble, curious.

**Just be Nice!**

Our environment is diverse, equal, empowering.

Our perspectives remain open and receptive.

Our environment is based on trust, teamwork, integrity and transparent communication.

We strive to give more than we take. Our logo is blue but our heart is green.

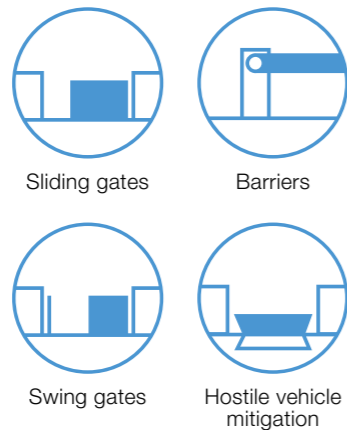
# Our solutions

## Solutions for Home and Building Management

Nice offers innovative and smart control units and devices and guarantees an easy integration with over 3,000 third party devices and the most used protocols in the Home & Building Automation industry.

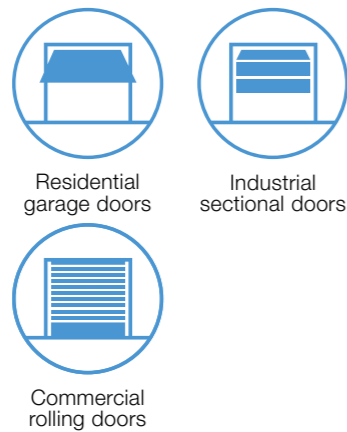
### Solutions for Gates and Barriers

The widest range controlled by the most advanced electronics with the finest design.



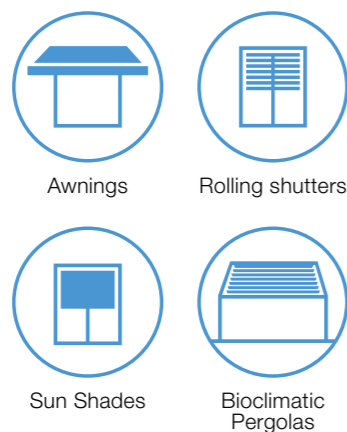
### Solutions for Doors & Industrial Doors

To open and close your automation system easily and in total safety.



### Sun Shading Solutions

Automation systems for awnings, sunshades and rolling shutters.



## Smart Home Solutions

One system for authentication and control of the entire ecosystem. Remote home control from apps for smartphones, tablets and smart watches. Gesture control. Power metering and safety features.



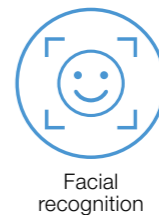
## Audio/Video and Power Management Solutions

A complete line of professionally installed products that will stand up to network disruptions and disturbances.



## Smart Security Solutions

Intruder alarm systems for a secure and connected home. Access control and Artificial Intelligence systems.



## Health & Pers Solutions

Integration of personal safety and emergency response to provide peace-of-mind for users and their caregivers in/or outside of the home.



Nice to meet you

# 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.

## This is Nice

### Nice equips EHPAD La Roseraie (49) to improve residents' daily lives

Nice expertise was perfectly suited to the EHPAD "La Roseraie" project, located in Beaupré au en Mauges, in France.

The project involved renovating 82 rooms in several phases, with a firm determination to improve the daily lives of residents and carers. In 2022, the first 42 homes were fully fitted out with our smart home solution, Yubii Home, to meet the expressed requirements:

- Provide an open living space, delivering automated and integrated homes within the residence
- Support carers in maintaining the independence of residents, facilitating prevention and care management
- Develop a sustainable plan to improve the building's energy performance and provide a healthy and safe environment

This is testament to the integration of Nice Smart Home solutions enabling seniors to access the benefits of technology, thereby increasing their independence, in complete safety.



Nice Partner: Umbelco  
Facilities Owner: SanLucar Fruit



Sustainability is thoroughly transforming our business.



# The Nice Journey to Sustainability



In 2022, we calculated our organisation's carbon footprint with the aim of setting science-based emission reduction targets.

SDGs to which we contribute

9

EFRAG impact themes integrated in materiality analysis

11

Material topics identified

11

Sustainability goals to 2025

23

# Our approach to sustainability



In 2022, we organised sustainability activities in a **more conscious process** that we hope will become the keystone of our company strategy, triggering a **cultural transformation and a thorough evolution of our way of doing business**.

At Nice, we believe that '**True freedom is an open world**' and we want to help people feel safe and experience an open world thanks to our solutions that enable communication and interconnection between living spaces and the environment, embracing and leveraging differences.

In line with our **sustainable transition** program announced in July 2021, we aim to promote a production model attentive to the well-being of the planet and individuals, as summarised by the **NiceLoveEarth logo**, which marks our ESG company journey.

In 2022, Nice presented its second Sustainability Report, extending its accountability to our branches in North America and confirming our commitment to improving ongoing performance gains and fostering positive competition. Nice's commitment to measuring our impact in environmental terms also continues through the **calculation of the organisation's carbon footprint**, also in its second edition, with 2022 data having been digitalised through an online platform to facilitate collection and calculation. We obtained **EPD process certification** during the year, which will allow us to monitor the lifecycle emissions of Nice products. Increasingly timely and quality measurements are essential to setting reliable, science-based reduction targets in the near future. In achieving our targets annually, we take action on a variety of scales, whether small everyday measures or large disruptive investments, in order to take concrete action and important steps towards ecological transition.

We take action in all areas of sustainability:

## Right for Our Business

In order to achieve our sustainability goals, we are implementing suitable governance and policy structures while harmonising quality, environment and safety management systems, as well as investing in sustainable innovation. Our headquarters obtained ISO 14001 certification in 2022, attesting to our commitment to continuously improving the environmental performance of our processes. We have implemented a new global energy policy aimed at outlining general principles on the procurement and use of energy in all key Nice processes.

## Right for Our Planet

We are committed to reducing the direct and indirect impact of our production and sales activities and to creating devices that minimise their environmental impact. We act to minimise our direct impact and the effect of our business activities by choosing to use energy from renewable sources within our companies, and our indirect impact by monitoring and studying actions to reduce emissions related to our products. Within our integrated portfolio of solutions, many of our products help reduce the energy consumption of 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. At Nice, we also consider the protection and safety of our employees and all stakeholders in our value chain; our commitment in this respect is linked to the definition of criteria for selecting suppliers that respect certain social standards, selecting partners that guarantee respect for the fundamental rights of workers.

## Right for Our Products

Nice designs its solutions according to the principles of eco-design, favouring regenerated materials and limiting energy consumption. Nice Green Innovation icons define the solutions most attentive to protecting the planet, helping customers in their conscious buying choices. We are constantly increasing product measurement, taking into account the entire life cycle; in 2022, we obtained EPD process certification allowing us to assess the performance of Nice products and act from the design stage in improving their energy and durability performance.



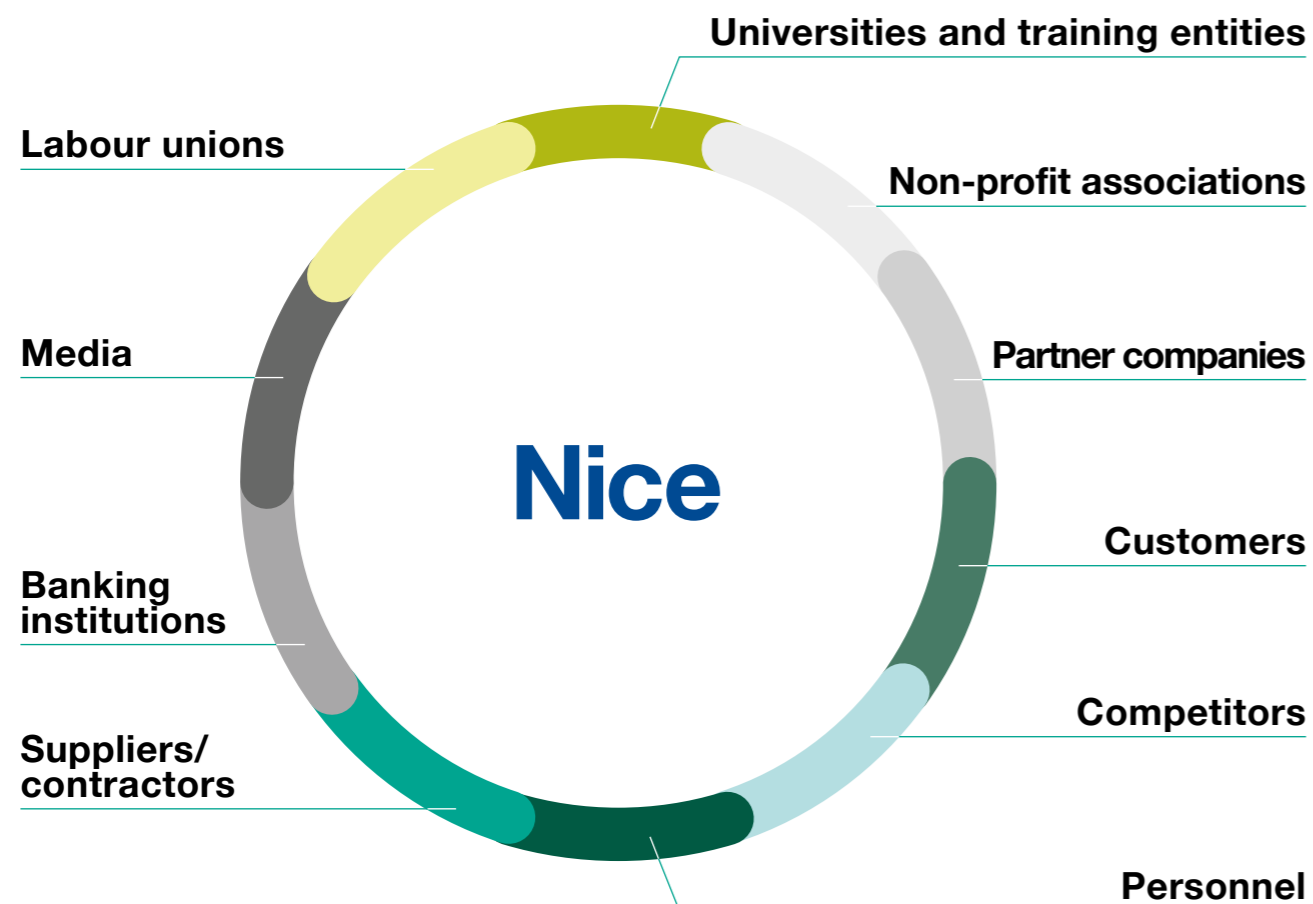
# Materiality Analysis and Stakeholder Engagement

In preparing our 2021 report, we conducted a materiality analysis following the **Global Reporting Initiative (GRI)**, a widely recognised sustainability standard, to identify key sustainability issues. Building on this foundation, in 2022, we expanded our efforts by considering the impact sector themes recommended by **EFRAG** (European Financial Reporting Advisory Group).

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)**.

## Main groups of Nice stakeholders



In 2022, **we integrated the material themes identified by our stakeholders with EFRAG themes**, with the aim of outlining the impacts that Nice could have or has on the planet, people and the economy. This is intended to be a first step towards a comprehensive study of the positive and negative, actual and potential impacts of our business on sustainability issues.

Nice Material Themes	EFRAG impact sector themes	Description of impacts
Energy consumption	Energy	Manufacturers, such as Nice, of electrical and electronic equipment can use significant amounts of energy. Nice's energy mix, which includes the use of electricity from the grid and the use of alternative energy, can play an important role in reducing costs, CO2 emissions and increasing the reliability of the energy supply. Furthermore, our electrical products also consume energy during the use phase; thus, Nice's product design also affects their service during the product's lifetime.
Fighting climate change	Emissions	Electrical and electronics companies such as Nice generate greenhouse gas (GHG) emissions from their business activities and production operations. Increasing emissions worldwide lead to the intensification of the greenhouse effect and the consequent increase in extreme events. Greenhouse gas emissions are also a key issue at the regulatory level where the international framework is increasingly moving towards a system of emission taxation. This can generate operational risks for companies in the sector.
Employment and fairness in labour relations	Working conditions	Nice products and all electronic devices face issues during construction and assembly that affect working conditions and the health and safety of workers. Workers may come into contact with potentially dangerous substances and equipment. Moreover, this risk increases when companies outsource to subcontractors and labourers located in countries with relatively low direct costs and varying degrees of regulation and enforcement of worker protection standards. There must be an increasing effort to choose suppliers, ensuring that they respect the fundamental rights of workers and are committed to solving labour problems.



# Materiality Analysis and Stakeholder Engagement

Nice Material Themes	EFRAG impact sector themes	Description of impacts
Eco-design, eco-sustainability and circular economy	Waste & Water	Although the recovery rates of waste from Nice's production lines are high, we generate waste that is in some cases considered hazardous and subject to environmental, health and safety regulations. This, if not disposed of properly, can release substances in the form of emissions into water and air. Our own products, once they have reached the end of their life, must be disposed of according to the laws in force: the electrical and electronics industry must increasingly focus on creating virtuous cycles by recycling part of the metals in the devices to be discarded. In this way, it will be possible to achieve significant positive benefits such as reducing the extraction of raw materials as well as reducing the negative impacts on ecosystems resulting from mining activities.
Ethical supply chain management and international standards of conduct	Resource consumption	Our products are high in technology and metals which are considered critical components. Many of these materials have few or no substitutes available and often come from deposits concentrated in a few countries, many of which are subject to geopolitical uncertainty. The extraction of these materials often has significant negative environmental and social externalities that affect local communities, workers and ecosystems. In addition, increased competition due to growing global demand from other sectors can cause price and supply increases. Our companies may experience disruptions or, in some cases, be subject to regulatory penalties associated with the environmental or social impact of the mining company's supplier. In order to minimise such risks, we may implement supplier selection and monitoring policies to ensure that they are not involved in environmentally or socially harmful practices.
Health and safety at work	Occupational health and safety	The industrial processes used in Nice production lines can present significant risks to employees working in the relevant facilities. Considering the type of business, accidents and the detection of any potential risk situations require the Group's constant attention. Risks related to the handling of chemicals and hazardous chemical agents are also a reason for concern for the health and condition of workers. Injuries and serious accidents to workers can lead to regulatory sanctions, negative publicity, low worker morale and productivity, and increased health and compensation costs. Therefore, carefully monitoring these risks is of paramount importance to prevent accidents and injuries in the workplace.

Nice Material Themes	EFRAG impact sector themes	Description of impacts
Product and process certification	Product safety	Product safety is of great importance to Nice. The malfunctioning of a device can cause fires or other hazards that harm people, their loved ones and their property. Negative consumer response can also affect brand value. Quality control and testing can minimise the risks of malfunctioning or a complaint.
Consumer relations and external communication	Customer privacy	Securing the information and privacy of users of electrical and electronic devices is fundamental in protecting people's privacy in their daily activities and ensuring their safety inside and outside the home. Furthermore, our customers and employees would lose trust in the brand were we not able to guarantee confidentiality, integrity, protection and responsible use of data.
ESG Governance	Responsible governance and organisation	Unethical business conduct that does not comply with the minimum legal requirements can result in damage to Nice's stakeholders on the one hand and penalties and a loss of brand reputation on the other, leading to distrust from customers, investors and lenders. In addition, poor business conduct can affect the company's ability to attract and retain talent.
Sustainability of the production process, technological development and intellectual property	Intellectual property protection	On the one hand, the protection of intellectual property is a strong driver of innovation. On the other hand, sharing discoveries and innovations with key partners can lead to the multiplication of benefits. Companies that strike a balance between protecting intellectual property and using it to stimulate innovation have the opportunity to reduce regulatory scrutiny and legal action while protecting their market value.

# Materiality Matrix

The material topics identified in the 2021 Stakeholder Engagement and the list of EFRAG impact sector themes in 2022 are presented below.



# 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.

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 digital magazine is translated into six languages (Italian, English, French, Spanish, Portuguese and German), ensuring our global workforce is able to access and effectively engage with the content. In 2022, we expanded the scope of the magazine **incorporating articles dedicated to the well-being of our employees**. These articles provided guidance, resources and inspiration for maintaining a healthy work-life balance and for personal development. Additionally, we introduced more strategic content, highlighting our company's vision, goals and progress.

Having recognised the importance of regular collaboration and feedback, we established a **Global Internal Communication Committee**. This committee convenes monthly to discuss communication strategies, share best practices and ensure consistent messaging throughout the organisation.

With a view to further improving internal communication and engagement, we implemented digital signage and monitors in key locations across our offices. These digital displays serve as dynamic communication tools, delivering important announcements, updates and engaging content to employees.

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: we conducted our **first global survey to assess the satisfaction levels and effectiveness of our internal**

**content**. This feedback helped us understand the preferences and needs of our employees, enabling us to continually improve the quality and relevance of our internal communication efforts.

More pragmatic initiatives saw our company organise various activities to support internal stakeholder engagement by creating proper occasions for communicative exchanges, conviviality, the promotion of teamwork and a sense of belonging, environmental consciousness and employee well-being. These initiatives included a Clean-up activity, a Car-free day, a health prevention campaign (Nice Thinks Pink), company runs, free breakfasts and more, to build a cohesive and motivated workforce aligned with our company's transparent mission.

### Defining Corporate Culture

In 2022, we invested in developing a strong corporate culture centred around our core values: **Nice (Innovation, Flexibility, Curiosity), Inclusive, Collaborative and Environmentally Conscious**. These values serve as guiding principles for our Nice people, shaping their behaviour, decisions and interactions within the organisation.

To create a shared culture and ensure our global teams are aligned with the company strategy, we organised **two in-person leadership meetings** during the year. These meetings brought together 80–150 individuals from different parts of the world, providing a platform for meaningful discussions, knowledge sharing and relationship-building among our key leaders.



The Daily Wonder



Clean-up Activity

# Stakeholder Communication

## External Communication

Open dialogue across all channels

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



Apps



Website



Social media



Newsletter



Fairs



Roadshow



Communications and public relations campaigns

In 2022, we focused on increasing brand and product awareness: we launched communication campaigns with a regional and seasonal approach to optimise media interest in Nice throughout the year.

These communications targeted both B2B and B2C audiences, focusing on the quality of media coverage and the dissemination of content. These communications were aimed at positioning Nice solutions as a unique and complete ecosystem of connected systems on a global scale. We wanted to showcase the benefits of energy saving, safety improvement and overall well-being at home through compelling use cases. By highlighting these advantages, we aimed to increase awareness and generate interest among potential customers.

In parallel, the trade marketing activities in 2022 revolved around the smart home and connected Nice ecosystem. Nice actively participated in various trade fairs serving as platforms for visitors to witness firsthand how Nice solutions seamlessly integrate into their daily lives, enhancing convenience, safety and comfort. The year 2022 was one of synchronised efforts, whereby our communication campaigns, digital activation and trade marketing activities worked hand in hand. Together, these initiatives created a compelling narrative around Nice and its connected solutions, driving interest and fostering connections with our target audience.

## This is Nice

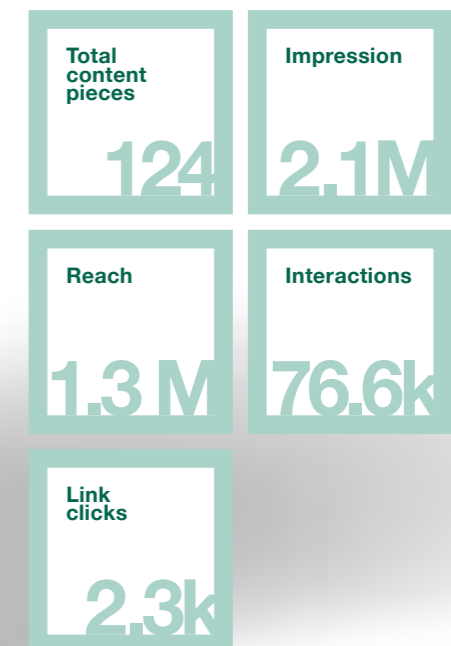
### Influencer Marketing Activities

Through the unfortunate events related to the COVID-19 pandemic, everyone understood the importance of the relations created by influencers with their fanbase. In 2022, we activated an **intensive influencer marketing campaign** in the Italian market with the aim of increasing brand awareness and generating leads.

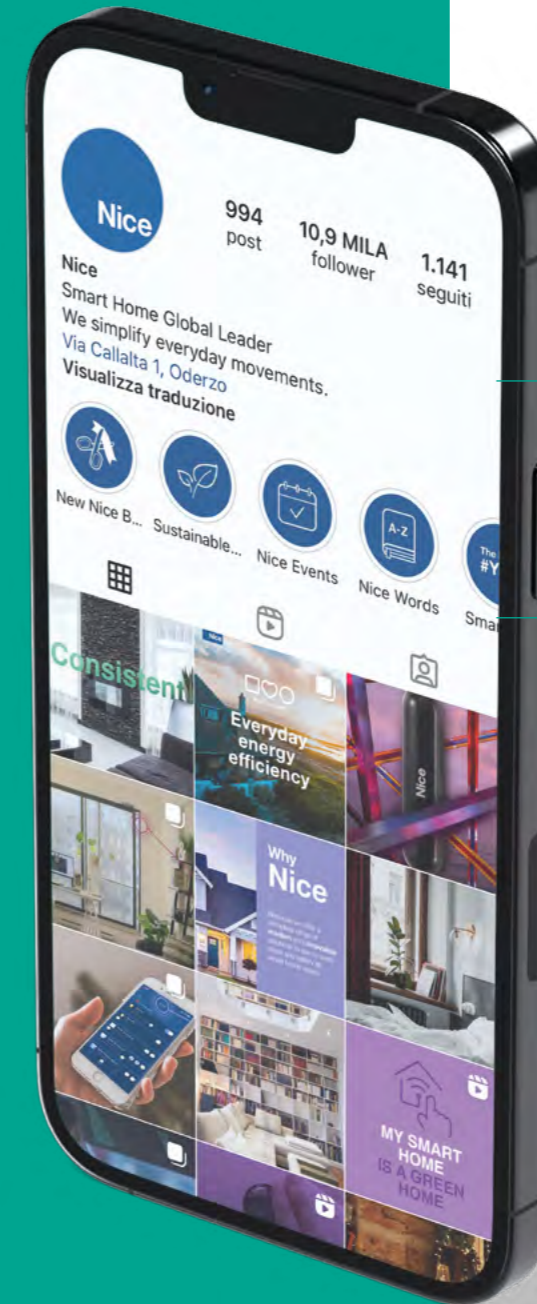
The activation covered the **YouTube and Instagram channels** and involved:

<b>6</b>	Tech influencers	<b>1</b>	Lifestyle influencer
<b>1</b>	Architect	<b>1</b>	Gaming & entertainment influencer

Overall, the campaign provided:



The influencer marketing activity helped Nice reach a new audience, stimulating awareness, driving traffic to the website and boosting curiosity from the public.







# Our Goals

In 2015, the UN identified the **2030 Agenda for Sustainable Development**: a program 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.

At Nice, we too have structured our sustainability goals based on the 2030 Agenda, identifying the SDGs to which we can most significantly contribute based on our sector of activity and the topics identified as material. This table shows **our goals for 2025**, broken down according to the **Environmental, Social, Governance and Product pillars**, recognised at the international and company level as key aspects of sustainable development for Nice. For each area, we indicate the SDGs of reference and the updated status as of 2022.

	MATERIALS TOPIC	2022 STATUS	2025 GOALS
<b>Governance</b> 	<b>ESG Governance</b>	▲ Increase = Stable = Stable	Allocation of a share of the economic value generated for community projects Increase of gender diversity within governance bodies and introduction of independent directors Adoption of tools for assessing and managing ESG risks
	<b>Process certification</b>	▲ Increase	ISO 14001 certification for all manufacturing plants
<b>Environment</b> 	<b>Energy consumption of the organisation</b>	▲ Increase	Progressive achievement of energetic self-sufficiency or 100% reliance on energy from renewable sources with certified guarantee of origin
	<b>Fighting climate change and preventing pollution</b>	▲ Increase	Scope 1,2: -30% of CO2 by 2025 (Scope 2, -80%) -50% of CO2 by 2030 (Scope 2, -100%)  Scope 3: -10% of CO2 by 2025 -25% of CO2 by 2030
	<b>Circular economy</b>	▼ Decrease	Keeping the percentage of recyclable waste near 99%, while reducing its overall quantity
<b>Social</b> 	<b>Health and safety at work</b>	▲ Increase	Implementing a workplace health and safety management system for all manufacturing plants Zero accidents in all group production plants
	<b>Human resources development</b>	▲ Increase	Implementation of a group e-learning platform Interdepartmental and intercompany mobility program
	<b>Employment and fairness in labour relations</b>	= Stable = Stable ▲ Increase	Increasing the presence of women by 30% in leadership positions Reduction of the pay gap between male and female personnel, obtaining equal salary certification Introduction of flexible working hours and regulation of agile work for home-work balance
	<b>Ethical supply chain</b>	▲ Increase	Vendor ratings: expansion of the supplier social and environmental responsibility section
<b>Product</b> 	<b>Energy consumption of the product</b>	▲ Increase	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
	<b>Eco-design and circular economy</b>	▲ Increase	Partnerships with research institutions and universities for research and development on materials with a reduced 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
	<b>Product certification</b>	▲ Increase	EPD certification of all new product lines



“

Economic sustainability means creating value for all our stakeholders.

”

# Nice Governance, Strong Company

In 2022, Nice S.p.A. obtained ISO 14001 certification.

Members of the ESG committee

5

Areas of action of the committee

3

Cases of corruption

0

Cases of non-compliance with laws and regulations

0

# Governance

## Material topic: ESG Governance

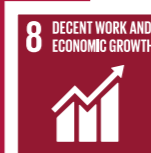
### 2025 Goals

- Allocation of a share of economic value generated to community projects
- Increased gender diversity in 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 and coherent sustainability program. As part of this process, we have adopted consolidated policies, while referring to the most virtuous best practices and available techniques, going far beyond regulatory requirements.

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

### Composition of the BoD

As of 31 December 2022, the administration and management of our company has been entrusted to a Board of Directors composed of **6 members** (Mr. Buoro, the founder, Mr. Griffa, Mr. Galberti, Mr. Malfè, Mr. Silvestre, Mr. Demaël), whose powers are aligned with the articles of association, except for the competences reserved to the Shareholders' Meeting. The Board of Directors has appointed a Chairman, Lauro Buoro, and a CEO, Roberto Griffa, to whom several managing and executive powers have been delegated. In 2022, Jean-Philippe Demaël was appointed Chairman of a Steering Committee. Regarding environmental matters, in September 2022, the CEO delegated the related powers for environmental risk management and the resulting responsibility to the **Delegate for the Environment**.

### Governance of ESG policies

To ensure the successful implementation of our sustainability strategy, our governance structure begins with our Board of Directors (BoD), which assumes

responsibility for decision-making processes in the economic, environmental and social domains. In 2021, Nice established an **internal team to define the group's ESG strategy and coordinate the projects**. This internal team is led by Marco Bianchet, Global Quality & Sustainability Director; under his guidance, we strive to embrace sustainability as a core component of our business practices.

To promote a comprehensive and holistic approach to sustainability, the Sustainability Department created an **ESG Operational Team**, made up of members from various departments including Human Resources, Operations, R&D and Finance, as well as a local **ESG point of contact**, with key figures from all Nice companies throughout the world. Their collective expertise allows us to ensure and integrate a sustainability approach into our global operations and initiatives.

### Sustainability governance A committee in support of strategy

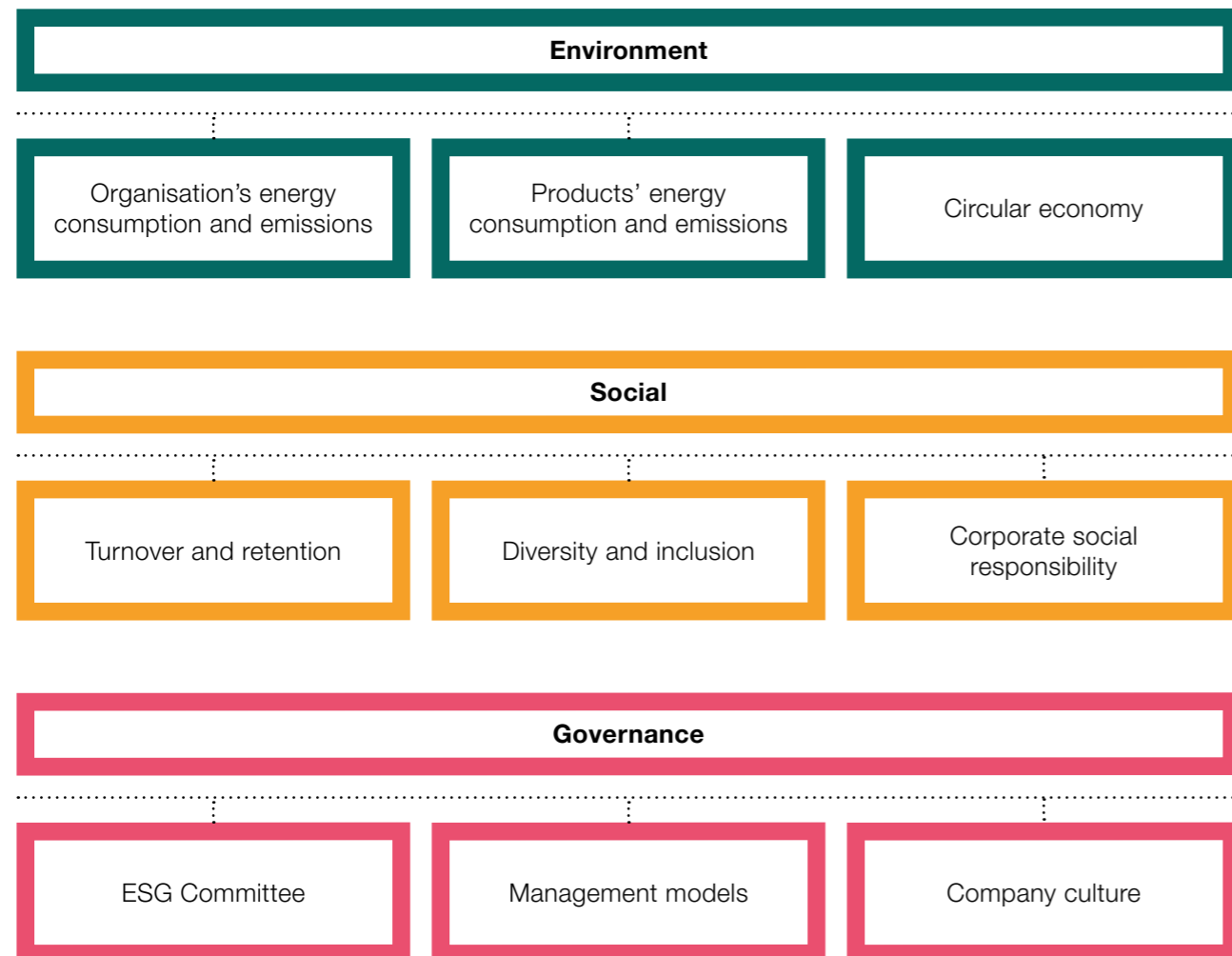
In order to align with our sustainability strategy, we have established a **Sustainability Governance Committee** with a directive role. This committee comprises five individuals, including four male members and one female member. It operates from our Headquarters and across all subsidiary companies, utilising an ESG Operational Team and local ESG points of contact. The committee consists of representatives from various departments, including Research and Development, Operations, Marketing, Human Resources and Finance.

