Nice

SUSTAINABILITY
REPORT 2023

Welcome to the Nice future

Welcome to the Nice future

NiceLoveEarth

Letter to our stakeholders

Dear Stakeholders,

We are pleased to present the third edition of "Welcome to the Nice Future", our Nice Sustainability Report, highlighting the crucial role of sustainability in our business strategy and the cultural transformation within our operations over the past year.

We have evolved from merely producing devices to crafting memorable brand experiences for our customers. Our solutions are designed with the user in mind, adding value that goes beyond functionality. At Nice, our solutions contribute to creating living spaces that enhance quality of life, by leveraging technology to reduce stress and complications, ensuring peace of mind, and promoting more sustainable living—this vision drives us every day.

The Nice Sustainability Report reflects our commitment to transparency with stakeholders as we move forward in our journey.

2023 marked our 30th anniversary, amidst new challenges influenced by global conflicts and geopolitical tensions. We've continued to evolve, expanding our presence in major international markets.

We continued with the consolidation of our operations in North America following the 2021 acquisition of Nortek Security & Control, now Nice North America. This strategic move strengthened our Home Management Solution portfolio and created a team where approximately 30% of Nice's workforce now operates.

The group initiated a true Business Transformation fuelled by digitalization, internal processes optimization, and new technologies for new ways of working. These efforts aim to improve our capabilities, creating additional value for partners and customers.

On our 10th anniversary in Brazil, we inaugurated the Limeira Headquarters, an industrial hub integrated into the Nice ecosystem, and a Smart Factory, serving as a strategic growth point for the Country and Latin America.

Our vision extends beyond business, with sustainability and innovation as our guiding principles. We aim to cut our carbon footprint by 2030, ultimately reaching Net Zero by 2050. Energy efficiency is a key focus and the consistency of the path we have taken is demonstrated by results: in 2023, our certified green energy consumption reached 40% of our total energy usage—a significant step toward achieving 100% renewable energy by 2030.

Moreover, Nice has embraced a circular economy approach, achieving substantial waste recycling from industrial plants (83% in 2023) and supported Open Innovation projects with startups and universities to identify biobased materials to replace some plastic components of garage door and gate automations, and explore new business models for refurbished automation solutions.

Our goal remains consistent and is to foster a culture of sustainable performance, with people driving our company towards a better future. Thank you for your continued support in this direction, and for your partnership in shaping a world where homes are not just spaces, but transformative experiences. We look forward to sharing more milestones with you in the next editions of our Nice Sustainability Report.

Wishing you a fruitful reading and an inspiring journey ahead.

Lauro Buoro
Chairman and Founder
of Nice S.p.A.

Contents

Scenario

The Smart Home sector is undergoing rapid evolution, aligning its offerings with technological advancements and addressing environmental and social concerns. It introduces a variety of cutting-edge devices and systems that not only meet the growing regulatory demands but also enhance convenience and security.

While these advancements are affected by sectorial challenges such as security risks and fragmented ecosystems, they also give participants the opportunity to play a crucial role in adressing significant social and enviromental issues of our time.
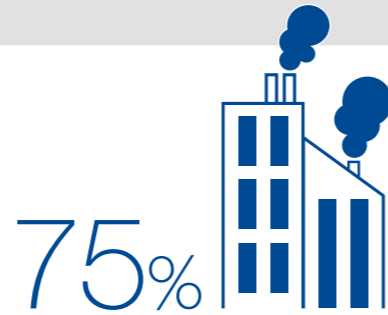
ENVIRONMENTAL FRONTLINES: MAPPING THE CHALLENGES
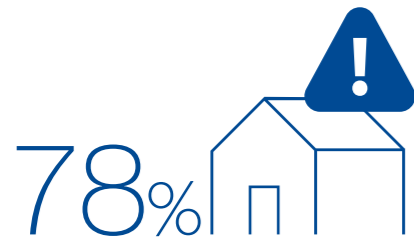
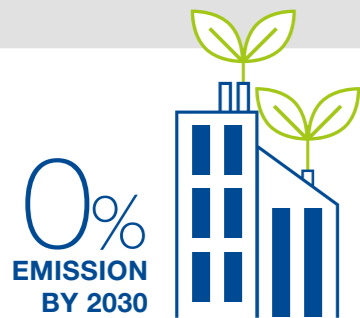**78%** of Italian homes are exposed to a high or medium-high environmental danger." [1]

8kg of e-waste per person, 61.3 million tonnes discarded annually. [2]

75% of the EU buildings are still energy inefficient, 2/3 of the energy consumed to heat and cool buildings still comes from fossil fuels. [3]

LEGISLATIVE LANDSCAPE: PATH TO SUSTAINABILITY

0% EMISSION BY 2030

EU's "Green Buildings" directive mandates all new public buildings to be zero-emission by 2028, followed by all the other buildings by 2030. [4]

Federal Trade Commission (FTC) Act: in US the FTC can take action against deceptive or unfair practices related to data collection and privacy in smart home devices. [5]

General Data Protection Regulation (GDPR): focuses on user privacy and data protection, impacting how smart home appliances collect and handle user data. [6]

CONVERGING VISIONS: ALIGNING STAKEHOLDER PRIORITIES

CONSUMER PERSPECTIVE:

SAVE $201 BILLION By adopting today's cost-effective energy efficiency measures, **households worldwide could save $201 billion in fuel costs by 2040.** [7]

77% of consumers using smart home devices report enhanced quality of life, emphasizing the value of **interoperable technologies that work seamlessly together.** [8]

60% of Millennials and Gen Zs are now willing **to pay more for sustainable products and services.** [9]

6/10 Nice end-users prefer "green" products. [10]

PRODUCER'S & BUSINESS PARTNER'S PERSPECTIVE:

Nice partners value product sustainability in 6 out of 9 proposed key features. Saving energy with low power is the preferred sustainable feature.

Solar-powered security solutions are the main need. Half of the professionals say that consumers are willing to pay more for a low-environmental gate motor.

Supply Chain shortage: "There could be up to a 60 percent supply-demand gap in 2030 for net-zero products." [11]

SMART HOMES: HUBS OF SUSTAINABLE INNOVATION

$251.16 BILLION BY 2028

Growth Potential: The Smart Home Devices market is expected to reach $251.16 billion by 2028, driven by health monitoring, affordability and ecosystem integration. [12]
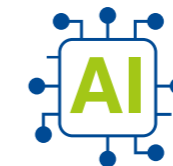
AI Integration: AI enhances device automation and customization, boosting consumer appeal. [13]

The EU "Green Buildings" mandates the installation of building automation and control systems (BACS), thus recognising the importance of smart home technologies in increasing building energy efficiency. [14]

Caregivers support: Caregivers using smart home systems report significantly reduced stress and burden compared to non-users. [15]

1. cnr.it - 2. circulareconomy.europa.eu - 3. europarl.europa.eu - eur-lex.europa.eu - 4. energy.ec.europa.eu - 5. www.ftc.gov - 6. www.consilium.europa.eu

7. www.iea.org - 8. www2.deloitte.com - 9. www.deloitte.com - 10. Nice Voice of Customer, June 2023 - 11. McKinsey Research (2023, Oct). Decarbonize and create value - 12. www.thebusinessresearchcompany.com - 13. www.altmansolon.com - 14. www.eceee.org - 15. www.ncbi.nlm.nih.gov

NiceLove**Earth**

Nice
to meet
you

" Enhancing lives,
contributing to
a healthier planet."

~3,000
**NICE
PEOPLE**

+100
**COUNTRIES
SERVED**

15
**MANUFACTURING
PLANTS**

19
**R&D
CENTRES**

About us

Our story began in **1993** when we entered the gate and garage door automation market. Today, we are global leaders in **Home Managemetn Solutions**.

We improve the quality of life for individuals and the planet by designing solutions with low environmental impact. Through extensive research into eco-friendly materials and reduced energy consumption, we develop solar power sources and innovative products. **Our solutions efficiently manage light and heat, significantly reducing buildings' energy usage.**

SOLUTIONS FOR GATES AND BARRIERS

SOLUTIONS FOR COMMERCIAL AND INDUSTRIAL DOORS

SUN SHADING SOLUTIONS

SMART SECURITY SOLUTIONS

SMART HOME SOLUTIONS

AUDIO/VIDEO AND POWER MANAGEMENT SOLUTIONS

HEALTH & PERSONAL SOLUTIONS

Our locations worldwide

Nice HQ
ITALY

+100
COUNTRIES SERVED

19
R&D CENTRES

15
MANUFACTURING PLANTS

~3,000
NICE PEOPLE

23
DIRECT PRESENCE COUNTRIES

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

ITALY

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.

📍 **ODERZO (TV), ITALY**

THE NICE PLACE
A space to get together and grow

TheNicePlace is the head office's social hub, extending over more than 3,000 square metres, devoted to meetings, exchanges, interactions, participation and knowledge-building.

📍 **ITALY / FRANCE / BRAZIL**

ITALY

FOCUSED FACTORIES
Specialised centers of excellence in automation

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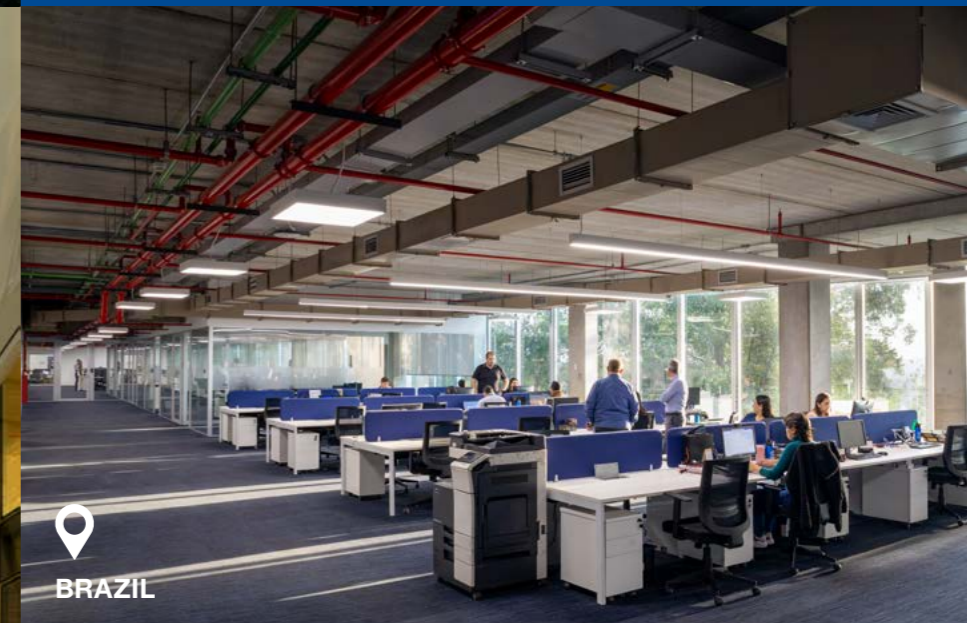
BRAZIL

THENICELABS
Technology for quality and innnovation

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.

📍 **ITALY / GERMANY / BRAZIL / USA / CANADA
SOUTH AFRICA / POLAND**

BRAZIL

Company structure

NICE S.P.A. AND ITS SUBSIDIARIES
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.

Legend:

| parent company | sales | production and sales | holding | real estate | service |
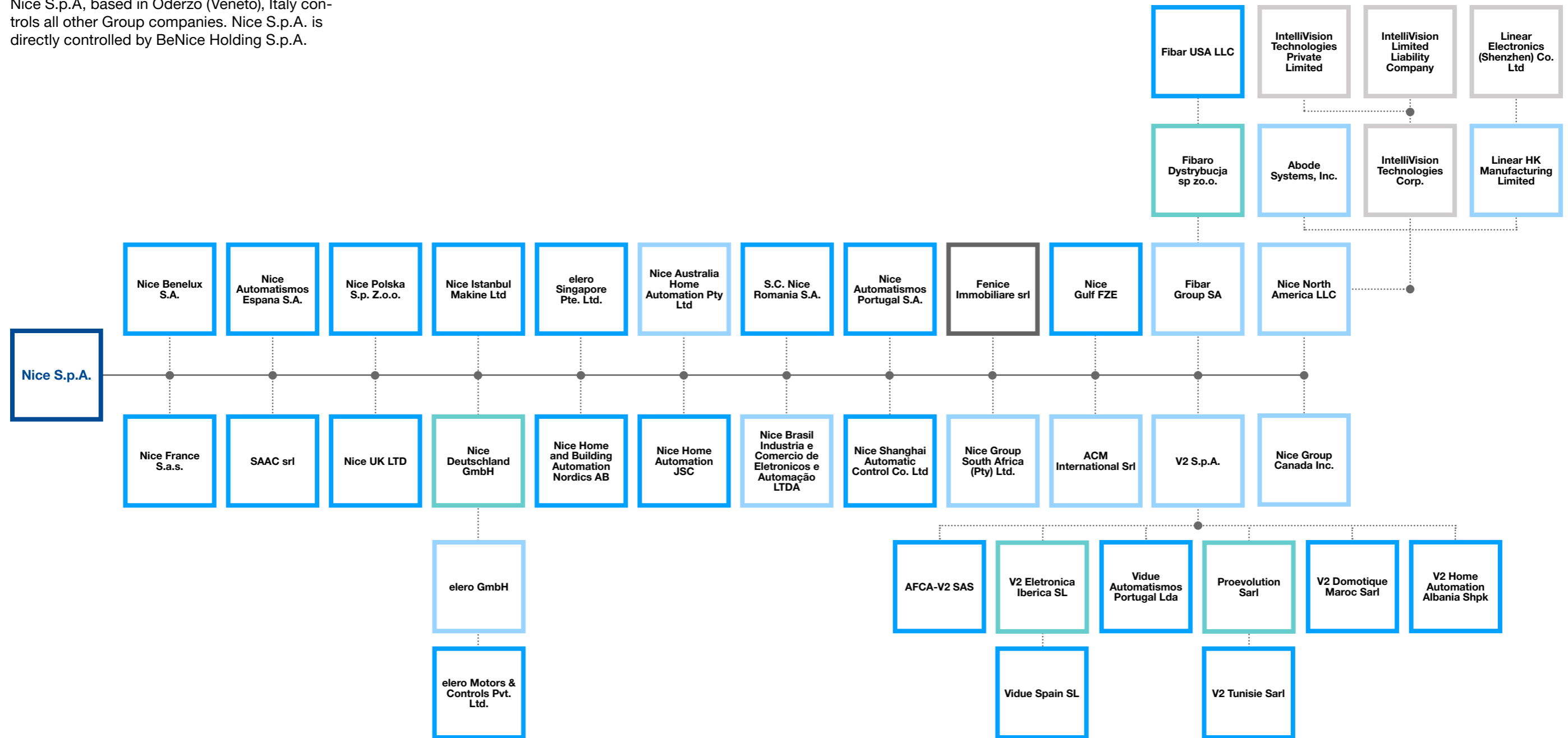
Our history

In the 90s, Nice was founded with a vision for innovative design. Our business concept is built on providing integrated automation systems that are user-friendly, quick to install, functional, and accessible.

1993 — Nice foundation

1995 — Nice France

2000

2006 — 2006-2019 Listed on FTSE MIB

2008 — Entering US Market

2011 — Entering the South American Market and Strengthening Sun Shading Solutions

2015 — Entering the South African Market

2016 — Strengthening in the US

2018

2019 — Strengthening Smart Home Solution

2021 — Entering the Canadian Market

2023 IN BRIEF
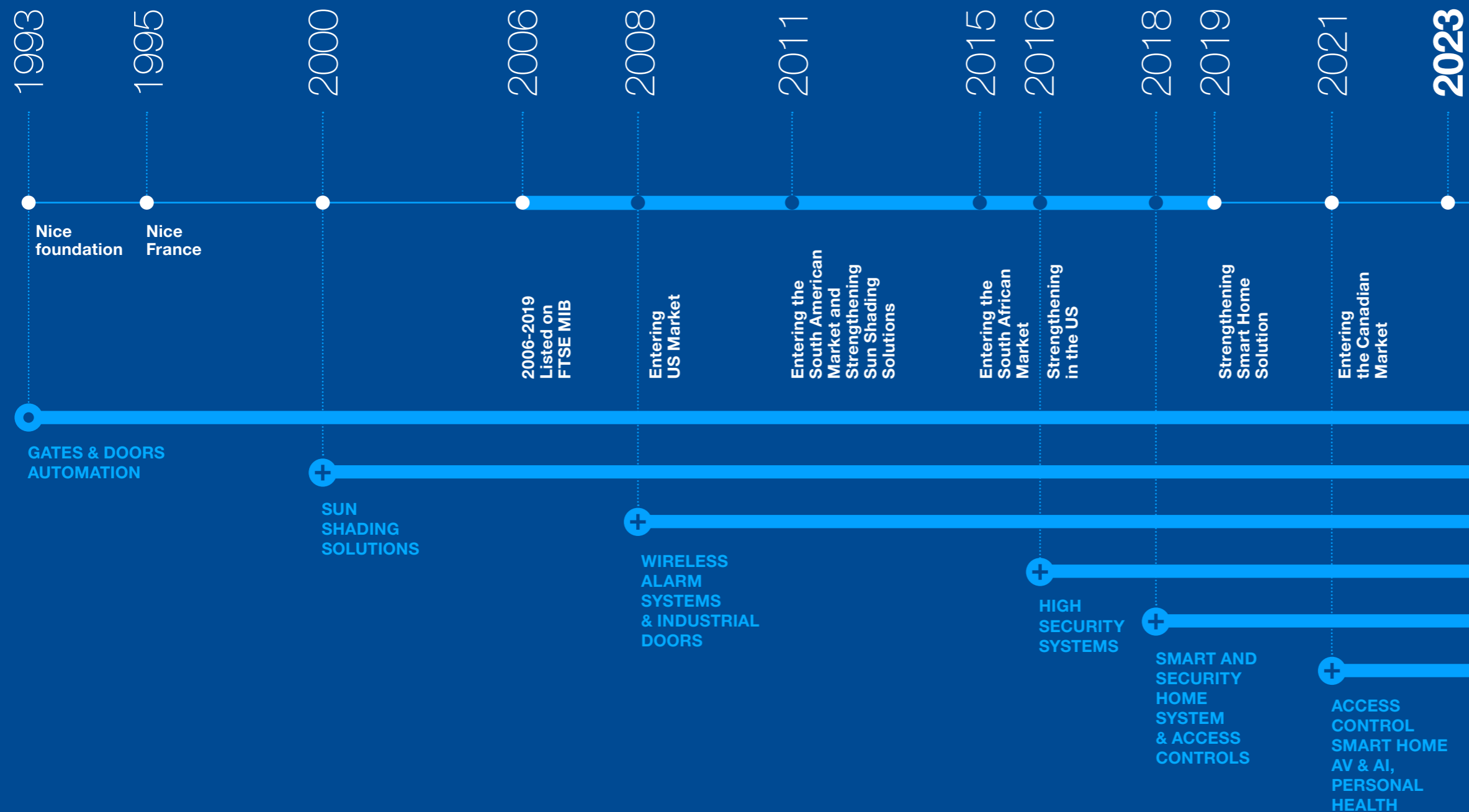
- Opening of Nice Brazil HQ and Smart Factory in Limeira, Sao Paolo, Brazil
- Consolidation of operations in NA after the acquisition in 2021 of Nortek Security & Control, now Nice North America
- Finalization of the strategic partnership with FSI
- Nice among the protagonists of Deloitte Private's Best Managed Companies Award
- Celebration of the 30th anniversary of Nice's foundation in 1993
- Publication of the second Nice Sustainability Report
- Nice wins 8 industry awards at the CEDIA Expo in Denver (USA)
- Nice is honored with the Smart Building Awards for Best Dedicated Touch Screen Controller and Best Software Release for Home Management OS 8.8" at EI Live! Europe event in Farnborough (UK)
- Nice North America "Great Pleace to Work" Certification in Canada

GATES & DOORS AUTOMATION

SUN SHADING SOLUTIONS

WIRELESS ALARM SYSTEMS & INDUSTRIAL DOORS

HIGH SECURITY SYSTEMS

SMART AND SECURITY HOME SYSTEM & ACCESS CONTROLS

ACCESS CONTROL SMART HOME AV & AI, PERSONAL HEALTH

Mission and values

OUR MISSION

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.

OUR VISION

True freedom is an open world

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

OUR VALUES

Nice

Our mindset is innovative, agile, humble, curious. **Just be Nice!**

Inclusive

Our environment is diverse, equal, empowering. Our perspectives remain open and receptive.

Collaborative

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

Environmentally conscious

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

Nice

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.

Sun Shading Solutions

Automation systems for awnings, sunshades and rolling shutters.

AWNINGS / ROLLING SHUTTERS / SUN SHADES / BIOCLIMATIC PERGOLAS

Solutions for Gates and Barriers

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

SLIDING GATES / SWING GATES / BARRIERS / HOSTILE VEHICLE MITIGATION

Solutions for Doors & Industrial Doors

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

RESIDENTIAL GARAGE DOORS / INDUSTRIAL SECTIONAL DOORS / SLIDING GATES / COMMERCIAL ROLLING DOORS

Smart Security Solutions

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

CONTROL UNITS & REMOTE CONTROLS / BIOMETRICS AUTHENTICATION / FACIAL RECOGNITION / ACCESS CONTROL & ACCESSORIES

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.

SMART DEVICES SUPPORT

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.

HEALTH & PERS

Audio/Video and Power Management Solutions

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

POWER MENAGEMENT / AUDIO-VIDEO MANAGEMENT / VIDEO

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.

The most comprehensive and automated building is in the heart of Madrid.

Nice, has collaborated with HINFORCOM & IN-DOMOTIV, companies specialized in home automation integration, and Verdaguer Architects to create the most advanced building in the heart of Madrid. Located in the Salamanca district, the building features six avant-garde design residences ranging from 185 m² to 290 m², complete with garage, storage room, pool, jacuzzi, and hydro-massage.

The latest quality materials combined with technology provided by Nice's automated solutions, ensures maximum comfort and security for its residents and the environment. This project, which represents a comprehensive effort in energy efficiency, is 100% automated. Thanks to individualized Geothermal energy, which is obtained by harnessing the Earth's internal heat through eight ground perforations, it is possible to climatize and produce hot water for the building. In this way, the system heats the interiors during winter with vertical radiant panels and cools them during summer through air fan coils. The implementation of this system allows for energy savings of between 70% and 80%.

HINFORCOM & INDOMOTIV have transformed each floor into a smart, accessible, secure, sustainable, and comfortable home, implementing several home management solutions from FIBARO, a Nice company.

"The implementation of automated solutions in Spanish homes is becoming increasingly common. Therefore, together with HINFORCOM, INDOMOTIV, and Verdaguer Arquitectos, we have taken the first step in a long-term project by creating one of the most comprehensive automated buildings in the Spanish capital, where sustainability and design come together with technology to ensure maximum comfort for users both inside and outside their homes," **says Enrique Fernández, Commercial Director of Nice Spain.**

The latest in home technology.
To manage energy consumption, all homes have been equipped with the **Double Switch solution**, a device that allows users to turn lights on and off in different rooms, control the power of appliances, and regulate electrical outlets. Additionally, its power measurement function provides precise information about energy consumption.

Inside the homes, the **Flood Sensor** device detects leaks in areas like the bathroom, notifying the homeowner via smartphone and shutting off the water supply to minimize potential damage from the malfunction.

On the exterior of the homes, such as windows and terraces, the **Roller Shutter** solution has been implemented, a radio controller based on Z-Wave 5 technology for motorized roller shutters, blinds, and awnings. With this device, users can precisely adjust the position of blinds and awnings as desired. The garage access door has also been integrated and motorized by Nice.

For climate control and air quality, air conditioning systems and thermostats have been integrated through the **Home Center 3** gateway, promoting energy savings and providing homeowners with greater comfort in managing these systems.

All these implemented solutions are controlled through the FIBARO **Home Center 3** and **Home Center 3 Lite**, the world's most advanced gateway, allowing for easy and quick control of all functions and solutions through a button, gesture, or voice command.

PHOTOS BY VERDAGUER ARQUITECTOS

Nice*Love***Earth**

The Nice journey to sustainability

" Sustainability is thoroughly transforming our business."

9

SDGs TO WHICH
WE CONTRIBUTE

11

EFRAG IMPACT
THEMES INTEGRATED IN
MATERIALITY ANALYSIS

11

MATERIAL TOPICS
IDENTIFIED

24

SUSTAINABILITY
GOALS

2.1

Our Approach to Sustainability

Since 2021, sustainable development has been a key pillar and an integral part of our overall corporate business strategy. Thus, all business functions and companies within the Group are required to play an active role contributing and achieving a sustainable development plan.

In 2023, we continued with our sustainability activities in a more conscious process that has 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 Nice*Love*Earth logo, which marks our ESG company journey.

NiceLoveEarth

At Nice, we take action in all areas of sustainability:

Right for Our Business

In 2023 we renewed the Sustainability committee which, in the shape of an ESG-Cyber Committee, operating under new agreements set by our shareholders and aligned with our updated Bylaws, has taken over this role, ensuring continued adherence to our sustainability objectives.