The Sustainability Governance Committee convenes quarterly to establish and oversee the attainment of our ESG objectives. Within this framework, performance evaluations are conducted on our ongoing priorities and future strategies.



## Sustainability Governance

Committee's main areas of action



## Our Code of Ethics

An integral part of our business

Our Code of Ethics, approved by the Board of Directors, is a key - and inseparable - element of our **Organisational, Management and Control Model**<sup>(1)</sup>. It encompasses fundamental ethical principles that, in conjunction with legal, regulatory and contractual obligations, serve as a compass to proactively mitigate the risk of criminal offences. Notably, Section Q of the Code of Ethics specifically addresses matters concerning environmental offences, outlining our guidelines and expectations in this domain:

- Environmental pollution
- Environmental disaster
- Involuntary crimes 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 encompasses directives regarding precautionary measures implemented to safeguard the health and environmental well-being of personnel. Notably, an organisational framework has been established to ensure the necessary technical expertise and authority to assess, manage and monitor risks pertaining to worker health and safety, as well as environmental concerns.

Furthermore, regular training programs are conducted for personnel, tailored to address identified needs and the specific risks associated with different operational areas. The management of occupational health and safety is

integrated into the overall governance and control system for company processes, reinforced by robust monitoring systems. Through the Code of Ethics and the Organisational Model, we guide compliance with the Precautionary Principle (Principle 15 of the 1992 Rio Declaration), which is the foundation of international environmental law.

Prior to initiating a new production process or business venture, we conduct a comprehensive preliminary assessment that encompasses the following key aspects:

- 1. Adequacy of Financial Investments:** We evaluate the suitability of the financial investments required to successfully execute the project or transaction
- 2. Compliance with Quality Standards and Legislation:** We ensure compliance with procedures and criteria governing the quality of products, as well as adherence to national and European legislation relevant to our core business operations
- 3. Adherence to Existing Quality Certifications:** We verify compliance with established procedures outlined by our existing quality certifications
- 4. Workplace Safety and Environmental Risk Compliance:** We ascertain compliance with workplace safety regulations and environmental risk legislation, even though our typical production processes do not subject us to significant environmental risks based on national and European legislation.

These thorough assessments provide us with a comprehensive understanding of the various factors that influence the feasibility and compliance aspects of new projects and initiatives.



# Anti-bribery and Corruption Procedures

In line with Legislative Decree 231/2001, our focus on preventing corruption is actively implemented through the Code of Ethics and Organisational Model, which have been in effect since 2019.

Our efforts encompass the following areas:

- **Prohibition of Unlawful Practices:**  
We strictly prohibit activities such as improper payments, fraudulent actions against the State or public entities, obtaining public funds through fraudulent means, cyber fraud against the State or public entities, corruption and incitement to offer or promise undue benefits.
- We also address corporate offences, including incitement to corruption between private parties and illegitimate influence over shareholders' meetings.

Our commercial and institutional relationships with public and government entities, including participation in public tenders, are governed by essential ethical principles such as **integrity, transparency, legality, impartiality and prudence**. These principles also extend to interactions between our legal representatives, directors, executives and senior personnel when conducting business on behalf of the company.

The Code of Ethics, approved by the Board of Directors, forms an integral and substantial part of our Organisational Model, as mandated by Legislative Decree 231/2001. It provides overarching ethical guidance complementing statutory, regulatory and contractual provisions. Compliance with these principles and protocols is essential in mitigating the risks associated with the offences outlined in the Model's Special Sections. The Code of Ethics applies to all personnel, executives and directors, and we actively foster a culture of awareness and collaboration in line with its principles.

We continually monitor compliance with the provisions outlined in the Organisational Model and Code of Ethics, including thorough audits conducted by the Supervisory Body throughout the year. Our focus is on promoting the prevention

and identification of any unlawful conduct. We strongly encourage individuals associated with the company to promptly report any conduct they become aware of through their interactions with the company to the Supervisory Body.

## Anti-Corruption, Communication and Training

The **Organisational Model** and **Code of Ethics** are consistently communicated to key stakeholders, including the Board of Directors (who also approve any updates), auditors and members of the Supervisory Body. In addition, these guidelines are effectively communicated to all executives, middle managers and personnel during the onboarding process and throughout their employment tenure. Furthermore, consultants, professionals and suppliers are also provided with the Organisational Model and Code of Ethics as part of our comprehensive communication strategy. We are committed to proactive prevention and ongoing monitoring of potential illicit conduct, and we strongly encourage our personnel to promptly report any suspicions of actions contrary to our Code of Ethics to the Supervisory Body. Whistleblowing procedures are in place to facilitate open and transparent communication, protecting collective well-being and guarding against the risks of corruption.

**Between 2020 and 2022, no reports of anti-corruption incidents were submitted to the Supervisory Body.** However, we consider educating our personnel on this matter as a critical priority for preventing any violations. To this end, our company has implemented anti-corruption policies and provides

comprehensive training for personnel in accordance with the guidelines set forth by the Organisational Model and the Ethical Code, as mandated by Legislative Decree no. 231/2011.

Specifically, Nice manages anti-corruption matters in compliance with the provisions of Legislative Decree no. 231/2001 and pursuant to the Ethical Code and the Organisational Model adopted by the company and updated on 4 March 2019, referring to the following sections:

- a) undue receipt of disbursements, fraud to the detriment of the State or a public body or to achieve public disbursements, computer fraud to the detriment of the State or a public body (Article 24 of Legislative Decree no. 231/2001, amended by Law 161/2017), and bribery, undue inducement to give or promise utility and corruption (Article 25 of Legislative Decree no. 231/2001, subsequently amended by art. 1, paragraph 77 letter a) of Law no. 190 of 6 November 2012 and Law no. 3 of 9 January 2019);
- b) Embezzlement to the detriment of the State (art. 316-bis c.p.);
- c) Undue receipt of disbursements by the State (art. 316-bis c.p.);
- d) Fraud to the detriment of the State or other public body or European Communities.

To indicate the goals, targets and indicators used to monitor and evaluate our progress, we rely on the Supervisory Body's audits (recorded and reported annually to the Board of Directors) pursuant to Legislative Decree no. 231/2001.

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



# Customer Privacy

Privacy matters are of utmost importance within the Nice Group. In strict adherence to the GDPR (EU General Data Protection Regulation 2016/679), which came into effect in May 2018, we ensure the active participation and commitment of all departments within our organisation.

IT	Marketing	HR	All Departments
<p>Continuous monitoring to implement and maintain optimal security measures for the protection of data stored and processed by our company</p> <p>Regular evaluations of security measures to effectively mitigate the risk of data breaches</p>	<p>Proper processing of customer personal data, including non-natural persons, within our CRM system and through the websites of our company and its EU subsidiaries</p>	<p>Appropriate handling of employees' personal data in accordance with applicable regulations and privacy standards</p>	<p>Accurate handling of the company's proprietary data utilised by suppliers and consultants, who are also appointed as external data processors for personal data processing</p>

We safeguard our customers' privacy by diligently monitoring all new data processing activities and regularly updating our Privacy Organisational Model. This comprehensive document outlines the technical and organisational measures necessary to ensure proper data management and protect the rights and freedoms of data subjects.

Protecting our customers' privacy is fundamental to **fostering strong commercial development** and maintaining a stable equilibrium over time. By prioritising this aspect, we reinforce the trust our customers place in us.

**During the period 2020-2022, no substantiated reports of privacy breaches were recorded.**

The impact of privacy matters on customers and personnel is handled with the assistance of our internal legal department and external privacy consultants. Additionally, compliance with the Organisational Model, established in accordance with Legislative Decree 231/2001, is consistently monitored.



# Compliance with Laws and Regulations

Managing and monitoring the risks of non-compliance with legislation designed to protect social well-being and the environment is important to us.

In this regard, in 2020/2022 **we did not record any episodes of non-compliance** with laws and regulations.

## Environmental Compliance

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 economic and legal consequences, as well as impact brand reliability. Conversely, **proper management of environmental issues**

**may have positive impacts in terms of visibility, reputation and social well-being.**

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

## Socioeconomic Compliance

The impact of socioeconomic compliance extends to all aspects of our business operations, including adherence to the Code of Ethics and Organisational Model, in accordance with Legislative Decree 231/01, as well as compliance with the laws of the countries where we operate. Furthermore, these impacts can arise from strategic decisions related to divestment or discontinuation of specific business units or legal entities in certain countries. Our Code of Ethics is applicable to the company's directors, executives and personnel. It is the responsibility of the directors and executives to foster a culture that upholds the principles outlined in the Code of Ethics, promoting awareness and fostering commitment to its values.

To uphold the highest standards of integrity in our business operations, we establish the following:

- Clear definition of processes to fulfil compliance obligations and objectives for each business process, incorporating appropriate controls.
- Development of measurable indicators to assess the organisation's level of goal achievement and compliance performance.

We conduct regular audits at planned intervals to review and evaluate the effectiveness of our compliance management system. This ensures its ongoing applicability, adequacy and effectiveness.

In the event of non-compliance, we take swift action, assessing the need for corrective measures, reviewing the efficacy of implemented actions, and, if necessary, revising our compliance management system.

# ISO 14001:2015 Certification

Given the strategic importance of environmental issues for us and our stakeholders, we strive to increasingly adopt an ISO 14001:2015-compliant environmental management system at our sites. In 2021, we conducted an analysis of the requirements to be fulfilled in order to implement an environmental management system at the **Nice plant in Oderzo**, and in September 2022, our headquarters obtained **ISO 14001 certification**. The environmental management system had already been previously implemented at the Polish company FIBARO.

During Nice HQ certification, an environmental organisation chart was created, appointing a Delegate for the Environment and formalising the environmental officers, and the required training was also carried out.

Through **collaborative efforts** focused on quality and environmental concerns, we have established an integrated quality and environmental management manual. This manual encompasses all environmental compliance requirements and operational procedures, including waste registration, scrapping, annual declarations for WEEE (Waste Electrical and Electronic Equipment) and batteries, wastewater management and more.

In 2022, our renewed emphasis on environmental priorities facilitated enhanced monitoring of key issues by our Health, Safety & Environment team, which focused on the following areas:

- **monitoring** and census of the **presence of chemical substances** in workplaces with the creation of digitally accessible safety sheets
- compliance schedule including all **checks on equipment** and scheduled internal audits
- **introduction of audits on environmentally critical suppliers** (two audits at waste disposers)
- appointment of a consultant for the transport of hazardous materials

Following our successful experience at the headquarters, we have developed a **roadmap** to achieve **ISO 14001 certification for all our manufacturing plants by 2025**.

This strategic plan demonstrates our commitment to environmental excellence across our global operations.



# Economic Value generated and distributed

As of 31 December 2022, the direct economic value generated by Nice S.p.A. amounted to nearly **€165 million**, up nearly 4% compared to 2021. This trend reflects the solidity of our balance sheet and cash flows.

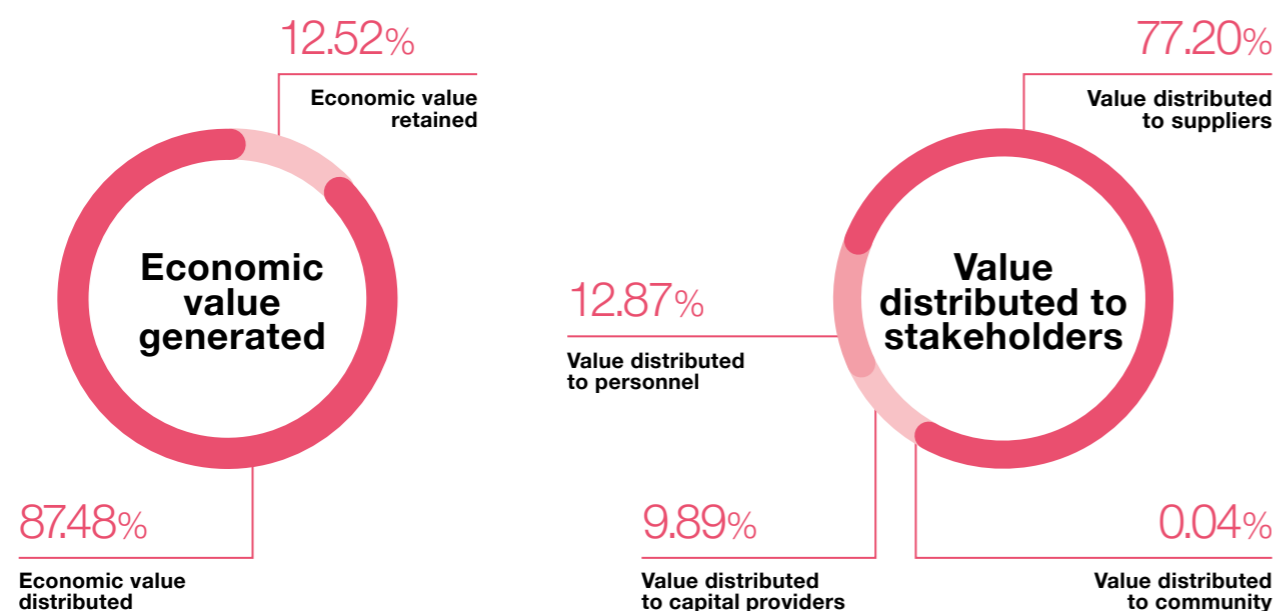
## Value generated, retained and distributed

Cost and revenue components	2022	2021	2020
Economic value generated	165,349,051	158,840,511	134,830,794
Economic value distributed	144,647,245	142,880,471	123,233,925
Operating costs	111,674,385	121,837,181	91,250,735
Personnel salaries and benefits	18,612,471	17,066,888	15,954,771
Payments to capital providers	14,307,889	3,976,401	13,222,792
Investments in the community	52,500	*	*
Payments to the public administration	*	*	2,805,627
Economic value retained	20,701,806	15,960,040	11,596,869

In euros – 2020-2022 – Figures referring only to Nice S.p.A. - \* Figure not significant.

The economic value generated by our organisation reflects the wealth we create for our stakeholders. In the reporting year, the distribution of direct economic value was as follows: **77% to suppliers through operating costs, 13% to personnel through salaries and benefits and 10% to providers of capital and shareholders through financial interest.** Additionally, we allocated **0.04% of the distributed economic value to community investments**, focusing our support on various initiatives and participating in UNICEF projects during the year 2022.

We also recognise the importance of continuous technological innovation in our production processes and assets. To this end, a portion of the retained value is reinvested in research and development. This commitment drives us to identify new solutions that bring added value to our company, benefiting individuals and the environment.



## This is Nice

### Supporting local communities

In 2022, Nice teamed up with UNICEF to provide essential aid to the victims of the ongoing conflict in Ukraine. Through the combined efforts of Nice, UNICEF, and our dedicated employees, we were able to offer substantial support. This support translated into the distribution of 80,000 emergency nutritional aid packages, a significant step toward addressing the urgent humanitarian needs in the affected regions.

Our commitment at Nice extends beyond this collaboration, encompassing a dedication to supporting various charitable organizations and initiatives aimed at enhancing individual well-being and health. Alongside our contributions to crisis relief, Nice Nordics and Nice North America have proudly sponsored the TogetherForCinema initiative for an extended period. This initiative raises funds to establish cinema rooms within hospital pediatric departments, offering patients, families, and volunteers a valuable opportunity for respite. Additionally, for over three years, Nice España has steadfastly backed the Niemann-Pick Foundation, contributing to research into a rare disease that predominantly impacts children. These ongoing efforts reflect our corporate ethos of making a positive impact on the well-being of individuals and communities.





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



# The Nice environment, a gentle footprint

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 been mapping greenhouse gases to identify the most suitable strategies to minimise emissions.

Certified clean energy

33%

Emissions consumption throughout the use phase

57.5%

Waste recovered

84.3%

Non-hazardous waste

97.5%

# Environment

## Material topic: Energy Consumption of the organisation

### Goals for 2025

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



## Material topic: Fighting climate change and preventing pollution

### Goals for 2025

- Scope 1,2:
  - 30% of CO2 by 2025 (Scope 2, -80%)
  - 50% of CO2 by 2030 (Scope 2, -100%)
- Scope 3:
  - 10% of CO2 by 2025
  - 25% of CO2 by 2030



## Material topic: Circular economy

### Goals for 2025

- To keep the percentage of recyclable waste close to 99%, while reducing the overall quantity



# Climate action

Reducing climate-altering greenhouse gas emissions is a key issue in our sustainable development process. Since 2021, in line with the United Nations' Climate Action goal, we have begun to map our greenhouse gas emissions: This process is important in defining emission reduction scenarios in line with the objectives of the Paris Agreement, which requires the global temperature increase to be kept below 2 °C in relation to the 2020 reference baseline. Starting in 2023, Nice will follow a decarbonisation program aligned with the Science-based greenhouse gas emission reduction targets in accordance with SBTi guidelines.

The emissions of Nice S.p.A. and its 37 subsidiaries are accounted for in the Nice Group's 2022 GHG Inventory, assessed in accordance with the standards set by the GHG Protocol and considering the following emissions categories:

- Scope 1** emissions from owned or directly controlled facilities 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.

Following a materiality analysis, the following categories were included in Scope 3 emissions:

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

Scope 1-2			2020	2021	2022	
<b>Scope 1</b>						
		Stationary installation emissions	1,026	1,240	1,137	
<b>2020</b>	<b>2021</b>	<b>2022</b>	Vehicle emissions	2,098	2,391	2,167
<b>3,361</b>	<b>3,862</b>	<b>3,414</b>	Refrigerant gas emissions	237	231	111
<b>Scope 2</b>						
<b>2020</b>	<b>2021</b>	<b>2022</b>	Electricity emissions	1,583	1,710	2,928
<b>1,583</b>	<b>1,710</b>	<b>2,928</b>				
<b>Total Scope 1-2</b>			<b>4,944</b>	<b>5,573</b>	<b>6,342</b>	

Tonnes of CO2 eq. - 2020-2022

From the calculations of the GHG inventory, it was shown that our emissions for the Scope 1 category are mostly related to the **vehicles used** (64% of the total), with 33% relating to **heating systems** and 3% derived from F-gas (fluorinated greenhouse gas) leaks from HVAC systems.

Compared to 2021, the reporting scope was expanded to include Nice North America, despite which, a reduction in Scope 1 emissions of about 12% and an increase in Scope 2 emissions of about 71% were observed.

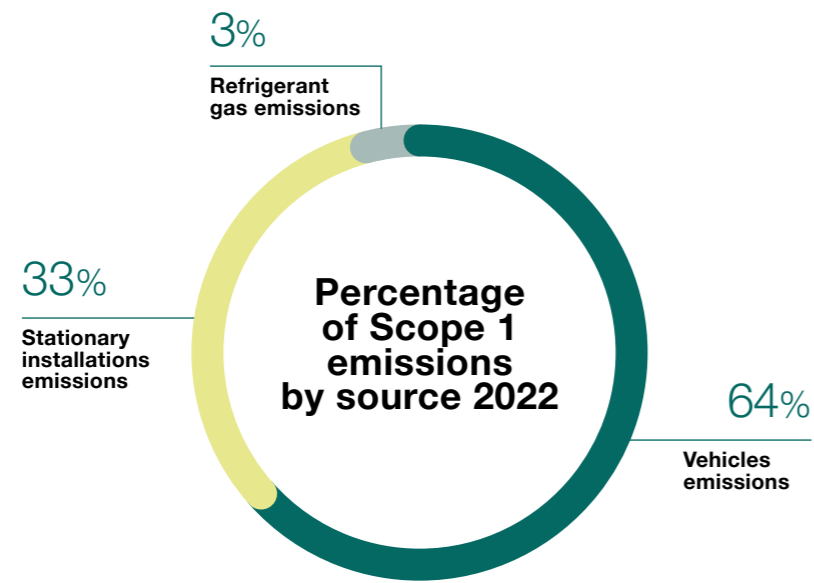
The reduction in Scope 1 consumption was observed in all emission sources: stationary plants, vehicles and air conditioning systems. This difference is mainly attributable to a progressive improvement of the data collection process that ensured higher quality estimates in 2022. However, the decrease is partly attributable to the implementation of the first emission reduction measures. The integration of Nice North America LLC's data did not critically influence the result as it is responsible for only 6% of Scope 1 emissions. Scope 2 emissions, on the other hand, underwent a considerable change with the expansion of the reporting scope, with Nice North America's emissions accounting for about 42% of the total Scope 2 emissions. These estimates are, however, affected by uncertainty as they have been calculated from the surface area of buildings and not considering actual consumption. Overall, in 2022, Scope 1 and Scope 2 emissions (direct and indirect) amounted to approximately **6,342 tonnes of CO2 eq.**, a figure up +14% on 2021 and mainly explained by the inclusion of Nice North America LLC in the reporting scope.

Limiting the analysis to manufacturing companies, it may be inferred that such companies contribute to approximately 57% of the aggregate Scope 1 and 2 emissions.

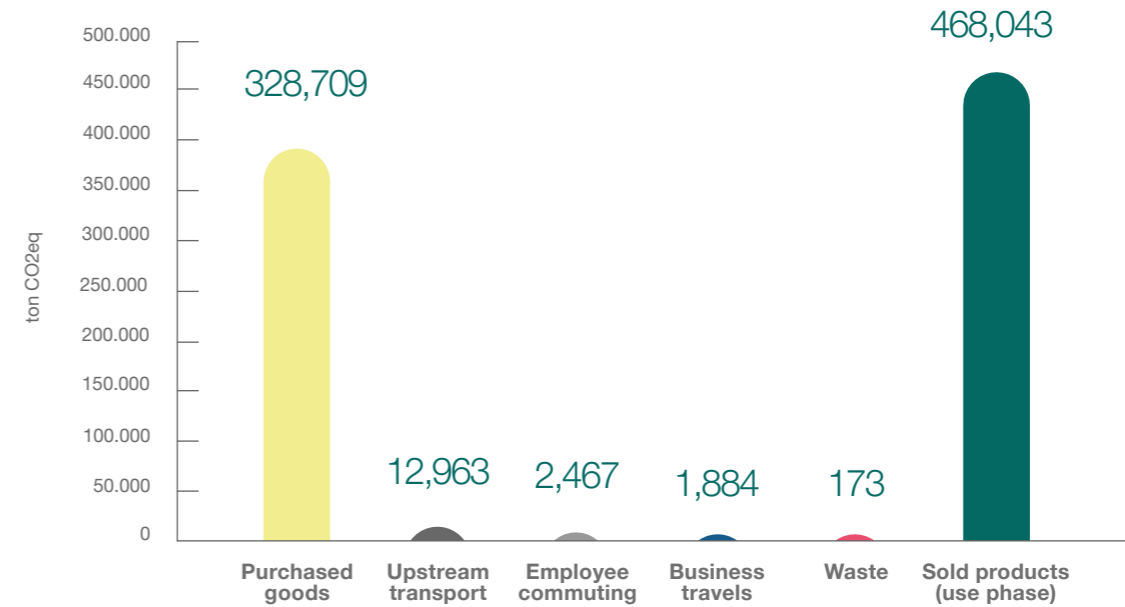
Scope 1-2 emissions for manufacturing plants				2020	2021	2022	(%)*
<b>Scope 1</b>							
		Stationary installation emissions		1,067	1,002	861	76%
<b>2020</b>	<b>2021</b>	<b>2022</b>	Vehicle emissions	901	1,232	943	44%
<b>2,201</b>	<b>2,455</b>	<b>1,871</b>	Refrigerant gas emissions	233	221	67	60%
% of total <b>55%</b>							
<b>Scope 2</b>							
<b>2020</b>	<b>2021</b>	<b>2022</b>	Electricity emissions	1,464	1,055	1,720	59%
<b>1,464</b>	<b>1,055</b>	<b>1,720</b>					
% of total <b>59%</b>							
<b>Total Scope 1-2</b>				<b>3,665</b>	<b>3,511</b>	<b>3,591</b>	<b>57%</b>

Tonnes of CO2 eq. - 2020-2022

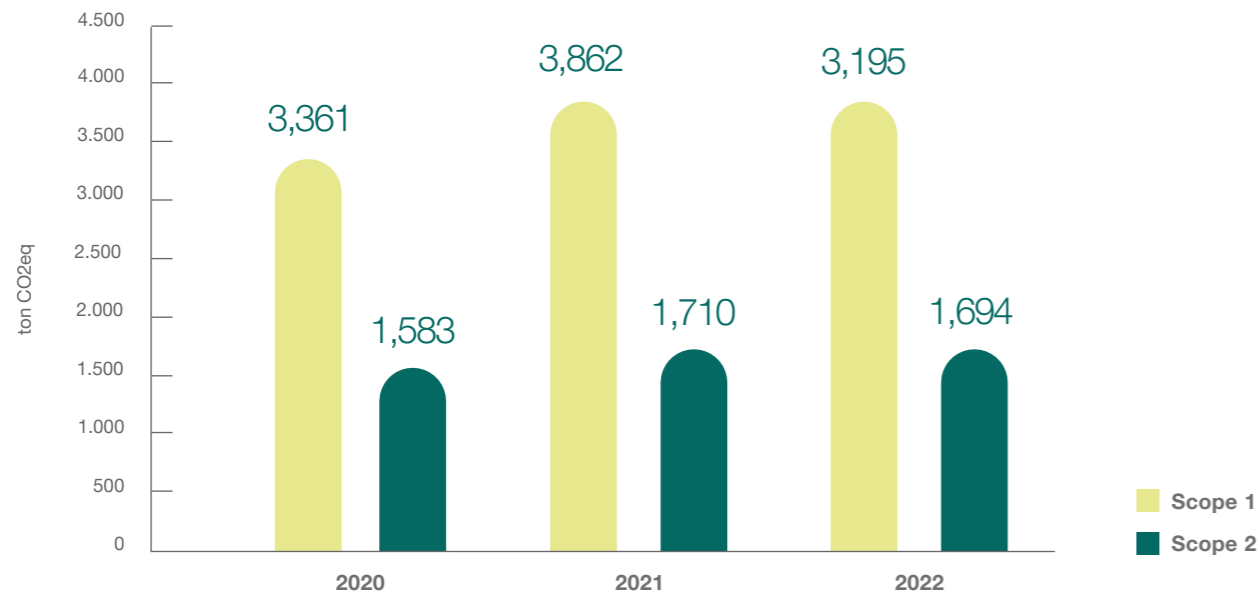
\* Incidence of manufacturing companies on the Group total



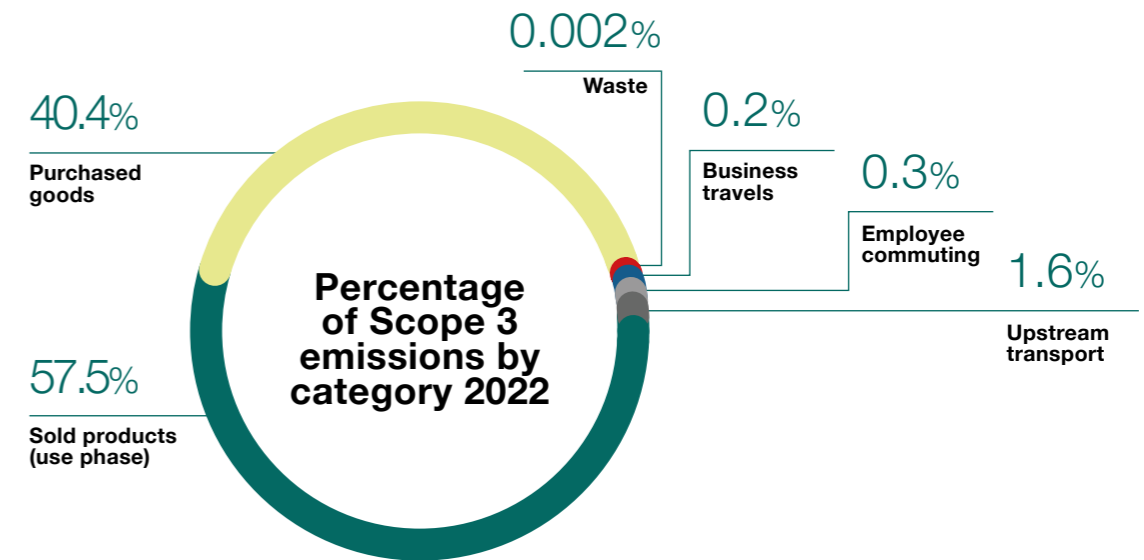
### Scope 3 emissions 2022



### Scope 1-2 emissions<sup>(1)</sup>



### GHG Emissions Nice Value Chain



In 2022, Nice Group's indirect emissions amounted to **814.238 t CO2eq** along the value chain, equal to 99% of the Group's total GHG emissions.

As shown in the graph below, the hotspots are generated by the Purchased Goods & Services (328,709 t CO2eq) and Use of Sold products (468,043 t CO2eq) categories, accounting for about 98% of the total Scope 3 emissions produced.

In particular, emissions related to the use of Sold products over their life are about 57% of the total Scope 3 emissions, while the (upstream) production of components and materials assembled in the manufacturing process accounts for about 40%.

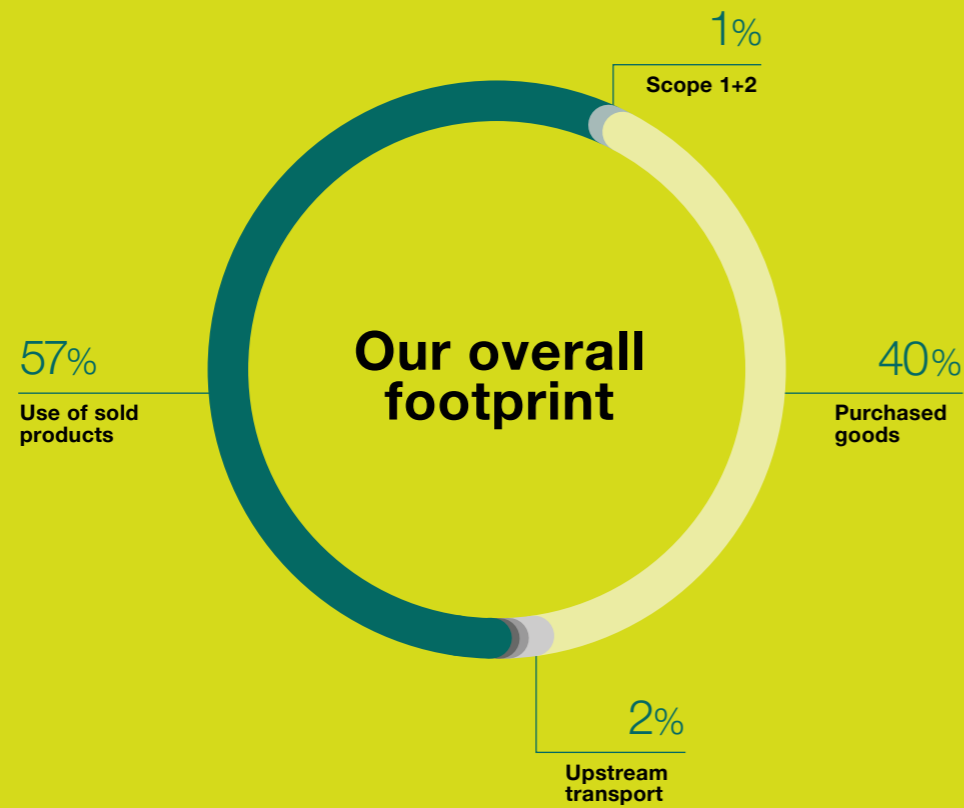
These results clarify that in order to achieve the Net Zero goal, it is essential to intervene in the product design phase with an eco-design approach to render products more energy-efficient, maximising their reparability, durability and recyclability in a circular economy perspective.

1. The 2022 figures shown in this chart relate to the same scope as the 2021 budget (which does not include the newly acquired Nice North America) for consistency in data presentation.

## Emissions reduction plan

Since 2021, the calculation of the organisation's carbon footprint has allowed us to measure our impact with the aim of outlining a clear reduction trajectory to decrease the direct and indirect GHG emissions that the group generates through its corporate and related activities.

Aware of the impact, science-based reduction targets have been outlined for 2022, inspired by the SBTi guidelines. We have chosen to set targets both in Scope 1 and 2, which account for only 1% of Nice's overall emissions but over which we have the most influence, and in Scope 3. These account for 99% of total emissions.



These targets are as follow:

- 30% t CO2 in Scope 1,2 by 2025 and -50% t CO2 by 2030, compared to 2022 emissions, with an ambitious target to decrease Scope 2 by 80% already in 2025 and 100% in 2030;
- 10% t CO2 in Scope 3 to 2025 and -25% t CO2 by 2030, compared to 2022 emissions.

We are committed to implement actions that will substantially meet the targets before 2030: from the fleet to the heating systems in the Nice plants, from the green electricity supply to the rethinking of the product from an eco-design point of view in order to reduce its consumption also in its use phase.

## Scope 1,2

### OUR ACTIONS TO 2030 GOAL

#### ELECTRICITY

80% electricity supply from renewable energy (GO) in 2025

100% GO in 2030

**New buildings:** evaluation of PV system



### OUR GOALS

**-30% by 2025**  
**-50% by 2030**

of t CO2 compared to 2022 emissions **in Scope 1 and Scope 2**

### OUR ACTIONS TO 2030 GOAL

#### FLEET

Car fleet transition to hybrid or electric cars

#### HEATING SYSTEM

**New buildings:** electrifying the heating system (heat pumps)

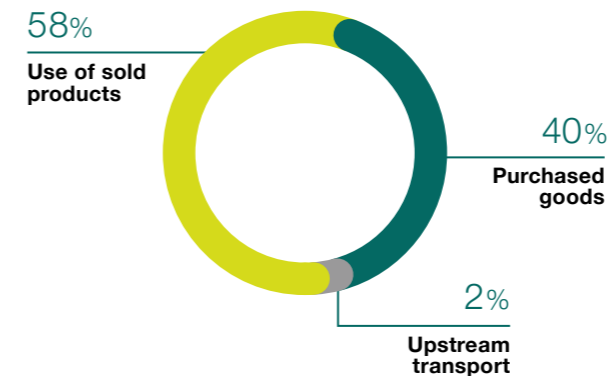
**Existing buildings:** envelope and HVAC plant efficiency evaluation

## Scope 3

### OUR ACTIONS TO 2030 GOAL

Stand-by mode lower than 0,5 W

Integrating the products technologies for the saving, self-generation and storage of energy



### OUR GOALS

**-10% by 2025**  
**-25% by 2030**

of t CO2 by 2030 compared to 2022 emissions **in Scope 3**

### OUR ACTIONS TO 2030 GOAL

Suppliers selection using sustainability criteria

Prioritising low environmental ways of transport or intermodal solutions

Prioritising the purchase of recycled materials instead of virgin ones

Using less quantity of materials

Substitution of materials with high carbon emission factor

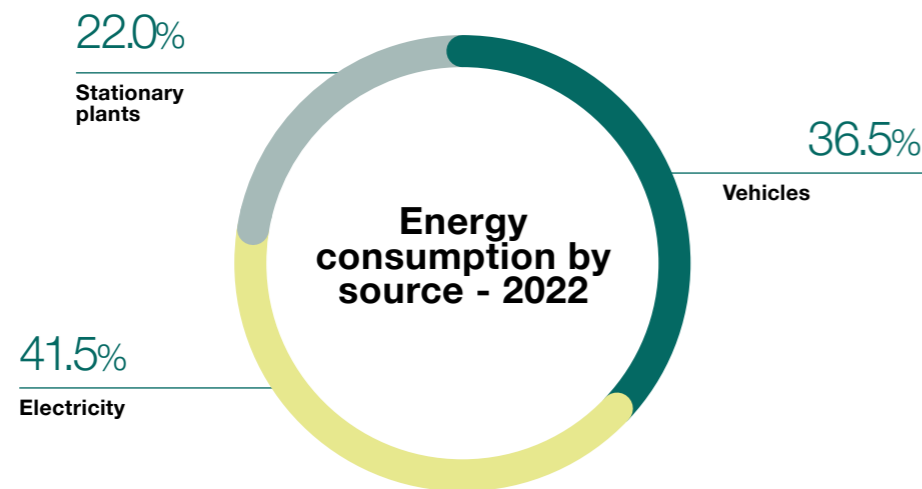


# Energy Consumption

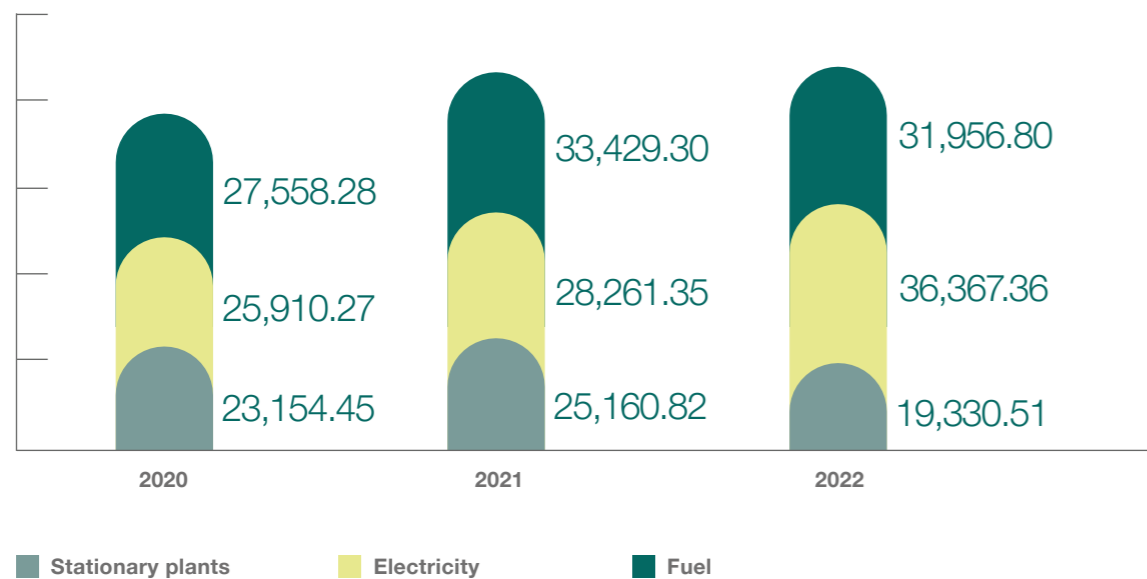
Rational energy use is a priority for us. We are therefore very attentive to preventing all energy wastage and inefficiency in an effort to reduce the impact of our facilities and control their operating costs. In fact, reducing energy consumption, in addition to being crucial and mitigating climate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

In this regard, we aim **to activate energy supply contracts with a renewable source of guaranteed origin** at all of our facilities and are constantly committed to implementing **efficiency enhancement measures** therein.

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 2022, we consumed approximately 87,655 GJ of energy, a 1% decrease compared to 2021. Consistently with the other environment-related aspects analysed, the increase in this category is also justified by the inclusion of Nice North America in the reporting scope.

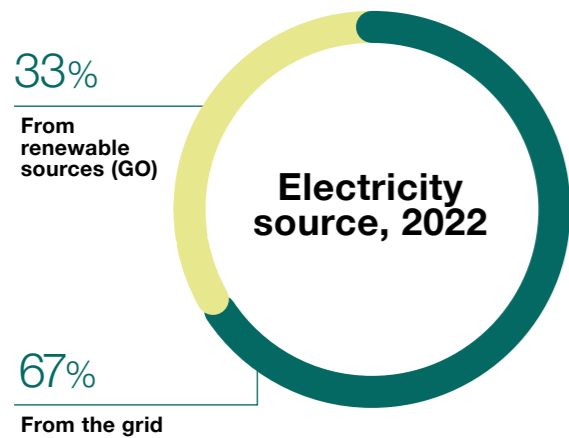
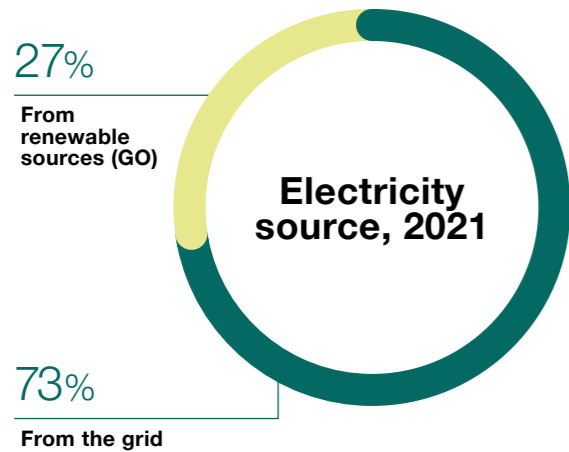
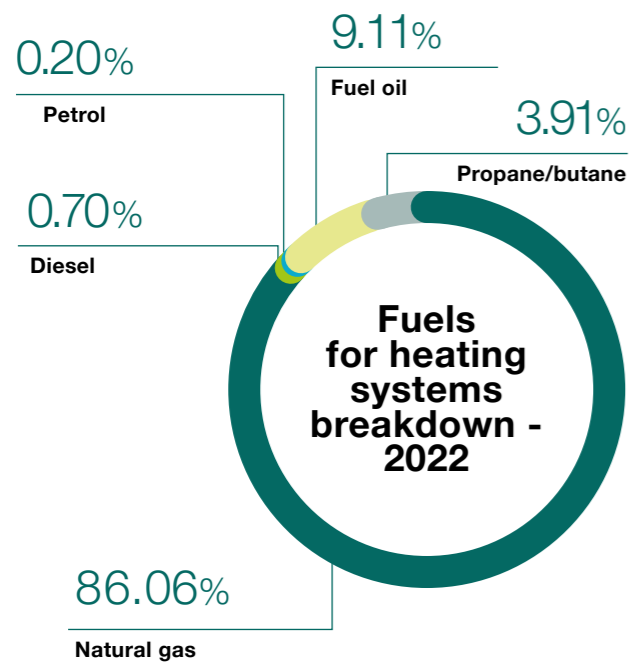


Total energy consumption (GJ)



# Energy consumption

	Unit of measure	2020	2021	2022	22-21 % change
<b>Total consumption</b>	<b>MJ</b>	<b>76,622,997.21</b>	<b>86,851,462.10</b>	<b>87,654,672.56</b>	<b>+1%</b>
of which fuel for vehicles	MJ	27,558,281.78	33,429,298.73	31,956,799.72	-4%
of which electricity	MJ	25,910,267.49	28,261,345.59	36,367,362.36	+29%
of which stationary plants	MJ	23,154,447.93	25,160,817.78	19,330,510.48	-23%
<b>Energy consumption on turnover (Intensity)</b>	<b>MJ/€</b>	<b>0.18</b>	<b>0.16</b>	<b>0.11</b>	<b>-28%</b>
<b>Total consumption of fuel for thermal energy</b>	<b>MJ</b>	<b>23,154,447.93</b>	<b>25,160,817.78</b>	<b>19,330,510.48</b>	<b>-23%</b>
of which natural gas	MJ	20,861,556.69	21,738,250.22	16,638,668.76	-23%
of which diesel fuel	MJ	1,786,774.10	2,730,425.95	136,196.62	-95%
of which petrol fuel	MJ	-	-	38,822.07	
of which fuel oil	MJ	-	-	1,761,319.33	
of which propane/butane	MJ	506,117.15	692,141.61	755,503.70	+9%
<b>Company vehicle fleets</b>	<b>Unit</b>	<b>447.00</b>	<b>442.00</b>	<b>464.00</b>	<b>+5%</b>
Internal combustion vehicles	Unit	434.00	423.00	430.00	+2%
Hybrid vehicles	Unit	10.00	15.00	31.00	+107%
Electric vehicles	Unit	3.00	4.00	3.00	-25%
<b>Electricity consumption</b>	<b>MJ</b>	<b>25,910,267.49</b>	<b>28,261,345.59</b>	<b>36,367,362.36</b>	<b>+29%</b>
from the national grid	MJ	19,492,882.29	20,624,928.39	24,271,963.56	+18%
from renewable sources - guaranteed origin	MJ	6,417,385.20	7,636,417.20	12,095,398.80	+58%



## Energy mix, more clean energy and efficiency

Electricity accounts for about 42% of total energy consumption, making it the prevailing energy category, followed by the company fleet (36%) and fuel consumption of heating systems (23%).

In 2022, we consumed approximately **10.1 GWh of electricity**, 33% of which was generated by certified renewable sources with guaranteed origin, whereas the remainder was drawn from the national grids of the respective countries. Along with Nice S.p.A. and V2 Spain, in fact, Nice Brazil, Nice Canada and Hy-Security have also stipulated certified renewable energy contracts with their suppliers.

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 the heating systems, 86% of the requirement was covered using natural gas, around 12% by fuel oil, diesel and petrol, and propane for the remaining 4%.

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

## Mobility and fuels, main consumption types

In 2022, the company fleet, composed of **464 vehicles**, 93% of which are powered by internal combustion engines, is the category responsible for the main share of energy consumption, since they are powered by diesel fuel, petrol and, in some cases, ethanol (12 vehicles in Brazil).

The remaining 7% of the company fleet is composed of hybrid and electric vehicles. As confirmed by the data, our commitments in terms of climate change mitigation are driving a gradual conversion of the fleet. Indeed, there has been an increase of about 16 hybrid vehicles.

## Energy policy

The consumption reduction in all three energy categories is partly driven by the definition of an Energy Policy that has been shared with all group companies.

The Energy Policy was drafted to define the Nice Group's intentions and goals regarding energy usage and management. Its purpose is to help consolidate energy efficiency and environmental awareness in all Nice Group companies in order to meet the Net Zero goal by 2050 with a cost-effective approach.

The strategy has been structured to cover all the main categories of direct and indirect energy consumption, thus providing guidance not only for facilities under the direct control of the company, but also for reducing the consumption of vehicles used for employee travel and logistics, and furthermore for improving the efficiency of the products marketed by Nice.



# Smart and home automation for the environment

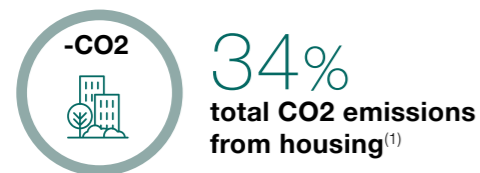
Our contribution to combating the climate emergency is not limited to reducing our direct impacts but rather involves becoming **enablers**. In fact, the efficiency solutions made possible by home automation enable us to reduce the energy consumption of homes and buildings and are therefore essential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

## Energy challenges: energy control and management at home

Controlling and managing energy at home is our goal to help mitigate climate change and increase the safety of our consumers and their properties.

### Energy challenges and global data

#### Sustainability



Reducing CO2 emissions is a major contribution to climate change mitigation. We are aware of the damage that this causes every day and are therefore committed to limiting emissions related to homes that use our products.

#### Resilience



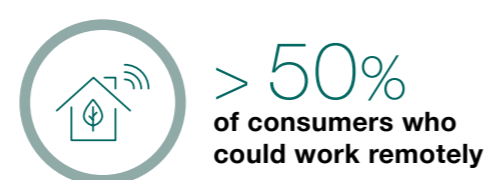
Homes are facing a growing array of electrical safety risks. To ensure safety and economic well-being, we promote awareness, proper precautions, and the use of high-quality instruments that adhere to current safety standards and regulations.

#### Efficiency



In recent years, two things are clear: electricity prices are rising, and our dependence on electricity is increasing. Our goal is to provide top-notch, energy-efficient technology for your home to lower your energy costs over time.

#### Personalisation



Following the global pandemic (COVID-19), working from home has become commonplace in recent years. Smart Home systems can help make work from home easier, thus contributing to the reduction of emissions connected to travel and workplaces.

## The nice smart homeowners' perspective

According to internal research by Nice, consumers are increasingly aware of the global trend of CO2 emissions and their impact on climate change. As a result, consumers tend to choose "green" products with a low environmental impact, paying more attention to their energy consumption.

### Consumers choose Nice products for:

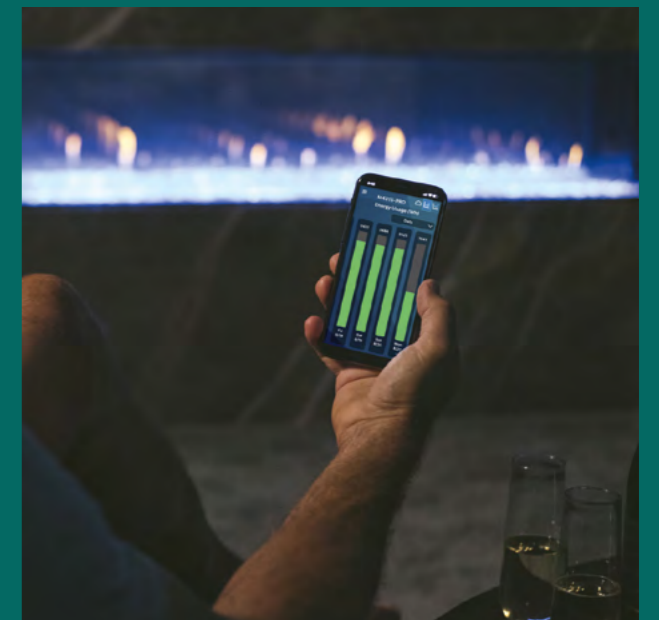
- 1 control of connectivity, comfort and security
- 2 energy management such as meters, thermostats and refills for electric car
- 3 the monitoring of energy consumption

## This is Nice

### Smart energy management

**Smart home solutions** and ecosystems can be pivotal for the management and efficiency of energy consumption for residential and commercial solutions. **Interconnected** devices work together to achieve the common goal of providing complete smart home solutions while optimising energy consumption.

**Nice North America** smart home solutions allow individuals to **optimise energy usage**, understand their consumption patterns, set alert thresholds, establish energy-saving routines and improve the living experience thanks to an ecosystem of intuitive automation. This state-of-the-art solution perfectly integrates technology and the living environment; it allows real-time data to be viewed on a smartphone in order to manage devices even outside the home. As such, Nice customers have the opportunity to control their energy usage and contribute to a greener future; by providing a complete product portfolio to our customers, we can have a significant and sustainable impact in the world.



<sup>1</sup> ITIF  
<sup>2</sup> + 16% in the U.S. compared to September 2021, + 32% in the EU compared to Q1 2021. Source: GlobalPetrolPrices.com <https://www.visualcapitalist.com/mapped-global-energy-prices-by-country-in-2022/>

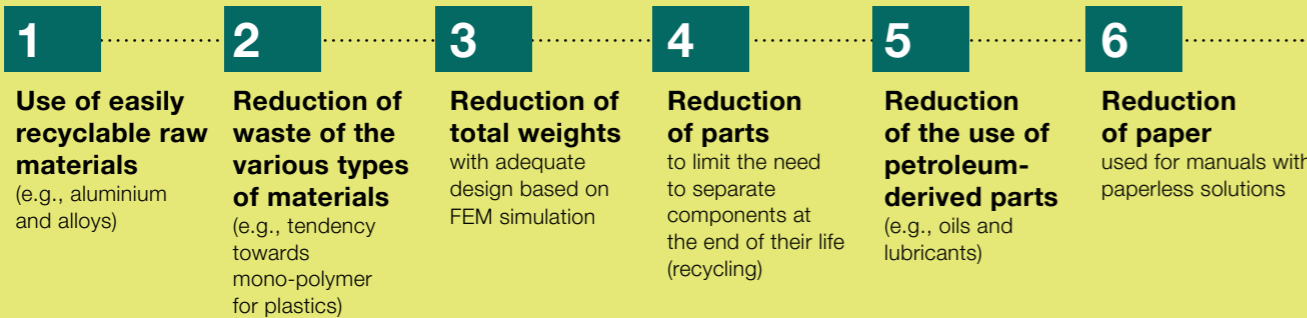
# Materials

We are committed to identifying new sustainability scenarios through research into environmentally friendly materials and designs.

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

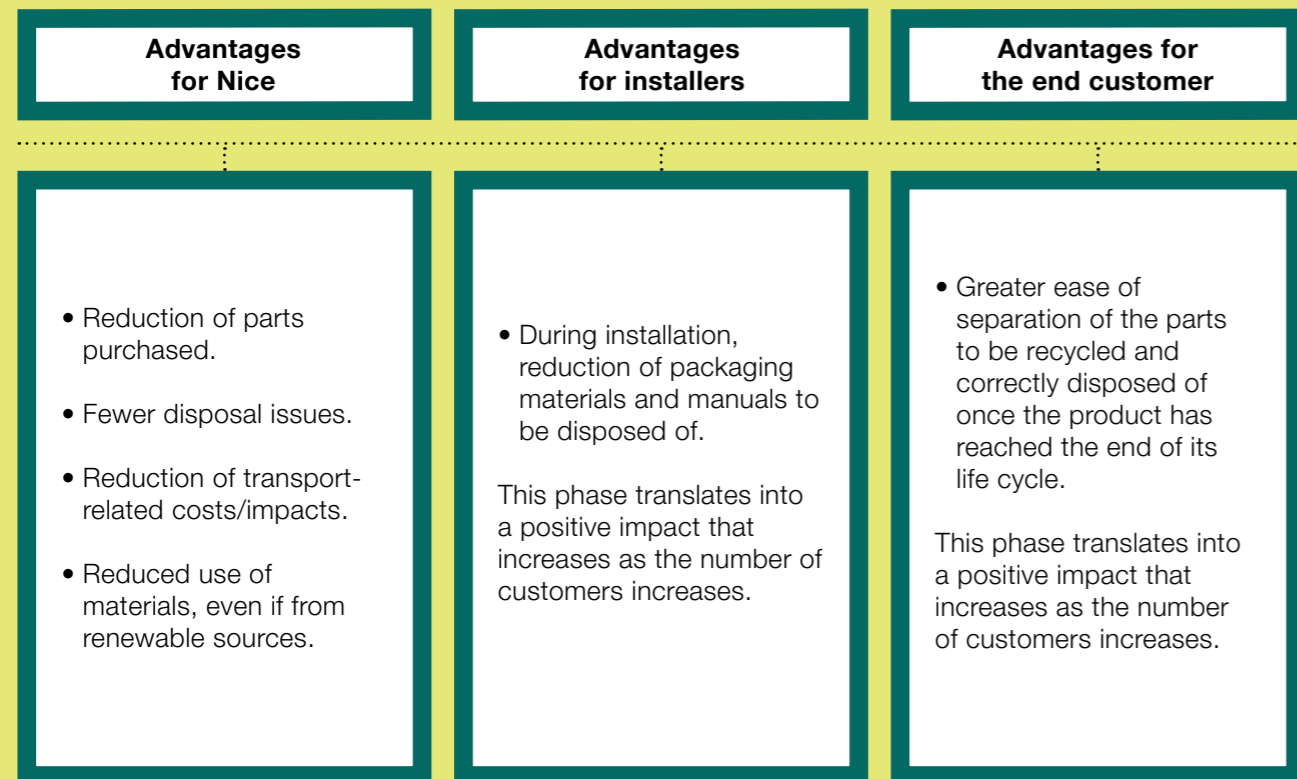
The design of an environmentally sustainable product necessarily involves the study, simulation and analysis of possible manufacturing methods that use **regenerated or recycled materials, reduce weights and, through the FEM\* methodology, verify the structural soundness of the pieces.**

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



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.



## Reducing impacts A multifaceted commitment

### R&D

The R&D department is responsible for design, taking into account environmental issues and the goal of reducing energy consumption and material usage, as well as replacing virgin raw materials with recycled or regenerated raw materials. R&D also makes additional contributions to the calculations and analyses required for life cycle assessment studies, which are the basis for identifying critical issues in terms of environmental impacts (hotspots) and the resulting corrective measures on processes and supply chains.

### Purchasing

The Purchasing department collaborates with R&D and carefully selects the raw materials, semi-finished products and components to be purchased. Specifically, it focuses on recycled plastic or other recycled materials such as aluminium alloys. Together with the Operations department, it takes part in formulating purchase plans that aim to simplify and reduce the number of components required to make a product.

### Operation & Logistics

Operation & Logistics collaborates with R&D in defining packaging and proposing alternative solutions to plastic materials, while also reducing transport-related CO2 emissions with adequate primary, secondary and tertiary packaging.

The R&D department collaborates with Quality & Sustainability in monitoring the results of the decisions applied to new and existing products. Together, they gather evidence of ongoing improvement towards a lower, overall environmental impact.

The extent of the achieved improvement has been calculated through this collaboration. The **indicators** for lower-impact products are:

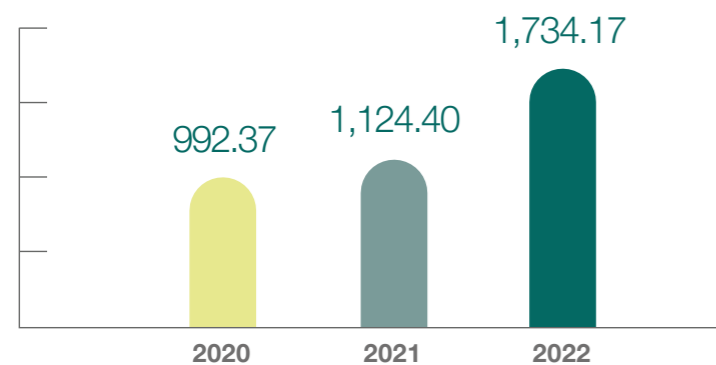
- volumes of plastic material (recycled or virgin);
- volumes of aluminium parts;
- total weight of new and discontinued products;
- use of paper for manuals and packing.