In order to achieve our sustainability goals, we are implementing suitable governance and policy structures while harmonizing quality, environment and safety management systems, as well as investing in sustainable innovation. In 2023, the ISO 14001 certification that our headquarters obtained last year was reaffirmed with an audit, reinforcing our commitment to continuously improving the environmental performance of our processes.

Right for Our Planet

In 2023 we reaffirmed our commitment to minimize the impact that we have on our planet. We did so by focusing on the reduction of energy consumption within our production activities and on the creation of devices that have a minimal impact on the environment.

Indeed, 2023 marked the year where we committed to purchase 100% of our energy from renewable sources. We also continued pursuing our goal to reduce the indirect impacts of emissions related to our products, by monitoring them and studying actions to reduce them. Our commitment is highlighted within our integrated portfolio of solutions, a significant portion of which contribute to the reduction of buildings' energy consumption.

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. Even internally, with our renewed global intranet platform "The Daily Wonder". At Nice, we also consider the pro-

tection 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

We design solutions according to the principles of eco-design, favouring regenerated materials and limiting energy consumption. In 2023, we advanced our eco-design approach, and continued influencing design and development activities, thanks to a renewed product development procedure that introduced mandatory sustainable requirements The results of these efforts are expressed by the Nice Green Innovation icon, that defines the solutions most attentive to protecting the planet, helping customers in their conscious buying choices.

Incorporating Commitments into Activities and Commercial Relations

Since 2021, Nice has defined ESG sustainable development as one of the pillars and objectives of its corporate business strategy. All business functions and companies within the Group are required to allocate a budget and resources for defining and achieving a sustainable development plan. Considering downstream business relationships, Nice communicates its commitment to sustainable development through corporate communication aligned with the defined strategy. Regarding product aspects, Nice uses product communication channels to convey the energy and the environmental benefits of adopting automated home solutions, as well as technological and design revisions aimed at minimizing the environmental impact of product manufacturing and usage. Concerning upstream business relationships, starting from 2022, Nice has implemented ESG supplier evaluations through the Quality questionnaire within the Vendor Rating system. In 2023, the initial six environmental questions were supplemented with four additional questions probing the supplier's stance on working conditions, non-discrimination policies, and adoption of an ethical code.

In 2023, product commercial communication emphasized the value of the smart home as a tool to optimize and reduce energy consumption in buildings, thereby enabling more sustainable living and commercial spaces. Our contribution to combating the climate

emergency is not limited to reducing our direct impacts but rather involves becoming enablers. 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 optimizing energy consumption. Nice Smart Home solutions allow individuals to optimize 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.

Training on Commitment Implementation

In 2023, the Sustainability program and its key actions and goals continued to be presented, maintaining a call to action for their adoption across all functions and companies within the Group. Regular internal communications were made regarding the progress of the program, each focusing on specific themes (product, facilities, corporate life). The executive committee met quarterly, providing regular updates on the Sustainability program and the status of goal achievement.

This is Nice S.p.A.: Collaborating with a Sustainable Mindset

Since October 2023, Nice SpA has been part of the **"Sustainability Working Group"** of Confindustria Veneto Est ⬈, which is the regional federation of industrialists in Veneto, Italy, representing over 8,750 companies and 422,000 employees. Established in 1971, its mission is to support industrial operators at the regional level, advocate for the values of Veneto's entrepreneurship, and promote economic and social research. The objective of the Sustainability Working Group is to develop and disseminate best practices in terms of sustainable development within the territory.

The Group's commitment is concretely demonstrated during the **"Sustainability Week"**, a 4-day event organized by Confindustria Veneto Est, aimed at making this commitment tangible by involving businesses, public administrations, incubators, research centres, and schools in a dialogue and exchange of experiences to systematically address sustainability issues related to the environment, society, and the economy.

2.2

Materiality Assessment: Prioritizing Impact

In preparing our 2021 report, we conducted a materiality analysis following the Global Reporting Initiative (GRI), a widely recognized 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).

In 2022, we integrated the material themes identified by our stakeholders with EFRAG themes. Building on this work, in 2023 we have embarked on a double materiality assessment, following the requirements set out by the European Sustainability Reporting Standards (ESRS) and above all, the guidelines developed by EFRAG. This double materiality assessment will ensure an in-depth stakeholder engagement exercise aimed to evaluate both the impact of sustainability issues on our business (financial materiality), as well as the impact of our business on sustainability issues (impact materiality). We are committed to publish our updated material topics in our 2024 Sustainability Report.

Furthermore, we will ensure our full compliance to the EU Corporate Sustainability Reporting Directive (CSRD) by the time we publish our 2025 Sustainability Report.

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, CO_2 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 leads 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.

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.

RELEVANT FOR THE STAKEHOLDER

5

4.5

ENERGY CONSUMPTION

FIGHTING CLIMATE CHANGE

HEALTH AND SAFETY AT WORK

EMPLOYMENT AND FAIRNESS IN LABOUR RELATIONS

HUMAN RESOURCES DEVELOPMENT AND TRAINING

4

CONSUMER RELATIONS AND EXTERNAL COMMUNICATION

SUSTAINABILITY OF THE PRODUCTION PROCESS, TECHNOLOGICAL DEVELOPMENT AND INTELLECTUAL PROPERTY

ETHICAL SUPPLY CHAIN MANAGEMENT AND INTERNATIONAL STANDARDS OF CONDUCT

PRODUCT AND PROCESS CERTIFICATION

ECO-DESIGN, ECO-SUSTAINABILITY AND CIRCULAR ECONOMY

ESG GOVERNANCE

3.5   4   4.5   5

RELEVANT FOR NICE

● GOVERNANCE   ● ENVIRONMENT   ● SOCIAL   ● PRODUCT

Nice Material Themes	EFRAG impact sector themes
Energy consumption	Energy
Fighting climate change	Emissions
Employment and fairness in labour relations	Working conditions
Eco-design, eco-sustainability and circular economy	Waste & Water
Ethical supply chain management and international standardsof conduct	Resource consumption
Health and safety at work	Occupational health and safety
Product and process certification	Product safety
Consumer relations and external communication	Customer privacy
ESG Governance	Responsible governance and organisation
Sustainability of the production process, technological development and intellectual property	Intellectual property protection

2.3

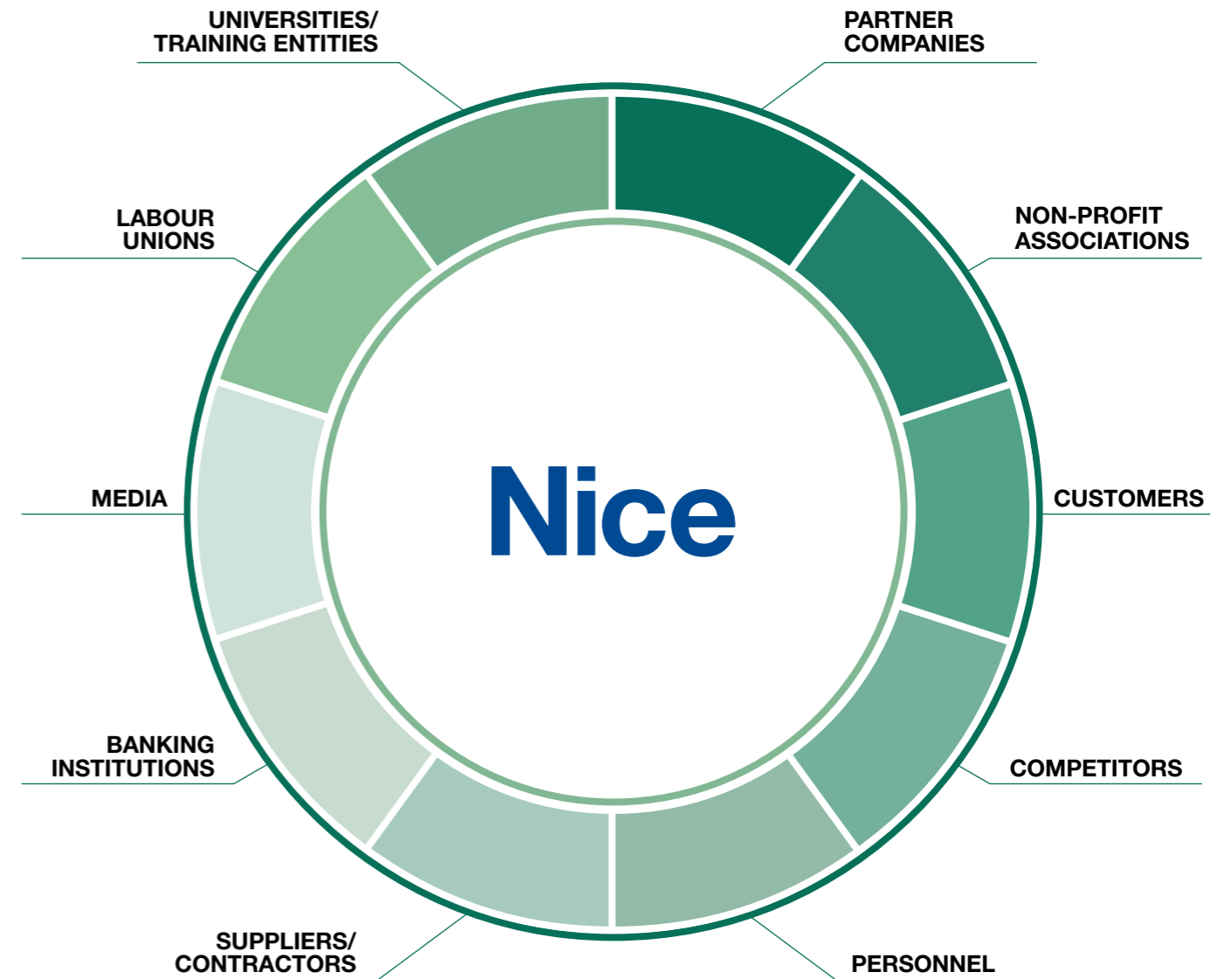# Robust Stakeholder Engagement for the Upcoming Double Materiality Analysis

Stakeholder Engagement for CSRD Compliance

In preparation for our upcoming CSRD compliance requirements, we are committed to undertaking a comprehensive stakeholder engagement process. This effort aims to inform our overarching materiality assessment process and ensure we fully capture the perspectives and concerns of our key stakeholders.

The stakeholder engagement will be conducted in line with our established methodology, the requirements outlined in the ESRS, guidelines developed by EFRAG, and industry best practices. This will involve a thorough analysis of our existing stakeholder engagement initiatives, as well as a rigorous mapping of affected stakeholder groups across our activities and business relationships. We will prioritize engaging with these stakeholder groups to understand their perspectives on the actual and potential impacts of our operations on people and the environment.

By engaging in this robust and systematic stakeholder engagement process, we seek to substantiate the materiality of sustainability matters from the viewpoint of our affected stakeholders. This will enable us to identify the most significant sustainability topics and ensure our sustainability reporting is fully aligned with the CSRD requirements, placing us in a strong position for compliance.

Currently, the main groups of Nice stakeholders are as follows.

UNIVERSITIES/
TRAINING ENTITIES

PARTNER
COMPANIES

NON-PROFIT
ASSOCIATIONS

LABOUR
UNIONS

CUSTOMERS

MEDIA

Nice

COMPETITORS

BANKING
INSTITUTIONS

SUPPLIERS/
CONTRACTORS

PERSONNEL

2.4
Building Shared Value with our Internal and External Stakeholders

At Nice, we firmly believe that a comprehensive communication strategy is vital to our success as a global organization. By promoting transparency, fostering two-way dialogue, and enabling seamless information sharing, we empower our stakeholders to contribute to our sustainable growth and drive our commitment to creating value for all.

Stakeholders Communication

Internal Communication, The Daily Wonder

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 clearly share them with the Nice People.

Having recognized the importance of regular collaboration and feedback, we established a Global Communication Task Force. This committee convenes monthly to discuss communication strategies, share best practices and ensure consistent messaging throughout the organization.

Complementing The Daily Wonder, our intranet, we have implemented a comprehensive suite of communication channels and practices to ensure continuous and effective engagement with our stakeholders. These include quarterly internal committee meetings, monthly global and executive meetings, and global town halls. These forums provide opportunities for the Nice People to stay informed about our strategies, product roadmap, and vision, while also allowing for feedback and alignment on our goals.

This is Nice: The Daily Wonder Driving UNICEF Impact

In 2019, we introduced our project "The Daily Wonder", a digital magazine designed to unite Nice people around the world through bottom-up communication that supports common corporate culture and one team: the Nice team.

Our intranet The Daily Wonder has been revamped in September 2023 to better convey our vision, goals, and initiatives, including ESG initiatives. It now provides both global and local spaces for branches to share activities and align globally, allowing our headquarters to monitor and showcase successful practices across the company. This platform is crucial for transparency and engagement across our geographically dispersed organization.

Notably, the revamped The Daily Wonder has transformed internal communications from a top-down model to a two-way interaction, empowering our employees to actively contribute and shape the narrative. This strategic shift has led to a remarkable increase in content generation, rising from 50 articles annually to approximately 200 pieces between September and December 2023 alone.

This surge in engagement highlights our employees' enthusiasm for participating in the company's dialogue and underscores the platform's role in fostering a culture of open communication and collaboration.

The Daily Wonder played a pivotal role in our collaborative "Play Nice" Campaign in partnership with UNICEF. This innovative charity race harnessed employee participation on the platform to drive meaningful global impact. As over 3,000 employees formed cross-functional teams and interacted on The Daily Wonder, their actions accumulated points that unlocked vital donations to UNICEF's Emergency Fund. This fund provides rapid, life-saving assistance to children and families facing humanitarian crises worldwide, addressing critical issues like food insecurity, healthcare access, climate emergencies, gender-based violence and disrupted education.

The Play Nice campaign embodies Nice's commitment to corporate social responsibility through a collaborative, competitive, and inclusive approach. Employees formed cross-organizational teams, with their platform participation points determining donations to causes aligned with our values like education, gender equality, and sustainability. The top team also selected local charities to support, balancing global impact with community investment. Running through December 2023, Play Nice rallied our workforce for the greater good while deepening our partnership with UNICEF until 2025 and beyond.
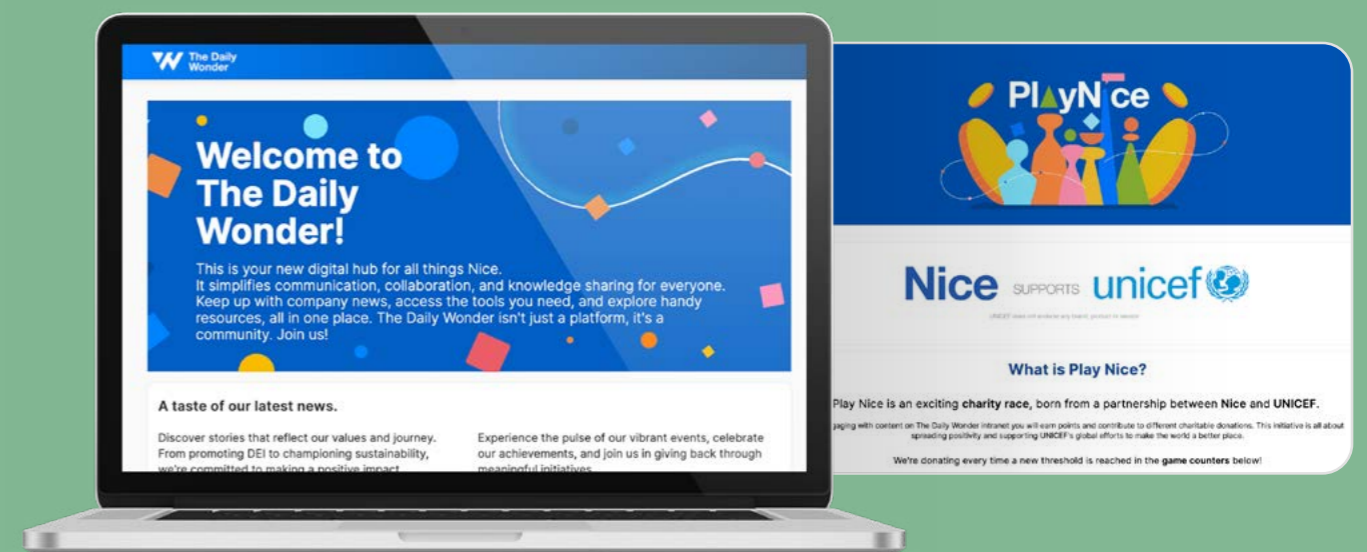
External Communication: ensuring open dialogue across all channels

We believe in clear, responsible communication about our commitment, values, and products.

We ensure open dialogue with all stakeholders through various online and offline channels. Our approach leverages personalized communication to resonate deeply with diverse audiences.

Our communications targeted both B2B and B2C audiences, focusing on media coverage quality and content dissemination. Our goal was to position Nice solutions as a unique and complete ecosystem of connected systems globally. We showcased the benefits of energy saving, safety improvement, and overall well-being through compelling use cases to increase awareness and generate interest among potential customers.

In 2023, trade marketing activities focused on the smart home and connected Nice ecosystem. Nice actively participated in various trade fairs, providing platforms for visitors to witness firsthand how Nice solutions integrate seamlessly into daily life, enhancing convenience, safety, and comfort. The year was marked by synchronized efforts, where our communication campaigns, digital activation, and trade marketing activities worked hand in hand.

These initiatives created a compelling narrative around Nice and its connected solutions, driving interest and fostering connections with our target audience. Our integrated communication strategy not only amplified our message but also ensured it was heard and appreciated by all stakeholders, reinforcing our brand's commitment to innovation and sustainability.

Nice unveils its new smart factory in Limeira, Brazil

In June 2023, Nice proudly inaugurated the new headquarters of Nice Brasil in Limeira. To celebrate this significant milestone, two special events were organized. On June 12th, journalists, local institutions, television crews, and influencers were invited to witness the grand opening. The following day, June 13th, a second event was held exclusively for our valued partners.

These events showcased the new smart factory, a model of sustainable architecture, with guided tours and one-on-one interviews with management, conveying all key messages of the Group.

The innovative facility reflects Nice's commitment to technological advancement and environmental responsibility. The opening of Nice Brasil's new headquarters marks a pivotal step in Nice's ongoing journey to blend cutting-edge technology with sustainability. This milestone underscores Nice's commitment to environmental responsibility and significantly contributes to the growth of Nice's business in Latin America.

Nice celebrates 30 years of innovation and commitment

To honor Nice's 30th anniversary, a meticulous communication strategy has been crafted to ensure extensive coverage of this significant event.

From Oderzo to the global stage, Nice has demonstrated 30 years of steadfast commitment to delivering innovative Home Management solutions, driven by its mission to enhance people's quality of life.

On November 15th, Nice amplified this milestone using an integrated communication approach. Public relations and digital efforts included a press release and targeted pitches to journalists and editors in Italy, France, Germany, Poland, Brazil, and Spain. Additionally, a dynamic social media activation took place across platforms such as Facebook, Instagram, and LinkedIn.

As Nice continues its journey of growth and innovation, this comprehensive communication strategy underscores the company's unwavering commitment to excellence, sustainability, and leadership in the industry.

This is Nice: New forms of living at the 2023 CSR Fair in Milan

Nice participated in the 11th edition of the CSR and Social Innovation Fair in Milan, the most relevant ESG event in Italy, presenting the concept of the smart home as a key to reducing environmental impact and improving quality of life.

Marco Bianchet, Group Quality & Sustainability Director of Nice, addressed Nice's key external stakeholders, emphasizing the importance of adopting smart home technologies to efficiently manage domestic energy. Nice is committed to developing sustainable and integrated solutions, such as the Smart Home ecosystem, which not only improve energy efficiency and living comfort, but also anticipate future trends. Sustainability for Nice is not only about the environment, but also about social and economic well-being, with a focus on eco-design and reducing product impacts. Nice's vision is to promote positive change through innovative and accessible solutions to address future challenges in terms of efficiency and safety.

2.5
Sustainability Goals and Milestones

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 broken down according to the Environmental, Social, Governance and Product pillars, recognized 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 2023.

	MATERIALS TOPIC	2023 STATUS	GOALS	TIMEFRAME
GOVERNANCE	ESG GOVERNANCE	reached	Investment of a portion of the economic value generated in projects for the community	Ongoing
		stable	Increase of gender diversity in governing bodies and introduction of independent directors	Ongoing
		stable	Adoption of tools for ESG risk assessment and management	2025
	PROCESS CERTIFICATION	stable	ISO 14001 certification in all manufacturing plants	2030
ENVIRONMENT	ENERGY CONSUMPTION OF THE ORGANIZATION	increase	Gradual achievement of energy auto-sufficiency or 100% energy supply from certified renewable sources	2030
	CIRCULAR ECONOMY	decrease	Maintaining the percentage of recyclable waste close to 99% by reducing the overall amount of recyclable waste	Ongoing
	FIGHTING CLIMATE CHANGE AND PREVENTING POLLUTION	increase	Reduction of 30% in absolute scope 1 and 2 CO_2e emissions vs 2022	2025
		increase	Reduction of 10% in absolute scope 3 CO_2e emissions vs 2022	
	FIGHTING CLIMATE CHANGE AND PREVENTING POLLUTION	increase	Reduction of 50% in absolute scope 1 and 2 CO_2e emissions vs 2022	2030
		increase	Reduction of 25% in absolute scope 3 CO_2e emissions vs 2022	
SOCIAL	HEALTH AND SAFETY AT WORK	reached	Implementation of an occupational health and safety management system, for all manufacturing plants	2025
		increase	Zero injuries, for all manufacturing plants	2030
	EMPLOYMENT AND FAIRNESS IN LABOUR RELATIONS	increase	Increase the presence of women at least by 30% in leadership positions and reduce the gender paygap	2030
	ETHICAL SUPPLY CHAIN	increase	Vendor rating: integration of the social and environmental responsibility evaluation section	2026
	HUMAN RESOURCES DEVELOPMENT	increase	Increase the numbers of hours of training and its tracking	Ongoing
		stable	Adopt an inter-departmental and inter-company mobility program	2025
		increase	Increase the number of employees evaluated with a global performances appraisal tool	Ongoing
PRODUCT	ENERGY CONSUMPTION OF THE PRODUCT	increase	Reduce energy consumption during the product stand-by and use phases, to be applied to the new and existing products	2030
	PRODUCT CERTIFICATIONS	stable	EPD certification of all new product lines (according to market relevance)	2030
	ECO-DESIGN AND CIRCULAR ECONOMY	stable	Extensive use of recycled plastic	2030
		stable	Adoption of biobased materials, in selected projects	2030
		stable	100% low environmental impact packaging (recycled paper and cardboard, zero plastic, natural ink, digital instruction)	2030
		reached	Partnerships with research institutions and universities for research and development on reduced environmental impact materials and technologies	2025

Nice*Love***Earth**

The Nice governance, strong company

" Economic sustainability means creating value for all our stakeholders."

3
ADVISORY
COMMITTEES

4
MEMBERS OF THE
ESG-CYBER COMMITTEE

0
CASES
OF CORRUPTION

0
CASES OF
NON-COMPLIANCE
WITH LAWS
AND REGULATIONS

ESG GOVERNANCE

8 DECENT WORK AND ECONOMIC GROWTH

ONGOING:

• Investment of a portion of the economic value generated in projects for the community

• Increasing gender diversity in governing bodies and introduction of independent directors

2025 GOALS:

• Adoption of tools for ESG risk assessment and management

PROCESS CERTIFICATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

2030 GOALS:

• ISO 14001 certification in all manufacturing plants

3.1

Governance Structure: Upholding Integrity

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.

ITALIA BEST MANAGED COMPANIES Nice was honoured with the "Best Managed Companies Award" by Deloitte in 2023, recognizing our exemplary governance and commitment to integrity. This accolade reflects our robust governance structure, which supports our strategic objectives and sustainability goals. Our governance framework ensures transparency, accountability, and ethical business practices across all levels of the organization. By upholding these principles, we continue to build trust with our stakeholders and drive long-term sustainable growth.

Composition of the Board of Directors (BoD)

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. In 2023, following the investment in the Company's share capital by FSI, and pursuant to the investment agreement and the new Bylaws executed by BeNice Holding S.p.A. and FSI SGR S.p.A., the composition of the Board of Directors experienced some changes.

During the period between January 1st and July 4th, the administration and management of the company was entrusted to a Board of Directors composed of 6 members – Mr. Buoro (the founder), Mr. Griffa, Mr. Galberti, Mr. Malfè, Mr. Silvestre, and Mr. Demaël – which appointed Lauro Buoro as Chairman and Roberto Griffa as CEO, to whom it delegated certain managing and executive powers.

Starting from July 4th until November 28th, the structure of the BoD shifted, and the administration and management of the company was handled by a reduced 3-member Board, consisting of Mr. Buoro, Mr. Griffa, and Mr. Galberti.