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: taking environmental aspects into account not only reflects the company policy but also has positive impacts in terms of visibility and trust on the part of customers and partners. For this reason, starting in 2022, we have implemented pivotal processes and procedures derived from two strategic projects: the **World-Class Manufacturing program and ISO 14001 certification**. In the Environment pillar of the World-Class Manufacturing (WCM) project, resources will be used to reduce energy consumption and polluting substances, with a particular focus on disposal and the implementation of ISO 14001 procedures. The application of ISO 14001 and WCM helps to create standards and establish an environmental management system at plant level, which involves understanding the environmental rules, preventing contamination, saving energy and resources and reducing waste. Implementing a proper management system helps to avoid economic and legal repercussions. Operating/management instructions have been created according to the ISO 14001 standards. Operating tools/standards have been introduced, such as OPL (one point lessons) and SOP (standard operating procedures).

## Waste production



The waste generated during our activities consists primarily of **packaging and waste components that do not meet** the established quality requirements for recycling and filtration and absorption materials (45.2%). Almost all waste produced consists of non-hazardous categories (97.5% of the total).

Type of waste	2020	2021	2022
Hazardous waste	9.00	5.00	44.30
Non-hazardous waste	983.00	1,119.00	1,689.87
Total	992.00	1,124.00	1,734.17

In tonnes - 2020-2022

About 84% of the waste produced by our production facilities is sent to processing centres that recover the materials. 16% (272 tonnes on average) of the waste produced is sent for disposal. The increase in absolute terms is due to the enlargement of the reporting scope.

Management option	2020	2021	2022
Waste recovered	887.00	979.60	1,461.78
Waste sent for disposal	1.60	1.80	272.39
Total	879.00	981.50	1,734.17

In tonnes - 2020-2022

## This is Nice

### Waste and how to prevent it

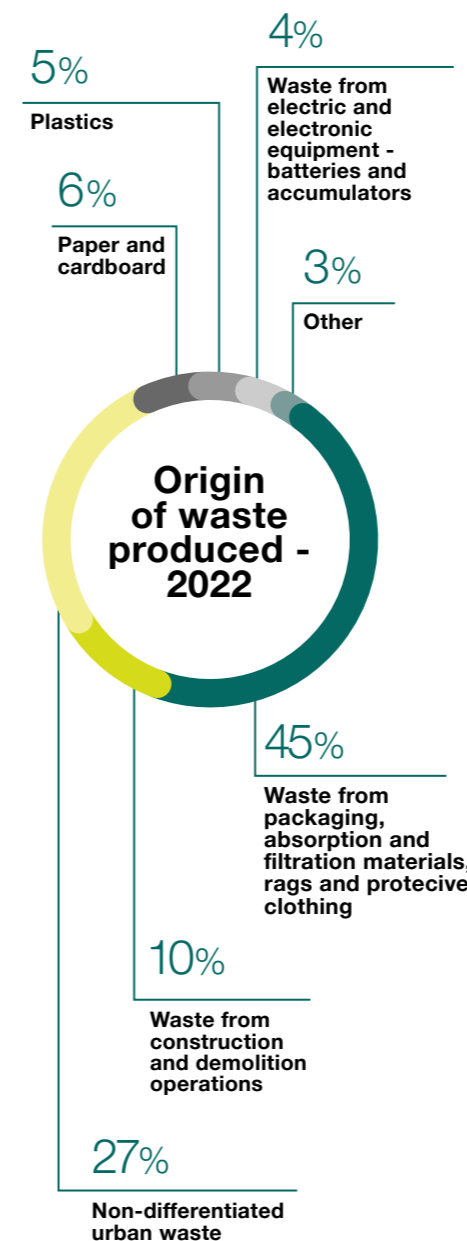
Since 2020, the manufacturing department at our headquarters has **significantly reduced the production of waste derived from packaging according to the kanban technique**, a key element for streamlined production that avoids the risk of excessive production and thus waste and inefficiencies.

This technique has been applied, above all, to optimise the consumption of plastic cases used as containers for small components: the cases are delivered empty to suppliers and reused several times. Before the materials are delivered by suppliers, we perform quality checks to reduce scraps and, therefore, waste. Where possible, other components that present slight defects are restored on-site.

Good practices and actions aimed at minimising waste are also implemented in the production processes of other Nice Group manufacturing companies, such as part of the Nice Sun Shading Solutions business units of Elero. In line with the commitment to environmental sustainability and cost reduction, a comprehensive strategy is implemented to manage the plastic waste from injection moulding. This strategy aims to reduce residual waste, increase material recycling, lower CO2 emissions and achieve independence from fluctuating granulate prices on the market. By taking a proactive approach, we strive to contribute to a greener future while optimising our operational efficiency.

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 selected containers are filled. When maximum capacity is reached, the supervisor notifies the HSE Manager of the need to contact the waste haulier to collect the container.

## Origin of waste produced





## 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 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 system 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. Impacts would only occur in the event of accidental spillage of containers during the loading of waste into vehicles.

## This is Nice

### World-class manufacturing and waste management

In 2022, as part of the World-Class Manufacturing (WCM) project, the Environment pillar was launched: This pillar deals with the development, implementation and maintenance of environmental protection, with the aim of reducing environmental and energy impacts. The WCM project is a major investment for the environmental sector in our company and comes on top of the recently granted ISO 14001 certification for the Nice Headquarters, which has led to a reconfiguration of how we manage environmental compliance and the relative goals we can set each day to improve our environmental system in the present and future. Waste is one of the most relevant topics for the WCM project. Indeed, the goal is to involve the right economic and human resources to reduce energy consumption and pollutants, with a focus on disposal and the application of ISO 14001. The implementation of ISO 14001 procedures and WCM helps to create standards and establish a plant-wide environmental management system, which involves understanding the rules of the environment, preventing contamination, saving energy and resources, and decreasing waste. The implementation of WCM involves the adoption of specific monitoring KPIs and tools such as OPL (one point lessons) and SOP (standard operating procedures), which allow for the identification of any inefficiencies or potential improvements in management.



# The nice people, a perfect balance



Human capital is a fundamental asset for our company.

*Lauro Buoro,  
Founder and Chairman*



In 2022 we wholeheartedly dedicated ourselves to strengthening our commitment to inclusion, cultivating a deep comprehension of diversity and empowering individuals to unlock their full potential and embrace their distinct identities.

**Permanent contracts**

**92%**

**Incoming personnel**

**615**

**Incoming personnel between 30 and 50**

**51%**

**Injuries compared to 2021**

**-45%**

# Social

## Material topic: Health and safety at work

### Goals for 2025

- Implementation of an occupational health and safety management system for all manufacturing plants
- Zero accidents at all group manufacturing plants



## Material topic: Human resources development

### Goals for 2025

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



## Material topic: Employment and fairness in labour relations

### Goals for 2025

- 30% increase in women in leadership roles
- Reduction of the remuneration gap between male and female personnel, obtaining equal salary certification
- Introduction of flexible work hours and regulation of agile work to ensure a home-work balance



## Material topic: Ethical supply chain

### Goals for 2025

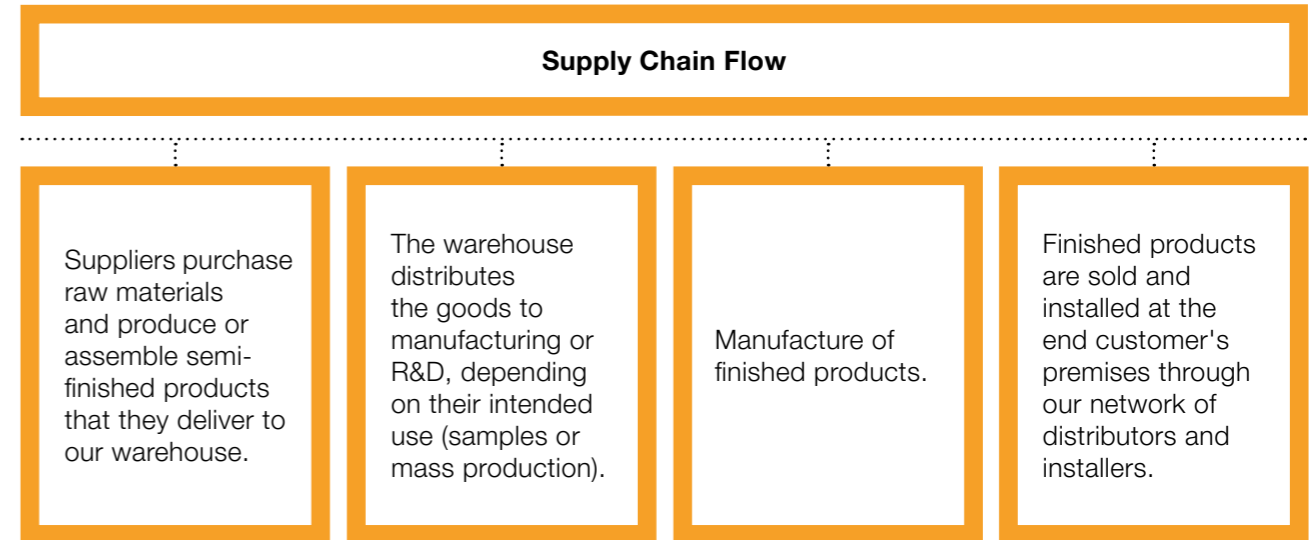
- Vendor ratings: expansion of the supplier social and environmental responsibility section



# Ethical management of the supply chain

We aim to establish enduring and cooperative relations with our suppliers in order to create lasting, collaborative partnerships with them, as they play an essential and engaged role in our operations and our value chain. Collaborative efforts and mutual growth should stem from a shared journey, thoughtfully planned and supported by contributions from both parties. Our main goal is to improve the overall performance and efficiency of our supply chain by optimising every aspect of the processes involved.

## The supply chain



While we don't directly use or process raw materials, our core operations revolve around the manufacture and assembly of home automation products. To achieve this, we rely on components and materials sourced exclusively from our reliable and trusted network of suppliers.

As a result, we value the proximity of our suppliers to our facilities, the excellence of the materials they provide, and their adherence to regulations concerning energy consumption and environmental impact.

Our core commodities include electronics, motors, technical components, injection moulding and packaging. We are dedicated to establishing long-term partnerships with suppliers, fostering collaboration in world-class manufacturing and process improvement initiatives. Whenever feasible, we prefer to directly source from top-tier manufacturing companies, however, for certain components, we leverage the distribution channel. Most of our expenditure is focused on advanced technologies and our goal is to collaborate with suppliers who are recognised as industry leaders.

As a global company, our expenditure is geographically distributed. However, for specific technologies such as electronics, the expenditure is typically related to their country of origin.

In 2022, we undertook a series of activities that had and will continue to have a significant impact on our supply structure and relationships with suppliers:

- Verticalisation, group electronic assembly manufacturing strategy and items rationalisation to shorten and optimise the supply chain;
- Selection of alternative suppliers, improving the country/cost sourcing strategy;
- Introduction of the Supplier Sustainability Index;
- Reduction of the scattered supplier base deriving from various mergers and acquisitions to implement efficient and excellent procurement procedures.

In recent years, various departments, including Purchasing, Quality and Research & Development, have displayed a strong commitment and awareness in evaluating the social and environmental responsibility of our suppliers. By implementing new requirements in the supplier selection and qualification process, we emphasise the importance of this aspect, which, in turn, positively impacts the overall performance of our supply chain.



Supplier quality audits go beyond assessing general company aspects, such as internal processes (R&D, Purchasing, Planning, Quality, Manufacturing and Warehouse) and product conformity. They also encompass environmental

and workplace health and safety considerations. Following a comprehensive evaluation of these criteria, each supplier receives a score that places them in one of three available classes (A, B, and C).

Supplier class	2020
Type-A supplier	No additional audits need to be planned
Type-B supplier	The supplier will be audited after two years
Type-C supplier	The supplier will be audited within 12 months
Supplier under discussion	The Quality Department suggests that the Purchasing Department consider discontinuing use of the supplier

Feedback and improvement opportunities identified during audits are communicated to the suppliers through detailed reports. Subsequent audits assess the progress made in implementing these improvements.

The performance of qualified suppliers is regularly evaluated and measured using a vendor rating system, taking into account factors such as quality, level of service and economic aspects.

Inspections may be initiated for various reasons, including the need for additional information about

potential new suppliers, instances of products and services not meeting quality standards, and the assessment of the supplier's manufacturing processes and non-conformities.

The audit questionnaire comprises a standard section applicable to all suppliers, with specific sections tailored to the nature of the supplied products, such as electronics, plastic/moulding or 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.

### Generic sections

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
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In 2022, we introduced supplementary questions to enrich the assessment, specifically focusing on suppliers' environmental responsibility. Furthermore, in 2023, we will be introducing social questions to further expand our assessment.

Sustainability-related questions:

- ESG initiatives
- Non-financial reporting
- LCA
- Carbon Footprint
- Renewable energy
- Self-production energy

In 2022, a total of 18 suppliers were evaluated using new criteria.

## Elimination of child and forced labour

### Even for suppliers

As stated in our Code of Ethics, we strongly oppose and aim to eradicate child exploitation and child labour. We avoid any involvement with third parties that engage in such practices, and through the General Conditions of Purchase, we explicitly require suppliers to adhere to all applicable regulations related to environmental protection, worker health and safety, and human rights.

When considering the introduction of new suppliers, we conduct an assessment to evaluate their compliance with these important aspects. For existing suppliers, regular audits are carried out on a schedule determined by the

Quality department to ensure ongoing adherence to ethical and regulatory standards. We are working on updating the Code of Ethics in which we intend to specify the obligation for Nice Suppliers to comply with the main international standards on workers' rights, also strengthening the fight against any form of forced or compulsory labour.

**Considering only the manufacturing companies, in 2022 there were no specific activities and/or suppliers deemed to be at significant risk of child and forced labour incidents.**

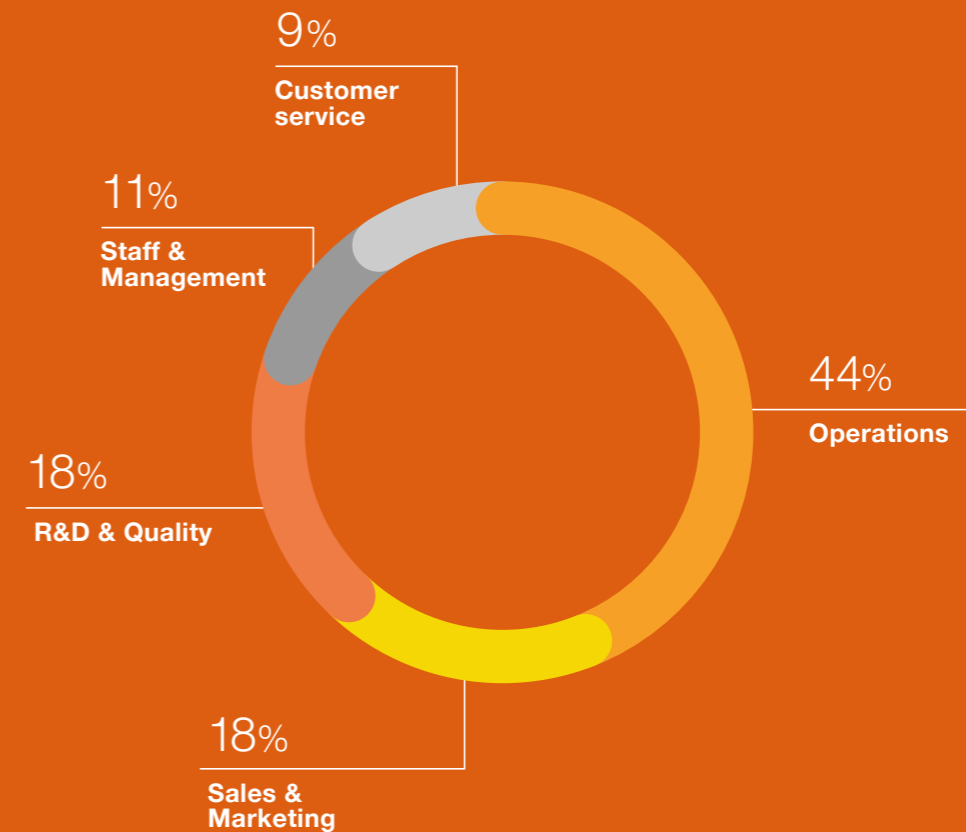


## Creating quality jobs

In 2022, Nice Group had 2,533 directly employed personnel, or 2,769 including temporary personnel. Most Nice People are based in Europe, followed by America, Africa and Asia.

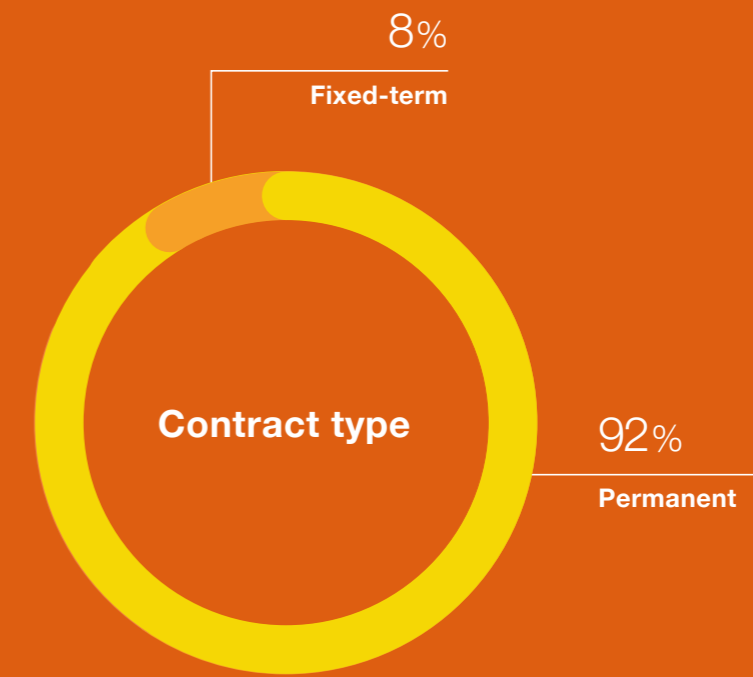
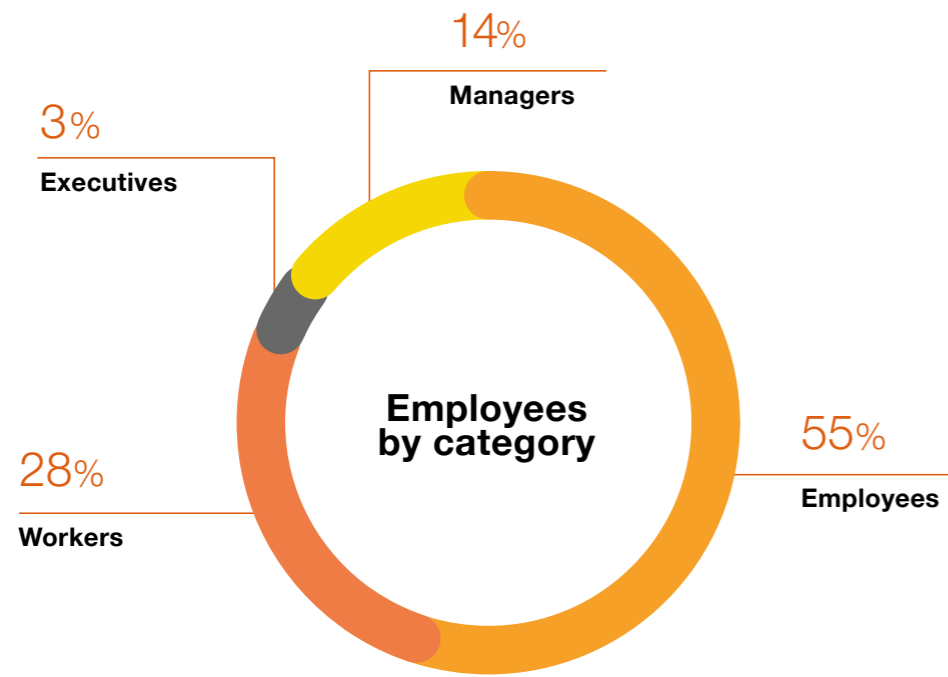


Operations account for 44% of the headcount, with the remaining 56% in Sales & Marketing, Staff & Management, R&D, Customer Service and Quality.

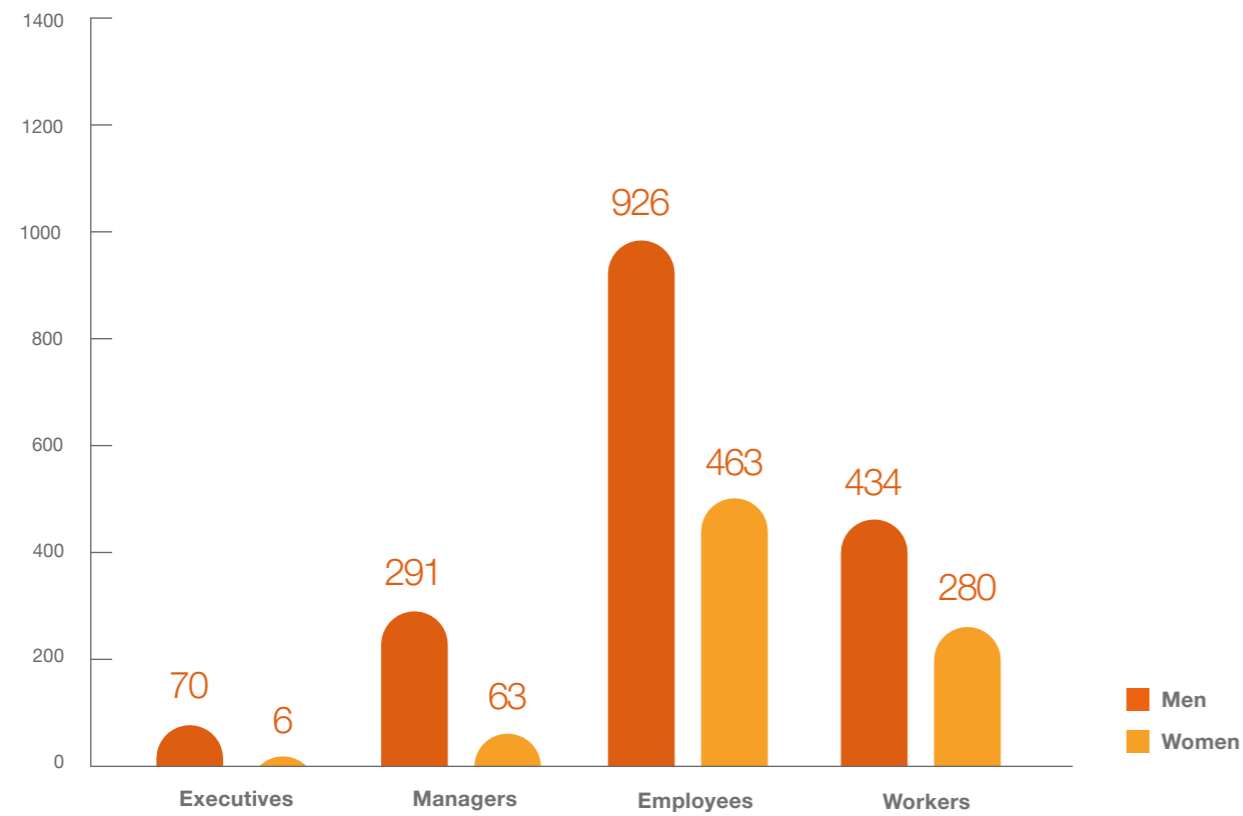


White collars make up the largest share of personnel, followed by blue collars.

Professional classification	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	49	4	53	53	5	58	70	6	76
Managers	138	31	169	144	33	177	291	63	354
Employees	955	448	1,403	922	424	1,346	926	463	1,389
Workers	315	156	471	298	146	444	434	280	714
<b>Total</b>	<b>1,457</b>	<b>639</b>	<b>2,096</b>	<b>1,417</b>	<b>608</b>	<b>2,025</b>	<b>1,721</b>	<b>812</b>	<b>2,533</b>



### Breakdown of personnel by category and gender



In 2022, **92% of Nice People had a permanent contract** and just 8% had a fixed-term contract, demonstrating our strong dedication to ensuring job stability for our workforce.

Contractual classification	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	1,399	601	<b>2,000</b>	1,366	567	<b>1,933</b>	1,583	749	<b>2,332</b>
Fixed term	58	38	<b>96</b>	51	41	<b>92</b>	138	63	<b>201</b>
<b>Total</b>	<b>1,457</b>	<b>639</b>	<b>2,096</b>	<b>1,417</b>	<b>608</b>	<b>2,025</b>	<b>1,721</b>	<b>812</b>	<b>2,533</b>

In 2022, the percentage of personnel with full-time contracts was 97% and all employees were covered by national collective bargaining agreements in countries where such regulations are mandated by law.

Type of employment	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	1,434	595	<b>2,029</b>	1,393	558	<b>1,951</b>	1,699	761	<b>2,460</b>
Part-time	23	44	<b>67</b>	24	50	<b>74</b>	22	51	<b>73</b>
<b>Total</b>	<b>1,457</b>	<b>639</b>	<b>2,096</b>	<b>1,417</b>	<b>608</b>	<b>2,025</b>	<b>1,721</b>	<b>812</b>	<b>2,533</b>

## Recruitment and turnover

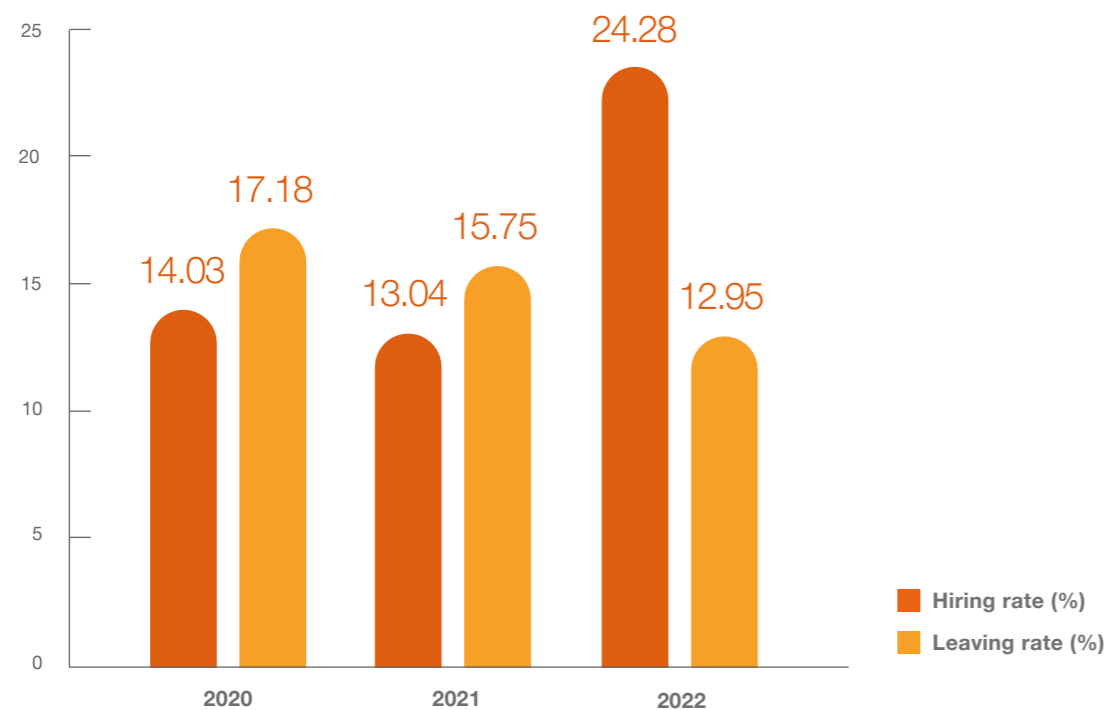
In 2022, the leaving rate decreased by 2.80%, while the hiring rate increased by 11.24% compared to 2021.

Turnover	2020	2021	2022	Delta 21-22
Hiring rate	14.03%	13.04%	24.28%	+11.24%
Leaving rate	17.18%	15.75%	12.95%	-2.80

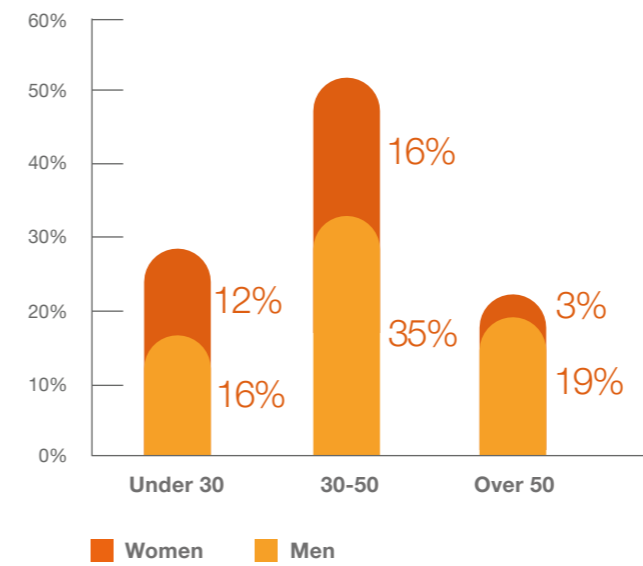
The majority of newly hired employees are males aged between 30 and 50, with the next largest group being males under the age of 30. In terms of employees leaving the company, the highest turnover rate is observed among males aged between 30 and 50, followed by personnel under the age of 30. Both turnover rates remain consistent with the previous year.