Effective November 28th, 2023, the Board of Directors was reconstituted with 6 members - Mr. Lauro Buoro (Chairman), Mr. Roberto Griffa (CEO), Mr. Lorenzo Galberti, Mr. Mario Petracco, Mr. Carlo Moser, and Mr. Carlo Bozotti – appointed by BeNice and FSI, as established in the new Bylaws.
In accordance with the updated company guidelines, the new BoD has appointed the following committees:

1. Nomination and Remuneration Committee
2. ESG-Cyber Committee
3. Financial Performance Committee

These are responsible for overseeing the company's strategic direction, management processes, and the supervision of impacts in the ESG field.

The current board has been appointed until the date of approval of the Company's financial statement for the year ending on December 31st, 2025.

Governance of ESG Policies

To ensure the successful implementation of our sustainability strategy, our governance structure begins with our Board of Directors , which assumes responsibility for decision-making processes in the economic, environmental, and social domains. In 2021, Nice established **an internal team led by Marco Bianchet, the Global Quality & Sustainability Director, to define the group's ESG strategy and coordinate the projects.**
To promote a comprehensive and holistic approach, the Sustainability Department created an **ESG Operational Team** composed of members from various departments, including Human Resources, Operations, R&D, and Finance, as well as local **ESG points of contact** across all Nice companies. This collective expertise allows us to integrate sustainability into our global operations and initiatives.

Sustainability Governance

The Board of Directors, with the pivotal input from the CEO and the guidance by the Sustainability Committee of senior executives, has been integral to developing, approving, and updating our sustainable development strategies and goals. Since November 28, 2023, the newly formed ESG-Cyber Committee, operating under new agreements set by our shareholders and aligned with our updated Bylaws, has taken over this role, ensuring continued adherence to our sustainability objectives.

Our commitment to improving collective knowledge, skills, and experience in sustainability across the highest levels of governance is demonstrated through recurring meetings organized with the Sustainability Committee and the CEO. These meetings focus on aligning strategy and goal achievement, as well as addressing the most relevant ESG issues for our industry.

This is supported by specific internal training sessions conducted by external professionals with vertical expertise, attended by both the Sustainability function and other corporate functions involved in sustainability processes.

The Sustainability Committee meets quarterly to review Nice's defined ESG objectives and their progress, with the CEO receiving bi-annual updates to ensure consistent alignment and responsiveness to ESG challenges. In December 2023, the first ESG & Cyber-security advisory committee meeting with the FSI fund took place, where the ESG program and objectives of Nice were reviewed.

The internal Sustainability Committee remains active as a tool to ensure that all business departments prioritize sustainability projects that contribute to achieving sustainability goals, defined and approved together with the ESG Cybersecurity Committee. In 2023, we continued to strengthen our governance structure to ensure that sustainability is integrated into every facet of our operations.
One of the major challenges we faced in 2023 was ensuring all our sites could effectively implement the necessary sustainability changes. Our site-level support teams have played a pivotal role in tailoring our sustainability efforts to the specific needs and capabilities of each location, tackling issues like waste reduction, recycling, and renewable energy solutions.

Board Diversity

Our governance structure currently has an opportunity to enhance its diversity and inclusiveness. While all 6 members are male, we are committed to promoting greater representation going forward. Our goal for 2025 remains as increasing the presence of women in leadership positions across the organization. By bringing diverse perspectives and expertise to our decision-making processes, particularly in environmental, social, and governance matters, we will be better equipped to drive sustainable practices and create value for all stakeholders. We are dedicated to building a more inclusive leadership team that reflects our core values and positions us for long-term success on our sustainability journey.

This is Nice: The robust Governance of Nice North America

At Nice North America, integrity is at the core of our Environmental, Social, and Governance (ESG) initiatives, starting with the establishment of a robust ESG governance structure. This structure, initiated by the President of Nice North America, Luca Longhin, ensures that ESG priorities are supported at the highest levels of our organisation, reinforcing our commitment to transparency and accountability.

The ESG committee, integral to our governance framework, includes key executives from various departments—legal, HR, engineering, and operations. Each member plays a pivotal role in infusing ESG considerations into their respective areas, ensuring a holistic approach to sustainability across the organisation. This diverse committee reflects dedication to integrating multiple perspectives in decision-making processes, which is essential for comprehensive and effective ESG management.

The governance practices include regular monthly meetings, where these leaders convene to discuss, review, and set strategic directions for ESG activities. These sessions are crucial for aligning company-wide goals with actionable plans and monitoring progress towards these objectives.

Moreover, the structure is unique in that it specifically includes site-level support teams, which are essential for applying these strategies effectively across different locations. These teams ensure that sustainability initiatives are adapted to local conditions and capabilities, making efforts both practical and impactful.

This governance model not only upholds our commitment to ESG principles but also integrates them deeply into our corporate fabric. By maintaining a governance structure that is both inclusive and rigorous, we ensure that our commitment to ethical practices and sustainability is consistently applied and continually enhanced, setting a standard for responsibility that permeates every aspect of our operations at Nice North America.

Hearing a Nice Voice: Strengthening Corporate Governance through Responsible Leadership

❝ **Our dedication is evident in our efforts to integrate sustainability into every facet of our operations, demonstrating that at Nice, sustainability is not just a policy but a practice."**

"As Quality Manager & Sustainability Coordinator at Nice North America, I've had the privilege of steering our ESG initiatives from the bottom up, beginning with the visionary leadership of our President, Luca Longhin. Under his guidance, we established a robust ESG governance structure that includes key members from every essential department, demonstrating our company-wide commitment to sustainability.

In the last year, we've made significant strides, setting goals such as an ambitious reduction in greenhouse gases. Our monthly executive meetings and the newly introduced site-level support teams ensure that these objectives are not just visionary but actionable. These teams play a crucial role in tailoring our sustainability efforts to the specific needs and capabilities of each site, tackling challenges like waste reduction, recycling, and renewable energy solutions.

One of the key opportunities we have is ensuring all sites can implement these changes effectively. It's a complex process, requiring detailed knowledge and financial resources, but it's a challenge we are ready to meet head-on."

**Michelle Mummert,
Quality Manager and Sustainability Coordinator**

3.2

Ethical Standards and Anti-Corruption Measures

Our code of ethics

Our Code of Ethics, endorsed by the Board of Directors, is an integral part of our Organisational, Management, and Control Model. It embodies core ethical principles that guide our actions alongside legal, regulatory, and contractual obligations to proactively minimize the risk of committing criminal offenses. Specifically, Section Q of the Code of Ethics addresses environmental offences, setting forth our expectations and guidelines in this area:

- Environmental pollution
- Environmental disasters
- Unintentional environmental crimes
- Handling and disposal of highly radioactive materials
- Exacerbating factors
- Illegal trafficking of waste
- Harm to protected species of flora and fauna
- Damage or degradation of protected habitats
- Trade in species listed in Annex A of Art. 1 of Law 150, dated 7 February 1992
- Trade in species listed in Annexes B and C of Art. 2 of Law 150, dated 7 February 1992

The Code also includes policies on preventative measures to ensure the health and environmental safety of our employees. We have established an organizational structure to ensure the requisite expertise and authority to evaluate, manage, and monitor health, safety, and environmental risks. Regular training tailored to the specific needs and risks of various operational areas

is provided to our staff. The management of occupational health and safety is embedded within our overall governance and control systems, bolstered by rigorous monitoring.

In adhering to the Precautionary Principle (Principle 15 of the 1992 Rio Declaration), which underpins international environmental law, our Code of Ethics and Organisational Model govern all compliance activities. Before launching any new production process or business initiative, we conduct an extensive preliminary assessment covering:

1. Financial Investment Suitability: Evaluation of financial resources needed for project or transaction success.
2. Compliance with Quality Standards and Legislation: Ensuring adherence to product quality procedures and relevant national and European laws.
3. Adherence to Quality Certifications: Verification of compliance with procedures outlined by our existing quality certifications.
4. Workplace Safety and Environmental Risk: Confirmation of adherence to safety and environmental regulations.
Although our standard production activities pose minimal environmental risks, we maintain thorough evaluations to ensure full compliance and feasibility of new endeavors.

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 alignment with Legislative Decree 231/2001, our commitment to preventing corruption is rigorously enforced through our Code of Ethics and Organisational Model, effective since March 4, 2019. We address a wide range of unlawful practices, including but not limited to:

- Prohibition of fraudulent actions against the state or public entities and the illicit procurement of public funds.
- Prevention of cyber fraud targeting state or public entities.
- Structures against corruption and the inappropriate inducement to offer or promise undue benefits.
- Corporate offenses such as corruption between private parties and illicit influence over shareholder meetings.

Our interactions with public and government bodies, including engagements in public tenders, are conducted according to the highest standards of **integrity, transparency, legality, impartiality, and prudence.** These principles govern the actions of our legal representatives, directors, and senior executives in all company dealings.
The Code of Ethics, mandated by Legislative Decree 231/2001 and endorsed by our Board of Directors, offers comprehensive ethical guidelines that supplement statutory, regulatory, and contractual requirements.

Adherence to this code is vital for mitigating risks related to offenses detailed in the Model's Special Sections, including:

- Embezzlement and fraud against the state or public bodies.
- Computer fraud and aggravated fraud aimed at obtaining public funds.
- Various forms of corruption and related aggravating circumstances.

The Organisational Model and Code of Ethics apply to all personnel, fostering a culture of awareness and cooperation. Compliance is monitored through regular audits by the Supervisory Body, with findings reported annually to the Board of Directors. We emphasize the importance of preventive measures and the detection of unlawful acts, urging all company affiliates to report suspicious conduct to the Supervisory Body immediately.

This proactive approach, anchored in our Organisational Model and reinforced through ongoing Supervisory audits, underscores our dedication to upholding anti-corruption measures as outlined under Legislative Decree 231/2001, ensuring compliance across all company activities.

Anti-Corruption, Communication and Training

Our Organisational Model and Code of Ethics are thoroughly communicated to all key stakeholders, including the Board of Directors—which also approves updates—the auditors, and the Supervisory Body members. This communication extends to all levels of our organization: from executives and middle managers to all employees during both their onboarding and throughout their tenure. Additionally, our consultants, professionals, and suppliers receive these guidelines as part of our extensive communication strategy to ensure comprehensive awareness and adherence.

We are committed to the proactive prevention and diligent monitoring of any illicit activities. We strongly encourage our staff to immediately report any behavior that contradicts our Code of Ethics to the Supervisory Body. Our whistleblowing procedures support this by promoting open and secure communication, thus safeguarding our collective well-being and minimizing corruption risks.

From 2020 to 2023, there were no reported incidents of corruption. Nonetheless, educating our team remains a high priority to prevent any future breaches. Our company has adopted robust anti-corruption policies and conducts thorough training aligned with the

Organisational Model and Ethical Code requirements as mandated by Legislative Decree no. 231/2011.

In detail, Nice handles anti-corruption compliance in accordance with the provisions of Legislative Decree no. 231/2001 and updates to the Ethical Code and the Organisational Model enacted on March 4, 2019. This includes addressing:

- Undue receipt of disbursements, fraud against the state or a public body, and computer fraud (Article 24 of Legislative Decree no. 231/2001, amended by Law 161/2017),
- Bribery, undue inducement to give or promise benefits, and corruption (Article 25 of Legislative Decree no. 231/2001, revised by Article 1, paragraph 77, letter a of Law no. 190 dated November 6, 2012, and Law no. 3 of January 9, 2019),
- Embezzlement and undue receipt of disbursements by the state (Article 316-bis of the Criminal Code),
- Fraud against the state, other public bodies, or the European Communities.

The Supervisory Body conducts annual audits, the results of which are recorded and reported to the Board of Directors, to evaluate our compliance and efficacy in these matters as per Legislative Decree no. 231/2001.

These documents are also available on our official website, www.niceforyou.com/en ↗

3.3

Privacy and Cybersecurity

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 active participation and commitment of all departments within our organisation.

We take customer data privacy and security extremely seriously. **As of December 2023, we have not received any proven complaints from external parties, regulatory entities, or other sources regarding breaches or losses of customer data across our global operations. This clean record extends to all our entities and subsidiaries.**

The only exception to this clean record is the ransomware / malware attack Nice SpA experienced on March 26, 2023 which was caused by a well known group of cyber-criminals. The company has promptly reacted and no escape, loss or theft of personal data has occurred (only a partial unavailability of data continued for some days). The data breach has been promptly noticed to the National Privacy Authority - pursuant to the provisions of the GDPR - with no formal complaint received by the Authority as of today.

The availability of all the data affected by the attack has been recovered in about a week.

At Nice we emphasize the importance of digitization and cybersecurity in reinforcing our commitment to privacy and digital trust. We recognize that the security of our smart home solutions is as crucial as their functionality. We are not merely in the business of selling products; we are dedicated to safeguarding our customers' privacy and building lasting trust. This commitment is deeply embedded in our operations from the initial design phase to the deployment of our products, ensuring that customer data is managed securely and locally to minimize risks.

Digitization and Cybersecurity

Our cybersecurity efforts are spearheaded by our Security Operation Centre, which operates 24/7 to monitor potential threats and ensure our defences are always robust and up-to-date. This vigilance allows us to swiftly respond to emerging threats and maintain the integrity of our data. In addition to advanced technological measures, our strategy includes continuous education for our staff on cybersecurity. Our comprehensive training programs, which last year included targeted seminars and regular phishing tests, are designed to strengthen our team's capabilities in identifying and reacting to security threats. These efforts reflect our dedication to merging digital innovation with the highest security standards, ensuring that our solutions are not only technologically advanced but also secure and reliable. This integrated approach to digitization and cybersecurity exemplifies our commitment to proactive management and strategic planning, crucial for maintaining customer trust and safeguarding our brand reputation in the digital era.

Our proactive approach extends beyond compliance with standard data privacy and cybersecurity laws; it involves a commitment at every organizational level to uphold the promise of security as a fundamental aspect of our day-to-day operations. By integrating digital innovation with stringent security practices, we ensure that our products are not only technologically advanced but also secure and trustworthy, thus safeguarding our brand reputation in the increasingly digital landscape.

Moving forward, we will continue investing in leading cybersecurity capabilities and adhering to all applicable data protection regulations.

TITLE			
IT	**Marketing**	**HR**	**All Departments**
Continuous monitoring to implement and maintain optimal security measures for the protection of data stored and processed by our company - Regular evaluations of security measures to effectively mitigate the risk of data breaches	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	Appropriate handling of employees' personal data in accordance with applicable regulations and privacy standards	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

This is Nice: Cybersecurity as our priority

Our cybersecurity team leads a unified approach to incorporating stringent security measures throughout our operations. This role is crucial in ensuring that all products are designed with robust privacy features from the outset, focusing on local data management to minimize exposure to risks. Our strategic approach includes a clear definition of data collection scopes, aligning strictly with the functional needs of our devices while avoiding unnecessary data exposure. Central to our security infrastructure is our around-the-clock Security Operation Centre, which is instrumental in monitoring cybersecurity trends and identifying potential threats before they can impact our systems.
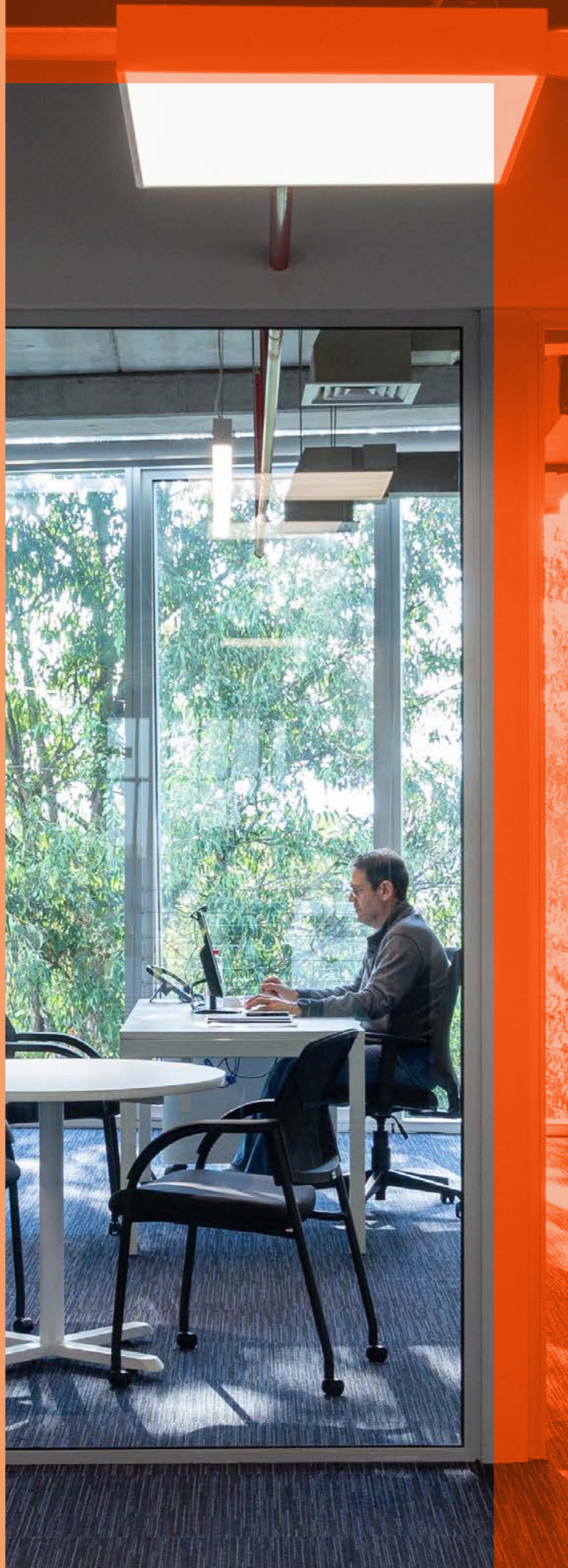
Hearing a Nice Voice: Safeguarding Digital Trust and Resilience

We are not just creating solutions; we are safeguarding privacy."

"At Nice, customers are at the forefront of every decision we make. From the earliest stages of product development, we strive to ensure that our customers' privacy is protected. This commitment extends beyond mere compliance with laws; it's about building trust. We design our smart home solutions to manage data locally, minimizing the risk of breaches and unauthorized access. Our approach involves meticulous planning around the scope of data we collect, ensuring it serves a functional purpose for the customer without compromising privacy. This holistic view of privacy and security is what sets us apart in an industry often criticized for overreach. Our internal processes for monitoring and addressing privacy and cybersecurity threats are robust, with our Security Operation Centre working around the clock to protect our systems and data. The effectiveness of our privacy measures is not just about technology; it's about commitment at every level of our organization."

Juan Boz
Chief Marketing
& Information Officer

Security is not just a protocol; it's a promise to our customers."

"Ensuring the security and integrity of our customer data is a core aspect of our business. At our Security Operation Centre, we monitor cybersecurity trends and potential threats 24/7. This continuous vigilance allows us to respond swiftly to any risks, ensuring our defenses are always up to date. Our team is trained regularly on the latest security practices, helping them manage and protect customer data with utmost responsibility. This training includes specific programs designed to increase awareness and prevent potential breaches, such as phishing tests. Last year, we conducted a series of seminars that significantly enhanced our employees' ability to avoid cyber attacks. Our proactive training approach has proved essential, enabling our team to identify and respond to threats early, which is crucial for maintaining trust and ensuring the security of our systems. The strength of our cybersecurity measures lies in our commitment to continuous improvement and the proactive nature of our defense strategies."

Giulio Centrella
Head of Cybersecurity

3.5
Legal Compliance

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. With respect to this, we are pleased to confirm that no episodes of non-compliance were recorded in the period between 2020 and 2023.

At Nice, we adhere to mandatory training in accordance with current regulations. Our approach extends beyond compliance; we embed safety and health awareness into our daily operations, ensuring that all our activities not only meet legal standards but also integrate these critical values into our corporate ethos.

Socioeconomic compliance

We emphasize the integral role of socioeconomic compliance in shaping the operational framework of Nice. Adherence to our Code of Ethics and Organisational Model is mandated by Legislative Decree 231/01 and aligned with the laws of the countries in which we operate. This commitment to compliance also influences strategic corporate decisions, including the divestment or discontinuation of operations in certain regions.

Our Code of Ethics is enforced across all levels of our organization, from directors and managers to all personnel. It is incumbent upon our leadership to cultivate an environment that not only respects but actively promotes the principles embodied in the Code of Ethics. This fosters a widespread commitment to the values within it, ensuring that they permeate every aspect of our operations.
To maintain the highest standards of integrity within our business processes, we have established:

- Clear definitions of processes that support compliance obligations and objectives, integrating robust controls within each business process.
- Measurable indicators to monitor our achievement of these goals and evaluate our compliance performance

We conduct systematic audits at regular intervals to assess and ensure the efficacy of our compliance management system. This review process confirms the system's relevance, sufficiency, and effectiveness in meeting our organizational needs and compliance standards. In cases where instances of non compliance are identified, we respond promptly, evaluating the necessity for corrective actions, verifying the effectiveness of these interventions, and revising our compliance strategies as needed to uphold our commitment to ethical business practices.

Environmental compliance

We recognize the critical role we play in the production of electrical and electronic equipment (EEE). Aligned with our Organisation and Management Model (OMM), we uphold extended producer responsibility, ensuring direct involvement and accountability for the environmental management of our supply chain.

Non-compliance with environmental regulations and the OMM can lead to economic, legal, and reputational risks. Contrarly, diligent management of environmental issues can enhance our visibility, reputation, and contribute to societal well-being. The responsibility for ensuring environmental compliance lies with our Health, Safety, and Environment (HSE) Department. This function includes conducting regular spot checks and reporting any instances of non-compliance to the Supervisory Body (SB).

To stay abreast of legislative changes that could impact our operations, we engage specialized external consultants, including our collaboration with the business association ANIMA. These efforts ensure that we remain compliant and proactive in our environmental stewardship, reinforcing our commitment to sustainable practices across all levels of our organization.

Beyond Environmental compliance

In 2023, we continued to emphasize the strategic importance of environmental stewardship as integral to our operational ethos and stakeholder relationships. Building upon our progress from previous years, we have reaffirmed our commitment to environmental excellence by maintaining our ISO 14001:2015 certification across our facilities, through a successful re-audit this year, confirming the effective reconfiguration of our environmental compliance management practices.

This year marked significant advancements in our environmental initiatives, notably through the implementation of the World Class Manufacturing (WCM) project. Focused on the Environment pillar, this project is dedicated to enhancing environmental safeguards aimed at minimizing our energy and environmental impacts. The inaugural audit of the WCM Environment pillar successfully achieved its first milestone, setting a robust foundation for ongoing environmental improvements.

Our efforts are strategically aligned with the objectives to reduce energy consumption and pollutants, emphasizing efficient waste management and strict adherence to ISO 14001 standards. These activities are supported by the allocation of resources towards impactful environmental management practices at the plant level. This includes the rigorous application of operational and management guidelines developed for ISO 14001 compliance, such as One Point Lessons (OPL) and Standard Operating Procedures (SOP), which have proven their value since their introduction in 2022.

By 2030, we aim to achieve ISO 14001 certification for all our relevant manufacturing plants, demonstrating our global commitment to environmental management. This strategic plan not only reflects our dedication to reducing our ecological footprint but also ensures the avoidance of economic and legal challenges, reinforcing our role as an environmentally responsible leader in our industry.

3.6
Enterprise Risk Management

The Board of Directors actively supervises due diligence and other linked processes to identify and manage our actual and potential ESG impacts. This oversight is crucial in aligning our operations with our sustainability goals, and the Board's involvement is thorough and direct. Since November 2023, the ESG-Cyber Committee assists the Board in these duties, enhancing our approach to ESG management.

Previously, the effectiveness of our risk management processes in the ESG field was reviewed directly by the Sustainability Global Director reporting to the Board. Since the structural changes these reviews are now conducted also by the ESG-Cyber Committee. This structured approach ensures rigorous oversight and dynamic adaptation of our ESG strategies, reinforcing our commitment to sustainability at every level of governance.