Incoming and outgoing personnel by age group in percentage	Gender	2020			2021			2022		
		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Hiring rate (%)	Men	22%	34%	6%	18%	41%	8%	16%	35%	19%
	Women	10%	25%	3%	11%	21%	2%	12%	16%	3%
Leaving rate (%)	Men	14%	46%	9%	17%	39%	9%	18%	38%	16%
	Women	9%	17%	5%	10%	22%	3%	8%	15%	5%

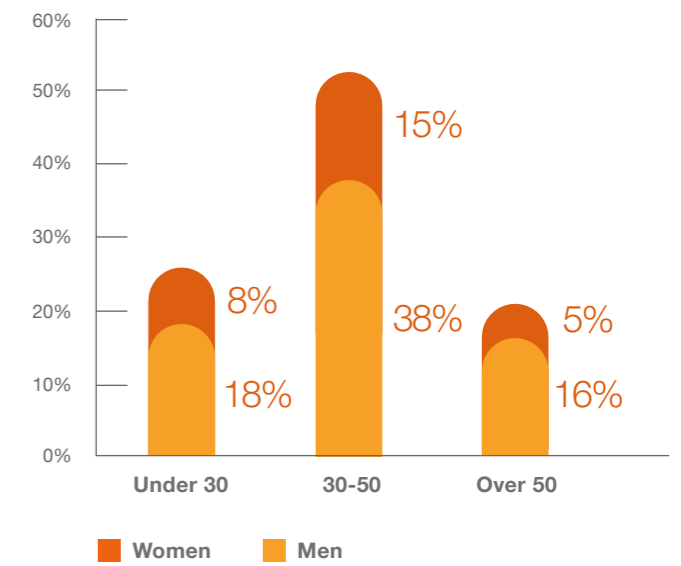
## Personnel turnover in 2020-2022



## Diversity: hiring by age group



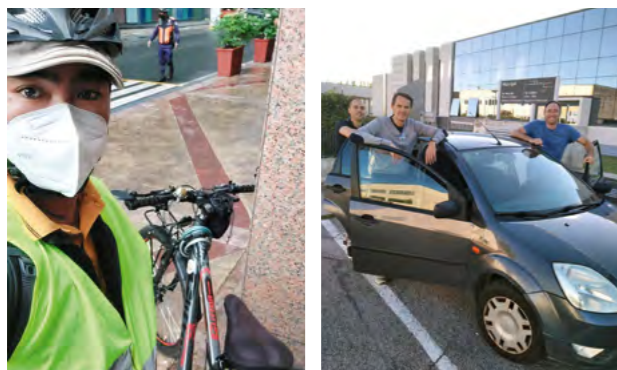
## Diversity: leavers by age group



# People engagement

In 2022, we embarked on a transformative journey of nurturing a thriving and supportive work environment, acknowledging the indispensable role of team building and people engagement in fostering corporate values. We believe that **engaged and empowered employees are the driving force behind our sustainability endeavours** and, therefore, we decided to initiate a series of activities to enhance team dynamics and foster a culture of collaboration. By sharing our vision, core values and strategic projects with our employees, we aim to create a cohesive workforce that is motivated and aligned towards our common goals, in particular with a view to sustainability.

Focusing primarily on catering to the needs of our diverse workforce, we recognised that their physical, mental and emotional well-being are intricately interconnected and equally crucial for their overall happiness and productivity.



## Nice Clean-Up

As part of our sustainability commitment through NiceLoveEarth, we organised a beach Clean-Up event near our Oderzo Headquarters in Italy, in September. Participants joined forces with the environmental association, Marevivo, for a beach cleaning activity. Teams competed to collect the most rubbish, fostering reflection on sustainability and team building.

## World Car Free

On 22 September, Nice participated in the World Car Free Day, aligning with the core principles of NiceLoveEarth and promoting the adoption of sustainable practices and good health in daily life.

## One Team, One Mission

Every October and November, Nice traditionally conducts a year-end assessment and plans for the upcoming year. As part of this process, various meetings were organised, including a global convention titled "One Team, One Mission", held at our headquarters in Oderzo in the early weeks of October. During the gathering, we shared our vision, the concept of One Company and strategic market projects. We emphasised the importance of embracing our core values, which include being Nice, Inclusive, Collaborative and Environmentally Conscious, and integrating these into all new projects. Furthermore, we highlighted the importance of adaptable leadership, shared goals and empowering individual growth.

## Nice People's Voices Matter

As part of our people engagement program, we distributed a feedback form to evaluate the effectiveness of The DailyWonder, our group's internal digital magazine. Results showed that 84.4% of respondents found the articles helpful and appreciated their diverse nature. 63.6% felt that the group's vision and strategies were clearly presented, while 33.3% expressed some lingering doubts on specific topics, indicating a need for further in-depth articles. Overall, The DailyWonder is highly valued as an internal communication tool, with an average rating of 4.3 out of 5.

# 👍 This is Nice

## October is the pink month

For thirty years now, October has been dedicated to preventive health care. Many Nice People have also organised activities to raise awareness and encourage primary and secondary prevention as well as support for research. Proof of this can be seen in the many activities Nice has organised around the world during this month. Nice Brazil designed the "Outubre Rosa" which, in addition to a series of internal initiatives, also includes a full-fledged ad hoc communication campaign, with live podcasts by health personnel and much more. Nice Nordics has established "Pink Day": a day to come to the office wearing a pink T-shirt to symbolise the importance of prevention. Nice France has instead organised a pink run, enlisting members to run together as a single Nice team. Finally, Nice HQ has also decided to promote health at the table by donating 700 kg of kiwi fruit to the Nice People: a food known for its unique properties and high vitamin C content.



# Well-being and welfare

Company welfare is a non-financial aspect of the remuneration package designed to enhance the well-being of our employees and their families. We provide a wide range of benefits through a portal that allows employees to choose how to allocate their available amount. These benefits include gift cards for popular e-commerce services, fuel vouchers, special rates for daycare, car maintenance and travel agency vouchers. Moreover, in 2022, Nice HQ provided an additional bonus in the form of fuel vouchers/expense vouchers to all its permanent and temporary employees, apart from those who had already received variable performance-based incentives, thus exceeding the provisions of the National Collective Bargaining Agreement (Italian CCNL).

We also prioritise the well-being of our employees by offering various supplementary healthcare solutions. This includes insurance coverage for executives and managers against death, disability, illness, and both occupational and non-occupational accidents. Additionally, we provide non-occupational accident insurance, life insurance and supplementary healthcare benefits such as coverage for hospitalisation, diagnostic examinations, specialist visits, maternity packages, prevention packages and dental packages. Moreover, all employees have access to a gym facility equipped with a small spa. This facility is available for use at a nominal monthly fee, ensuring access to a qualified trainer.

The pursuit of psychophysical well-being is becoming more and more fundamental for each of us, especially at work, where we invest most of our time. The number one enemy of psychophysical well-being at work is stress. In 2022, Nice HQ, through the HSE Health, Safety & Environment department, organised two initiatives: one concerning the administration of a questionnaire to the Nice People for a periodic assessment of work-related stress, and the other concerning an "ergo postural" training course, in collaboration with the University of Padua, split across 8 days, for 8 hours per day.



# Diversity and inclusion

Starting in 2021, our commitment to diversity and inclusion has been a top priority as we strive to foster a workplace where everyone can fully express their potential and identity. Our social sustainability commitment centres around valuing and developing all Nice People.

In continuing to prioritise various aspects of diversity, we ended 2022 with the launch of the "D&I at Nice" community on Microsoft Teams, featuring the dedicated sub-channel "Nice Women Network". In 2023, we will nurture this space to inspire empowering discussions among women who recognise the importance of joining forces to amplify the female voice within our organisation. This platform aims to foster conversations and engagement regarding gender issues within our global Nice community. We firmly believe that embracing diversity, equity and inclusion is vital for our continued success and growth.

General information on D&I matters, as well as specific channels dedicated to empowering underrepresented groups, are available within the network. While our focus for the first year is on gender equality, we plan to establish additional channels in the future to support ethnicity and disability-related topics.

## Non-discrimination Respect for diversity is key

We believe in the utmost importance of respecting diversity and valuing individual characteristics, while firmly rejecting any form of discrimination based on age, health, gender, religion, race, political and cultural beliefs, as well as personal and social conditions. This is one of the key principles in our Code of Ethics in order to protect the impartiality of decisions and behaviour.

Instances of discrimination are strictly prohibited under our Code of Ethics and are subject to the disciplinary and sanctioning system outlined in the General Section of the Company's Organisation, Management, and Control Model, as established in accordance with Legislative Decree 231/2001.

After two episodes of discrimination recorded in 2020-2021, there were no further incidents of discrimination in the 2022 reporting period. In order to avoid any future cases of discrimination,

we initiated a campaign aimed at promoting awareness and understanding of the importance of respecting diversity and fighting racism.

## Remuneration approach

Remuneration is determined based on the following factors:

- Collective agreements for employees: The remuneration for employees is determined in accordance with the terms and conditions outlined in collective agreements between the company and its employees' representatives. These agreements define the salary structure, benefits and any potential salary increases or variations;
- Performance and seniority of roles for managers: The remuneration for managers is determined based on their performance and seniority within the organisation. The company evaluates the individual's achievements, contributions and responsibilities, taking into consideration their performance reviews, leadership skills and years of experience in the role.

The CEO is responsible for reviewing and approving any changes to the remuneration packages, ensuring they align with company policies, budgetary constraints and performance expectations.

## Gender pay equality

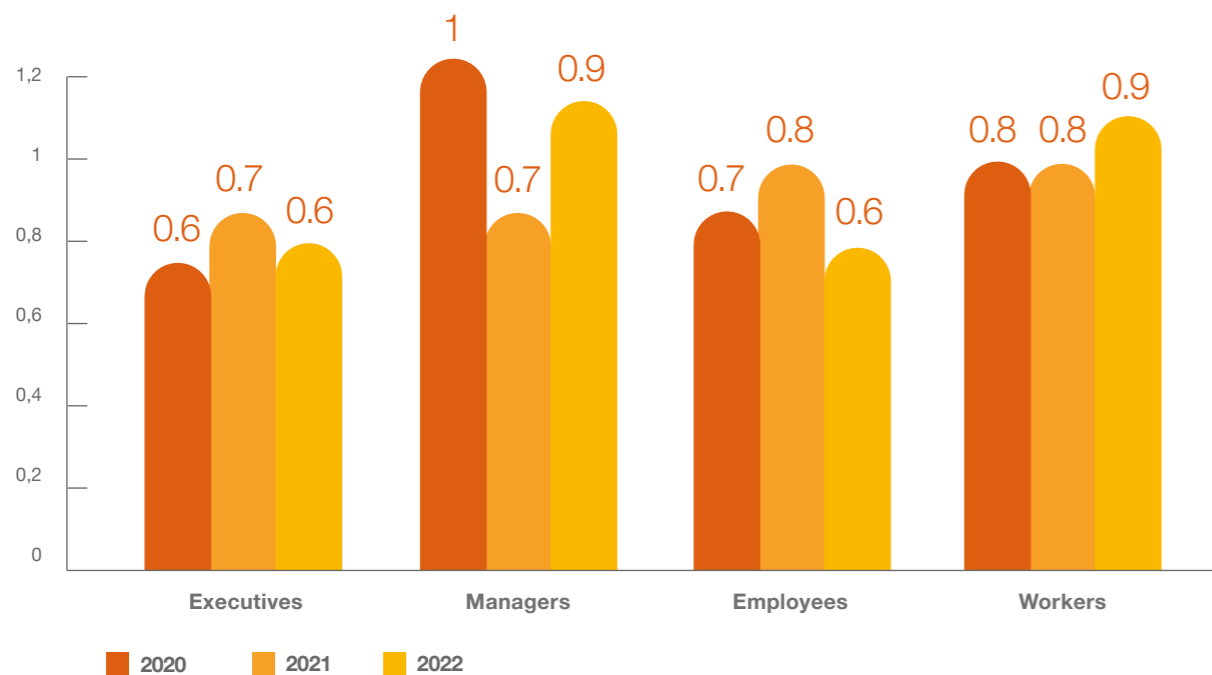
Ensuring gender pay equality is essential for fostering fairness and promoting gender equality within society. It not only acknowledges the inherent value of individuals regardless of their gender but also fosters economic empowerment and equal opportunities for everyone. In 2022, in reference specifically to the manufacturing companies that employ both men and women in executive, managerial, employee and worker roles, women receive, on average, a base salary equal to almost 90% that of men.

When considering total remuneration, including bonuses, overtime pay and additional benefits, women's remuneration is almost 80% that of men.

## Ratio of women's to men's base salaries



## Ratio of women's to men's average remuneration



## Talent empowerment and training

### Training and skill development

The cornerstone of our success and stability lies in our people and their continuous growth in terms of skills and leadership. We carefully evaluate our **training and development programs by monitoring skill enhancements and identifying any further training needs.** Our Italian facilities offer diverse avenues for skill development through our training programs:

- Nice Speed Up
- Soft Skills Management
- Project Management skills
- Technical and Technological skills
- Financial skills
- Coaching
- WMA training
- Languages courses

Training courses differ from one facility to the other but always include the Nice Speed Up program, languages, on-the-job training and ongoing feedback to constantly improve the learning process.

Considering only the manufacturing companies, of the employee training initiatives conducted in 2022, two noteworthy programs were dedicated to the Sales, Marketing and Technical Support departments. These programs were particularly important in terms of enhancing and strengthening the team's expertise in the realm of comprehensive customer service. The training topics were as follows:

#### Sales and Customer Services

This training focused on assessing customer acquisition and service processes to enhance sales efficiency, with specific emphasis on the B2B channel.

#### After-Sales Technical Customer Support

This program aimed to evaluate existing processes and elevate employee qualifications, thereby improving the quality of customer service provided in the technical support department.

## 👍 This is Nice

### Nice and Schools

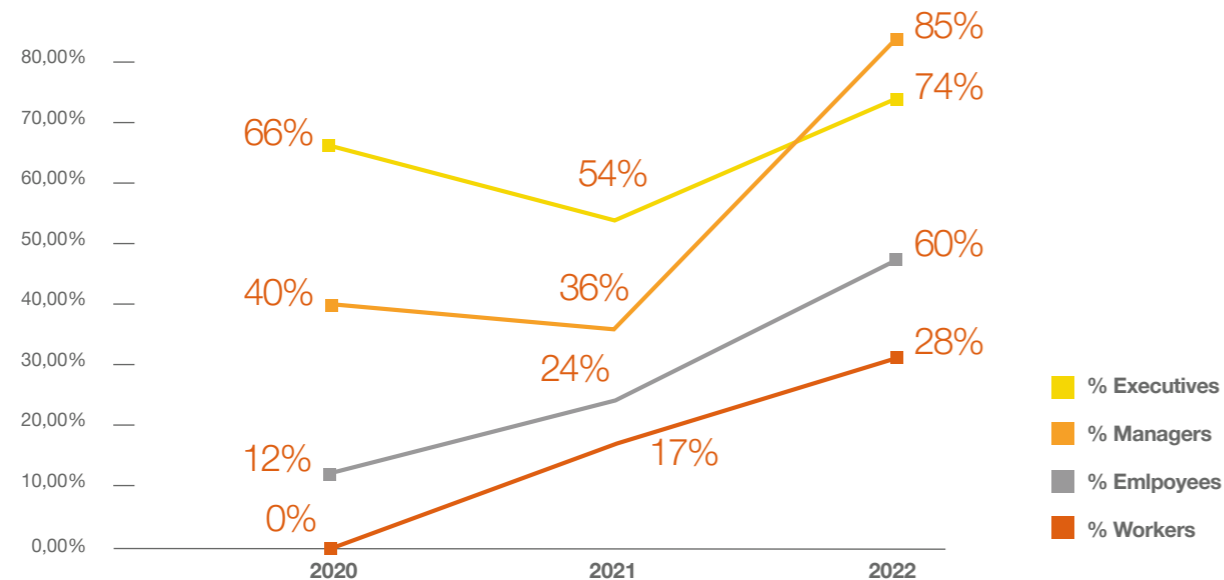
Nice recognises the importance of continuous education and actively collaborates with educational institutions worldwide. For example, Nice Polska and FIBARO educate students on building automation systems, while Nice Italia partners with ENAIP FVG to train future electrical installers and home automation assistants. Additionally, the Nice HQ Innovation Team works with the University of Padua on an Open Innovation project. These initiatives reflect Nice's commitment to fostering young talents and sharing its international experience, enabling the company to grow, improve and meet new market challenges.



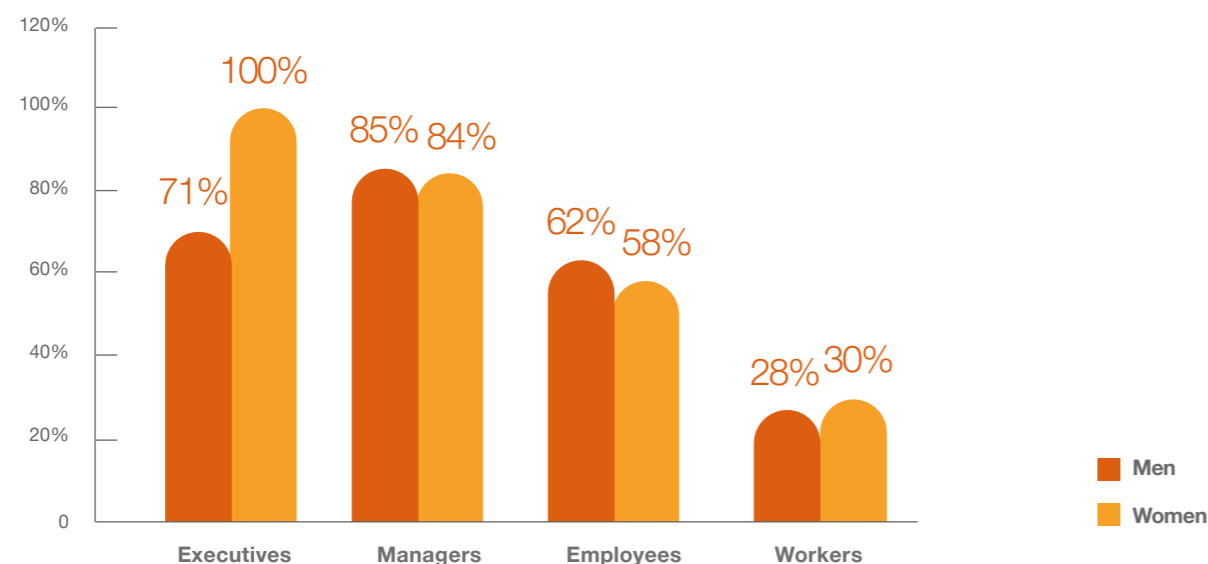
## Average training hours per person



## Personnel who received an assessment



## Gender diversity in access to periodic assessments



## This is Nice

### Nice Speed Up 3rd edition: the career acceleration program

Nice Speed Up is a program involving rotation between the various Nice companies, offering the freedom to move between the Headquarters and international branches in keeping with the mission of a "Open world". The Project embodies and enhances Nice's international matrix, offering selected candidates the opportunity to challenge themselves and grow in an open environment, living a distinctive experience abroad, which contributes to laying solid foundations on which to build their professional future.

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

Supportive training (Speed Up Executive Program) has also been designed together 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.

This career acceleration program for talents is now in its third edition, aiming to identify promising individuals set to become future managers. It provides them with an opportunity to gain insights into different cultures across Nice's global offices while fostering a deep understanding and active involvement in our company's fundamental processes.

We recognise the importance of nurturing the skills and career paths of our valued personnel. To ensure continuous progress, we conduct regular assessments that accompany and support their performance and development. **In 2022, we increased the coverage of these assessments across all categories compared to the previous year**, demonstrating our commitment to their growth.

While training plays a vital role in fostering talent and leadership abilities, we believe it is not the only method for development. We have, therefore, reintroduced dedicated events in the form of both virtual and physical meetings, where strategic guidelines are discussed.

Since 2021, we have reinforced – and aim to continue doing so – and constantly increased access to international work experiences with a view to personal and professional growth, but also cooperation and collaboration between the various teams, as in the case of Nice Speed Up, the international career acceleration plan in place since 2017.



# Health and safety in the workplace

Ensuring a safe and healthy workplace is a fundamental aspect that protects the well-being and rights of all employees. Since 2015, we have specifically designed our Safety Policy to enhance workplace health and safety, ensuring full compliance with the law, preventing occupational accidents and illnesses, and encouraging the active involvement of all levels of staff to establish an exemplary safety culture.

In pursuing these goals, we ensure access to appropriate organisational, instrumental and financial resources. The responsibility for workplace safety lies with a dedicated organisational structure that conducts regular audits.

To accomplish these objectives, we are dedicated to providing training and equipping employees with the necessary skills to perform their tasks safely. Additionally, we implement and execute maintenance programs for infrastructure, machinery and equipment, and ensure the secure storage and handling of substances.

In 2022, the manufacturing companies held training courses for emergency personnel alongside general and specific training courses on safety, as well as additional specific training courses for supervisors, fire-fighting personnel, first-aid personnel, personnel in charge of using a defibrillator (AED/BLSD), persons assigned to electrical work and refresher courses for lift truck operators.

General training courses cover the following topics:

- Principles of occupational health and safety;
- The scope of the employer's and employee's responsibilities and eligibilities;
- The scope of responsibilities of company units;
- Responsibility for violating workplace health and safety rules and regulations;
- Rules for moving around the workplace;
- Accident hazards and health hazards occurring in the plant and basic preventive measures;
- Basic principles of occupational health and safety related to the operation of technical devices and internal transport;
- Rules for the allocation of protective workwear, footwear and personal protective equipment, including with regard to the workplace of the instructed person;
- Workstation order and cleanliness and its impact on the health and safety of the employee;

- Medical care – rules of implementation in relation to the position of the employee;
- Basic fire protection principles and procedures in the event of a fire;
- Procedures in case of an accident, including the method and principles of providing first aid.

During on-the-job training, specific work-related hazards, dangerous activities or dangerous situations are discussed.

A special focus is afforded to the operational staff working at our primary manufacturing facilities. Employees can approach their Workers' Safety Representatives for any queries or clarifications. If necessary, these representatives may escalate any issues, claims or complaints to the Employer's Representative or the Head of the Prevention and Protection Service during the monthly meeting, or else directly to the Employer during the annual meeting.

Furthermore, in order to comply with the requirements of the Organisational and Management Model (Legislative Decree 231/2001), a certified email address is provided for submissions from all stakeholders.

## The health and safety management system

In 2015, we implemented an Organisation and Management Model in compliance with Legislative Decree 231/2001, aimed at establishing a clear chain of responsibility for managing worker health and safety. This safety organisational structure identifies safety executives and supervisors in various departments. Additionally, the Head of the Prevention and Protection Service engages external consultants to carry out assessments, measurements and prepare risk assessment documents.

To ensure the effectiveness of worker health and safety management methods, a Supervisory Body, an external entity specified in the OMG, conducts evaluations on a half-yearly basis.

The OMG encompasses all workers within the organisation, and a comprehensive workplace health and safety system covers 100% of workers employed in our manufacturing companies, addressing all related tasks.

## Risk monitoring

### A focus on accidents

The Head of the Prevention and Protection Service, responsible for workplace health and safety, conducts inspections of manufacturing facilities and communicates with various managers to identify potential risks. During health and safety training courses, workers are informed about their right to refuse tasks that could jeopardise their safety.

In the event of accidents or injuries, collaborative analyses are conducted with supervisors to identify any overlooked critical issues and determine preventive measures to avoid their recurrence. As changes occur in manufacturing and operations, related risk assessments are regularly updated to ensure ongoing safety.

Workers typically verbally report any risks or non-compliance situations regarding workplace health and safety to their supervisors or the Head of the Prevention and Protection Service.

To investigate the causes of workplace accidents and enhance safety measures, a detailed form is completed, outlining the process, equipment involved and circumstances of the incident. The form also suggests improvements and actions to eliminate the root causes.

Accidents are discussed at both annual and monthly meetings with the Workers' Safety Representatives and the Employer's Representative, with the aim of understanding the cause, preventing future incidents and continually improving company safety.

Workplace injuries	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Total	Total
Number of recordable workplace injuries	21	4	<b>25</b>	31	7	<b>38</b>	16	5	<b>21</b>
of which, number of deaths due to workplace injuries	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
of which, number of deaths due to workplace injuries	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>

### Workplace injuries

Unlike the 2020-2021 period, which was characterised by severe instability and complexity due to the constant presence of Covid-19, the year 2022 saw a return to a more stable situation. In terms of accidents, considering the manufacturing companies, the total number of recorded injuries decreased by 45% in 2022 compared to 2021.

### Occupational Medicine

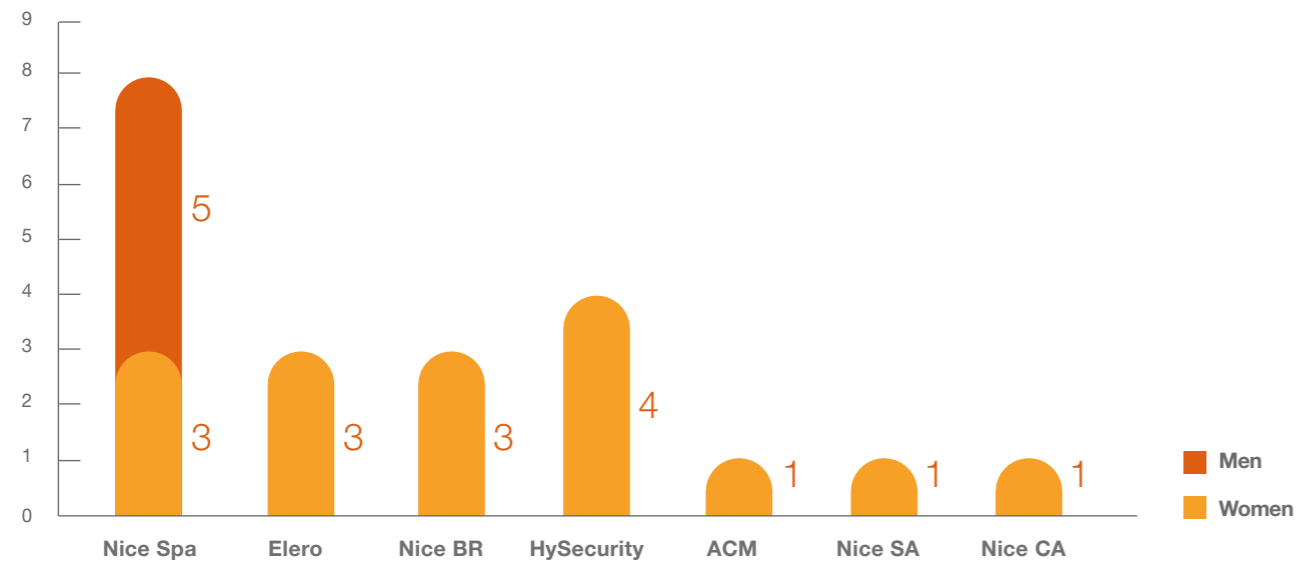
The Occupational Medicine service for the Oderzo facility is managed by a leading local company. The Head of the Prevention and Protection Service or HSE Manager regularly communicates with the contact person at the Oderzo Medicine Centre to coordinate initial specialist visits, periodic check-ups and clinical examinations, fostering a continuous and productive collaboration.

Assessments of fitness for duty are shared with the Head of the Prevention and Protection Service or HSE Manager, enabling them to work with supervisors in identifying necessary actions and adjustments for workers exposed to specific prescriptions or limitations. As at 2022, the COVID Committee remains in operation.

### Participation and consultation of workers on health and safety

Our personnel participate and are involved on a monthly basis by Workers' Safety Representatives in formal periodic meetings, in addition to being actively involved in the management of health and safety on a daily basis, thus allowing the implementation of prevention and protection measures at the company. All employees can get in touch with the safety representative or external company doctor to discuss health and safety matters. The human resource department uses notices on bulletin boards and the intranet to publish health and safety-related information.

## Number of workplace injuries



Despite boasting a workforce of 800 employees, Nice North America, which is not depicted in the graph, achieved the remarkable accomplishment of having zero recorded accidents in the year 2022.

## Promotion of worker health

### Work on a human scale

Our company ensures that all direct employees have access to healthcare services at affordable prices, for instance, through the establishment of a healthcare program at our Headquarters. This program offers certain health benefits, such as gender and age-specific screenings, completely free of charge, while other benefits are available at discounted rates.

The program is funded partly by small contributions deducted from the employee's pay slip, and partly directly by the worker themselves. Additionally, workers have the option to extend their health coverage to their family members by paying an additional fee.

We prioritise employee well-being by offering access to a company gym and a relaxation area with a sauna. Our canteens feature menus that promote healthy eating choices, while our ergo-postural health plan includes practical exercises. We organise various activities throughout the year, such as posture improvement training and outdoor events to foster a healthy lifestyle. Furthermore, our intranet serves as a platform to raise awareness about mental health and specific medical conditions.

At the Nice Headquarters, in 2022, an ergo-postural health and wellness promotion plan was activated in collaboration with Gym Hub (a spin-off of the University of Padua). Five editions of 8-hour training days with theoretical and practical exercises involving 83 workers were delivered.



## Prevention and mitigation of occupational health and safety impacts within business relationships

Nice provides its subcontractors with standardised testing equipment and machinery that are periodically calibrated and verified in order to minimise the negative impact on work of operations related to the organisation. Nice also carries out periodic quality audits which, since 2022, have also investigated environmental and occupational safety management aspects.

### Occupational illness

The occupational hazards that constitute a risk of occupational disease are determined by consulting the continuously updated list of occupational diseases and identifying the agents present and subject to health surveillance. Agents that may cause occupational disease in the organisation

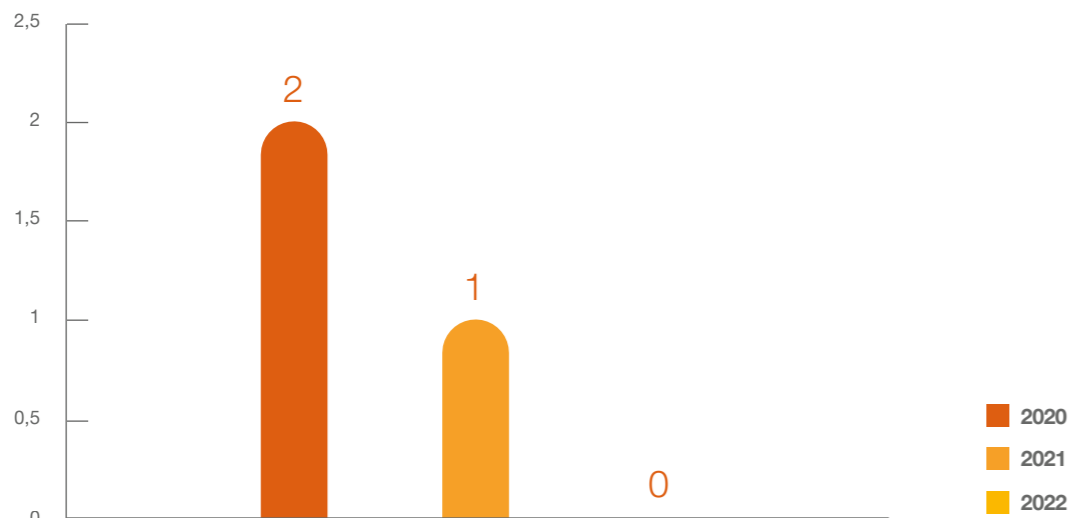
include mechanical vibrations transmitted to the hand-arm system; microtrauma and poor posture of the upper limbs for activities performed with continuous and repetitive rhythms for at least half the time of the work shift; vibrations transmitted to the whole body for activities involving driving heavy vehicles and mechanical equipment; dysfunctions in the organisation of work.

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

In order to prevent occupational illnesses resulting from improper ergonomics, it is sought to ensure the rotation of workers within both single lines and multiple lines.

All workers receive comprehensive information about workplace hazards through both general and specific training courses conducted within the organisation. During the 2022 reporting period, considering the manufacturing companies, **no cases of occupational illness were reported** among either internal or external personnel.

## Case of occupational illnesses



A comprehensive approach is adopted in order to reduce risk. This includes assessing physical agents that may lead to occupational illness, evaluating stress related to the organisation of work, and implementing measures to enhance workstation ergonomics and assess less harmful movements in terms of biomechanical overloading of the arms and backbone. To foster open

communication, regular factory meetings are organised, providing workers with a platform to share their feedback on the work environment. Furthermore, all workers receive general and specific training to ensure they are well informed about potential risks.





# The Nice Products, Green Design

“

Nice Green Innovation represents our approach to eco-design, defining guidelines to ensure the development of an environmentally friendly product.

”

In the year 2022, we successfully acquired EPD Process Certification, enabling us to develop an increasing range of eco-friendly products.

EPD-certified products in 2022

5

Milion, euros invested in R&D<sup>1</sup>

35.5

Intellectual property rights

765

Emission generate by products<sup>2</sup>

99.1%

1. Data considers all Nice Group companies.  
2. by manufacture and use of products.

# Product

## Material topic: Energy consumption of the product

### 2025 Goals

- 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

### 2025 Goals

- Partnerships with research organisations and universities for research and development into materials and technologies with a lower 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

### 2025 Goals

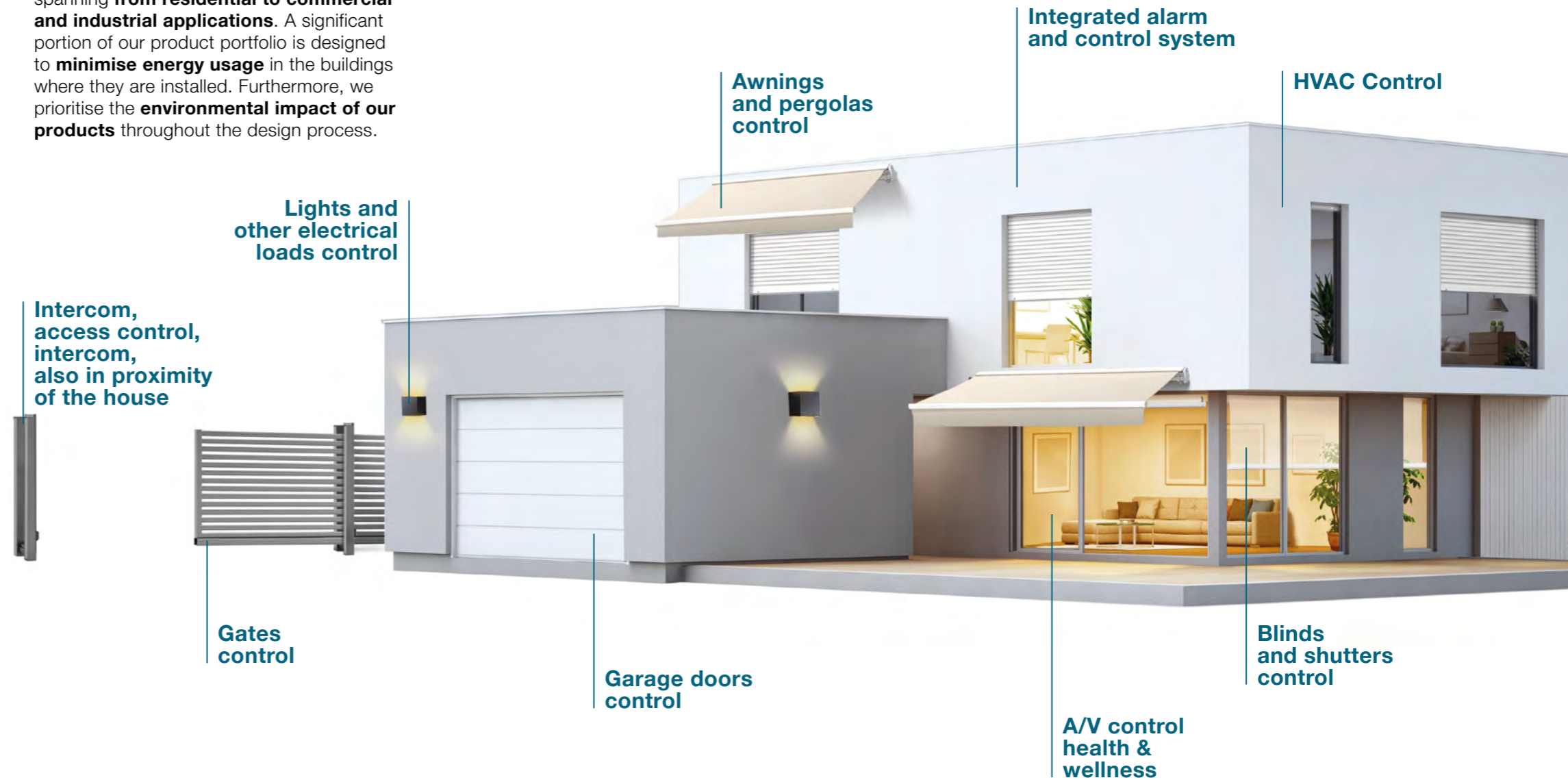
- EPD certification of all new product lines



# Our solutions

Our broad, **integrated selection** of solutions encompasses a wide spectrum, spanning **from residential to commercial and industrial applications**. A significant portion of our product portfolio is designed to **minimise energy usage** in the buildings where they are installed. Furthermore, we prioritise the **environmental impact of our products** throughout the design process.

## Residential solutions



### Industrial solutions

- Access control
- Garage door control
- Gate & barrier control
- Perimeter security hostile vehicle mitigation solution
- Sun shades control

### 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 deployed millions of products globally, enhancing homes with a greater sense of accessibility, safety, comfort and connectivity. Our efforts to further improve the sustainability of these solutions have had a substantial impact, considering the consistent and ever-expanding number of affected units.



1. Nice, abode, Numera, IV - 2. \*Nice, abode, FIBARO, ELAN, Numera, IV

### Electronics & Accessories

All the devices that 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.



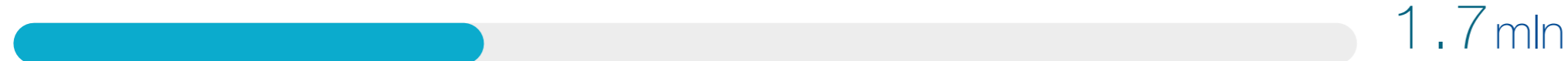
### Gates, Doors & Barriers

Solutions to easily and safely open and close the automation systems.



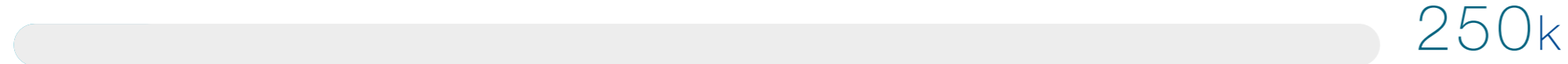
### Security Panels

Devices to monitor and control security features in the buildings.



### Smart Home Controllers

Smart gateways and smart devices to ensure the comfort and safety of the entire house.



## This is Nice

### Connected Solutions

To reach the goal of the “**Connected solutions**” program, we focus on three macro-areas of improvement for our company:

- **Data-based strategy**
- **A single IoT infrastructure**
- **Rationalisation of technologies**

By 2025, we expect our solutions to reach a significant connectivity ratio, driven by our primary ambition of promoting the **Digital Transition of Nice**.

Providing connected solutions allows different brands to easily communicate and be remotely monitored. This integration enables the creation of new scenarios, improves the customer experience and facilitates the collection of valuable data.

By processing this information, we can enhance our products and develop additional services. Our confidence in, and commitment to achieving this relies on the collaboration of a cross-functional group and cross-company collaboration.



# Eco-design and the Circular Economy

We prioritise sustainability right from the initial stages of design. Our goal is to continually pursue the challenge of **producing eco-friendly solutions through technological innovation**, investments in **eco-design** and the use of **sustainable materials**.

Since 2018, we have conducted **Life Cycle Assessments (LCA) on our products**, which have provided valuable insights into the indirect impacts of their usage. For instance, an analysis of our Robus 600 sliding gate motor revealed that 86% of greenhouse gas emissions are attributed to its usage.

The importance of creating products with a minimal environmental impact throughout their entire life cycle is further emphasised by the Scope 3 emissions considered in our carbon footprint calculations: this analysis confirms that the highest emission categories are associated with the procurement of materials and the use of our products.

Therefore, to implement a sustainability strategy aimed at enhancing environmental performance, it becomes crucial to address **product sustainability throughout the entire supply chain**. This involves relying on materials that have a lower impact on natural and energy resources, as well as developing even more energy-efficient solutions.

Since 2019, we have successfully acquired **Environmental Product Declaration (EPD)** for five of our products: Robus 600, Yubii Home, Era Inn, Era Mat and Spy 550. In 2023, we are planning to expand the range of certified products even further.

In 2022, our company headquarters successfully obtained **EPD Process Certification**.

This notable achievement highlights the company's ability to effectively manage and certify products autonomously, contributing to data unification and digitalisation.

The acquisition of EPD process certification involves the systematic organisation of production process data, encompassing the collection and extraction of information throughout the entire life cycle, from product supply to its usage.

Examining our products' life cycles and certifying their impacts is a crucial undertaking in our journey towards developing our Nice products in an environmentally conscious way. This involves minimising energy consumption and reducing the utilisation of harmful materials.

In practical terms, our objective is to create new product ranges having a reduced environmental footprint on the planet by adopting the principles of Eco-Design.

## This is Nice

### Making renewable energy smart

Thanks to the **smart PV system** provided by FIBARO, the Nice Smart Home brand, wise energy consumption is now possible.

The **Energy Dashboard** has been created to meet end customers' needs, allowing them to wisely manage energy in their home. By connecting Nice Smart Home devices, it is possible to analyse energy data and program functions to turn certain devices off or on.

The Energy Dashboard is a platform whereby energy management is converted into an effective **visual board** offering a real-time insight and automated optimisation of consumption. Through real-time measurements, historical data, charts and comprehensible figures, consumers can control their energy consumption to ensure the energy production limits are respected.

Homeowners can effortlessly adopt an eco-friendly lifestyle thanks to a visual insight into their carbon footprint and use smart PV to become more eco-friendly in their day-to-day habits within the home.



# Research and Innovation

Our **Research and Development (R&D) department** consists of an international team of highly specialised professionals whose operations are geared towards the continuous development of innovative products. Within our laboratories, we conduct **rigorous** and **thorough tests** using advanced procedures and tools, aiming to maintain the **highest standards of technology and quality in our prototypes**.

Since the inception of our **Innovation program** in 2020, we have been conducting in-depth analyses to ensure the quality and functionality of our products, while adhering to all applicable regulatory requirements. This ongoing process allows us to verify and enhance the performance of our products, ensuring they meet the highest industry standards.

In our continuous pursuit of technological advancement in both our products and production processes, we allocate a portion of the generated value towards research and development. This reinvestment enables us to enhance the technical aspects, functionality and safety of our solutions. By prioritising innovation, we strive to continually improve and optimise our offerings to better meet the needs and expectations of our customers.

## Investments in research and development



## This is Nice

### Nice People support the Smart Home innovation

The **Innovation team** implemented an initiative aimed at simplifying the user experience by actively involving our employees, known as Nice People, in the innovation process.

We provided a **Starter Kit**, which included a Yubii Home smart hub and four connected products, to all colleagues located at the headquarters.

This activity allowed us to capitalise on Nice People's experience with Smart Home solutions to evaluate **user behaviour** and identify the **products' potential and areas for improvement**.

The ultimate goal was to make Nice solutions even more user-centric. The team focused on enhancing the installation, usage and overall user experience of the products through this process.

These types of initiatives aim to engage Nice People and encourage their active participation in the product innovation process.

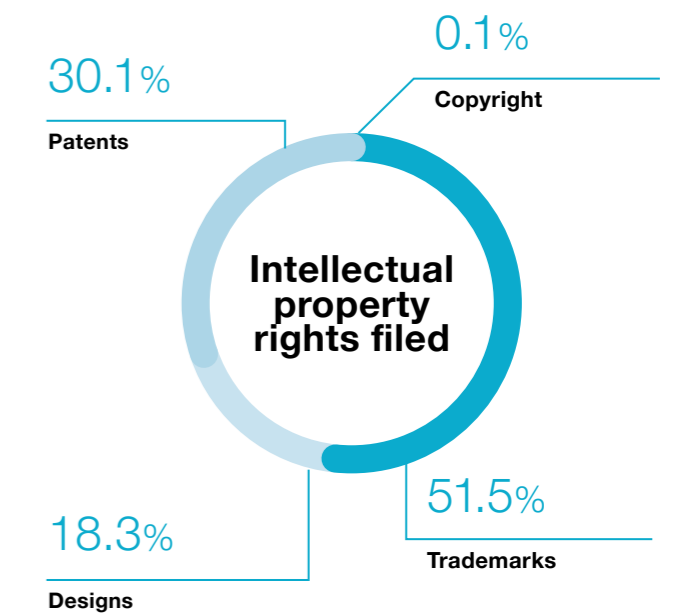


## Intellectual Property

To maintain our competitive edge, our strategy revolves around investing in research and development while safeguarding our intellectual property through various tools. As of 2022, we have successfully filed approximately **765 intellectual property rights**, including trademarks, patents, designs and copyrights. These intellectual assets are carefully monitored through our IP classification system, based on their status. Having recognised the significant impact of counterfeit and low-quality products on our brand reputation and consumer trust, we have implemented a brand and product protection strategy. To support this strategy, we utilise an **AI-based platform that detects counterfeiting, illegal sales and inappropriate pricing and imagery**. Since its implementation in July 2019, the platform has successfully identified and resolved 17,108 illicit sales, primarily occurring in marketplaces located in China, Poland and France.

Intellectual property rights <sup>2</sup>	Number
Granted	722
Pending	38
Opposition	5
<b>TOTAL</b>	<b>765</b>

2. Compared to the Sustainability Report 2021, for the purpose of clarity the status of IPs has been summarised under 3 categories.





# World Class Company

In 2022, Nice headquarters launched the **Operational Excellence program**, a set of principles to manage and ensure the ongoing performance of a manufacturing company. It is based on two programs for continuous improvement:

- **World Class Manufacturing (WCM):** a process focused on operator engagement, which aims to create processes free of defects, waste and accidents.
- **World Class Engineering (WCE):** a product development process designed to identify the best possible solutions to customer needs.

Each program consists of ten pillars that proceed by degrees towards process perfection and optimisation. Each pillar refers to a Pillar Leader supported by a cross-functional team. The aim for 2022 was to define a method and develop best practices in Nice headquarters, which will then be extended in subsequent years to other group companies.

The **WCE (World Class Engineering)** methodological framework has been adopted starting from the Gate Business Unit. This is disruptively changing the way in which we think and design products, ensuring cost and function efficiency. Moreover, we are also experiencing a shift in company culture that will need to permanently permeate all of our operations. In 2022, four pillars of World Class Engineering were activated, with cross-functional teams:

- **Product Planning** aims to formulate clear business requirements;
- **Design** is responsible for optimising the design stage of the solutions conceived;
- **Process Management** organises the phases of product development;
- **Cost Deployment** analyses and quantifies waste and losses throughout the process so that they can be reduced in favour of value-added activities.

Along with the WCE program, we also introduced the Environmental Design Guidelines to ensure a conscious approach starting from the design phase.

Using this method, multiple projects related to product improvement were completed throughout the year; for instance, plastic components were revised and converted to recycled materials.

The Eco-Design Guidelines are being implemented in the new products, which are currently in the design phase and aligned with Nice Green Innovation principles.

## This is Nice



### Nice Green Innovation

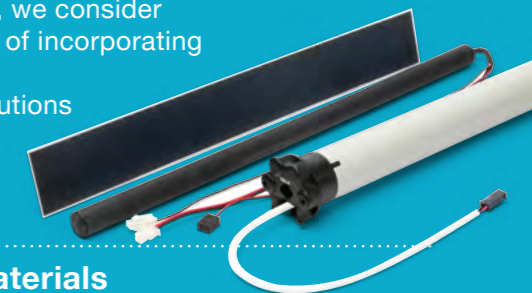
In 2022, we reinforced the so-called “Nice Green Innovation”, an approach towards more sustainable Eco-Design, defining guidelines to be implemented in the product definition and design phase:

#### Energy Consumption

To minimise the energy usage of Nice products, both during operation and in stand-by mode, we evaluate the energy efficiency of existing products and incorporate energy performance assessments in the development of new ones. For new and existing products connected to the power grid, energy consumption in stand-by mode must be below 0.5 W.

#### Solar Panels

In the process of developing new products, we consider the possibility of incorporating an increased number of solutions powered by solar panels or batteries.



#### Product Materials

To reduce reliance on virgin materials and minimise the generation of plastic waste, we use exclusively recycled plastic, with a minimum content of 70%.

#### Product Packaging

We opt for 100% recycled paper and cardboard materials and employ natural ink for printing purposes. Additionally, we refrain from using any plastic elements and instead seek eco-friendly alternatives.

#### Useful Service Life Extension

We design products with the intention of extending their life, thanks to the availability of spare parts and easier maintenance.

#### Environmental Product Declaration

We provide transparent information regarding the life cycle impacts of our products.

# Responsible and Transparent Communication

## 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 in question. This information is included in a label that cannot be easily removed or else is 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 batch;
- Operating voltage;
- Power use;
- Operating 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 how to dispose of the product are also required on the its packaging and in its documentation (for example, the instruction manual).

## 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 its withdrawal from the market. The declaration of conformity must be provided with the product or else 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, in order to be sold on the European market, which is one of our main target markets, they must comply with various directives, specifically:

- **2006/42/CE** (Machinery), regarding machine safety;
- **2006/95/CE** (LVD) the Low Voltage Directive covers health and safety hazards arising 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 concerns electromagnetic compatibility between various electrical appliances;
- **2014/53/UE** (RED), the "Radio" Directive applies to products that intentionally emit or receive radio frequencies;
- **2012/19/UE** (WEEE), which concerns waste of electrical and electronic equipment.

The goals of these directives are:

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

## Customer-Centricity

Between Nice and the end user there is an intermediate professional figure commonly called **"installer"**. This professional figure collects the requests and needs of the end user, selects the most suitable product, then installs and configures it to meet the user's requirements.

The installer also subsequently intervenes in the event of changed requirements, malfunctions or failures. The installer is therefore a pivotal figure between Nice and the user and indicates:

- the user's liking and satisfaction.
- if there have been difficulties

- or unforeseen problems during installation.
- incompatibilities with existing systems.

The installer also provides suggestions and ideas for improvement. To investigate Nice product performance, we interact with our professional partner through surveys called **"Voice of customer"**. Through this questionnaire, we ask about the importance of different product factors, also compared to competitor brands.

These surveys are requested and carried out in close collaboration with Product Managers to ensure they include all the necessary questions in order to understand which are the most pivotal factors leading to the decision to buy Nice solutions over competitors' solutions, and which product attributes and functionalities need to be improved and included in future product launches. Special attention is also afforded to the professional figure's perception of connected solutions and the integration of Nice products with smart home protocols, as well as elements related to sustainability.

Nice **"Customer Service"** is the main interface with installers, either to receive technical assistance and advice or to utilise the warranty or repair service. Installers' reports are always recorded, classified, processed and managed and the data collected is used to evaluate and improve communication with installers and end customers. 'Customer Service' can open a non-conformity procedure on the product after receiving an installer report, which is collected through the CRM software: the reports are then periodically evaluated and used for possible product improvement and/or customer communication activities.

## This is Nice

### Listening to the customer's voice

Nice, starting from 2022, has shifted its focus to prioritise the end customer by adopting a more **customer-centric** marketing approach.

We are conducting **email-based feedback campaigns** targeting **customers and leads**, aiming to collect valuable insights into their **satisfaction levels** and **brand loyalty**.

The feedback surveys are sent every 3 months to end customers, ensuring compliance with privacy policies. The company also seeks to understand customers' preferences for sustainable home automation solutions.

By analysing the word cloud from open-field responses, Nice prioritises actions to improve **customer relationships**.

Key performance indicators include the survey **response rate**, **Customer Satisfaction (CSAT)** and **Net Promoter Score**.

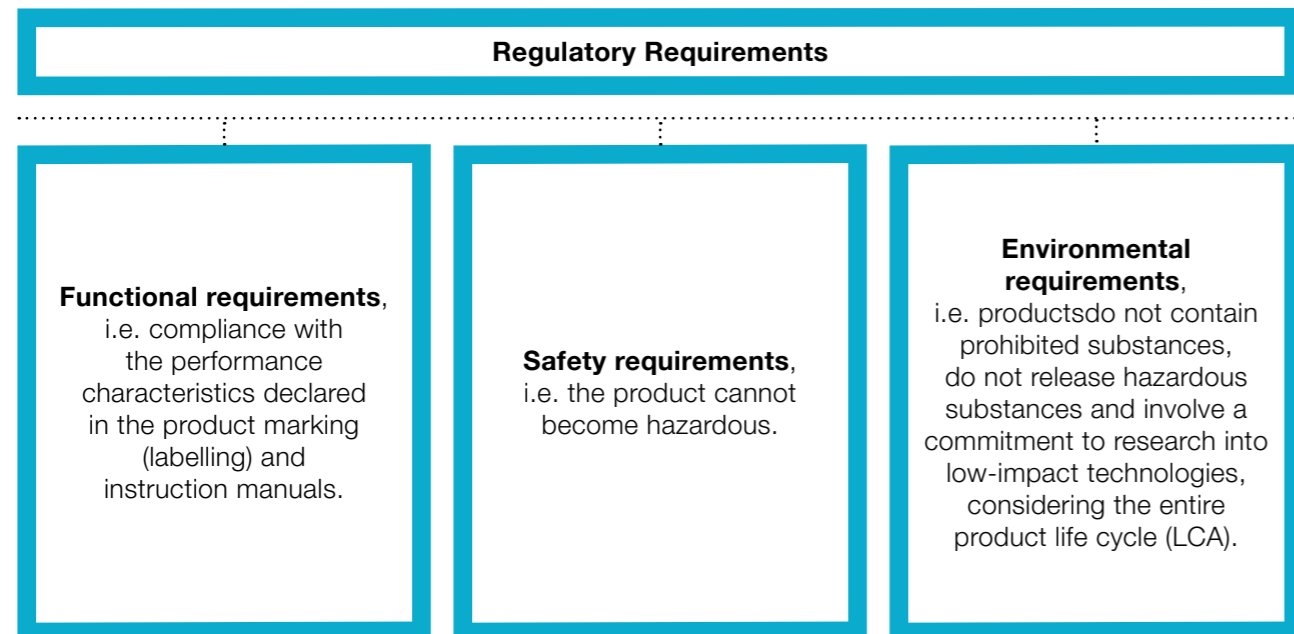
With over 2,260 individuals contacted and a 9.7% response rate, we are considering introducing automated feedback surveys via SMS or WhatsApp to collect more feedback during interactions with customers and partners.



# Certified Quality

Quality and safety, with special attention to product design, are the focus of our commitment to constantly improving our product and process 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.

We have adopted a **certified quality and environmental management system** in conformity with the ISO 9001:2015 and ISO14001:2015 standard, and we take all necessary precautions in the new product development phase to ensure that all applicable regulatory requirements are analysed and complied with from the design phase:



Our quality and environmental systems are 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 annual ISO 9001:2015 certification, and also ISO14001:2015.

If necessary, changes are made to product specifications, then 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. The CE marking and declarations of conformity for our products are managed through our internal laboratories.



To obtain or confirm these certifications, more than 20 third-party audits were conducted in 2022. During the audits, non-conformities were detected in only three cases; these were promptly dealt with and resolved within a short period of time.

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. The entire organisation is actively involved in the certification process: all departments supervise and review the company processes in which they are involved, then subject them to verification by the **Quality department**.

For **product certifications**, the main departments 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** departments.

The conformity of a product to certain standards and certifications makes it possible to obtain advantages such as **reduced exposure to safety hazards** 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 include analyses when designing new products, conformity with **certification standards** and, of course, **customer feedback**. When problems arise with the use of products, the **Assistance Team** provides proactive support to customers to resolve any issues and, after forwarding them to the Quality department, provides elements that contribute 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 a product's poor perception immediately upon first usage, for example due to damage to the product packaging, complexity of installation or irregular functionality of the device.

## Certified Quality

Type of certification	Certification	Description
System certification	ISO 9001:2015	Quality Management System.
System certification	ISO 14001:2015	Environmental Management System.
System certification	EPD	Environmental Product Declarations (LCA Studies).
System and product certification (Radio)	RED	European directive that sets manufacturing standards for radio products with regard to 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.
Laboratory recognition	UL	Laboratory recognition certification (levels certified: CTDp and CTF3).
Laboratory recognition	Intertek	Laboratory recognition certification (Satellite 3 for safety and Satellite 4 for EMC).
Laboratory recognition	CTC Advanced	Laboratory recognition certification (for RED).
Product certification (Various)	FCC	US market certification that sets manufacturing standards for radio products with regard to health and safety, electromagnetic compatibility (EMC) and efficient use of the radio spectrum approved by the Federal Communications Commission.

## This is Nice

### Road to zero defects

In 2022, a project called "Road to Zero Defects" was initiated, led by the Quality department with the involvement of all company departments and locations. The concept of 'Zero Defects' does not imply perfection but refers to eliminating waste, reducing defects and maintaining high-quality standards in processes. The project is founded on a fundamental principle: **to work on prevention rather than taking action after problems have already been created.**

This preventive approach must be applied to every phase of the product life cycle (design, production, certification, right up to the relationship with customers and partners), requiring the involvement of all company departments. Although the Quality department determines the vision, target and methods, all other departments contribute through their activities to prevent problems, and all have responsibilities if an error occurs.

**“ Do the right thing, the right way, the first time and every time ”**

This process is supported and reinforced through a Certified and Integrated System from an Environmental, Qualitative and Safety standpoint, and constantly measured through relevant KPIs.



# Customer Health and Safety

Customer health and safety is our prerogative: we constantly strive to ensure the safety of electromechanical products with an electrical component for domestic and industrial use. For us, it is necessary to guarantee customers a product that not only works, but in no way jeopardises their safety. Given the nature of our business, it is necessary to guarantee the safety of electromechanical products with an electronic content that can be powered at both domestic and industrial voltage levels. To this end, all departments involved in design, production and testing use standardised procedures to ensure customer safety.