3.7
Economic Performance and Value Distribution

Value generated, retained and distributed

As of 31 December 2023, the direct economic value generated by Nice S.p.A. amounted to nearly € 164,833,721 down nearly 0.6% compared to 2022. Despite this slight decrease, our economic value distributed increased substantially to € 161,279,397 in 2023 from €144,647,245 in 2022. This reflects our continued commitment to creating value for our stakeholders through strategic investments and resource allocation.
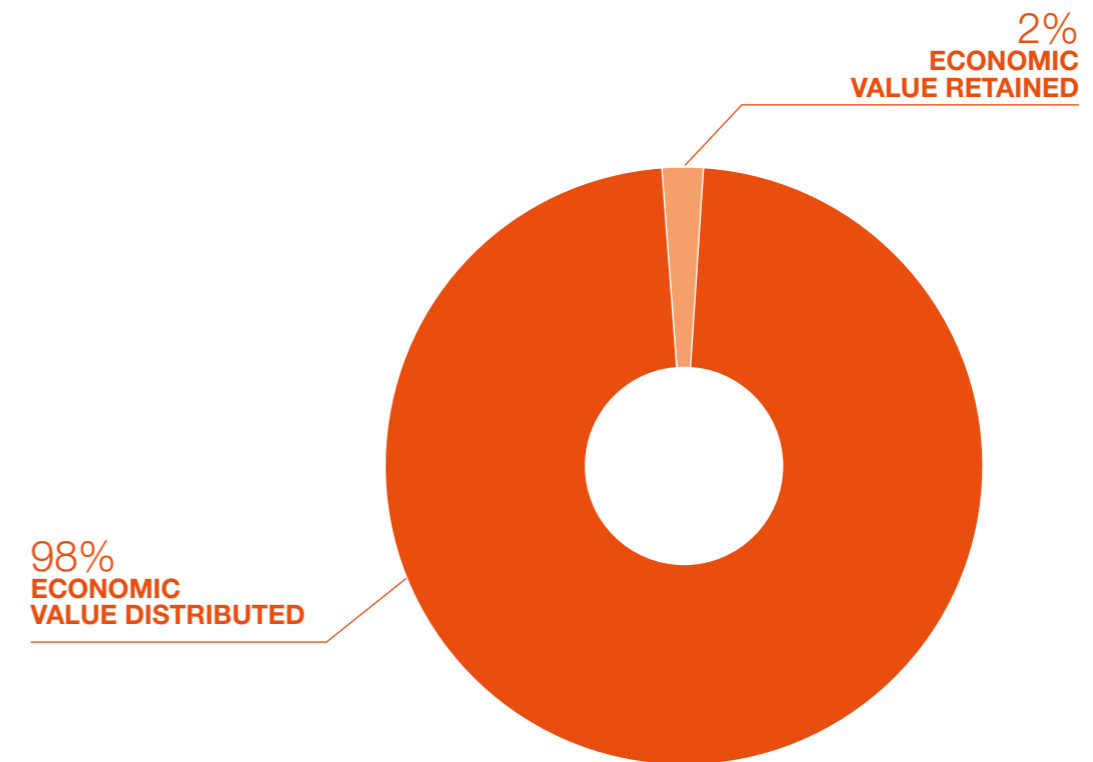
Cost and revenue components	2023	2022	2021
Economic value generated	164,833,721	165,349,051	158,840,511
Economic value distributed	161,279,397	144,647,245	142,880,471
Operating costs	115,338,475	111,674,385	121,837,181
Personnel salaries and benefits	20,422,606	18,612,471	17,066,888
Payments to capital providers	25,460,815	14,307,889	3,976,401
Investments in the community	57,500	52,500	*
Payments to the public administration	*	*	*
Economic value retained	3,554,324	20,701,806	15,960,040

In euros – 2021-2022-2023 – Figures referring only to Nice S.p.A. - * Figure not significant.

The economic value generated by our organization reflects the wealth we create for our stakeholders. In 2023, the distribution of direct economic value was as follows: 72% to suppliers through operating costs, 13% to personnel through salaries and benefits, and 16% to providers of capital and shareholders through payments to capital providers. Additionally, we allocated 0.04% of the distributed economic value to community investments, focusing our support on various initiatives.

We also recognize the importance of continuous technological innovation in our production processes and assets. To this end, a portion of the retained economic value of € 3,554,324 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.

ECONOMIC VALUE GENERATED

2% ECONOMIC VALUE RETAINED

98% ECONOMIC VALUE DISTRIBUTED

VALUE DISTRIBUTED TO STAKEHOLDERS

71% VALUE DISTRIBUTED TO SUPPLIERS

16% VALUE DISTRIBUTED TO CAPITAL PROVIDERS

13% VALUE DISTRIBUTED TO PERSONNEL

0.04% VALUE DISTRIBUTED TO COMMUNITY
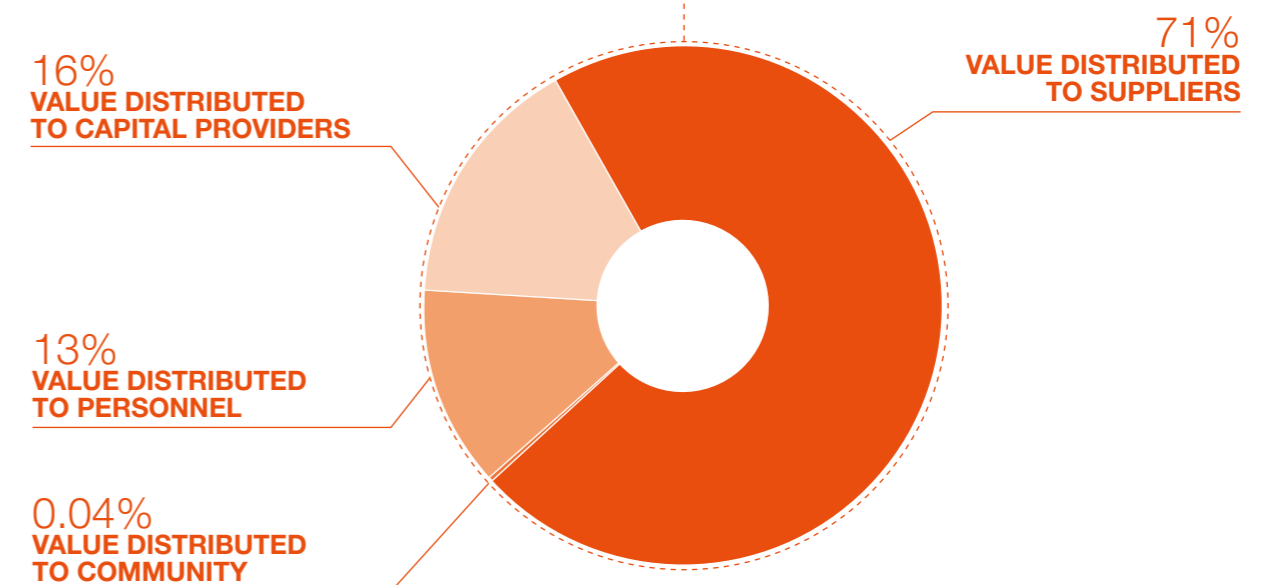
This is Nice:
A more strategic
CSR approach

At Nice, our approach to Corporate Social Responsibility (CSR) is deeply intertwined with our core mission and values.

In 2023, Nice renewed and enhanced its Corporate Social Responsibility (CSR) plan with the goal of concretely supporting the achievement of the ESG objective "Allocation of a share of the economic value generated for community projects." Three main areas of intervention were identified: "Corporate Donations," "Corporate Volunteering," and "Social Sponsorship," where the company will focus its efforts moving forward to support local communities and projects aligned with the values of inclusion, technological and social innovation, and the spread of digitalization. To direct the organization's efforts concretely and consistently on a global scale, a Donations Committee was established. This committee, composed of members from various corporate functions and geographical areas, is responsible for guiding Nice's CSR strategy and approving local projects, ensuring alignment with the global strategy.

Part of this CSR strategy is the renewed strategic partnership with UNICEF. In 2023 Nice became an Emergency Partner of UNICEF with the aim of channelling our resources and efforts into addressing significant global challenges such as health, nutrition, and education. In 2023, our contributions helped facilitate crucial interventions in countries like Vietnam, Syria, El Salvador, Kyrgyzstan, and Ivory Coast, focusing on Child Protection, Early Child Development, and addressing the impacts of Climate Change. By mobilizing corporate support in these areas, we not only adhere to our CSR commitments but also contribute meaningfully to the sustainable development goals, reinforcing our dedication to making a positive impact on a global scale.

Hearing a Nice Voice:
Collaborating for a Better World,
Empowering Future Generations

Our collaboration with Nice signifies a pivotal stride towards realizing our shared vision of a world where every child's rights and well-being are safeguarded. By becoming an Emergency Partner in 2023, Nice has demonstrated a strong engagement to rapid crisis response, bolstering our capacity to expedite vital relief efforts and ensure the protection of children caught in the crosshairs of emergencies worldwide."

"Partners at the global level, such as Nice, support UNICEF efforts to face complex crisis as the ongoing conflict in Ukraine. Their contributions facilitates the delivery of essential service - from access to clean water, health care and psycosocial assistance to the most vulnerable families and children in need. This has been instrumental in alleviating the tremendous burden borne by the most vulnerable children and their families, offering them a glimmer of hope amidst the chaos.

However, our partnership transcends the realm of emergency response. As we chart the course for the future, we envision this collaboration evolving into a catalyst for transformative change, forging a path towards long-term, sustainable solutions that address the multifaceted challenges faced by children globally. In unison, we aim to tackle pressing issues that have far-reaching implications, such as mental health, girls' empowerment, and STEM education. By fostering an environment that nurtures the potential of every child, irrespective of their circumstances, we can pave the way for a future where their dreams and aspirations know no bounds.

Our collective efforts symbolize a powerful testament to the extraordinary impact that can be achieved when organizations unite under the banner of a shared purpose. Thanks to our work with companies and partnership with Nice, we aspire to create a world where no child is left behind, where their rights and well-being are fiercely protected, and where we are able to reach, together with helping and powerful partners like Nice, the last child in the most remote village.
Together with Nice, UNICEF wants to create a better future, where all children rights are respected, their voices amplified and their potential fully empowered.

As we move ahead, we are emboldened by the knowledge that our partnership with Nice does not merely represent a collaboration, but a shared commitment to driving positive change. Collaborating through collective action can have a transformative power, and inspire hope for the realization of a better tomorrow for all!"

**Representative of
UNICEF Italia**

NiceLoveEarth

The Nice environment, a gentle footprint

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

40%
CERTIFIED GREEN ENERGY

-10%
TONS OF CARBON EMISSIONS OF THE ORGANIZATION COMPARED TO 2022

99%
NON-HAZARDOUS WASTE

83%
WASTE RECOVERED

ENERGY CONSUMPTION OF THE ORGANIZATION

2030 GOALS:

• Gradual achievement of energy auto-sufficiency or 100% energy supply from certified renewable source

CIRCULAR ECONOMY

ONGOING:

• Maintaining the percentage of recyclable waste close to 99% by reducing the overall amount of recyclable waste

FIGHTING CLIMATE CHANGE AND PREVENTING POLLUTION

2025 GOALS:

• Reduction of 30% in absolute Scope 1 and 2 CO2e emissions vs 2022

• Reduction of 10% in absolute Scope 3 CO2e emissions vs 2022

FIGHTING CLIMATE CHANGE AND PREVENTING POLLUTION

2030 GOALS:

• Reduction of 50% in absolute Scope 1 and 2 CO2e emissions vs 2022

• Reduction of 25% in absolute Scope 3 CO2e emissions vs 2022

4.1
Our Commitment to the Planet

At Nice, we recognize that the path to sustainability is paved with challenges yet filled with opportunities. Over the past year, we have intensified our efforts to reduce the environmental impact of our products at every stage of their lifecycle—from sourcing of materials to manufacturing processes and beyond. Our dedication is reflected in the meticulous integration of green design principles that prioritize energy efficiency, material reduction, and the use of recycled and recyclable materials.

Climate action

Mitigating climate-altering greenhouse gas emissions remains a central priority in our pursuit of sustainable development. Since 2021, aligned with the United Nations Climate Action goals, we have initiated the detailed tracking of our greenhouse gas emissions. This tracking is crucial for establishing emission reduction scenarios consistent with the Paris Agreement's target of keeping the global temperature rise below 2°C relative to the 2020 benchmark.

The 2023 GHG Inventory for Nice S.p.A. and its 35 subsidiaries—compliant with GHG Protocol standards—reflects the following emission categories:

• **Scope 1** includes direct emissions from facilities owned or controlled by the company, stemming from fossil fuels used in heating systems, generators, or vehicles, and from leaks of refrigerant gases.
• **Scope 2** covers indirect emissions from energy purchased by the company.
• **Scope 3** encompasses all other indirect emissions not covered in Scope 2, related to activities in both upstream and downstream phases of our value chain.

After conducting a materiality analysis, we identified significant Scope 3 emissions in the following categories:

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

The carbon footprint analysis showed that **Nice Group in 2023 produced about 364.183 tons of CO2eq**. About **99% of these are Scope 3** emissions generated indirectly along the value chain and about **1% are Scope 1, 2** emissions due to the consumption of fuel and electricity to power facilities under the direct control of the Organization.

SCOPE 1			Stationary installation emissions	2021	2022	2023	(%) 22-23
SCOPE 1			Stationary installation emissions	1,255	1,152	943	-18%
2021	2022	2023	Vehicle emissions	2,391	2,053	2,159	5%
3,877	3,316	3,220	Refrigerant gas emissions	231	111	117	5%

| SCOPE 2				2021	2022	2023	
2021	2022	2023	Electricity emissions	1,710	2,928	1,952	-33%
1,710	2,928	1,952					
			Total Scope 1-2	**5,587**	**6,244**	**5,171**	**-17%**

Tons of CO2 eq. - 2021-2023

From our GHG inventory calculations for 2023, it is evident that the majority of Scope 1 emissions are predominantly generated from the use of **vehicles**, accounting for approximately **67%** of the total, a slight increase from 64% in 2022. Emissions from stationary installations **(heating systems)** accounted for **29%**, down from 33% in 2022, and emissions from **F-gas** (fluorinated greenhouse gas) leaks from HVAC systems have slightly increased to **4%** from the previous 3% in 2022.Compared to 2022, there was a reduction in Scope 1 emissions by about 3%.
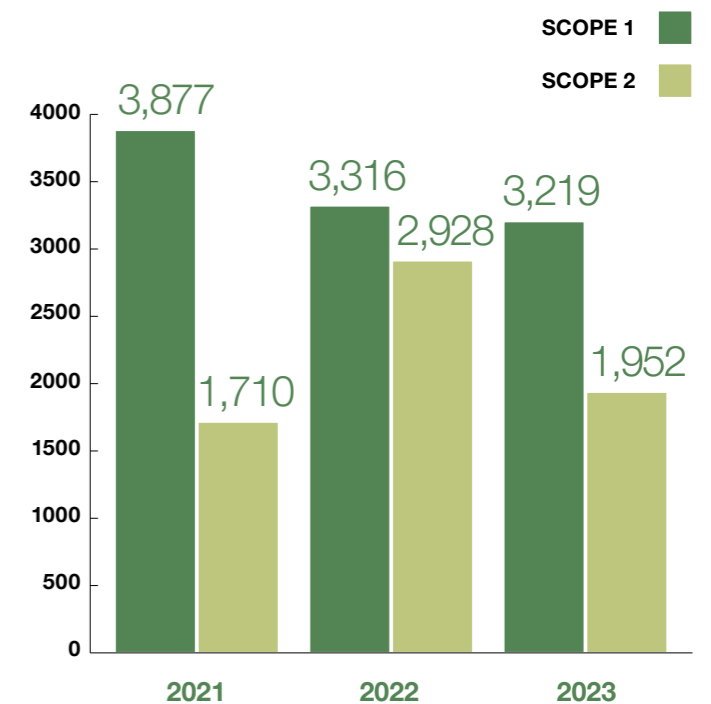
Additionally, **Scope 2** emissions, which are primarily derived from electricity, **decreased significantly by approximately 33% from 2022**. This decrease in Scope 2 emissions can be attributed to an increase in electricity use from renewable sources, certified with guarantee of origins and changes in the emissions factors associated with the electricity supplied from national grids.

Overall, in 2023, **Scope 1 and Scope 2 emissions** (direct and indirect) amounted to approximately **5,171 tons of CO2 eq, a reduction of about 17% from 2022**. This decrease is primarily due to the implementation of targeted sustainability efforts and improvements in energy efficiency.
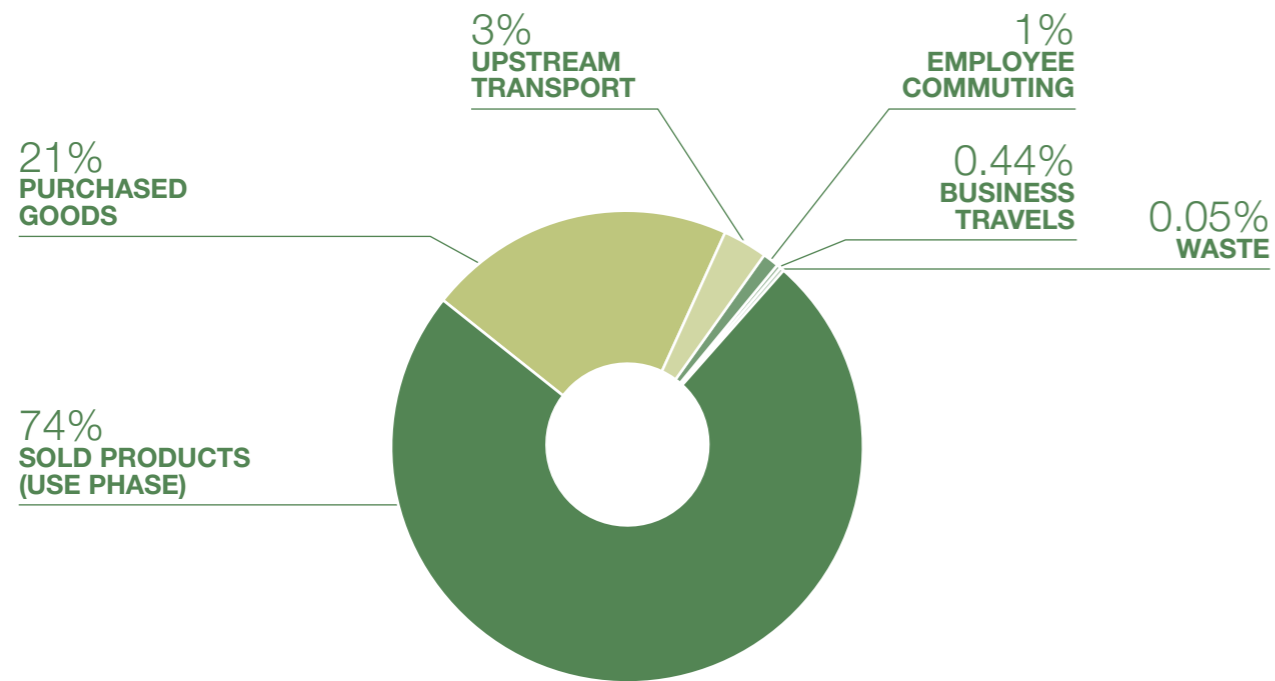
PERCENTAGE OF SCOPE 1 EMISSIONS BY SOURCE 2023

29% STATIONARY INSTALLATIONS EMISSIONS

4% REFRIGERANT GAS EMISSIONS

67% VEHICLE EMISSIONS
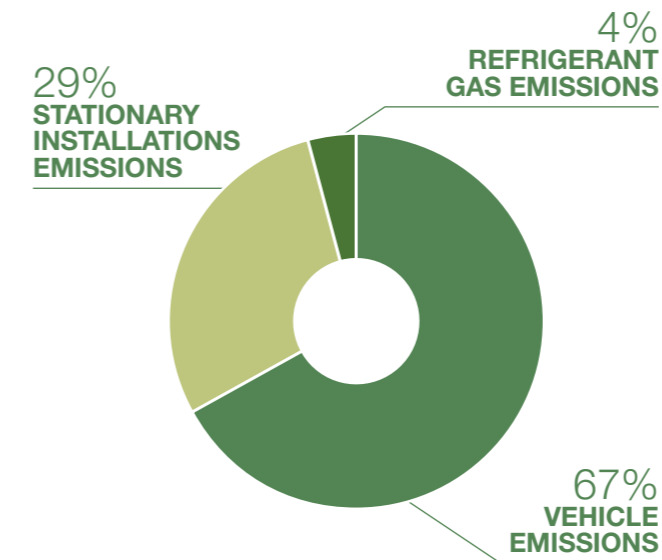
SCOPE 1 - 2 EMISSIONS, MARKET BASED (TCO2EQ)

SCOPE 1
SCOPE 2

In 2023, **Nice Group indirect emissions (Scope 3)** totaled **359,012** along the value chain, equal to almost 99% of the Group's total GHG emissions.
As shown in the graph below, the hotspots are generated by the **Purchased Goods** (76,652 t CO2eq) and **Use of Sold products** (270,218 t CO2eq) categories, **accounting for about 95% of the total Scope 3** emissions produced. In particular, emissions related to the use of Sold products over their life cycle generate about 74% of the total Scope 3 emissions, while the (upstream) production of components and materials assembled in the manufacturing process accounts for about 21%. These results are consistent with previous LCA studies conducted on a sample of products for environmental product declarations (EPD). This evidence makes it clear, that to achieve the Net Zero goal, it is essential to intervene in the product design phase and adopt an eco-design approach to render products more energy-efficient, maximizing their repairability, durability and recyclability in a circular economy perspective.
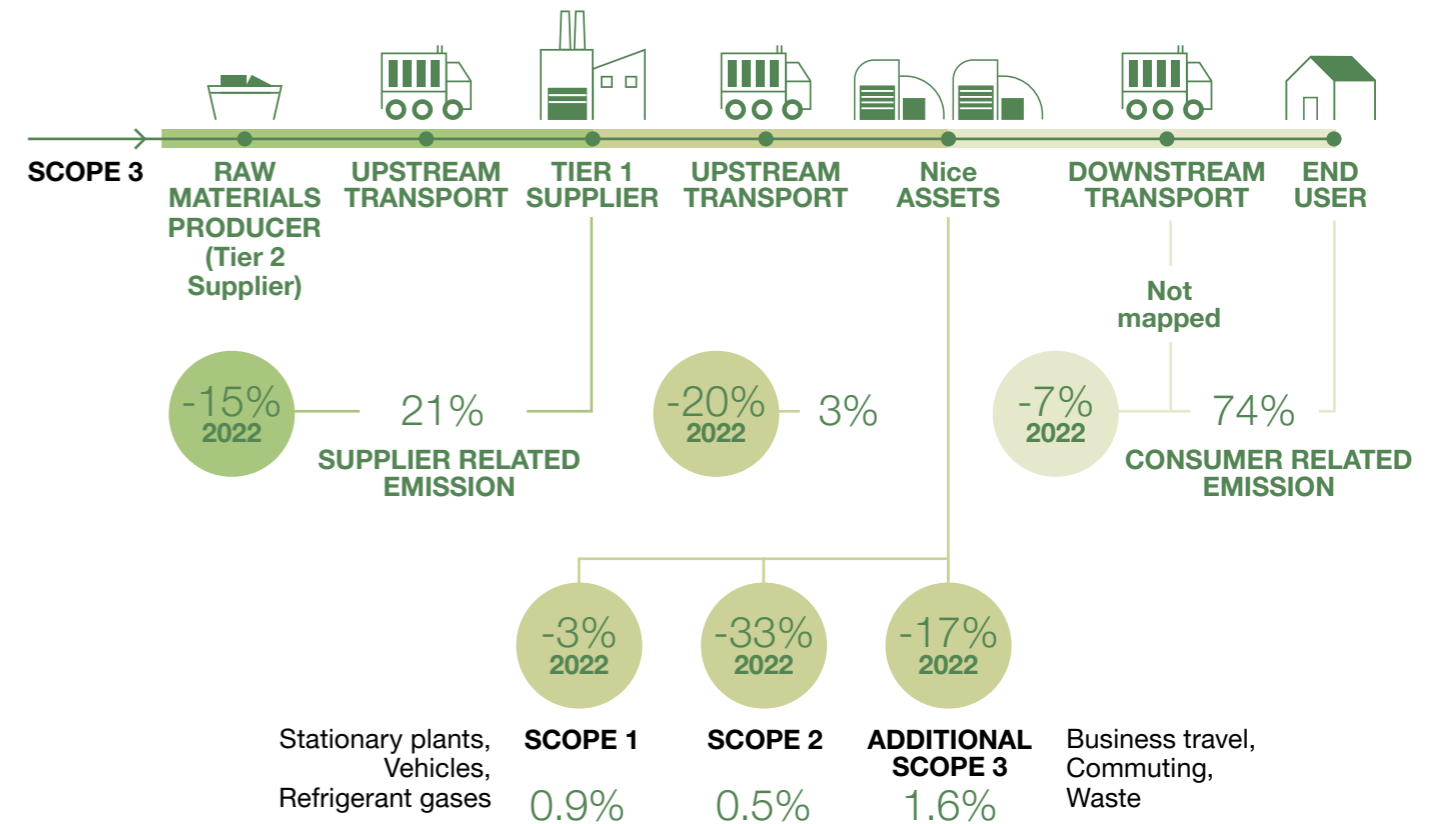
PERCENTAGE OF SCOPE 3 EMISSIONS BY CATEGORY 2023

3% UPSTREAM TRANSPORT
1% EMPLOYEE COMMUTING
21% PURCHASED GOODS
0.44% BUSINESS TRAVELS
0.05% WASTE
74% SOLD PRODUCTS (USE PHASE)