## Measures for monitoring project and product safety

Design phase	FMEA (Failure Mode and Effect Analysis) in the laboratory for electronic and mechanical parts. Analyses involve all company departments and are also applied to the production process.
	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"> <li>• Ground continuity testing;</li> <li>• Dielectric strength testing.</li> </ul>
	Functional tests: <ul style="list-style-type: none"> <li>• voltage and current usage testing;</li> <li>• unlock testing;</li> <li>• load and empty testing.</li> </ul>

Each production and design activity consists of several safety monitoring steps over the life of the project and product. From the FMEA (Failure Mode and Effect Analysis) of the production process, operations are identified that may compromise the functioning of the product, but above all safety: if cases with a severity of 9/10 are identified, corrective actions are implemented to decrease the severity so as not to affect the safety and health of customers.

The compliance of the products and their safety are monitored and ensured during the entire life cycle of our products. The areas involved in this process are:

- **New Product Development:** we internally review and reinforce products to ensure more control;
- **Manufacturing:** products are tested through testing machines to ensure that 100% pass the test;
- **Kaizen:** thanks to the WCM (World Class Manufacturing) program, Nice started the first Kaizen process improvement to increasingly guarantee a 100% safe and defect-free product;
- **Market data monitoring:** we ensure continuous monitoring of market data thanks to the CRM platform, the connectivity of our products and feedback from the After-Sales department.

To make sure we are continuously improving customer satisfaction and reducing non-conformities, we monitor several KPIs:

- **Number of non-conformities** reported by customers (type of report, number, response time);
- **Number of returns and recalls:** recalls of finished products by type of defect.

Monitoring these KPIs allows us to assess the effectiveness of our safety management system and to continuously improve our performance. **From 2020 to 2022, there have been no incidents of non-compliance relating to impacts on consumer health and safety resulting from the use of our products.**



# Methodological note

This is the second Nice Sustainability Report, designed to provide a fully voluntary disclosure of relevant issues to our organisation and our key stakeholders. The reporting range involves 37 companies, including the parent company, Nice S.p.A., and refers to the period 2020-2022. Holding companies and companies in liquidation in 2022 have been excluded from this reporting. The disclosure was created with reference to the Global Reporting Initiative (GRI) evaluation standard, 2021 version (GRI-referenced option). The GRI Standard is the most widely used international reference for sustainability reporting.

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

- **Accuracy:** The organisation shall report information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts;
- **Balance:** The organisation shall report information in an unbiased way and provide a fair representation of the organisation's negative and positive impacts;
- **Clarity:** The organisation shall present information in a way that is accessible and understandable;
- **Comparability:** The organisation shall select, compile and report information consistently to enable an analysis of changes in the organisation's impacts over time and an analysis of these impacts relative to those of other organisations;
- **Completeness:** The organisation shall provide sufficient information to enable an assessment of the organisation's impacts during the reporting period;
- **Sustainability context:** The organisation shall report information about its impacts in the wider context of sustainable development;
- **Timeliness:** The organisation shall report information on a regular schedule and make it available in time for information users to make decisions;
- **Verifiability:** The organisation shall gather, record, compile and analyse information in such a way that the information can be examined to establish its quality.

Below is the "GRI Content Index" with details of the qualitative and quantitative information disclosed in the report, as well as the section detailing the

approach taken to the data included in the report. The full report is also available from the group's website: [www.niceforyou.com](http://www.niceforyou.com)  
For information regarding the report: Sustainability Dept.  
email: [sustainability@niceforyou.com](mailto:sustainability@niceforyou.com)

## Organisational details

Legal name, nature of ownership and legal form: Nice S.p.A  
Location of the headquarters: Via Callalta, 1, 31046 Oderzo (TV) Italy  
Countries of operation: Italy - USA - Canada - Germany - Poland - France - South Africa - China - Russia - Brazil - Morocco - Belgium - Sweden - UK - Romania - Turkey - Australia - Spain - Portugal - UAE - Tunisia

## Reporting process

The reporting process entails the necessary activities for sustainability reporting. This document serves to communicate a company's environmental, social and economic sustainability performance, outcomes and goals, adhering to globally recognised reporting standards. Nice has organised its process into three primary phases:

- 1) Stakeholder engagement;
- 2) Materiality analysis;
- 3) Data collection and drafting.

## Identifying and selecting stakeholders - How we set our priorities of action.

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 based on their relationships with Nice.

### 3) Positioning

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

### 4) Engagement

Identification of the most appropriate engagement methods for each stakeholder category

## Stakeholder communication – main communication channel

The following table shows Nice's stakeholders and the main channels/methods of communication used for engagement.

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 Department heads Workers' safety representatives	Consultation, collaboration and information through dedicated periodic meetings. Internal communication through a dedicated digital magazine, company intranet or communications.
Gate customers Door customers Screen customers Smart home/alarm/integration customers	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

## Data collection and drafting

After defining the most relevant (material) sustainability issues related to Nice's business, the indicators to assess environmental, social and economic performance were identified using GRI Standards. Either quantitative or qualitative information was collected using indicators selected from the GRI Standards. Next, the data was analysed and aggregated to compile and publish Nice's Sustainability Report 2022.

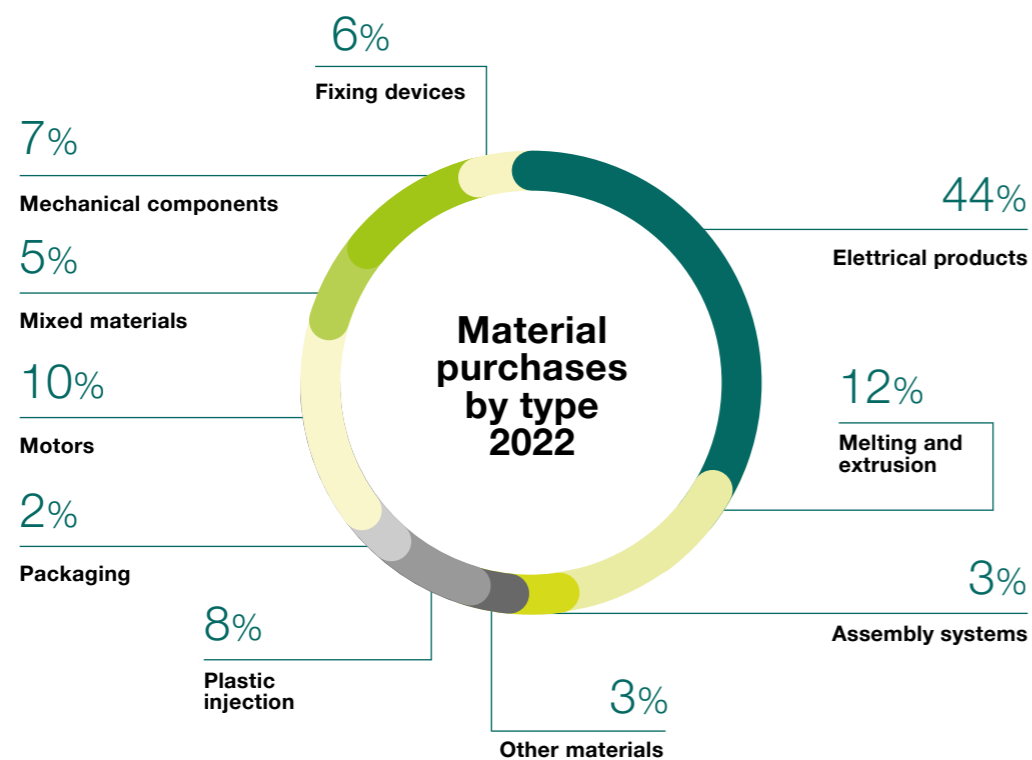
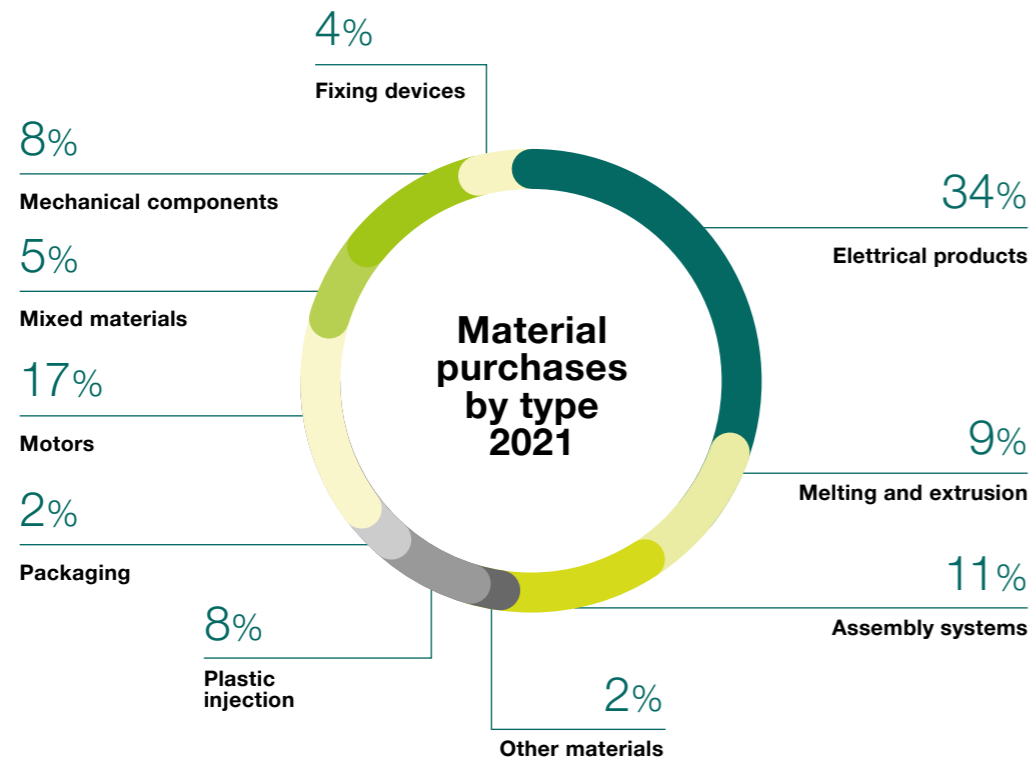
The information disclosed varies according to the different types of organisations: the General Disclosures (GRI 2) contain information mostly managed at the centralised level (provided by Nice

S.p.A.), along with economic performance (GRI 201), tax (GRI 207), materials (GRI 301), benefits given to employees (GRI 401-2), occupational health services (GRI 403-3), supplier social assessment (GRI 414), customer health and safety (GRI 416) and marketing and labelling (GRI 417). Manufacturing companies have provided environmental information on waste (GRI 306), social information on occupational health and safety (GRI 403), training (GRI 404), diversity and equal opportunity (GRI 405) and child and forced labour (GRI 408 and 409). For the remaining GRI Standards, information and data were collected by all companies, including commercial ones.

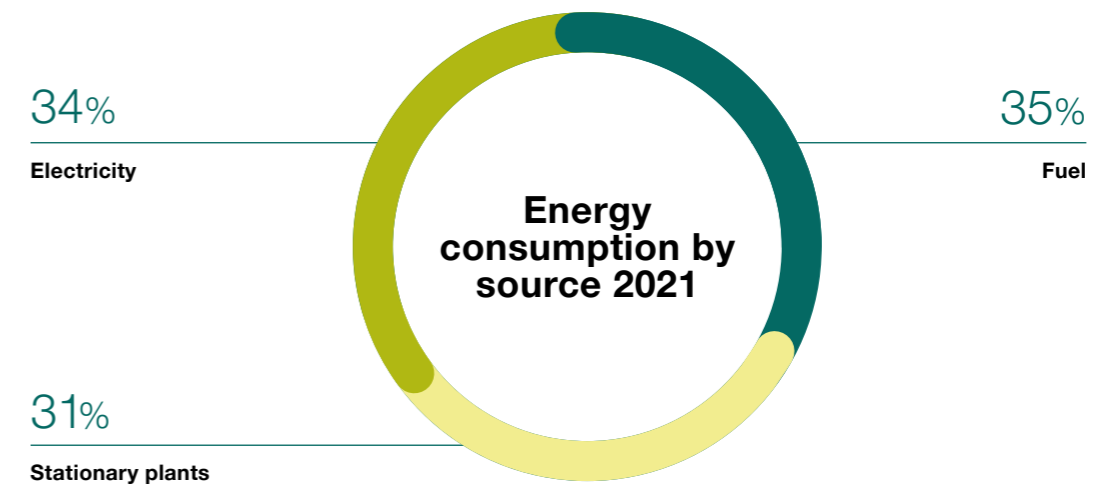
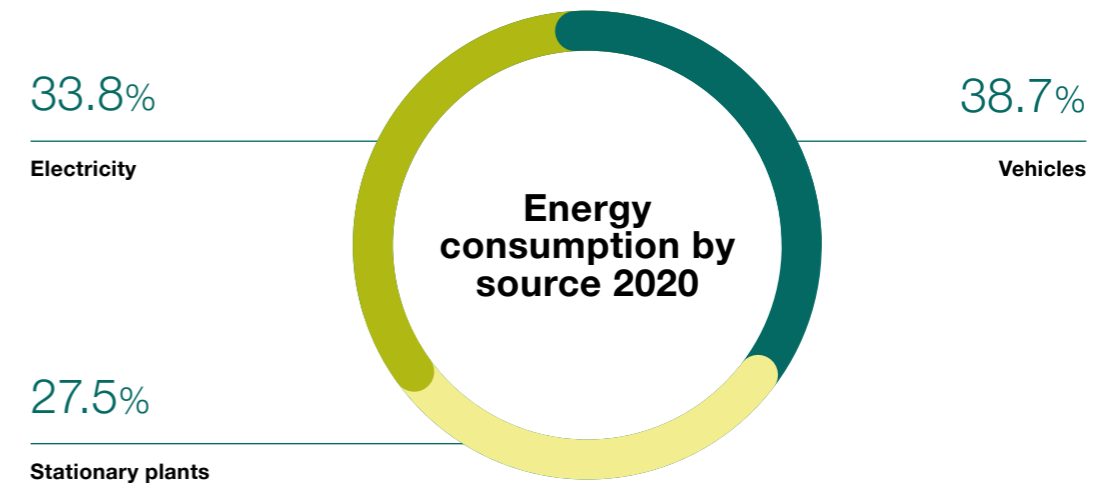
# Appendix

The Nice Group's information for 2020, 2021 and 2022, which is not covered in the chapters is expanded below.

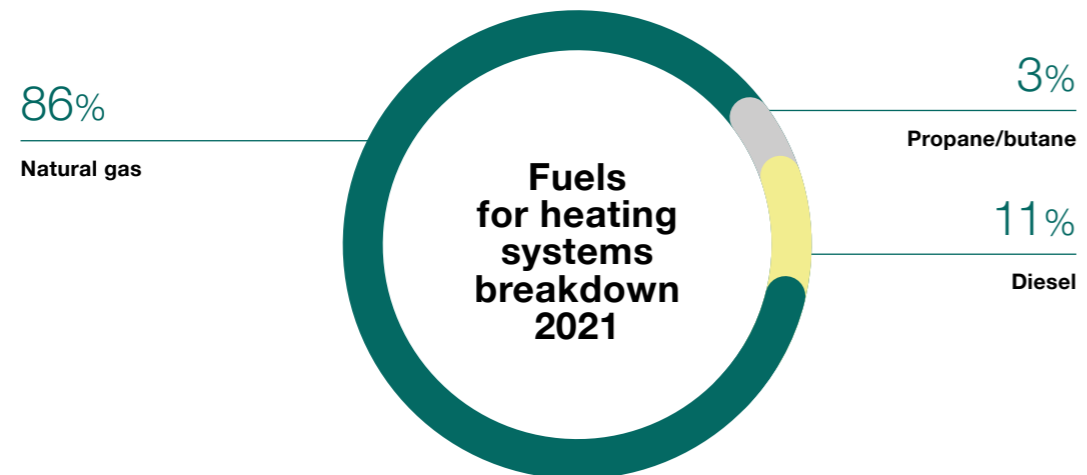
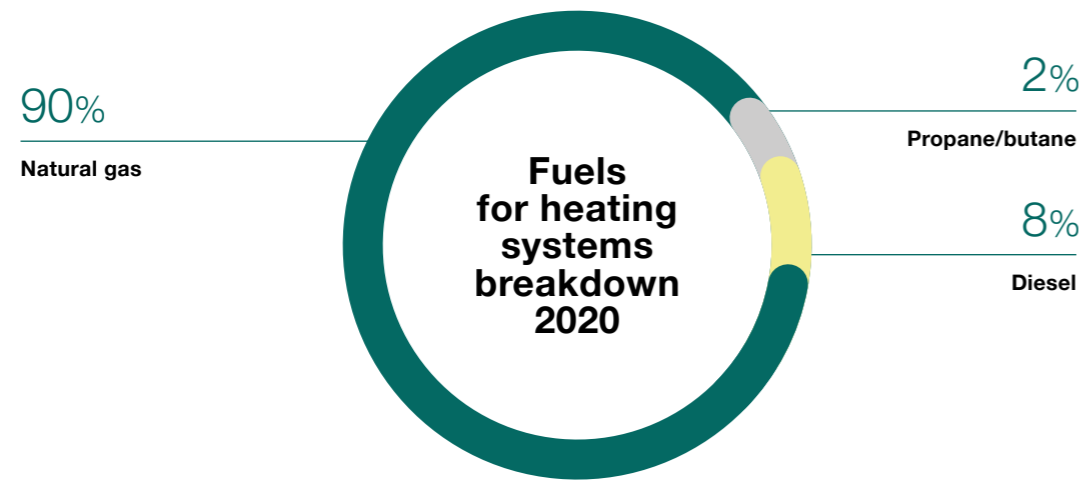
## GRI 301 Materials



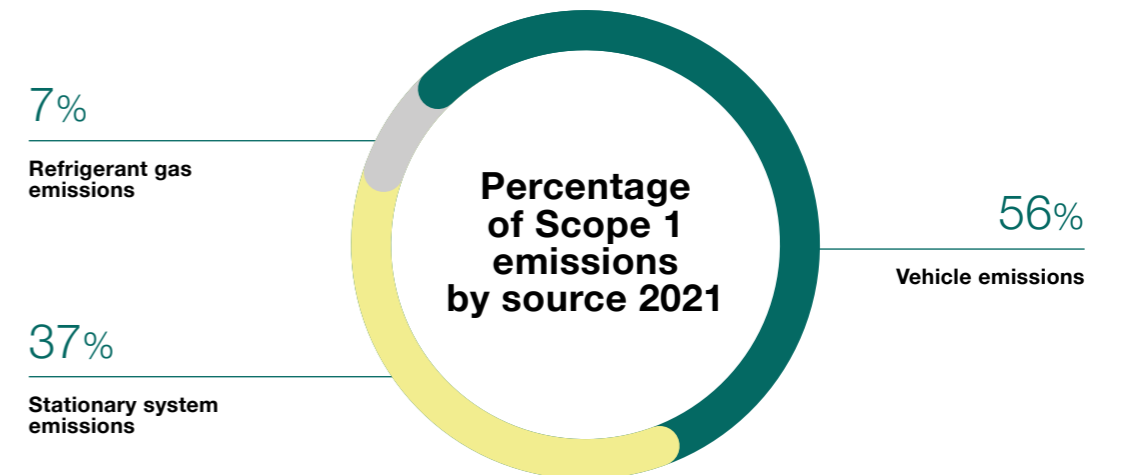
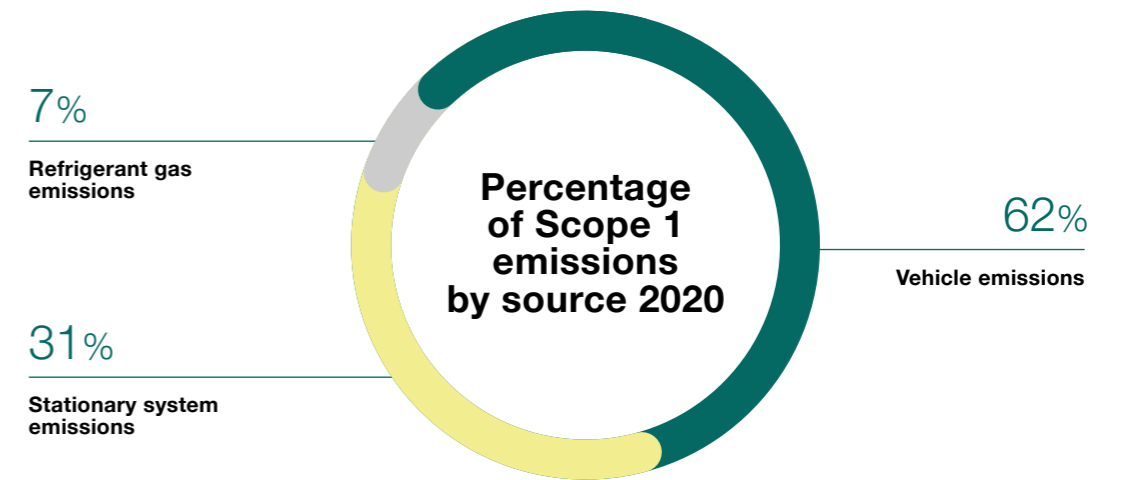
## GRI 302-1 Energy consumption within the organisation



## GRI 302-1 Energy consumption within the organisation

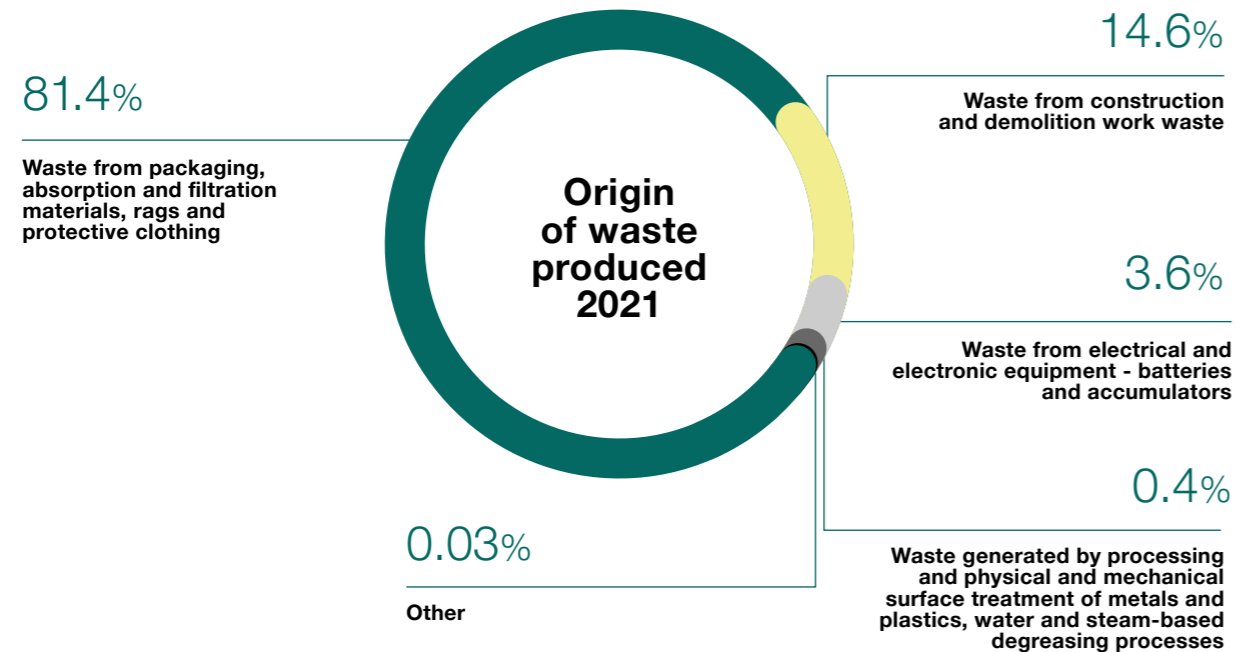
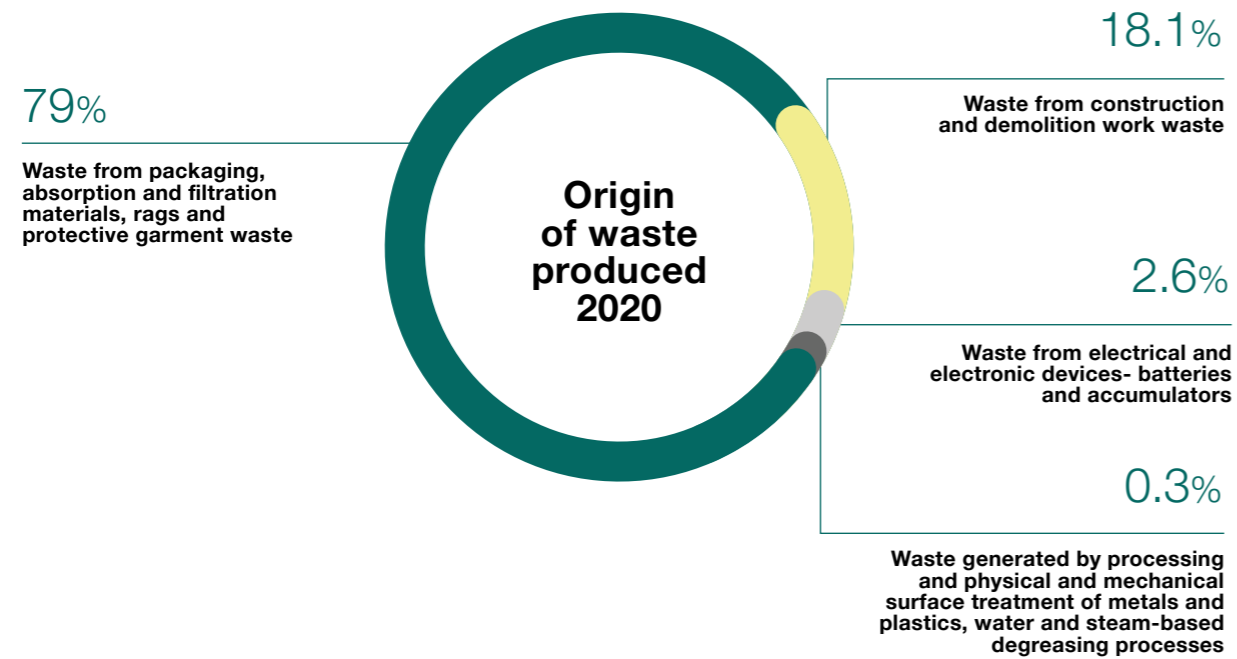


## GRI 305-1 Direct (Scope 1) emissions

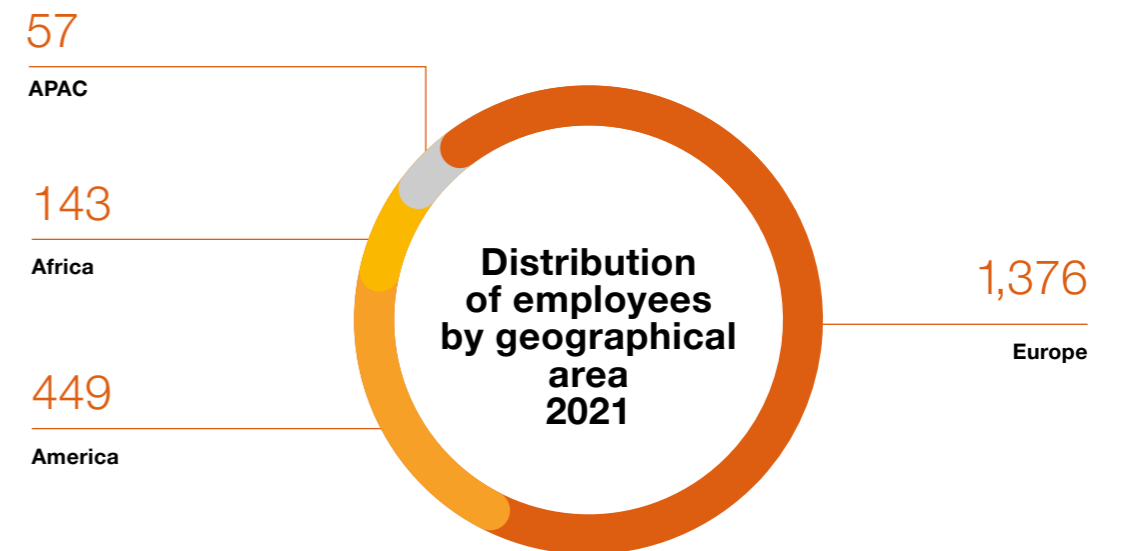
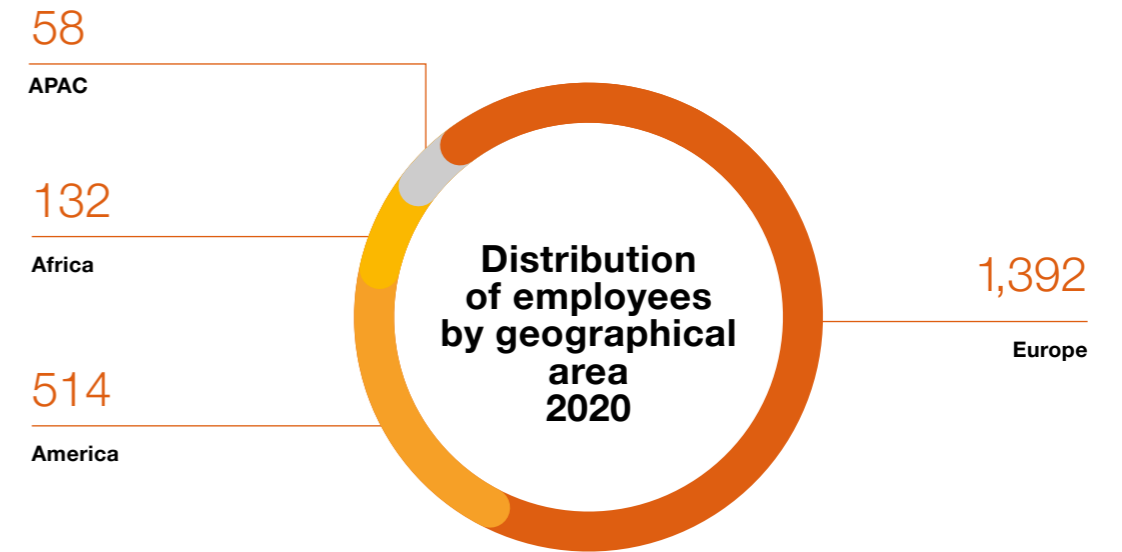