NICE GROUP GHG INVENTORY - DISTRIBUTION ALONG THE VALUE CHAIN

SCOPE 3

RAW MATERIALS PRODUCER (Tier 2 Supplier) — UPSTREAM TRANSPORT — TIER 1 SUPPLIER — UPSTREAM TRANSPORT — Nice ASSETS — DOWNSTREAM TRANSPORT — END USER

Not mapped

-15% 2022
21%
SUPPLIER RELATED EMISSION

-20% 2022
3%

-7% 2022
74%
CONSUMER RELATED EMISSION

-3% 2022
-33% 2022
-17% 2022

Stationary plants, Vehicles, Refrigerant gases
SCOPE 1 0.9%
SCOPE 2 0.5%
ADDITIONAL SCOPE 3 1.6%
Business travel, Commuting, Waste

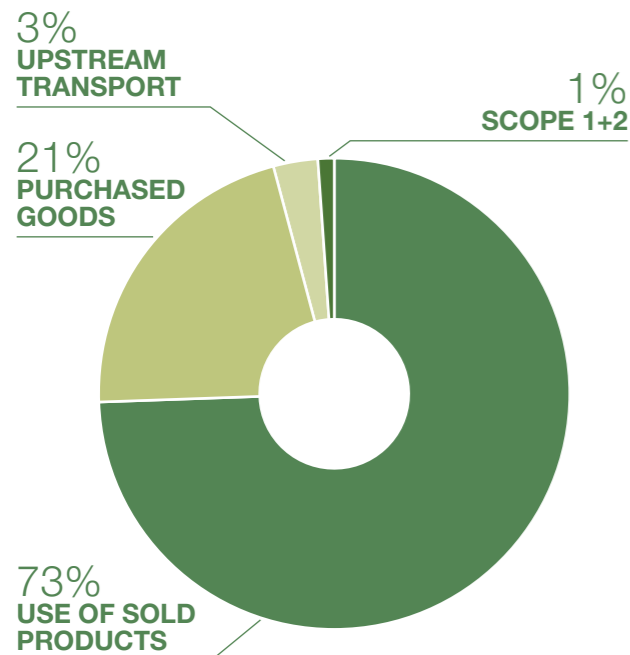| ORIGIN OF SCOPE 3 EMISSION	2022	2023	(%) 22-23
Purchased Goods	90,639.42	76,652.36	-15%
Upstream Transports	15,106.37	12,025.26	-20%
Waste & Wastewater	172.54	181.44	5%
Business Travel	2,483.68	1,597.59	-36%
Employee Commuting	3,942.86	3,986.77	1%
Use of Sold Products	285,487.53	264,568.35	-7%
Total Scope 3	**397,659.85**	**359,011.78**	**-10%**

Tons of CO2 eq. - 2021-2023
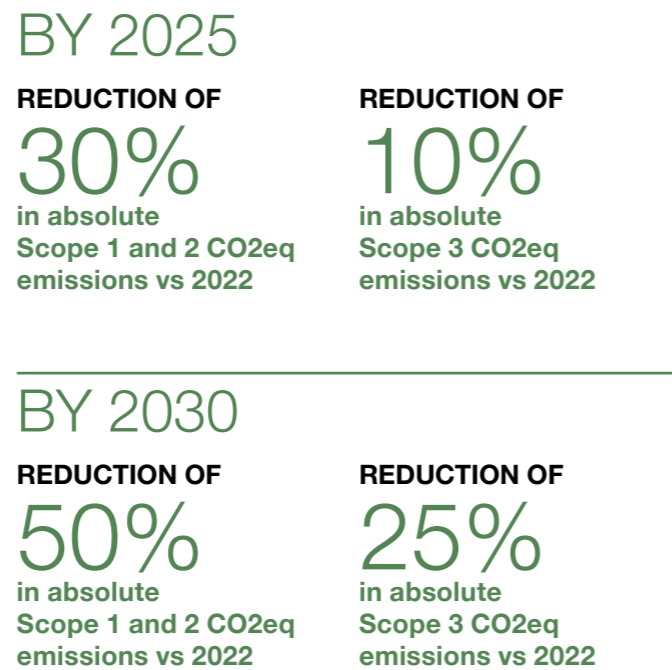
4.2

Emissions Reduction Plan

Since 2021, the calculation of the organization's carbon footprint has allowed us to measure our impact to outline a clear reduction trajectory to decrease the direct and indirect GHG emissions generated through our corporate and related activities. Aware of the effect, we set out a **reduction trajectory that is consistent with the international goals to limit global warming below 2°C**. The approach is aligned with the model published by the Science Based Target Initiative (SBTi); Nice intends to pursue a strategy that is based on the most up-to-date scientific knowledge, thus considering scenarios published by the Intergovernmental Panel on Climate Change (IPCC) – the most authoritative organization in climate change research.
Considering **2022 as the baseline**, 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.

In 2022 we set targets ad follow:

BY 2025

REDUCTION OF

30%

in absolute
Scope 1 and 2 CO2eq emissions vs 2022

REDUCTION OF

10%

in absolute
Scope 3 CO2eq emissions vs 2022

BY 2030

REDUCTION OF

50%

in absolute
Scope 1 and 2 CO2eq emissions vs 2022

REDUCTION OF

25%

in absolute
Scope 3 CO2eq emissions vs 2022

OUR FOOTPRINT HOTSPOTS

3%
UPSTREAM TRANSPORT

1%
SCOPE 1+2

21%
PURCHASED GOODS

73%
USE OF SOLD PRODUCTS

In 2023 Nice produced 364,183 tons of CO2eq - a decrease of 9.9% compared to 2022 - mainly attributable to the reduction in emissions related to the Scope 3 categories.

In detail, in 2023 Nice recorded **a reduction of 17% in absolute Scope 1 and 2**, compared to 2022, reaching 85% of the 2025 goal and 60% of our 2030 objective.

Considering **Scope 3, Nice achieved a 10% reduction in absolute emissions**, keeping on track with the 2025 goal. With respect to 2030, Nice obtained a progress of 83% towards its goal.

These results reflect the commitment of the Group in prioritizing actions that limit the environmental impact generated by operations along the whole value chain.
To achieve the Net Zero goal, Scope 1 emissions reduction must involve eco-efficiency measures such as the increase in the insulating capacity of buildings, the electrification of fossil fuel consumption with the move to, e.g. heat pumps, management of corporate fleet travels, and the progressive replacement of the most emissive vehicles with less polluting ones.
To drastically cut down Scope 2 emissions, electricity consumption efficiency measures must be implemented, moving progressively towards self-generation where possible, or the use of guarantees of renewable origin.
Scope 3 emissions are the most challenging to measure and also the most complex to manage and reduce. From a life cycle thinking perspective, they require to establish a dialogue with every stakeholder in the value chain, from the upstream to the downstream suppliers and partners, considering the use phase of sold products and their disposal/recovery/recycling at the end of life.
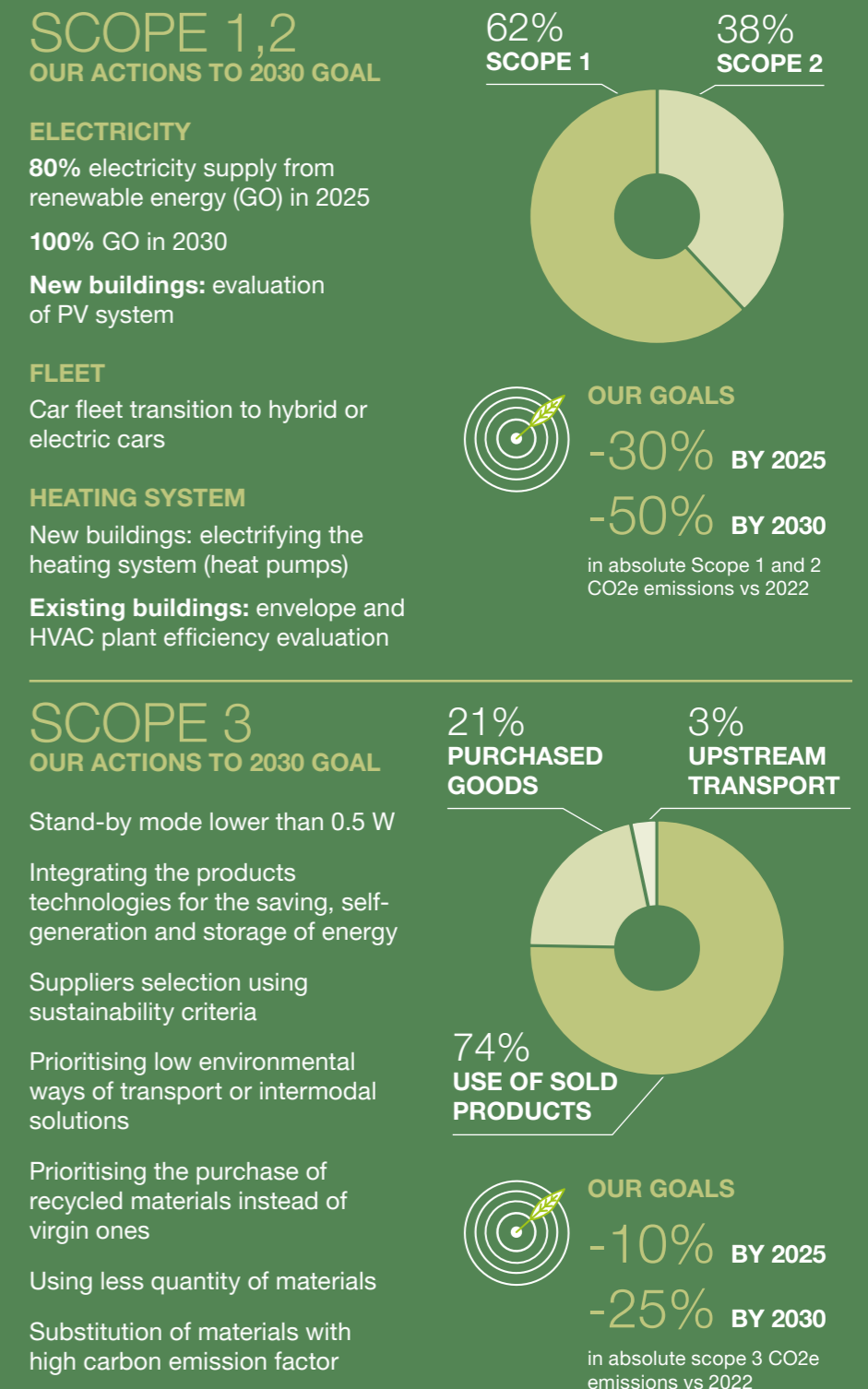
SCOPE 1,2
OUR ACTIONS TO 2030 GOAL

ELECTRICITY

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

100% GO in 2030

New buildings: evaluation of PV system

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

62%
SCOPE 1

38%
SCOPE 2

OUR GOALS

-30% BY 2025

-50% BY 2030

in absolute Scope 1 and 2 CO2e emissions vs 2022

SCOPE 3
OUR ACTIONS TO 2030 GOAL

Stand-by mode lower than 0.5 W

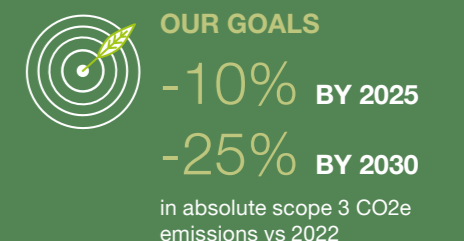Integrating the products technologies for the saving, self-generation and storage of energy

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

21%
PURCHASED GOODS

3%
UPSTREAM TRANSPORT

74%
USE OF SOLD PRODUCTS

OUR GOALS

-10% BY 2025

-25% BY 2030

in absolute scope 3 CO2e emissions vs 2022

4.3

Energy Efficiency and Renewable Energy Use

Optimizing energy usage remains a key focus, as we diligently work to prevent energy wastage and inefficiencies. This effort not only helps in mitigating climate change, but also significantly influences our financial outcomes by reducing the operating costs associated with our facilities.
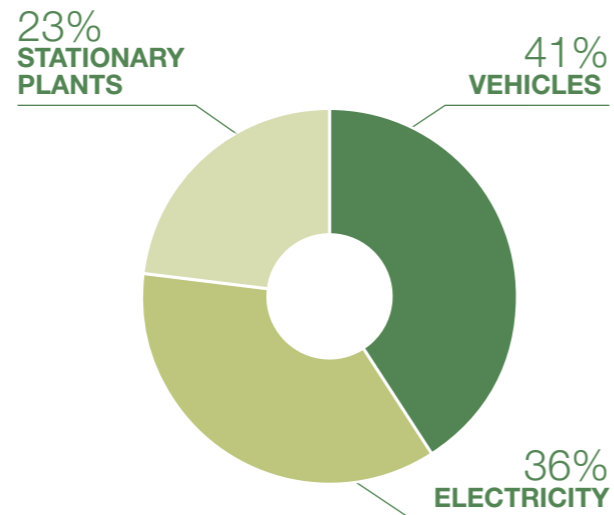
In pursuit of this goal, we are committed to sourcing energy from renewable sources with guaranteed origin for all our facilities and continuously strive to implement measures to enhance energy efficiency.

Our primary energy consumption is associated with inbound logistics, storage, assembly, packaging, and distribution activities, as well as climate control in various facilities and sales offices.
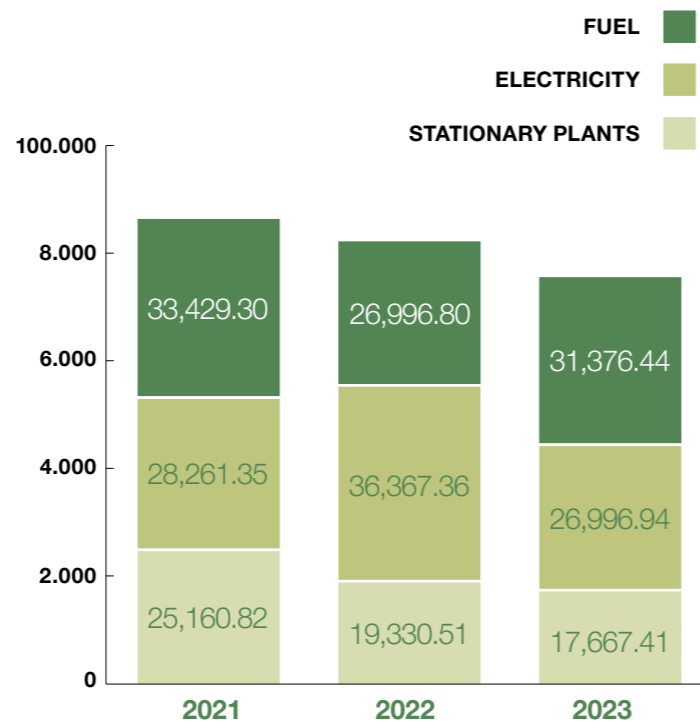
In 2023, our **total energy consumption was approximately 76,041 GJ**, reflecting a significant **decrease of 13% compared to 2022**, consistent with the other environment-related aspects analyzed.

Since October 2023, Nice HQ began offsetting emissions related to natural gas consumption.

ENERGY CONSUMPTION BY SOURCE - 2023

23% **STATIONARY PLANTS**

41% **VEHICLES**

36% **ELECTRICITY**

TOTAL ENERGY CONSUMPTION (GJ)

	FUEL
	ELECTRICITY
	STATIONARY PLANTS

	2021	2022	2023
FUEL	33,429.30	26,996.80	31,376.44
ELECTRICITY	28,261.35	36,367.36	26,996.94
STATIONARY PLANTS	25,160.82	19,330.51	17,667.41

	Unit of Measure	2021	2022	2023	(%) 22-23
Total consumption	**GJ**	**86,851.46**	**87,654.67**	**76,040.79**	**-13%**
of which fuel for vehicles	GJ	33,429.30	31,956.80	31,376.44	-2%
of which electricity	GJ	28,261.35	36,367.36	26,996.94	-26%
of which stationary plants	GJ	25,160.82	19,330.51	17,667.41	-9%
Energy consumption on turnover (Intensity)	**GJ/€**	**0.00016**	**0.00011**	**0.000092**	**-16%**
Total consumption of fuel for thermal energy	**GJ**	**25,160.82**	**19,330.51**	**17,666.11**	**-9%**
of which natural gas	GJ	21,738.25	16,638.67	15,391.20	-7%
of which diesel fuel	GJ	2,730.43	136.20	56.01	-59%
of which petrol fuel	GJ	0.00	38.82	39.05	1%
of which fuel oil	GJ	0.00	1,761.32	1,580.62	-10%
of which propane/butane	GJ	692.14	755.50	599.23	-21%
Company vehicle fleets	**Unit**	**442**	**464**	**478**	**3%**
Internal combustion vehicles	Unit	423	430	388	-10%
Hybrid vehicles	Unit	15	29	79	172%
Electric vehicles	Unit	4	5	11	120%
Electricity consumption	**GJ**	**28,261.35**	**36,367.36**	**26,996.95**	**-26%**
from the national grid	GJ	20,624.93	24,271.96	16,215.38	-33%
from renewable sources - guaranteed origin	GJ	7,636.42	12,095.40	10,781.57	-11%

FUELS FOR HEATING SYSTEMS BREAKDOWN - 2023

9% **FUEL OIL**

4% **PROPANE/BUTANE**

0.32% **DIESEL**

0.22% **PETROL**

87% **NATURAL GAS**

ELECTRICITY SOURCE	2021	2022	2023	(%) 22-23
From renewable sources	33%	40%	21%	-2%
From the grid	67%	60%	-10%	-26%

Energy mix, more clean energy and efficiency

In 2023, electricity accounted for approximately **26,997 GJ** of our total energy consumption, making it the second most dominant energy category. This represents about 36% of our total energy usage, surpassed only by the company fleet, which accounts for 41%, and followed by the fuel consumption of heating systems at 23%. A **significant 40% of total energy consumption for electricity was generated by certified renewable sources** with guaranteed origin, totaling 10,782 GJ.

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 our heating systems, natural gas still covers the majority of our needs at 87%, with the use of fuel oil, diesel, and petrol making up about 9%, and propane accounting for the remaining 4%. In our ongoing building construction and renovation projects, we remain focused on energy savings.

Our global HQ and subsidiaries, including Nice S.p.A., V2, V2 Spain, Nice Brazil, Nice Canada, and Carlsbad (CA) site for Nice North America, continue to **uphold and expand their certified renewable energy contracts** with their suppliers. We are committed to further increasing our **supply of guaranteed renewable electricity, alongside advancing our onsite renewable energy generation capabilities.**

Mobility and fuels, main consumption types

In 2023, the company fleet, now consisting of 478 vehicles, saw a significant shift in energy sources. Diesel and petrol still power a majority of the fleet, with 262 diesel vehicles and 116 petrol vehicles. However, the adoption of more **sustainable options has increased by 165%** compared to 2022: 74 vehicles are hybrids, and 11 are battery electric vehicles, with an additional 5 plug-in hybrid electric vehicles. This demonstrates a notable expansion in the company's commitment to climate change mitigation through fleet conversion compared to the previous year. Ethanol-powered vehicles remain a smaller component, numbering 10, primarily in Brazil.

Energy policy

Nice Group's Energy Policy ↗ reflects a comprehensive approach to reducing energy consumption across all operational domains, aligned with stringent environmental goals. This policy underlines the company's commitment to cutting direct CO_2 emissions by 30% by 2025 and achieving -50% by 2030. It is integrated across various levels of the organization, from daily operations in facilities using renewable energy sources to mobility strategies that prioritize electric and low-emission vehicles.

Furthermore, the policy encompasses a robust plan for product life-cycle management, mandating that products not only minimize energy use during operation and standby phases but also utilize sustainable materials such as recycled plastics and natural inks. The policy extends to logistical operations, encouraging low-impact distribution systems and sustainable warehouse practices. It also includes specific actions for employees, facilities, mobility, products, suppliers, sub-contractors, and logistics partners to foster energy efficiency and environmental responsibility. Overall, the Energy Policy is designed to foster energy efficiency and environmental responsibility across all Nice Group companies, ensuring alignment with global climate commitments like the Paris Agreement and continuous improvement towards our environmental impact goals.

4.4

Smart and home automation for the environment

The smart home and building automation sector contributes to a more sustainable future by developing technology that positively impacts all three ESG pillars, while also empowering consumers to participate in building a more sustainable future.

Nice's Smart Home & Building Automation solutions prioritize sustainability across all environmental, social, and governance (ESG) factors. Our products directly reduce energy consumption in homes and buildings, minimizing environmental impact. Smart features empower people to live more comfortably and safely, particularly those with specific needs. Additionally, Nice designs products with responsible lifecycles in mind, promoting circularity and minimizing waste.

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

OVER 1/3
OF THE EU'S ENERGY-RELATED GHG EMISSIONS COME FROM BUILDINGS

+/- 80%
OF ENERGY USED IN EU HOMES IS FOR HEATING, COOLING AND HOT WATER

This underscores the urgent need for energy efficiency improvements in buildings and increased use of smart home automation systems to reduce emissions.[1]

EFFICIENCY

+6.2%
US2 [3]

+14%
EU3 [4]

In 2023, the average residential electricity prices in the US and EU kept rising, although at a slower rate. Our goal is to provide top-notch, energy-efficient technology for buildings to lower energy costs over time.

RESILIENCE

51,000
FIRES EACH YEAR

500
DEATHS

1,400
INJURIES

$ 1.3
BILLION IN DAMAGE

Home electrical fires cause numerous fires, deaths, injuries, and significant property damage each year. To ensure safety and economic well-being, we promote awareness, proper precautions, and high-quality instruments that adhere to current safety standards and regulations.[2]

PERSONALIZATION

12.7%
OF REMOTE WORKERS

28.2%
HYBRID WORK WORKERS

Following the global pandemic (COVID-19), working from home has become commonplace. Smart Home systems can help make work from home easier, thus reducing emissions connected to travel and workplaces.[5]

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 RECHARGE FOR ELECTRIC CAR

3.
THE MONITORING OF ENERGY CONSUMPTION

Source:
1. https://energy.ec.europa.eu/
2. https://www.esfi.org/home-electrical-fires/
3. https://www.eia.gov/todayinenergy/
   https://www.eia.gov/outlooks/steo/report/
   https://www.eia.gov/electricity/annual/
4. https://ec.europa.eu/eurostat/
   Average gas prices also increased compared with the same period in 2022, from €8.6 per 100 kWh to €11.9 per 100 kWh in the first half of 2023. These prices are the highest recorded by Eurostat.
5. https://techreport.com/

4.5

Resource Management Towards Circular Economy: Materials, Waste, and Water

Materials

In 2023, we highlighted our dedication to integrating sustainable practices from the inception of design through to the improvement of existing products. Our commitment spans the discovery of new environmentally sustainable scenarios, leveraging research into innovative materials and efficient designs. Each project is rooted in sustainability; it guides our designs from the initial phase and fuels our ongoing efforts to enhance our current offerings through continuous revisions.

Our design process focuses on utilizing regenerated or recycled materials, optimizing weight, and employing Finite Element Method (FEM) analysis to ensure the structural integrity of our products. This meticulous approach to design and production facilitates a cycle of analysis and improvement, reducing environmental impact while maintaining product performance and functionality.

1.	2.	3.	4.	5.	6.
USE OF EASILY RECYCLABLE RAW MATERIALS (e.g., aluminium and alloys)	**REDUCTION OF WASTE OF THE VARIOUS TYPES OF MATERIALS** (e.g., tendency towards mono-polymer for plastics)	**REDUCTION OF TOTAL WEIGHTS** with adequate design based on FEM simulation	**REDUCTION OF PARTS** to limit the need to separate components at the end of their life (recycling)	**REDUCTION OF THE USE OF PETROLEUM-DERIVED PARTS** (e.g., oils and lubricants)	**REDUCTION OF PAPER** used for manuals with paperless solutions

ADVANTAGES FOR NICE	ADVANTAGES FOR INSTALLERS	ADVANTAGES FOR THE END CUSTOMER
Reduction of parts purchased. **Fewer disposal issues.** **Reduction of transport-related costs/impacts.** **Reduced use of materials, even if from renewable sources.**	**During installation, reduction of packaging materials and manuals to be disposed of.** This phase translates into a positive impact that increases as the number of customers increases.	**Greater ease of separation** of the parts to be recycled and correctly disposed of once the product has reached the end of its life cycle. This phase translates into a positive impact that increases as the number of customers increases.

This is Nice: Streamlining Operations for Efficiency

Among the goals of the Environmental pillar, a crucial role is played by the reduction of indirect Scope 3 emissions, which account for 99% of the organization's total emissions. Our commitment includes a reduction of 10% by 2025 and 25% by 2030.

To achieve these goals, we have implemented several projects aimed at **reducing the consumption of raw materials by using recycled, recyclable, and reusable materials.**

In this context, the **Milkrun project**, launched in the second half of 2023 by the Operations department, involves revising the methods and packaging for the delivery of plastic and metal components.

Originally, components arrived at the Oderzo plant from the supplier in various types of packaging, typically single-use cardboard boxes sealed with adhesive tape. These were not compatible with production lines in terms of content and quantity, necessitating unpacking and repacking into appropriately sized boxes for transport to the production line.

From 2023, the semi-finished products under review arrive at Nice in reusable cardboard boxes, which can be used at least five times and are compatible in size with production lines.

The material no longer needs to be unpacked and is directly placed into the production lines using plastic crates as before.

At the production level, this solution has allowed a significant reduction in non-value-added activities (NVAA), with a significant reduction in production line approval time.

In 2024, we are extending the project to a larger number of semi-finished codes.

Reducing impacts
A multifaceted commitment

R&D

The Research and Development (R&D) department plays a pivotal role in design innovation, with a strong focus on environmental sustainability. This includes efforts to lower energy use and material consumption, and to substitute virgin raw materials with recycled or regenerated alternatives. Additionally, the R&D team contributes significantly to the life cycle assessment studies. These studies are essential for pinpointing critical environmental impact areas (hotspots) and informing subsequent improvements to processes and supply chains.

Purchasing

The Purchasing department works closely with R&D to meticulously choose the raw materials, semi-finished products, and components for procurement, prioritizing recycled plastics and other materials like aluminum alloys. In collaboration with the Operations department, it also plays a key role in devising purchasing strategies that streamline and minimize the number of components needed to manufacture a product.

Operation & Logistics

Nice has developed solutions that reduce reliance on plastic materials, while also aiming to lower transport-related CO2 emissions through optimized primary, secondary, and tertiary packaging designs.

The R&D department also partners with Quality & Sustainability to monitor the environmental impact of both new and existing products, ensuring continuous improvement. The success of these initiatives is quantified through this collaborative effort. Key indicators of reduced environmental impact include:
• Volumes of plastic materials used, distinguishing between recycled and virgin sources.
• Volumes of aluminum parts.
• Total weight of newly introduced and phased-out products.
• Usage of paper in manuals and packaging.

The waste reduction strategy illustrates that through deliberate environmental planning, we have successfully met our targeted goals for diminishing our ecological footprint.

This is Nice:
A lighter packaging

Another project within the framework of reducing the use of raw materials, led by the Operations department, is the **dematerialization and digitization of Nice device instructions.** The project started between 2020 and 2021 and is currently being extended to various involved business units. The benefits of this project are manifold: it not only reduces the environmental impact but also improves and facilitates the work of our professional partners by allowing them to have instructions always at hand, regardless of their location.

Before the project launch, each product contained a physical copy of the manual, which often led to difficulties for users as it could be lost or damaged. The solution implemented starting in 2021 thus presents a dual advantage for installers, distributors, and users, and the environment.

Between 2021 and 2023, this initiative has saved **471 kg of paper** and reduced **CO2 equivalent emissions by 448 kg.**
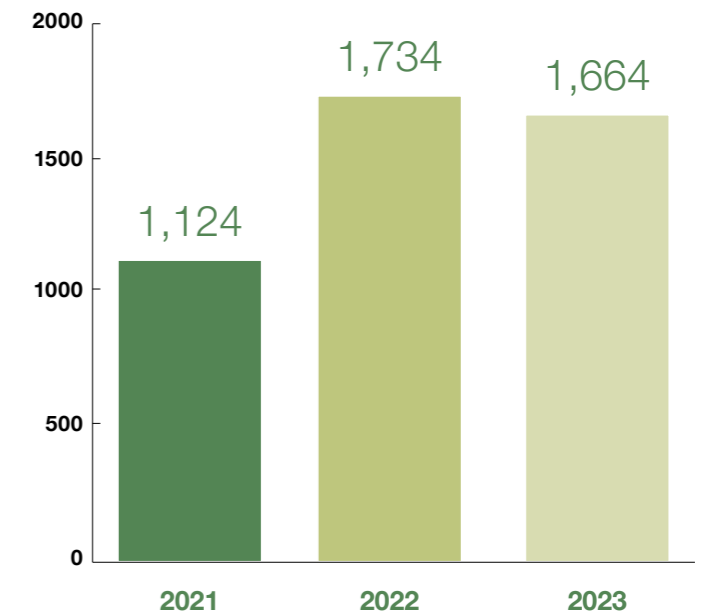
Waste

We recognize the critical importance of effective waste management, which not only aligns with our company policy but also enhances our visibility and fosters trust among customers and partners. Beginning in 2022, we have integrated key processes and procedures from two strategic projects: **the World-Class Manufacturing (WCM) program and ISO 14001 certification.** The Environmental pillar of the WCM project is dedicated to reducing energy consumption and polluting emissions, focusing particularly on waste disposal and the application of ISO 14001 standards. The implementation of ISO 14001 and WCM standards establishes a robust environmental management system at the plant level, encompassing compliance with environmental regulations, contamination prevention, energy and resource conservation, and waste reduction. A proper management system is crucial to avoid economic and legal consequences and operating/management instructions have been set according to ISO 14001 standards, including OPL (one point lessons) and SOP (standard operating procedures).

WASTE PRODUCTION (TONS)

Year	Tons
2021	1,124
2022	1,734
2023	1,664

Our waste primarily consists of packaging and defective components that do not meet quality standards, which account for 45% of our total waste. Remarkably, **99% of the waste we produce falls into non-hazardous categories.**

TYPE OF WASTE	2021	2022	2023	Tons - 2021-2023
Hazardous waste	5	44.3	21.75	- 51%
Non-hazardous waste	1,119	1,689.87	1,642.18	-2%
Total	**1,124**	**1,734.17**	**1,663.93**	**-4%**

Approximately **83% of our production waste is sent to recovery centers**, while 17% (approximately 283 tons) is disposed of.

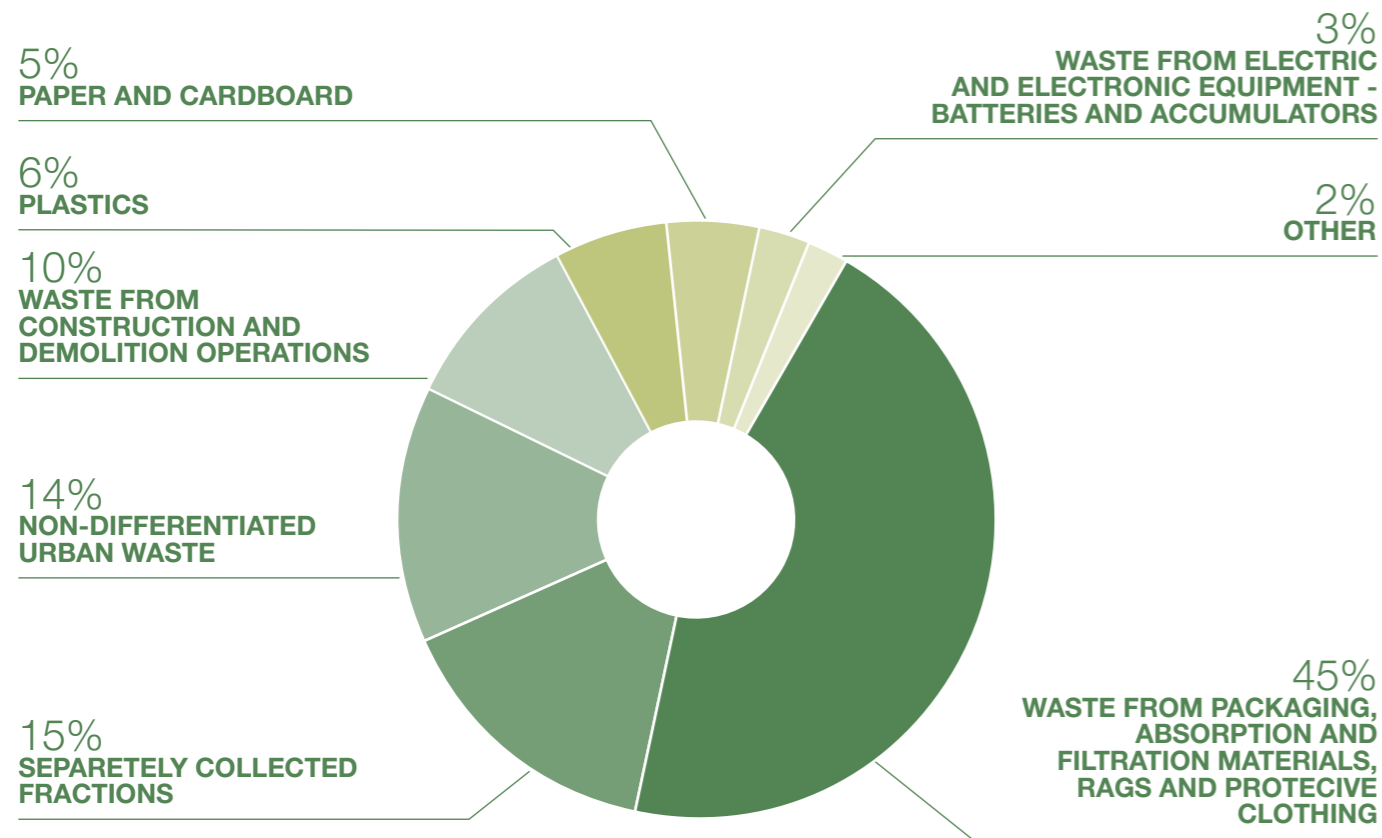| MANAGEMENT OPTION	2021	2022	2023	Tons - 2021-2023
Waste recovered	979.6	1,461.78	1,381.13	-6%
Waste sent for disposal	1.8	272.39	282.8	4%
Total	**981.4**	**1,734.17**	**1,663.93**	**-4%**

In 2023, our waste management efforts at HQ plants reflect a nuanced approach to handling different types of waste generated from our operations. In the waste identification process, safety sheets, packaging types, identification codes, and analyses are consulted, followed by continuous monitoring by our environmental supervisors.

Our commitment to waste recovery is evident, as **approximately 83% of our production waste is directed to recovery centers**. This recovery effort accounted for 1,381.13 tons in 2023, demonstrating a slight decline from 1,461.78 tons in 2022 but still

showcasing a robust recovery process. Conversely, the waste sent for disposal increased slightly to 282.8 tons in 2023 from 272.39 tons in 2022, indicating areas where further improvements can be made.

Overall, our waste management strategy continues to focus on maximizing recovery and minimizing disposal, aligning with our sustainability goals and reducing environmental impact. This narrative highlights our progress and the challenges faced, underscoring our dedication to improving waste management practices continuously.

Water withdrawals and discharge

In our production processes, which primarily involve assembling components and semi-finished products, water usage is minimal. Our only water withdrawals are for hygiene and sanitation needs in our facilities, including bathrooms and canteens, and from groundwater wells used mainly for irrigation. At our Oderzo plants— our annual groundwater withdrawal for all sites combined is approximately 3,000 cubic meters. Additionally, for sanitary use, we rely on a connection to the public water supply network, catering to the needs of roughly 580 employees across these sites.

The withdrawn water is meticulously managed: groundwater is returned to the aquifer through soil infiltration without processing, aligning with our sustainable water management practices. Water from the public network, after use, is treated in septic tanks or grease traps before being released into municipal sewers. This treatment ensures that we do not contribute to water pollution, thus safeguarding water resources for future generations.

We actively monitor our water consumption through periodic meter readings, which help in early detection of any leaks or inefficiencies in our plumbing systems, avoiding potential wastage. We also manage the minimal wastewater from our operations, primarily domestic runoff, by disposing of it through environmentally sound methods. Any water used in cleaning processes, particularly for metallic components, is treated as waste and is handled responsibly, sent to specific recovery and disposal centers to ensure it does not harm the environment. The potential impacts of our water use are carefully managed and regularly reviewed, reflecting our commitment to sustainability and the careful stewardship of water resources.

ORIGIN OF WASTE PRODUCED 2023

5%
PAPER AND CARDBOARD

6%
PLASTICS

10%
WASTE FROM CONSTRUCTION AND DEMOLITION OPERATIONS

14%
NON-DIFFERENTIATED URBAN WASTE

15%
SEPARETELY COLLECTED FRACTIONS

3%
WASTE FROM ELECTRIC AND ELECTRONIC EQUIPMENT - BATTERIES AND ACCUMULATORS

2%
OTHER

45%
WASTE FROM PACKAGING, ABSORPTION AND FILTRATION MATERIALS, RAGS AND PROTECIVE CLOTHING

Enhanced waste management procedures have been implemented across our global operations, ensuring that all waste is handled responsibly and in compliance with regulatory standards. Our proactive measures,

from on-site reworking of components to extensive recycling initiatives, underscore our commitment to reducing environmental impact and advancing sustainability in every aspect of our operations.

NiceLove**Earth**

The Nice people, a perfect balance

" Human capital is a fundamental asset for our company. "

Lauro Buoro,
Founder and Chairman

95%
PERMANENT
CONTRACTS

+21%
TOTAL HOURS OF TRAINING
COMPARED TO 2022

54%
INCOMING PERSONNEL
BETWEEN 30 AND 50

-19%
INJURIES COMPARED
TO 2022

HEALTH AND SAFETY AT WORK

3 GOOD HEALTH AND WELL-BEING

2025 GOALS:

• Implementation of an occupational
  health and safety management
  system, for all manufacturing plants

2030 GOALS:

• Zero injuries, for all manufacturing plants

**EMPLOYMENT AND FAIRNESS
IN LABOR RELATIONS**

4 QUALITY EDUCATION

2030 GOALS:

• Increase the presence of women
  at least by 30% in leadership positions
  and reduce the gender paygap

ETHICAL SUPPLY CHAIN

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

2026 GOALS:

• Vendor rating: integration of
  the social and environmental
  responsibility evaluation section

**HUMAN RESOURCES
DEVELOPMENT**

10 REDUCED INEQUALITIES

ONGOING:

• Increase the number of hours of
  training and its tracking

• Increase the number of employees evaluated
  with a global performances appraisal tool

2025 GOALS:

• Adopt an inter-departmental and inter-
  company mobility program

5.1

Supporting
Our People

Corporate Culture
and Organization

In 2023 we embraced a strategic organizational realignment toward a matrix model, with corporate functions, business units and regions. This new approach brought to life some organizational changes.
In order to adapt to rapidly evolving market conditions; transform how we operate, collaborate and innovate, and promote a more dynamic and interconnected work environment, **two new Business Units have been created: Gate and Door.** These two new departments join the existing Sun Shading Solutions and Home Management Solutions BUs.
From a logistical point of view, the Business Unit is managed **through Nice matrix organization where people report to multiple departments, both from the BU and from corporate.** This new

structuring represents a major challenge and opportunity within the company, as resources embedded in traditional business processes (Finance, Production, Sales, R&D, etc.) are transformed into specialists to serve each BU.
As part of this structure reinforcement, and to ensure delivering cutting-edge solutions, Nice introduced a **strategic reorganization within the Research and Development (R&D) function.** This renewed leadership will be guiding R&D and innovation centers while fostering collaboration across our various Business Units.

These changes necessitated a concerted effort to align and support the diverse and talented workforce, which Nice proudly refers to as our Nice People.

To ensure the smooth integration of these new entities and foster a cohesive corporate culture, the group refined its strategy with a focus on reinforcing the company's core values. This strategy was designed to foster a two-way communication system, actively encouraging engagement and collaboration across all levels and departments. The goal is to maintain high levels of motivation, involvement, and retention among the employees.

A significant initiative in this endeavor was **the launch of a revamped intranet platform: The Daily Wonder.** This platform, which has already been in place since 2019, is now accessible to everyone within the organization, including white-collar workers, blue-collar workers, and temporary staff. The intranet, now a mobile app as well, serves as a central hub for sharing information and building common goals, enabling all employees to participate in and drive change within the company.

In addition to all of this, Nice continues aligning its workforce in other ways as well. An example is the **internal campaign called "Moving Forward Together,"** which included global town halls designed to align everyone with the company's dynamics and changes. This initiative further reinforced Nice commitment to transparent communication and collective progress, ensuring that every team member is informed, engaged, and motivated to contribute to the evolving corporate landscape.

This is Nice: Nice Canada, a Great Place to Work

Nice North America earned the "Great Place to Work" certification in Canada, recognizing our exceptional workplace culture. This accolade highlights our commitment to fostering a supportive and inclusive environment where employees can thrive. Our focus on talent development and lifelong learning ensures that our team members continuously enhance their skills and grow within the company. Initiatives such as tailored training programs, wellness activities, and a strong emphasis on work-life balance contribute to our employees' professional and personal growth, making Nice a desirable place to work and develop a fulfilling career.

5.2
Diversity and Demographics

Nice supports the creation of quality jobs, fostering a stimulating and diverse work environment, across all geographies and locations.

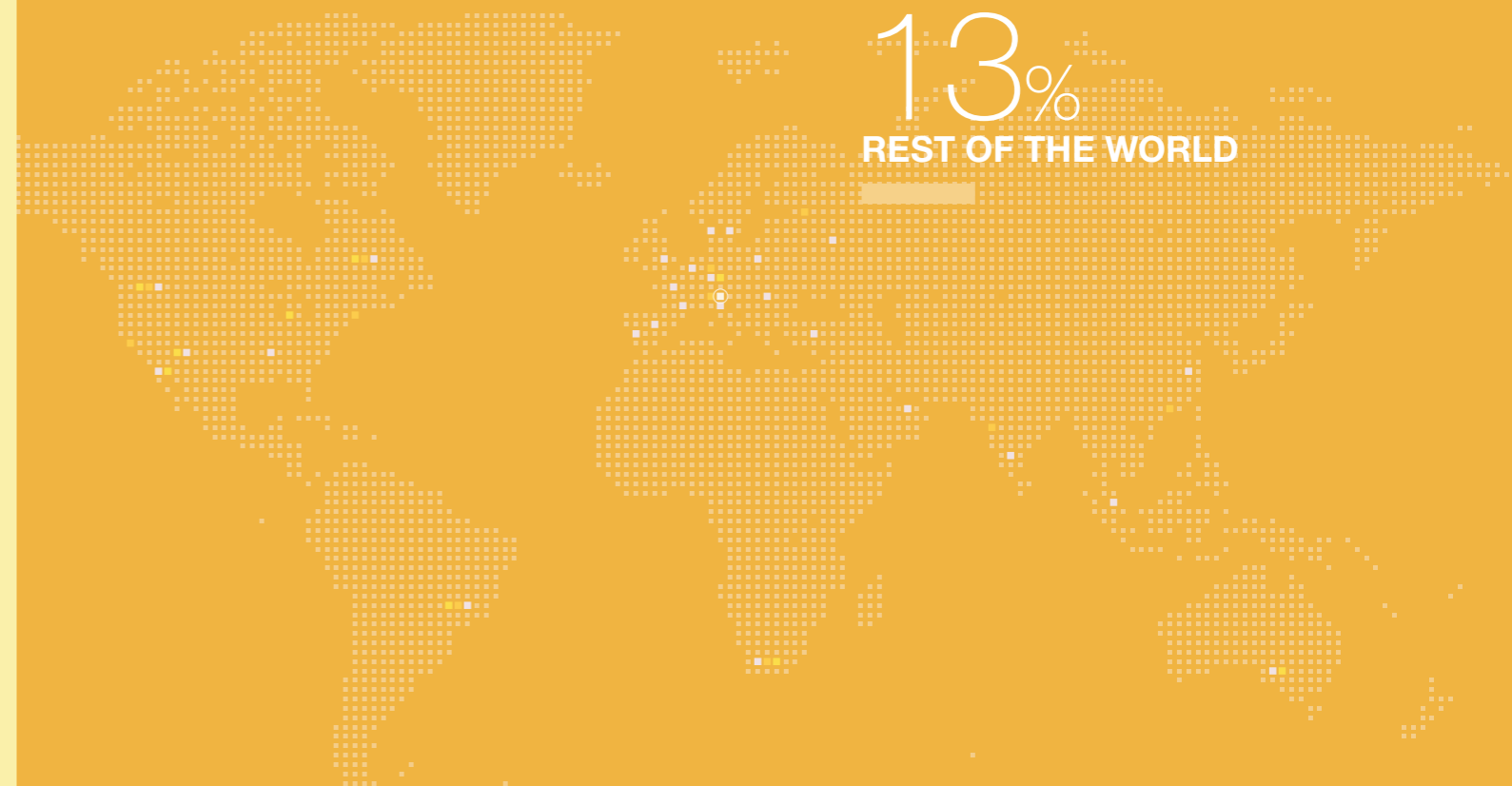## Breakdown by Continent, Department and Category

In 2023, Nice Group had 2,534 directly employed personnel, without considering staff and interns. Most Nice People are based in Europe, followed by America, Africa and Asia.
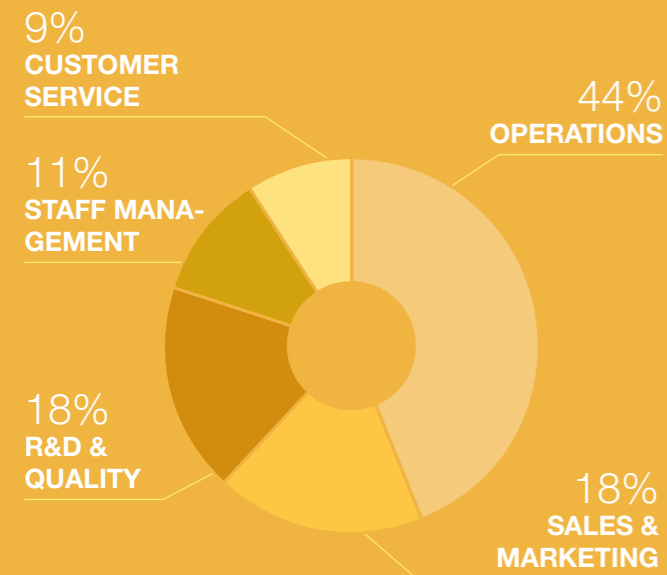
MORE THAN 40 NATIONALITIES
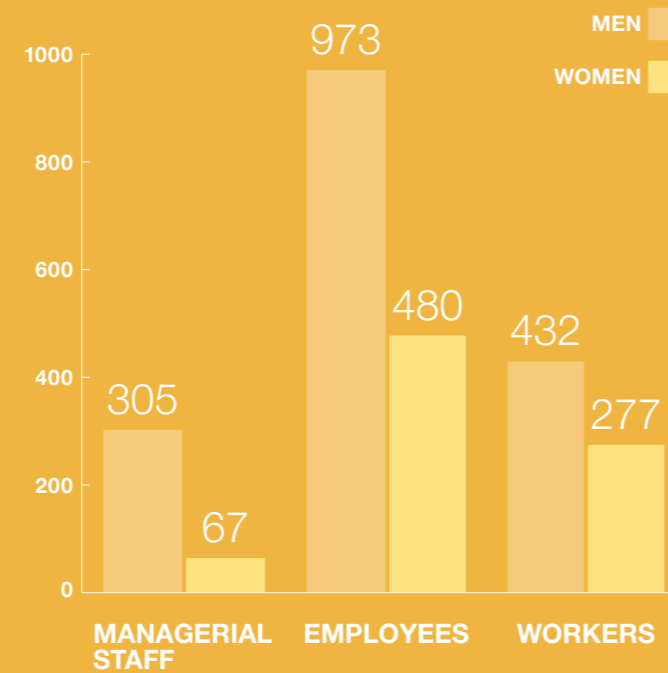
52%
EUROPE

35%
AMERICAS

13%
REST OF THE WORLD

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

9% **CUSTOMER SERVICE**

11% **STAFF MANAGEMENT**

18% **R&D & QUALITY**

44% **OPERATIONS**

18% **SALES & MARKETING**

BREAKDOWN OF PERSONNEL BY CATEGORY AND GENDER

MEN
WOMEN

- MANAGERIAL STAFF: 305 / 67
- EMPLOYEES: 973 / 480
- WORKERS: 432 / 277

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

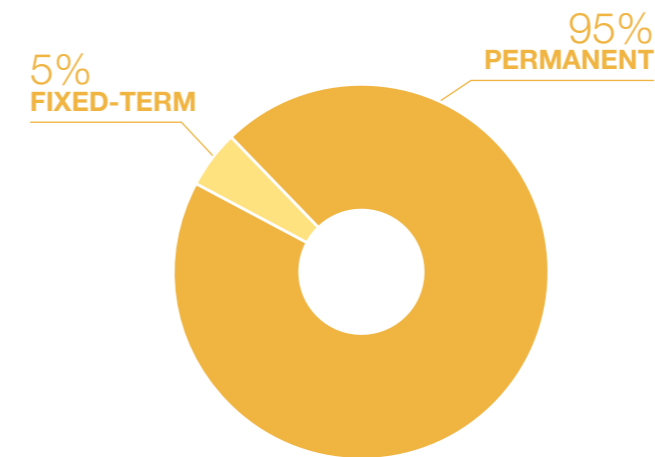| PROFESSIONAL CLASSIFICATION	2023		
	MEN	WOMEN	TOTAL
Managerial Staff	305	67	**372**
Employees	973	480	**1.453**
Workers	432	277	**709**
Total	1.710	824	**2.534**

EMPLOYEES BY CATEGORY

15% **MANAGERIAL STAFF**

57% **EMPLOYEES**

28% **WORKERS**
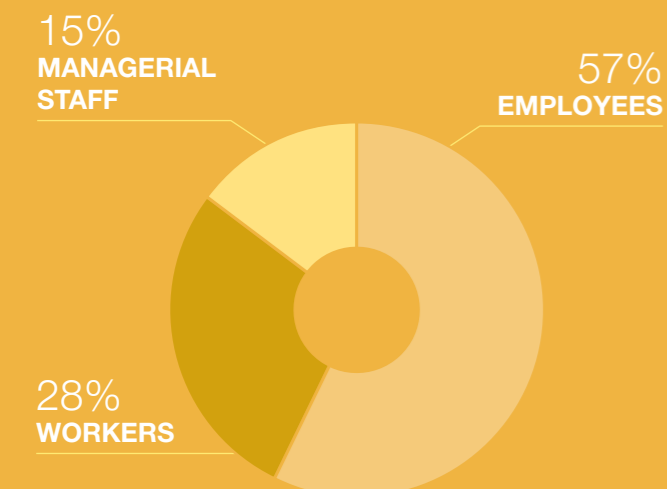
In 2023, around 95% of Nice People had a permanent contract and just under 5% had a fixed-term contract, demonstrating our strong dedication to ensuring job stability for our workforce.