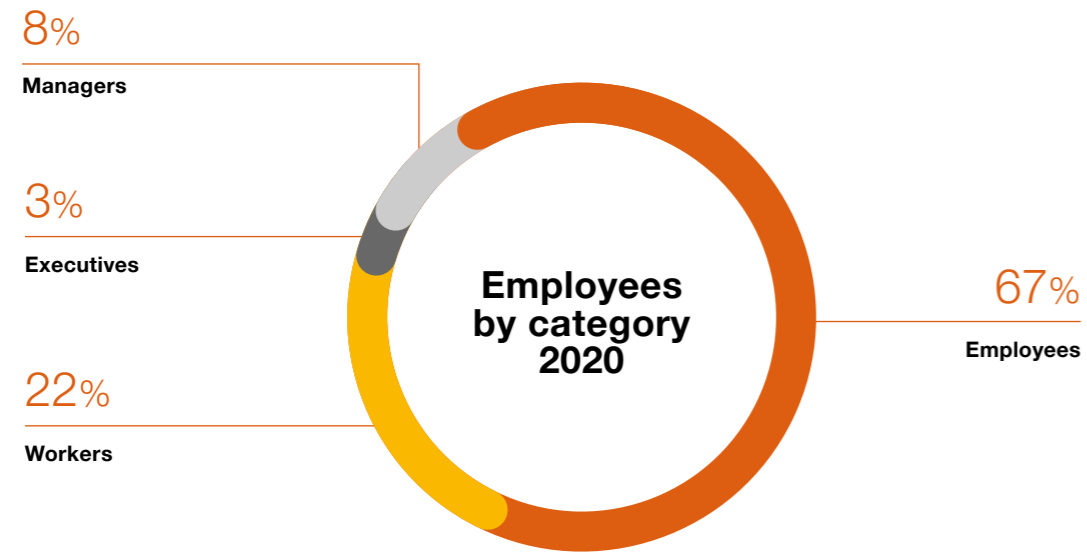
## GRI 306-3 Waste generated



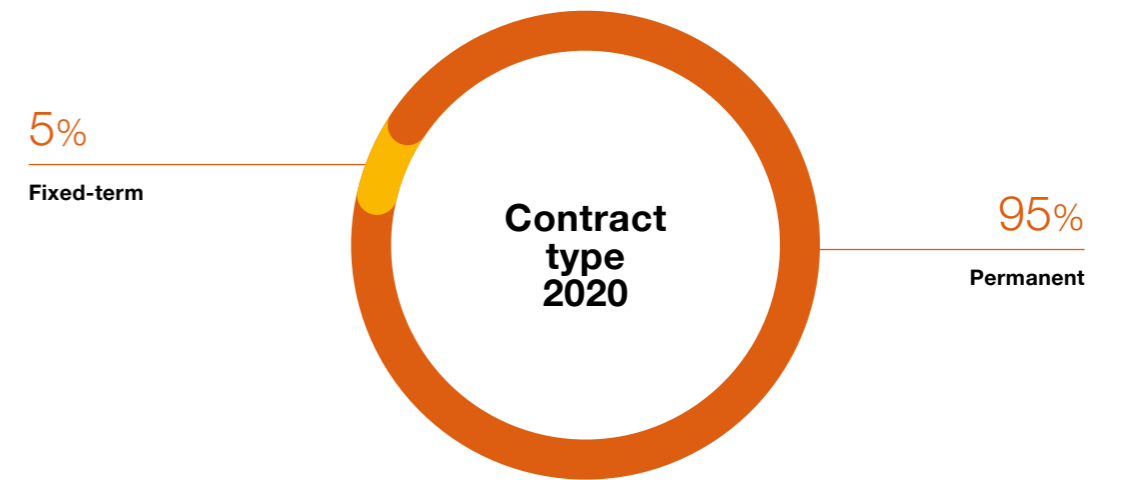
## GRI 2-7 Information on employees and other workers



**GRI 2-7 Information on employees and other workers**



**GRI 2-7 Information on employees and other workers**



## 401-1 New employee hires and employee turnover

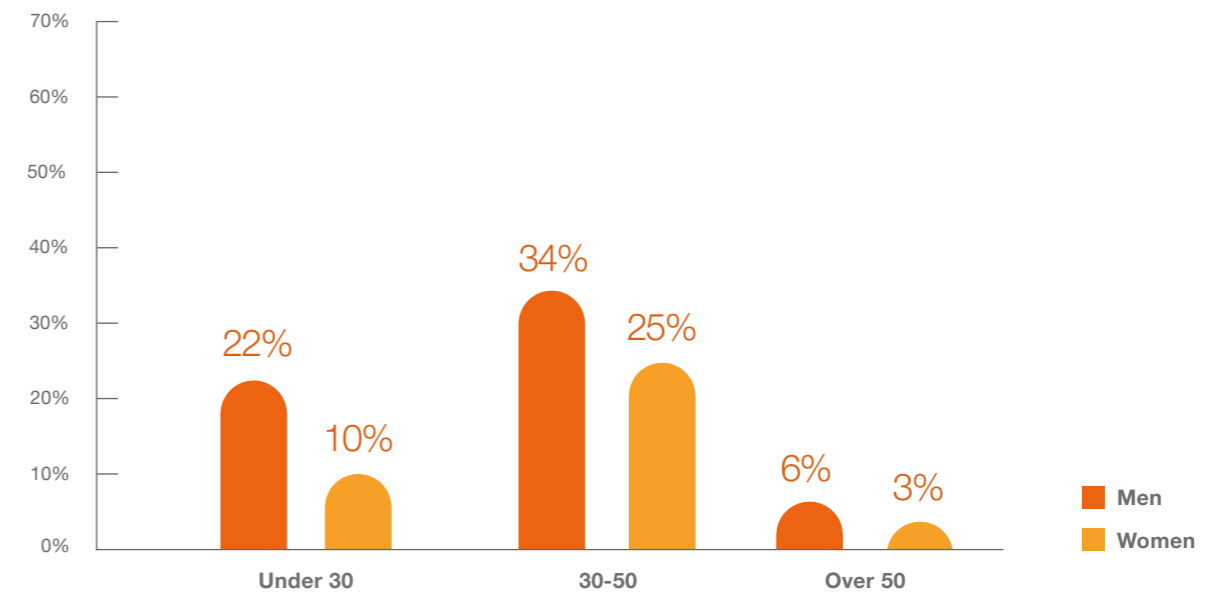
Turnover (incoming and outbound)	Gender	2020			
		<30	30-50	<30	Total
Incoming	Men	64	100	19	<b>183</b>
	Woman	28	73	10	<b>111</b>
	<b>Total</b>	<b>92</b>	<b>173</b>	<b>29</b>	<b>294</b>
Outgoing	Men	50	167	31	<b>248</b>
	Woman	33	62	17	<b>112</b>
	<b>Total</b>	<b>83</b>	<b>229</b>	<b>48</b>	<b>360</b>

Turnover (incoming and outbound)	Gender	2021			
		<30	30-50	<30	Total
Incoming	Men	47	107	21	<b>175</b>
	Woman	30	55	4	<b>89</b>
	<b>Total</b>	<b>77</b>	<b>162</b>	<b>25</b>	<b>264</b>
Outgoing	Men	55	123	29	<b>207</b>
	Woman	32	69	11	<b>112</b>
	<b>Total</b>	<b>87</b>	<b>192</b>	<b>40</b>	<b>319</b>

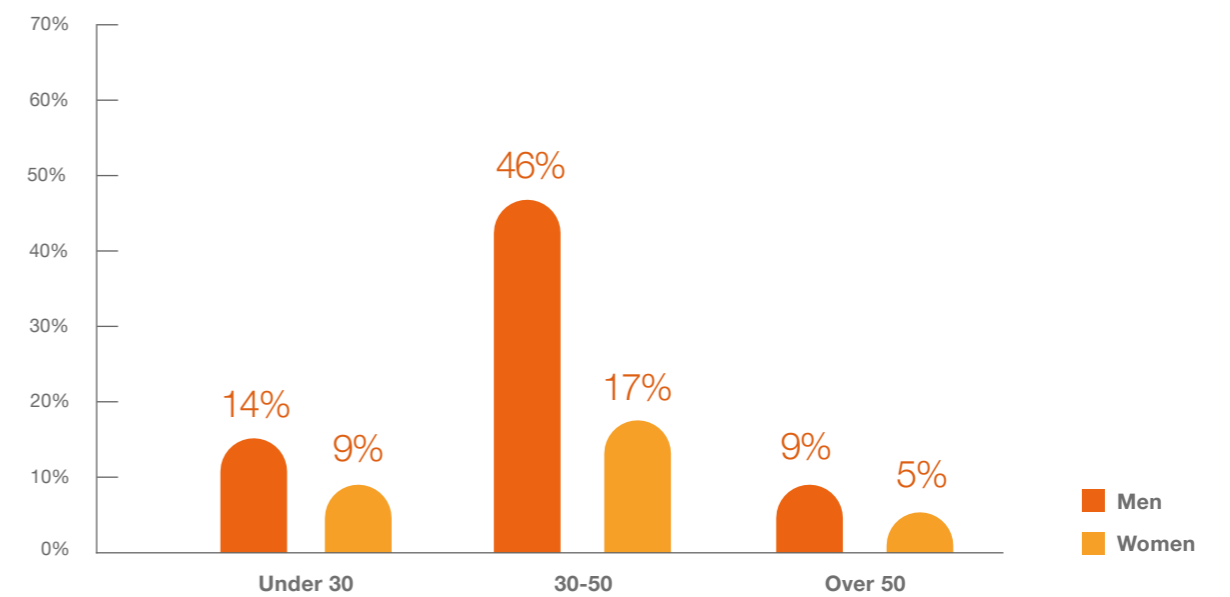
Turnover (incoming and outbound)	Gender	2022			
		<30	30-50	<30	Total
Incoming	Men	100	214	114	<b>428</b>
	Woman	71	98	18	<b>187</b>
	<b>Total</b>	<b>171</b>	<b>312</b>	<b>132</b>	<b>615</b>
Outgoing	Men	60	124	52	<b>236</b>
	Woman	26	48	18	<b>92</b>
	<b>Total</b>	<b>86</b>	<b>172</b>	<b>70</b>	<b>328</b>

## 401-1 New employee hires and employee turnover

### Hiring by age groups 2020

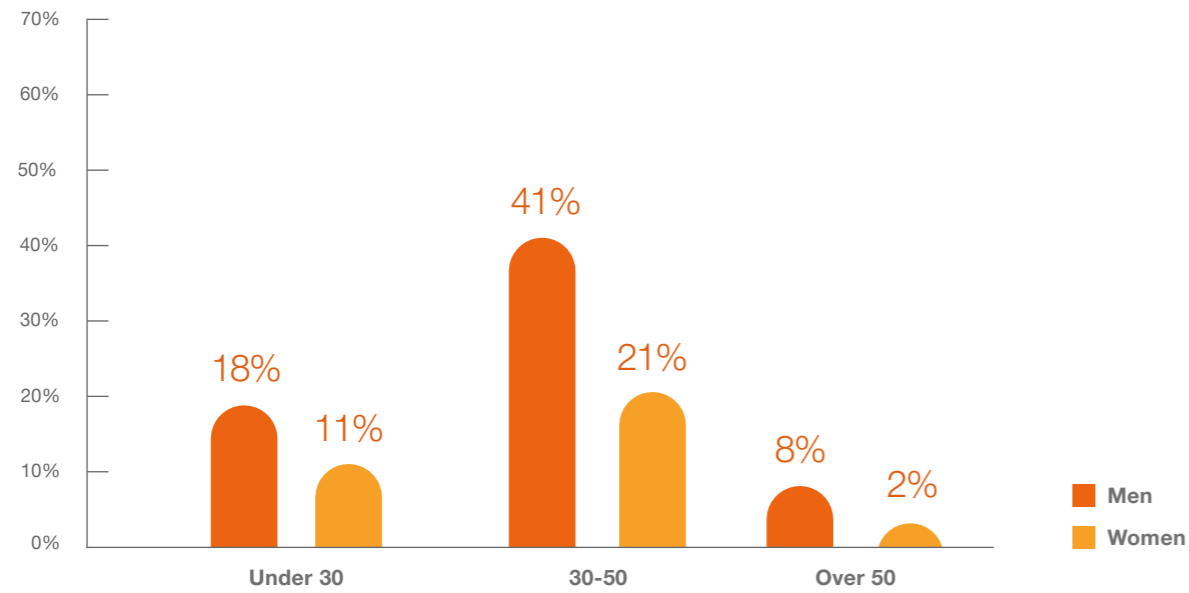


### Leavers by age group 2020

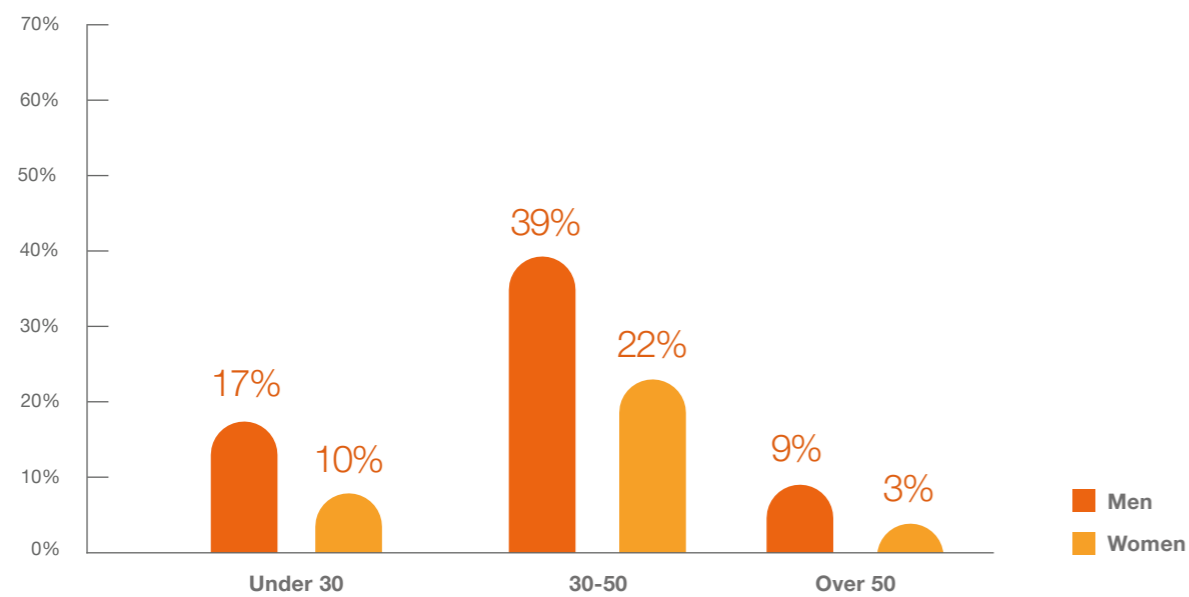


## 401-1 New employee hires and employee turnover

### Hiring by age groups 2021



### Leavers by age groups 2021



## 401-1 New employee hires and employee turnover



## 403 Health and Safety

### 403-9 Work-related injuries

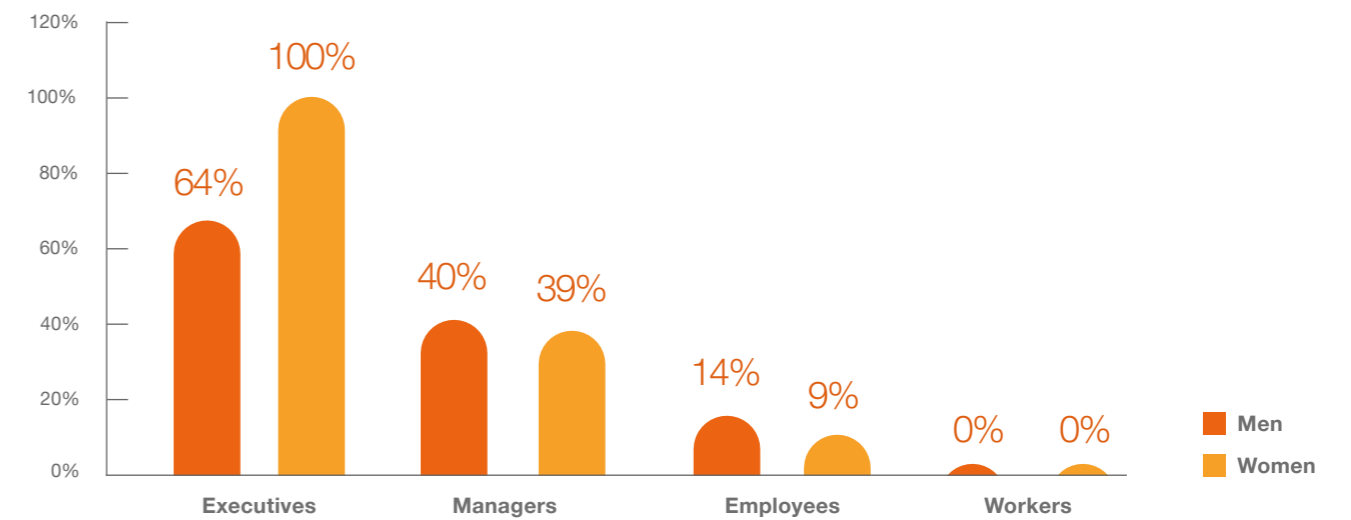
Companies	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Nice Spa	6	0	6	9	2	11	3	5	8
Elero	4	4	8	7	2	9	3	0	3
Nice BR	4	0	4	7	3	10	3	0	3
HySecurity	2	0	2	2	0	2	4	0	4
ACM International	0	0	0	0	0	0	1	0	1
Nice SA	3	0	3	2	0	2	1	0	1
Nice CA	2	0	2	1	0	1	1	0	1
Fibaro	0	0	0	3	0	3	0	0	0
Nice North America	-	-	-	-	-	-	0	0	0
Operator Specialty	-	-	-	-	-	-	0	0	0
<b>Total</b>	<b>21</b>	<b>4</b>	<b>25</b>	<b>31</b>	<b>7</b>	<b>38</b>	<b>16</b>	<b>5</b>	<b>21</b>

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

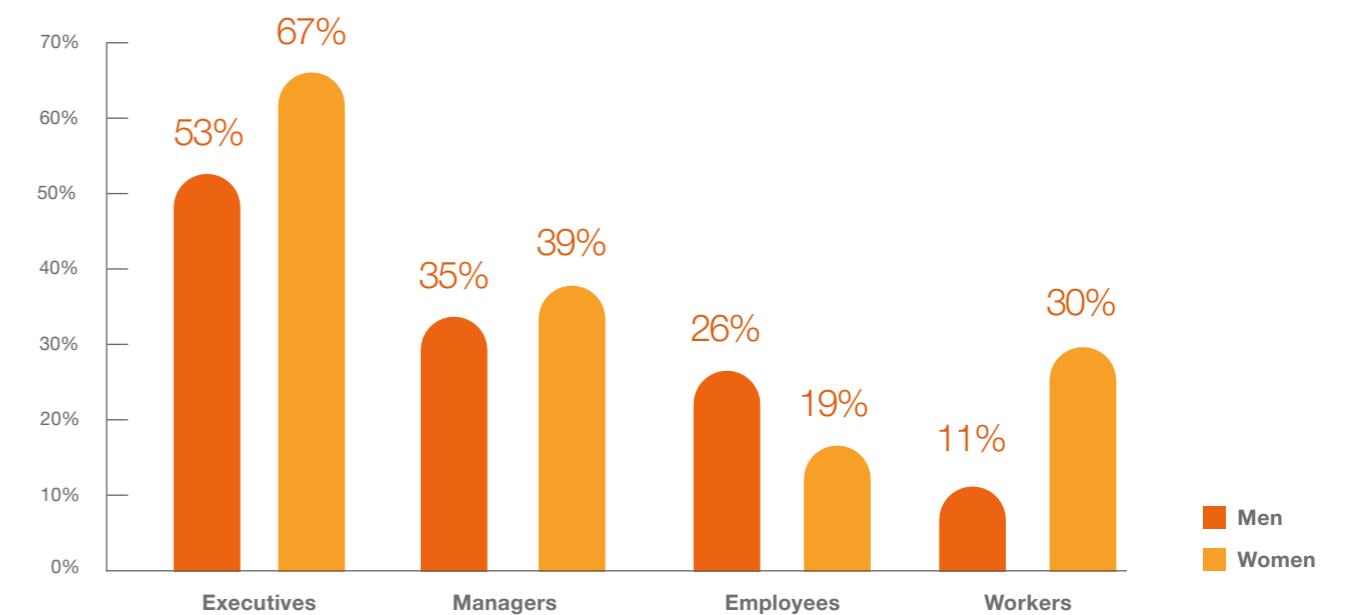
Professional classification	2020		2021		2022	
	Average hours per man	Average hours per woman	Average hours per man	Average hours per woman	Average hours per man	Average hours per woman
Executives	0	0	4	0	3	1
Managers	9	9	3	6	4	1
Employees	3	3	3	4	8	10
Workers	0	1	2	1	2	0

## 404-3 Percentage of employees receiving regular performance and career development reviews

### Gender diversity in access to periodic assessment 2020



### Gender diversity in access to periodic assessment 2021



# GRI Index

<b>Statement of use</b>	Nice S.p.A. has reported the information cited in this GRI content index for the period from 1 January 2020 to 31 December 2022 with reference to the GRI.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
GRI 2: General disclosures 2021	2-1 Organisational details	Methodological note (p.122, 123)	
	2-2 Entities included in the organisation's sustainability reporting	Methodological note (p.122, 123)	
	2-3 Reporting period, frequency, and contact point	Methodological note (p.122, 123)	
	2-4 Restatements of information	During the 2022 reporting period, unlike in 2021, data from Nice North America companies was taken into account.	
	2-5 External assurance	Omission	Absence of assurance for the Nice S.p.A. Sustainability Report for the current year.
	2-6 Activities, value chain and other business relationships	Nice To Meet You (p.10-24)	
	2-7 Employees	Creating quality jobs (p.83, 129 - 131)	Hy-Security and Operator Speciality Company employees and workers are reported together in the "employees" category.
	2-8 Workers who are not employees	Creating quality jobs (p.82)	

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
GRI 2: General disclosures 2021	2-9 Governance structure and composition	Governance Bodies (p.44-46)	
	2-10 Nomination and selection of the highest governance body	Governance Bodies (p.44-46)	
	2-11 Chair of the highest governance body	Governance Bodies (p.44-46)	
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Bodies (p.44-46)	
	2-13 Delegation of responsibility for managing impacts	Governance Bodies (p.44-46)	
	2-14 Role of the highest governance body in sustainability reporting	Governance Bodies (p.44-46)	
	2-15 Conflicts of interest	Governance Bodies (p.44-47)	
	2-16 Communication of critical concerns	If any, during the Board of Directors' meetings duly convened.	
	2-17 Collective knowledge of the highest governance body	Governance Bodies (p.44-46)	
	2-18 Evaluation of the performance of the highest governance body	Governance Bodies (p.44-46)	
	2-19 Remuneration policies	Diversity and Inclusion (p.91-92)	

# GRI Index

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
GRI 2: General disclosures 2021	2-20 Process to determine remuneration	Diversity and Inclusion (p.91-92)	
	2-21 Annual total compensation ratio	2-21a: 4, 67x (data from Nice S.p.A). 2-21b: 1%	
	2-22 Statement on sustainable development strategy	Letter to our stakeholder (p.4-5)	
	2-23 Policy commitments	Governance Bodies (p.44-45) Anti-bribery and corruption procedures (p.48-49)	
	2-24 Embedding policy commitments	The Nice journey to sustainability (p.26-41)	No assurance for the Nice S.p.A. Sustainability Report for the current year.
	2-25 Processes to remediate negative impacts	Our Code of Ethics (p.47)	
	2-26 Mechanisms for seeking advice and raising concerns	Anti-corruption, communication and training (p.48-49)	
	2-27 Compliance with laws and regulations	Nice Governance, Strong Company (p.52-53)	
	2-28 Membership associations	A list of the associations of which Nice is a member is shown in the right column.	Following is a list of Nice S.p.A.'s membership in industry associations: Associazione CEI (Comitato Elettrotec. Italiano), Ente Nazionale Italiano di Unificazione, ANIMA (Associazione Nazionale Industria Meccanica), IFTTT Inc, KNX Association Cvba, Z-Wave Alliance Llc, Wi-Fi Alliance, Ibc – Associazione Industrie Beni Di Consumo, Assonime, Assindustria Veneto Centro, Federmanager, Fondazione Idi Dirigenti.

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder communication (p.36-39) Methodological Note (p.122, 123)	
	2-30 Collective bargaining agreements	100%, considering that only companies operating in countries with provisions for collective bargaining have been taken into account. For other companies, however, existing labour regulations are still respected, and employee rights are protected.	
GRI 3: Material topics 2021	3-1 Process to determine material topics	Methodological note (p.122, 123)	
	3-2 List of material topics	Methodological note (p.122, 123)	
	3-3 Management of material topics	The Nice journey to sustainability (p.44-46) Methodological note (p.122, 123)	
201 Economic performance	201-1 Direct economic value generated and distributed	Economic value generated and distributed (p.54)	The reporting scope includes only Nice S.p.A.

# GRI Index

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Anti-bribery and corruption procedures (p.48-49)	
	205-3 Confirmed incidents of corruption and actions taken	Anti-bribery and corruption procedures (p.48-49)	
207 Tax	207-1 Approach to tax	Economic value generated and distributed (p.54)	The reporting scope includes only Nice S.p.A.
301 Materials	301-1 Materials used by weight or volume	Materials (p.70, 71, 124)	
302 Energy	302-1 Energy consumption within the organisation	Energy consumption (p.64 - 69, 125, 126)	
	302-3 Energy intensity	Energy consumption (p.64 - 69, 125, 126)	
303 Water and Effluents	303-1 Interactions with water as a shared resource	Water withdrawals and discharge (p.74)	
305 Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Action (p.59, 60, 62, 63, 127)	
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action (p.59, 60, 62, 63)	
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action (p.61-63)	The reporting scope includes all companies with the exception of Nice UK. For the categories of goods purchased, waste generated and the use of products sold, only manufacturing companies were considered. For the three-year period, the emissions related to the category 'Purchased goods' were estimated on the basis of purchase expenses.

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
306 Waste	306-1 Waste generation and significant waste-related impacts	Waste (p.72, 73, 128)	
	306-2 Management of significant waste-related impacts	Waste (p.72, 73, 128)	
	306-3 Waste generated	Waste (p.72, 73, 128)	Only manufacturing companies have been considered
	306-4 Waste diverted from disposal	Waste (p.72, 73, 128)	
	306-5 Waste directed to disposal	Waste (p.72, 73, 128)	Only manufacturing companies have been considered
401 Employment	401-1 New employee hires and employee turnover	Creating quality jobs (p.86,87, 132-135)	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Well-being and welfare (p.90, 91)	
403 Occupational Health and Safety	403-1 Occupational health and safety management system	Health and safety in the workplace (p.96)	Only manufacturing companies have been considered
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety in the workplace (p.97)	
	403-3 Occupational health services	Health and safety in the workplace (p.98)	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety in the workplace (p.98, 99)	



# GRI Index

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
403 Occupational Health and Safety	403-5 Worker training on occupational health and safety	Health and safety in the workplace (p.96)	Only manufacturing companies have been considered
	403-6 Promotion of worker health	Health and safety in the workplace (p.99)	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety in the workplace (p.100)	
	403-8 Workers covered by an occupational health and safety management system	Health and safety in the workplace (p.96)	
	403- Work-related injuries	Health and safety in the workplace (p.97, 98, 136)	
	403-10 Work-related ill health	Health and safety in the workplace (p.98)	
	404 Training and Education	404-1 Average hours of training per year per employee	
404-2 Programs for upgrading employee skills and transition assistance programs		Leveraging empowerment and training (p.94)	
404-3 Percentage of employees receiving regular performance and career development reviews		Leveraging empowerment and training (p.94, 95, 136)	

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Creating quality jobs (p.83, 84, 85)	Only manufacturing companies have been considered
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and inclusion (p.91, 92)	
406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion (p.91)	
408 Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Ethical management of the supply chain (p.78 - 81)	Only manufacturing companies have been considered
409 Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ethical management of the supply chain (p.78 - 81)	
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Ethical management of the supply chain (p.78 - 81)	Only manufacturing companies have been considered
416 Customer health and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer health and safety (p.120)	

# GRI Index

GRI Standard	Disclosure	Location (Chapter of this Report)	Omissions Explanation
417 Marketing and Labelling	417-1 Requirements for product and service information and labelling	Responsible and transparent communication (p.114 - 119)	
	417-2 Incidents of non-compliance concerning product and service information and labelling	no cases registered in the three-year period	
	417-3 Incidents of non-compliance concerning marketing communications	no cases registered in the three-year period	
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer privacy (p.50)	



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**Nice**



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OF EARTH,  
TAKES CARE  
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