CONTRACT TYPE

5% **FIXED-TERM**

95% **PERMANENT**

| CONTRACTUAL CLASSIFICATION	2023		
	MEN	WOMEN	TOTAL
Permanent	1,631	783	**2,414**
Fixed term	79	41	**120**
Total	1,710	824	**2,534**

In 2023, 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	2023		
	MEN	WOMEN	TOTAL
Full-time	1,687	779	**2,466**
Part-time	23	45	**68**
Total	1,710	824	**2,534**

Recruitment and Turnover

In 2023, Nice recorded a leaving rate of 18% while the hiring rate was 13%.

PERSONELL TURNOVER

LEAVING RATE
HIRING RATE

- 2023: 18% (leaving) / 13% (hiring)
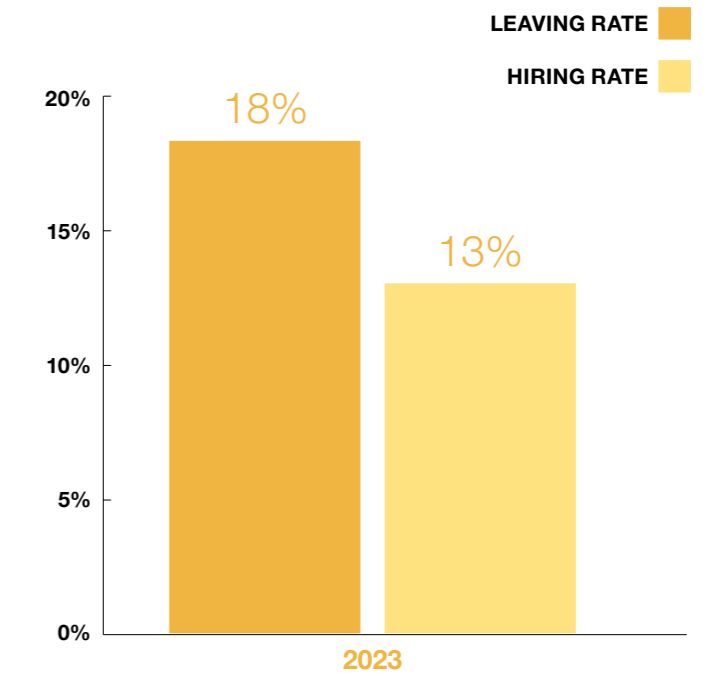
The majority of newly hired employees are males between 30 and 50, with the next largest groups being females in the same age. In terms of employees leaving the company, the highest turnover rate is observed among personnel between 30 and 50, followed by personnel under 30.

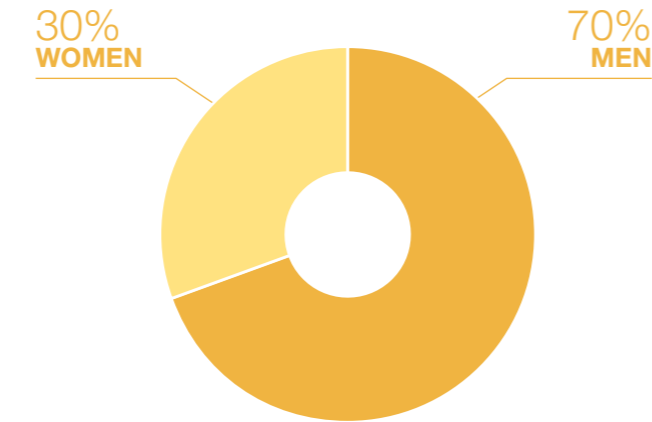| INCOMING AND OUTGOING PERSONNEL BY AGE GROUP IN PERCENTAGE	2023			
	GENDER	<30	30-50	>50
Hiring rate (%)	MEN	16%	37%	16%
	WOMEN	8%	17%	6%
Leaving rate (%)	MEN	15%	37%	14%
	WOMEN	11%	18%	6%

DIVERSITY: HIRING BY AGE GROUP
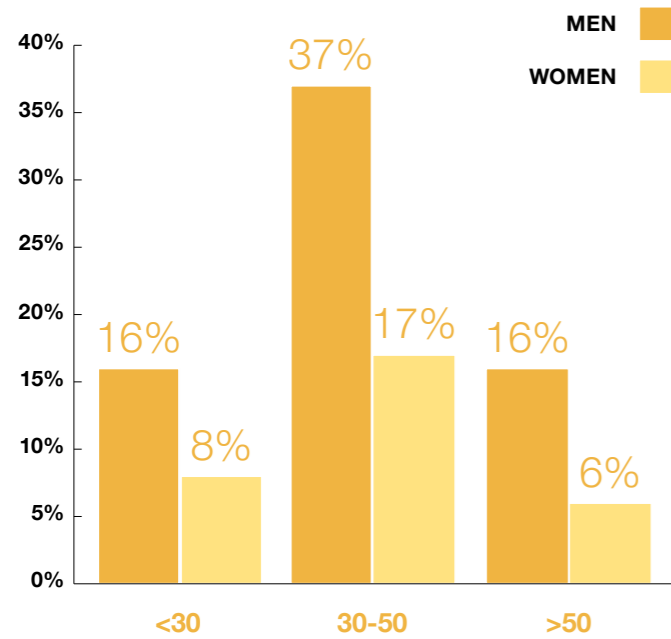
DIVERSITY: HIRING BY GENDER

DIVERSITY: LEAVERS BY GENDER

DIVERSITY: LEAVERS BY AGE GROUP
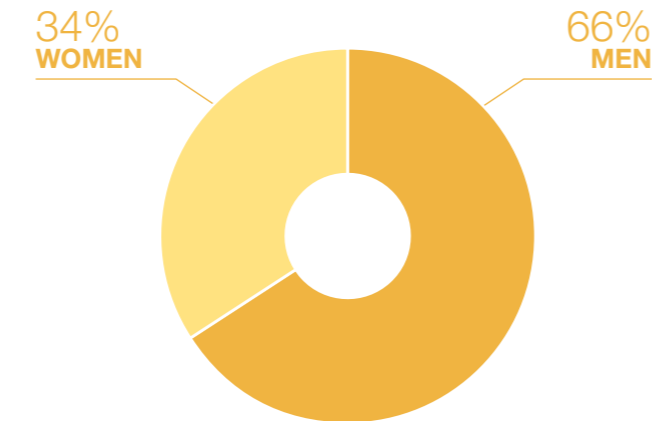
5.3
Occupational Health and Safety

Ensuring a safe and healthy workplace is a fundamental aspect that protects the well-being and rights of all employees at Nice. Occupational health and safety is our absolute priority, and we approach it as a proactive mindset towards daily challenges, aiming to spread knowledge and implement safe behaviors every day. 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. We empower our operators to take responsibility for their work areas, enabling them to identify and address unsafe conditions or situations where colleagues may need guidance. **We believe in the power of our people and their awareness, as the more convinced they are of the benefits of health and safety, the better the results will be**. To support these goals, we ensure access to appropriate organizational, instrumental, and financial resources.

In 2023, we continued to place a special focus on the operational staff working at our primary manufacturing facilities. Employees are encouraged to approach their Workers' Safety Representatives with any queries or concerns. If necessary, these representatives can escalate issues, claims, or complaints to the Employer's Representative or the Head of the Prevention and Protection Service during monthly meetings, or directly to the Employer during the annual meeting.

Furthermore, to comply with the requirements of the Organisational and Management Model (Legislative Decree 231/2001), we have provided a certified email address for submissions from all stakeholders. This ensures a clear and accessible communication channel for addressing any safety-related matters.

Training our People for a Safe and Prepared Workforce

In 2023, manufacturing companies held training courses for emergency personnel alongside general and specific training courses on safety.

The responsibility for workplace safety lies with a dedicated organizational structure that conducts regular audits. To accomplish these objectives, we are committed to providing training and equipping employees with the necessary skills to perform their tasks safely.

Additionally, specific training courses were provided 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, with differentiated instructions according to specific work places;
- 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.

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 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.

This is Nice: WCM Implementation Yields Remarkable Severity Rate Reduction

We implement and execute maintenance programs for infrastructure, machinery, and equipment, and ensure the secure storage and handling of substances. At our Oderzo plant, the pilot and model area for our World Class Manufacturing (WCM) project, we have witnessed promising first results after a full year of implementation. Comparing 2023 to 2022, we observed a significant reduction in our severity rate, the index that weighs the days of absence due to accidents. In 2023, our severity rate stood at 7.12, a remarkable improvement from 93.31 in 2022, translating to only 10 days of absence in 2023 compared to 89 days in the previous year. This progress highlights our commitment to enhancing occupational health and safety.

Hearing a Nice Voice: Promoting Employee Health & Safety at the Workplace

As the H&S Specialist at Nice, I've seen firsthand how deep commitment to safety can transform the workplace."

"We've moved from a top-down approach where education about prevention was the primary focus, to a system where our operators are empowered and responsible for their work areas. Our people are no longer only following rules but also actively participating in creating safer work conditions. This shift in mindset has been crucial. Our workers have started to think proactively about preventing accidents, which is a testament to our evolving safety culture. With each monthly meeting, I am inspired by the suggestions from our operators on how we can further improve our workplace. These suggestions are not just heard; they are integrated into our operations, reflecting our commitment to continuous improvement and employee empowerment. It's a journey towards zero accidents, a goal that we are passionately pursuing because at the end of the day, our people are the heart of our operations, and their safety is our top priority."

**Elena Dabija,
RSPP & HSE Specialist**

Risk monitoring:
A focus on accidents

The Head of the Prevention and Protection Service, who oversees workplace health and safety, conducts regular inspections of manufacturing facilities and collaborates with various managers to identify potential risks. During health and safety training sessions, workers are informed about their right to refuse tasks that may endanger their safety.

In the event of accidents or injuries, collaborative analyses are performed with supervisors to identify any overlooked critical issues and determine preventive measures to prevent recurrence. As manufacturing and operational changes occur, risk assessments are regularly updated to ensure continued safety.

Workers typically report any risks or non-compliance situations related to workplace health and safety verbally 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 reviewed at both annual and monthly meetings with the Workers' Safety Representatives and the Employer's Representative, with the aim of understanding the causes, preventing future incidents, and continually improving company safety.

WORKPLACE INJURIES	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Number of recordable workplace injuries	31	7	**38**	16	5	**21**	15	2	**17**
of which, number of deaths due to workplace injuries	0	0	**0**	0	0	**0**	0	0	**0**
of which, number of deaths due to workplace injuries	0	0	**0**	0	0	**0**	0	0	**0**

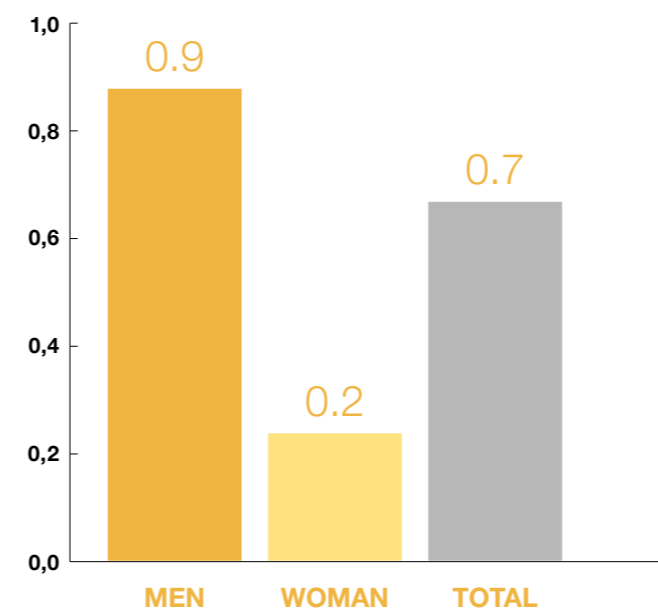**NUMBER OF WORKPLACE INJURIES**
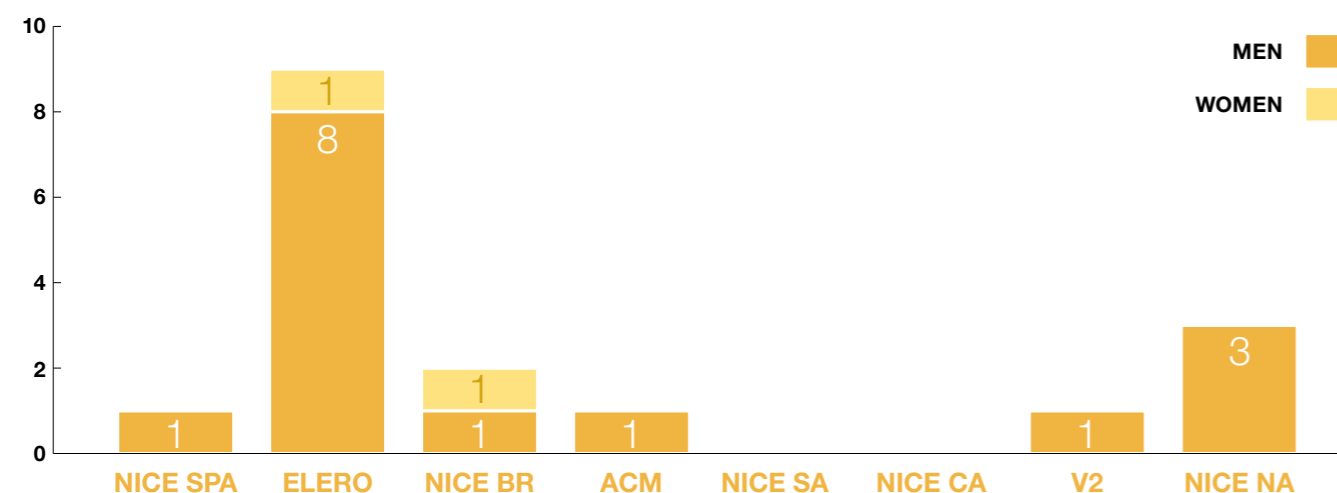
Promotion of workers'
health

INJURY RATE 2023

After the challenging period of 2020-2021, which was characterized by severe instability and complexity due to the persistent presence of COVID-19, we have made significant strides in improving workplace safety across our manufacturing companies.

For the current year 2023, we have recorded a total of 17 workplace injuries, with 15 injuries involving men, 2 injuries involving women. Compared to 2022 when there were 21 total workplace injuries (16 men and 5 women), this represents a 19% decrease in overall workplace injuries, reflecting the successful actions part of our "Zero injuries" goal-

In 2023, Nice Headquarters continued to prioritize employee well-being through comprehensive healthcare programs and wellness initiatives. All direct employees benefit from the free healthcare assistance fund, extendable to family members with additional contributions. This plan includes specialized medical visits at affiliated centers and periodic screenings based on gender and age.

Healthcare services include medical, dental, and vision insurance for full-time employees, along with Employee Assistance Programs. Some locations offer additional services through private health insurance plans, and emergency ambulance services. Employees are regularly informed about healthcare services via benefits specialists, HRIS, and senior leaders. A gym reimbursement is also available to promote physical well-being.

At our headquarters in Oderzo, Nice offers a company gym, and healthy eating options in our canteens, as well as various activities, such as posture improvement training and outdoor events, that promote a healthy lifestyle. Our intranet also raises awareness about mental health and specific medical conditions, such information is accessible to all employees.

The ergo-postural health and wellness promotion plan, initiated in 2022 at Nice Headquarters, continued in collaboration with Gym Hub. In 2023, we conducted five editions of 8-hour training sessions with theoretical and practical exercises for 83 workers, ensuring access to necessary healthcare services and opportunities to enhance their well-being.

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

Nice provides its subcontractors with standardized testing equipment and machinery that are periodically calibrated and verified in order to minimise the negative impact on the 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 hazards that constitute a risk for 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. To prevent occupational illnesses resulting from improper ergonomics, we seek 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 2023 reporting period, considering the manufacturing companies, no cases of occupational illness were reported among either internal or external personnel.

Risk prevention and reduction

A comprehensive approach is adopted 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.

This is Nice: Promoting a Culture of Prevention Across the Globe

At Nice, safeguarding the well-being of our employees is a top priority. Our subsidiaries and sites worldwide have implemented proactive measures to mitigate occupational health and safety risks, ensuring a culture of prevention and continuous improvement.

Nice South Africa
Conducts comprehensive Health and Safety Risk Assessments across all areas and branches. Identified risks and hazards are addressed through the implementation of safe work practices, mandatory personal protective equipment (PPE) usage, and thorough training for employees.

Nice Australia
Rigorously analyzes and monitors all new and existing activities and processes before introducing them to the production team, ensuring a safe working environment.

Fibaro
Follows a structured approach, prioritizing organizational and technical measures to eliminate or reduce risks to acceptable levels. When not feasible, exposure time is minimized, and appropriate PPE is provided to employees.

Elero
Promotes a holistic approach to employee well-being through informative events, preventive examinations, ergonomic training, and fitness incentives, fostering a culture of health and safety.

Nice HQ
Extends its commitment to subcontractors by providing compliant testing equipment, regular calibration, and verification of machines. Additionally, periodic quality audits now encompass environmental and occupational safety management aspects.

5.4
Talent Development and Lifelong Learning

At Nice, we foster a culture of continuous learning and personal growth for our employees. Our comprehensive training programs equip our workforce with the necessary knowledge and skills to excel in their roles while prioritizing their well-being and safety.

Nice offers a range of training opportunities tailored to individual needs and organizational objectives, including mandatory informative training for all new hires on their first day of work. During this orientation, employees learn about potential risks associated with their job roles and how to prevent accidents by correctly using equipment and handling various components or weights. This proactive approach fosters a culture of safety and responsibility from the outset.

Furthermore, to improve the efficiency of our **Operations**, within the Operational Excellence Program, we conduct monthly training sessions involving all our production operators. The group utilizes visual tools called "One Point Lessons" to highlight correct and incorrect behaviors, as well as unsafe conditions observed in the previous month. This visual approach has proven highly effective in raising awareness and driving improvement.

Our training programs go beyond technical skills to include a focus on **hard skills, soft skills, mentoring, coaching, and diversity, equity, and inclusion (DEI) topics**. This holistic approach ensures that our employees are well-rounded, empathetic, and equipped to lead in a diverse and dynamic workplace. Nice is proud to partner with Valore D, which supports our commitment to DEI and enhances our training initiatives. **Valore D is the first Italian association to contribute to the awareness of these causes in organizations and across the country**. For Valore D, "Diversity is Power," and the D in the name stands for so many things we hold dear:

Women, Diversity, Rights, Tomorrow, Management-because an inclusive corporate culture is today indispensable for the success of organizations and for the social and economic development of the Country. Valore D supports member companies by providing know-how and effective tools for strategy of Diversity, Equity and Inclusion. Valore D also offers the opportunity for companies to interact, thanks to the exchange of best practices and continuous dialogue among members, and is a reference interlocutor for institutions.

By investing in talent development and lifelong learning, Nice nurtures an engaged, motivated, and committed workforce that is crucial for our long-term success and sustainability journey. The enhanced training programs have paid off: **the total number of training hours recorded increased by 21% from 2022**.

These advancements are not just numbers; they represent Nice belief in people and the company's vision for a sustainable future. By equipping the workforce with the tools they need to thrive, Nice is building a resilient, innovative, and forward-thinking company ready to meet the challenges of tomorrow.

TOTAL NUMBERS OF TRAINING HOURS

	2021			2022			2023		
	Men	Women	Total hours	Men	Women	Total hours	Men	Women	Total hours
Managerial Staff	577.30	185.50	**762.80**	1,293.70	91.75	**1,385.45**	1,405.50	354.00	**1,759.50**
Employees	2,544.84	1,715.33	**4,260.17**	7,392.50	4,663.10	**12,055.60**	9,249.00	4,892.00	**14,141.00**
Workers	450.60	121.70	**572.30**	793.60	462.80	**1,256.40**	1,046.00	833	**1,879.00**
Total	3,572.74	2,022.53	**5,595.27**	9,479.80	5,217.65	**1,4697.45**	11,700.50	6,079.00	**17,779.50**

AVERAGE TRAINING HOURS PER PERSON

MEN
WOMEN

MANAGERIAL STAFF	EMPLOYEES	WORKERS
7 / 8	13 / 15	3 / 3

This is Nice: Talent Empowering at Different Sites

Nice North America
Our flagship Nice University in Nice North America continues to set a standard for comprehensive employee development, offering a range of courses from project management to technical skills. North America has adopted the MasterControl platform to streamline all training activities and include essential programs like EasyLlama harassment prevention.

Nice HQ
In Italy, our Oderzo facility has enhanced its curriculum under the Speed Up Program, including new courses in data literacy and diversity, equity, and inclusion. Moreover, in the global Research & Development (R&D) organization, a skill matrix activity has been implemented to systematically assess and develop the competencies of our team members. This tool helps identify skill gaps, prioritize training needs, and align individual growth with organizational goals. By continuously updating the skill matrix, we ensure our R&D team remains at the forefront of innovation and technological advancement.

Nice South Africa
Additionally, our facilities in South Africa now align their training efforts with the government's skills development mandates, submitting a detailed Workplace Skills Plan to Merseta annually.

Nice Australia
Although in a less structured way, formal training programs in Australia support individual skill improvement, particularly fo roles that are critical to our operations. Our approach also includes fostering innovation and collaboration.

Fibaro
The FIBARO+ competition by Fibaro encourages employees to think creatively and propose new projects, integrating them directly into our product offerings.
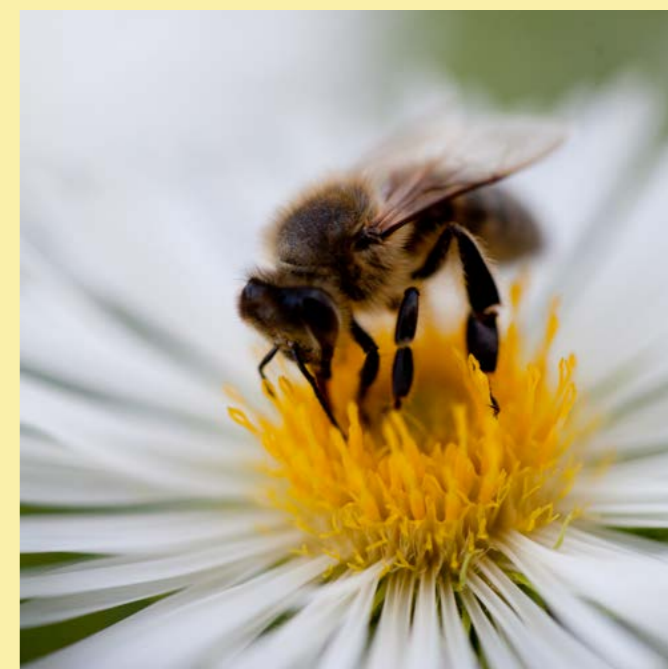
ACM
Recognizing the diverse needs of our teams, some regions focus on targeted skills enhancements. For example, ACM International S.r.l. has launched specific training courses to improve the capabilities of selected personnel.

While training is a cornerstone of development, we understand it's part of a broader ecosystem of growth opportunities. We continue to offer virtual and physical events where strategic discussions foster broader professional growth and international collaboration. Since 2021, we've increased access to international work experiences, significantly enriching personal and professional development across our teams.

Through these efforts, we not only enhance the skills of our valued employees but also ensure our collective growth and adaptability in a dynamic global market.

A Performance Appraisal Monitoring

We are committed to providing regular performance evaluations and career development opportunities.

In the current year, 58% of managerial staff, both male and female, received evaluations. For all employees, 62% of men and 51% of women participated in performance evaluations. Even at the worker level, 23% of men and 30% of women were involved in review processes. While there is still room for improvement, these figures demonstrate our dedication to fostering an environment of continuous feedback, growth, and professional development for our diverse talent pool.

GENDER DIVERSITY IN ACCESS TO PERIODIC ASSESSMENT

5.5
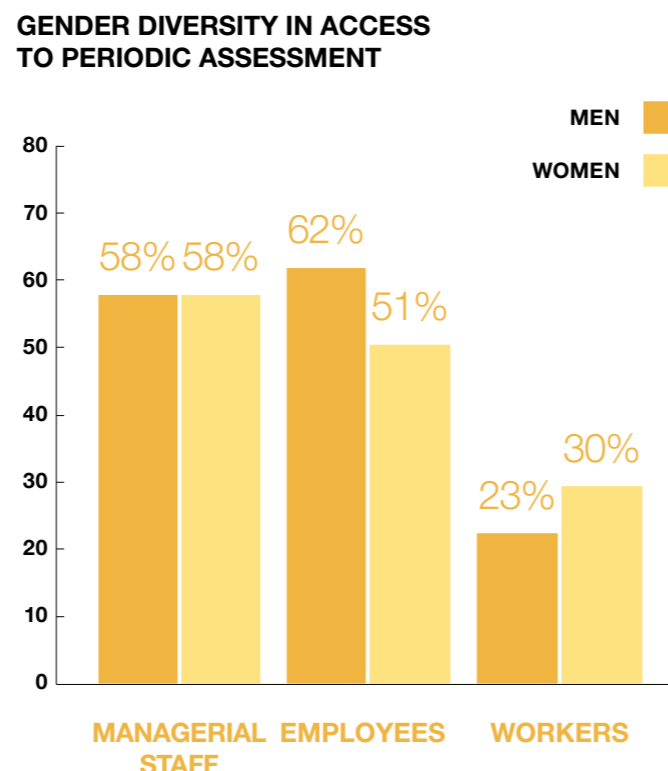
Employment Excellence: A journey Toward Equity and Wellbeing

Diversity, Equity and Inclusion in Nice

At Nice, we are committed to fostering a workplace culture that celebrates diversity, promotes equity, and ensures inclusion for all our employees worldwide. In alignment with our core values, we have undertaken several strategic initiatives to champion DEI within our organization and beyond.

Global DEI Survey and International Ambassadors Network

In 2023, we launched the very first global survey dedicated to DEI topics, engaging employees across all regions to gather insights and feedback on diversity-related matters. This initiative allowed us to better understand the perspectives and experiences of our diverse workforce, informing our ongoing efforts to enhance inclusivity. Simultaneously, we established an international DEI Ambassadors Network, comprising dedicated individuals passionate about driving positive change within their respective teams and regions. These ambassadors serve as advocates for diversity and inclusion, spearheading initiatives and fostering a supportive environment for all employees.

Promoting Awareness and Education

To raise awareness and deepen understanding of DEI issues, we implemented educational activities such as publishing informative articles on The Daily Wonder (TDW) and developing e-learning courses accessible to all employees. These initiatives aim to foster a culture of empathy, respect, and inclusion across our global workforce.

Engagement with Executive Leadership

Recognizing the critical role of leadership in advancing DEI, we facilitated in-depth conversations with our Executive Committee. These discussions were complemented by mentorship and DEI awareness programs designed to empower our senior leaders with the knowledge and tools to champion diversity within their spheres of influence.

Inclusive Language and Communication

We launched training programs and an internal communication campaign to promote inclusive language, aligning with UN guidelines. This initiative aims to ensure that our communications reflect respect for all individuals, regardless of background or identity, thereby fostering a more inclusive workplace culture. About language, we are mindful of talking about DEI (Diversity, Equity and Inclusion) and not just D&I. Likewise, we like to speak of Gender Equity rather than just Gender Equality. Equality implies equal treatment when it comes to rights, responsibilities and opportunities. Equity focuses on fairness. It acknowledges that people might face different challenges and strives to provide them with what they need to succeed and enjoy the same access to rights, responsibilities, and opportunities.

Revamped Communication Platform

To facilitate open dialogue and collaboration, we revamped our internal communication platform, enhancing accessibility and enabling a two-way flow of information.

Nice Women Network: Nice First ERG

We established two Employee Resource Groups (ERGs): "DEI at Nice" and the "Nice Women Network." These ERGs serve as supportive communities that advocate for diversity, provide networking opportunities, and contribute to organizational initiatives. This was made possible thanks to external partnerships as well, such as the one with with CIMBA Italy, an international Business School that helped Nice establish their first ERG: Nice Women Network. This has been a pilot activity focused on women's empowerment, providing support and leadership development opportunities for female employees across different branches. As we move forward, women's empowerment will continue to be a central theme of our diversity and inclusion strategy. We are committed to nurturing this focus area to inspire empowering discussions and meaningful engagement on gender issues within our global community. While our efforts in 2023 have predominantly centered on gender equality, we are planning to expand our channels to include topics related to ethnicity and disability in the future, ensuring that all aspects of diversity are comprehensively addressed.

Hearing a Nice Voice: How Communication Drives DEI at Nice

> **Internal communication holds a great responsibility in setting a positive example, providing representation, and instilling good values within the workforce, thereby driving Nice DEI goals and fostering an inclusive culture"**

"At Nice, fostering an inclusive culture that empowers our global workforce is core. Our journey began in 2019 with the creation of a digital magazine to keep everyone connected. In 2021 we started addressing diversity, equity, and inclusion in a structured manner, and in 2023, we intensified these efforts through concrete initiative. Effective communication is the cornerstone of our success and transparency across our geographically dispersed teams. The revamped The Daily Wonder intranet has revolutionized our internal communications, transitioning from a top-down approach to a dynamic two-way dialogue. This strategic shift has transformed internal communication into a powerful tool that does much more than inform; it listens, engages, and co-creates our company culture. By facilitating this interactive communication platform, we have significantly increased employee engagement and empowered our Nice People to contribute actively to our organizational narrative. We have also deepened our collaboration with the sustainability department,

aligning people initiatives with the overarching ESG strategy and key performance indicators. From tailored talent development programs like Speedup, which includes job rotations abroad to nurture future leaders, to educational partnerships that provide internships and promote diversity - we invest in nurturing a future-ready workforce.

Moving forward, prioritizing employee well-being and cultivating a sense of belonging will propel our journey toward building a diverse and high-performing team, driving innovation. By continuing to harness the power of effective internal communication, we ensure that every Nice Voice is heard, valued, and integrated into our collective mission for progress and inclusivity.

I believe that, now more than ever, internal communication holds a great responsibility in setting a positive example, providing representation, and instilling good values within the workforce, thereby driving Nice DEI goals and fostering an inclusive culture."

**Valentina Ghirardi,
Group Internal Communications
Coordinator**

At Nice, we uphold the paramount importance of respecting diversity and valuing individual characteristics, staunchly opposing any form of discrimination based on age, health, gender, religion, race, political and cultural beliefs, or any personal and social conditions. These commitments are enshrined in our Code of Ethics, which plays a critical role in safeguarding the impartiality of our decisions and behaviors.

Aligned with our ethical commitments, instances of discrimination are strictly prohibited 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. **Notably, in 2023, as in 2022, we are proud to report that there were no incidents of discrimination within our organization.** This achievement underscores the effectiveness of our ongoing efforts to foster an inclusive and respectful work environment.

Building on our commitment to create a discrimination-free workplace, in 2023 we launched a comprehensive campaign to increase both the awareness and the understanding of the importance that respecting diversity and combating racism hold within our organisation. This initiative continues to be a cornerstone of our strategy to prevent discrimination and enhance our organizational culture.
As we move forward, Nice remains dedicated to reinforcing these principles and ensuring that all employees experience a respectful and supportive working environment. We believe that, by maintaining a strong focus on ethical behavior and diversity, we can continue to thrive as a global community committed to fairness and equality.

Pay Equality

At Nice, our commitment to Diversity, Equity, and Inclusion extends to ensuring pay equity across our global workforce. We recognize that fair and equitable compensation is not only a matter of financial fairness but also a critical component of fostering an inclusive workplace culture. Through rigorous analysis and on-going monitoring, we strive to identify and address any disparities in pay based on gender, race, ethnicity, or other factors. By prioritizing pay equity, we uphold our commitment to create a workplace where all employees are valued and compensated fairly for their contributions, regardless of their background or identity.

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.

We evaluate each individual's achievements, contributions and responsibilities, taking into consideration their performance reviews, leadership skills and years of experience in the role. The CEO approves the salary review for each country (according to the budget proposed) and the salary review for the single General Managers.

Ensuring gender pay equality is crucial for fostering fairness and promoting gender equality within society. This practice recognizes the intrinsic worth of individuals irrespective of gender, while supporting economic empowerment and equitable opportunities for all. In 2023, focusing specifically on manufacturing companies employing individuals across managerial staff, white collars, and blue-collar roles, we observe a varying compensation structure by gender.
On average, women receive compensation equal to 80% of that of their male counterparts.

RATIO OF WOMEN'S TO MEN'S AVREAGE SALARIES
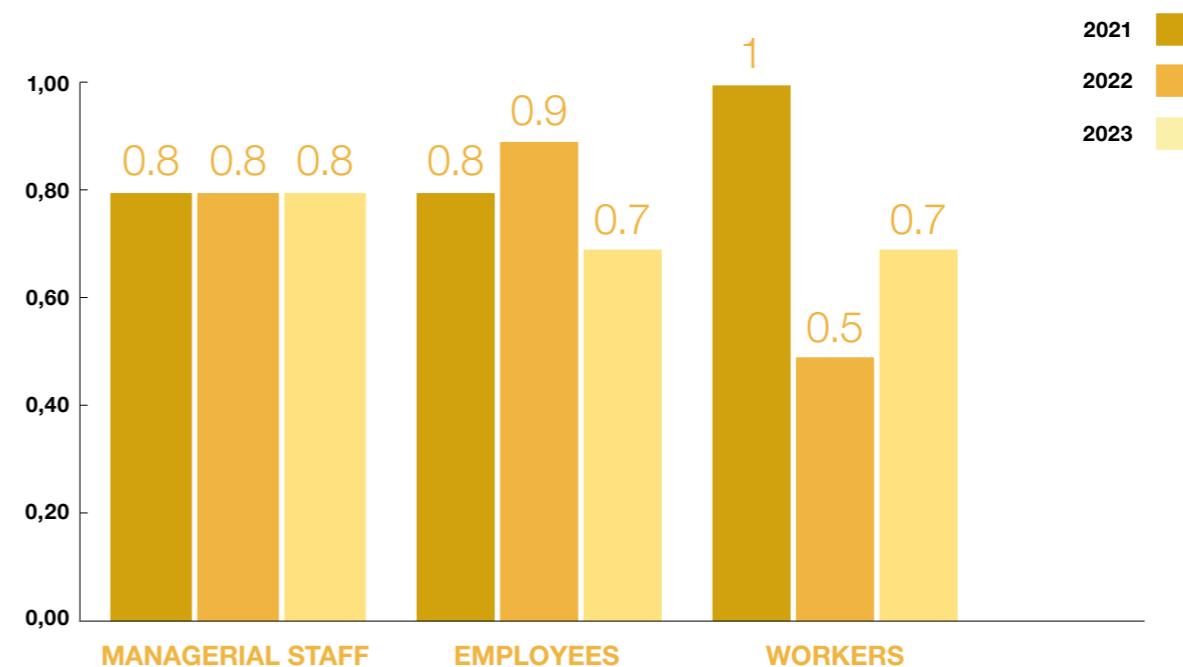
RATIO OF WOMEN'S TO MEN'S AVERAGE REMUNERATION
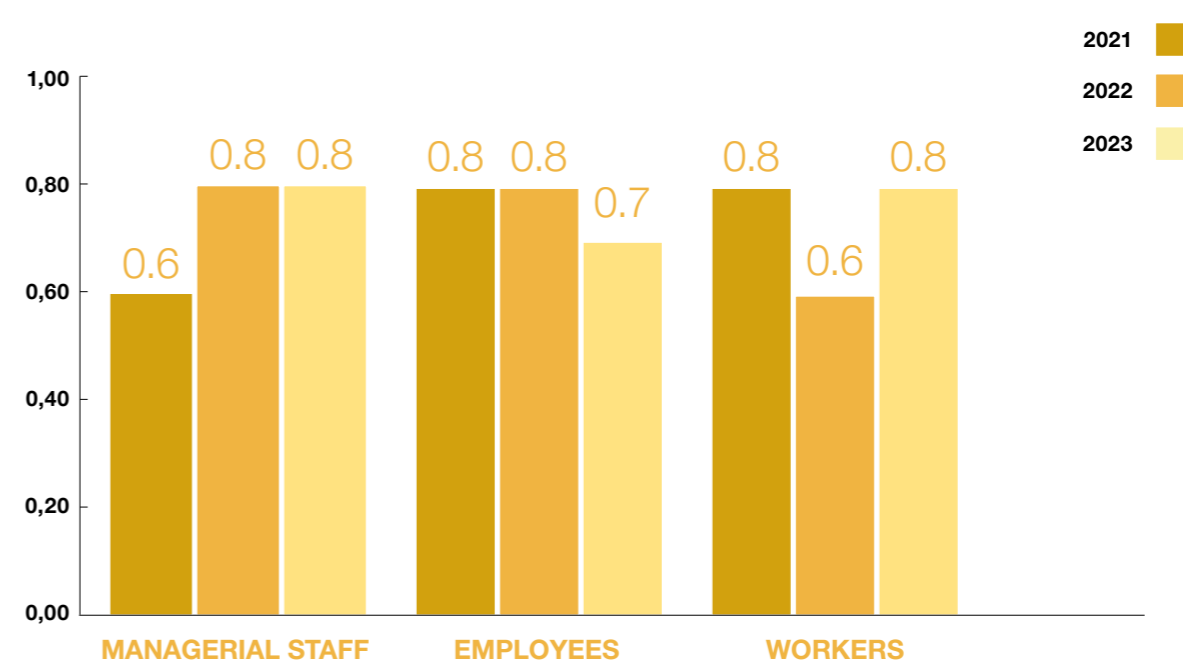
Welfare and Wellbeing

Employee welfare is an integral part of our compensation framework, dedicated to enhancing the well-being of our staff and their families. According to the national collective agreements, **at Nice HQ, we offer a comprehensive suite of benefits, accessible through a dedicated portal that allows employees to tailor their benefits package to suit their individual needs.** These benefits range from gift cards for leading e-commerce platforms and fuel vouchers to discounted rates for daycare, car maintenance, and travel agency services.

Additionally, we continue to prioritize the health of our employees by offering a variety of supplementary healthcare solutions. Our packages include comprehensive insurance coverage against death, disability, illness, and both occupational and non-occupational accidents for executives and managers. According to the specific categories, we also provide extensive non-occupational accident insurance, life insurance and additional healthcare benefits such as coverage for hospitalization, diagnostic tests, specialist consultations, maternity care, preventive care, and dental services.

Moreover, all HQ staff have access to our on-site gym; this facility is available for a nominal monthly fee and includes access to a professional trainer, promoting regular physical activity as a cornerstone of health. In 2023, we have further enhanced workplace ergonomics by implementing new equipment, such as elevators for tray transport to minimize bending and physical strain for our operators.

In 2023, to further support our team, **Nice introduced strategic training sessions designed to increase resilience and foster a safety-conscious culture within the company**. These initiatives are part of our ongoing commitment to the physical and psychological well-being of our employees, recognizing the significant role work plays in their lives.

To address workplace stress, which remains a major challenge to psychophysical well-being, Nice's Health, Safety, and Environment (HSE) department continues to monitor and implement initiatives aimed at mitigating work-related stress. These include the administration of periodic questionnaires to assess stress levels and ergo-postural training programs, developed in collaboration with the University of Padua, to educate our staff on maintaining optimal physical health through proper posture and ergonomics.
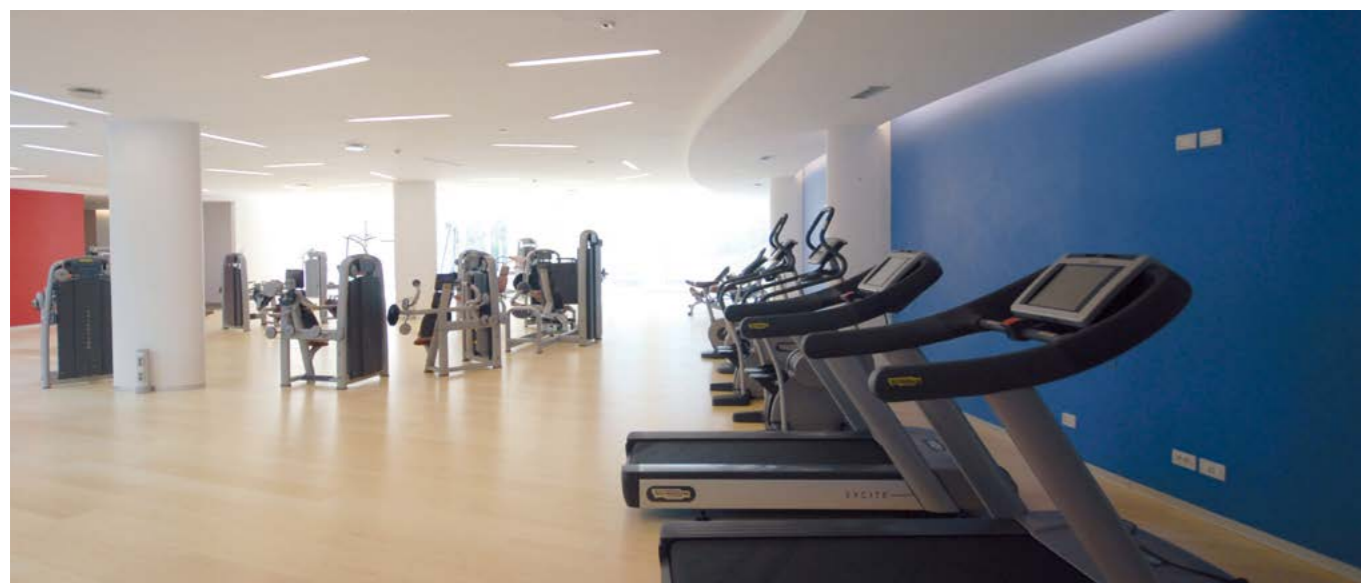
5.6

Community Engagement

In 2023, we continued our transformative journey to cultivate a thriving and supportive work environment, recognizing the critical importance of team building and employee engagement in promoting our corporate values. We understand that engaged and empowered employees are central to our sustainability efforts. To this end, we launched a variety of initiatives aimed at enhancing team dynamics and fostering a culture of collaboration. By sharing our vision, core values, and strategic objectives with our team, we strive to develop a unified workforce that is driven and aligned with our collective sustainability goals.
We prioritized addressing the needs of our diverse workforce, acknowledging that their physical, mental, and emotional well-being are deeply intertwined and essential for their overall happiness and productivity. This holistic approach is designed to enhance employee engagement and drive our collective success in sustainability initiatives.

This is Nice S.p.A.: Celebrating Women's Achievements and Fostering Inclusivity

Building on our ongoing initiatives, to celebrate the International Women's Day this year, we introduced an interactive board where colleagues posted appreciative notes for female coworkers. This activity was pivotal in promoting an inclusive culture, encouraging participation across genders and celebrating the significant achievements of our female employees, thereby enhancing awareness and supporting gender diversity.

The success of the platform and similar activities led to the establishment of the Nice Women Network—an essential resource group within our "DEI at Nice" community on Microsoft Teams. This network, including the newly formed sub-channel, serves as a vibrant space for our female colleagues to connect, share experiences, and support each other. The Nice Women Network organizes various events, support programs, and professional development workshops tailored to the unique challenges faced by women in the technology sector.

We are delighted to report that these efforts have produced measurable improvements in our workplace environment.

Nice SUPPORTS unicef

UNICEF does not endorse any brand, product or service

Earth Hour

Our commitment to WWF's Earth Hour has evolved significantly over the past five years, becoming a cornerstone of our environmental strategy. This year, we have expanded our involvement by extending the symbolic lights-off event to encompass the entire weekend at our headquarters and the Nice Innovation Center in Shenzhen. This not only symbolizes our commitment to energy conservation but also mobilizes our staff and stakeholders to adopt more sustainable practices in their daily lives.

Fostering Environmental Stewardship through Experiential Learning

In our commitment to environmental sustainability, we hosted an immersive team building event focused on environmental stewardship. In partnership with Legambiente and Apecalica, we engaged in river clean-up efforts, citizen science activities, traditional games, and sustainable plant-based dining. This hands-on experience deepened our understanding of the local ecosystem, fostered team bonding, and underscored the importance of preserving cultural heritage and embracing sustainable practices. By taking concrete actions, we aim to inspire our entire organization to prioritize environmental sustainability as a core value, contributing to a greener future.

Nice Goes Pink for Women's Health Awareness

In October, we launched the "Nice Thinks Pink" campaign to raise awareness and support women's health, particularly in the fight against breast cancer. Our branches:
• Organized breast cancer awareness runs and events **(Nice France)**
• Created a pink-themed environment with educational messaging **(Nice Brasil)**
• Distributed free apples and hosted events with local associations **(Nice HQ)**
• Employees posed in pink to show solidarity **(Nice North America)**

Additionally, we highlighted the critical work of **our partner UNICEF** in protecting maternal and newborn health worldwide. Through this campaign, we encouraged employees to prioritize preventive health checkups, utilize insurance benefits, and stay inspired by sharing impactful initiatives. With this initiative, we stressed our commitment to foster a culture of prevention and make a positive impact on women's health globally.

Play Nice: Fun Competition Engages Employees in Giving Back

Nice and UNICEF joined forces to launch Play Nice, an innovative internal charity campaign designed to spread positivity and support UNICEF's global efforts to make the world a better place. The campaign revolved around an exciting race where employees earned points by engaging with content on the company's intranet, The Daily Wonder.

The mechanics of the game were simple yet engaging. Nice employees were divided into three teams - Blue, Yellow, and Red - representing different branches and regions. As they accessed and interacted with content on The Daily Wonder, counters tracked their progress towards predetermined thresholds for access percentages and total actions such as likes and comments.

Whenever a new threshold was reached on these counters, Nice made a charitable donation to UNICEF. This mechanic incentivized employees to stay actively engaged, as their participation directly contributed to supporting UNICEF's noble causes.

The campaign didn't just focus on global impact; it also celebrated local communities. The winning Yellow Team, comprising Nice HQ and Italy, FIBARO, Nice South Africa, Nice España, Nice Australia, Nice UK, and Nice Istanbul, earned the privilege of proposing a list of local emergencies and charities dear to their hearts. Nice will then select one charity per branch from this list and donate funds to support their vital work.

Nice Sparks Conversations on Hygge Through TEDx Event

On February 25th, Nice HQ's social hub, TheNicePlace, hosted a TEDx event in collaboration with TEDxPadova. Titled "Hygge, technology that warms the soul," the event aimed to explore the Danish concept of hygge, which promotes lasting happiness, peace, and well-being through simple pleasures. With over 300 attendees, outstanding speakers shared their perspectives on aligning technology with the hygge philosophy, fostering a fulfilling and sustainable lifestyle.

The event reinforced Nice's mission to create a Nicer world by simplifying everyday life and transforming homes into serene havens. By sparking dialogues and encouraging the exchange of innovative ideas, Nice hopes to shape the future of how we live, particularly resonating with younger generations.

5.7
We support all our People: Ethical Supply Chain Management

SUPPLY CHAIN FLOW

| Suppliers purchase raw materials and produce or assemble semi-finished products that they deliver to our warehouse. | The warehouse distributes the goods to manufacturing or R&D, depending on their intended use (samples or mass production). | Manufacture of finished products. | Finished products are sold and installed at the end customer's premises through our network of distributors and installers. |

At Nice, 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. 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 molding, 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 recognized as industry leaders in their respective fields. 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.

Our main focus is on optimizing all processes throughout the entire supply chain to improve the overall performance and efficiency. We strive for long-term relationships with suppliers, working together on world-class manufacturing and process improvement initiatives. Most of our expenditure is based on advanced technologies, and our aim is to cooperate with best-in-class suppliers.

Supplier ESG Evaluations and Vendor Rating System

Concerning upstream business relationships, starting from 2022, Nice has implemented ESG supplier evaluations through the Quality questionnaire within the Vendor Rating system. In 2023, the initial six environmental questions were supplemented with four additional questions probing the supplier's stance on working conditions, non-discrimination policies, and adoption of an ethical code.
Sustainability-related questions are structured under following topics:
• ESG initiatives
• Non-financial reporting
• LCA
• Carbon Footprint
• Renewable energy
• Working conditions
• Non-discrimination policies
• Ethical code presence

In line with our goal we refined the Vendor Rating system. We introduced a new corporate figure, the SQ&D (Supplier Quality and Development), responsible for:
• Enhancing supplier selection focusing on quality and sustainability,
• Reinforcing and expanding Quality Agreements with suppliers to minimize disputes.

Structure of assessment questionnaire

Generic sections	Section Details
Section 1 **Company profile**	Company size, organisational structure, medium-/ long-term goals, technologies available and workload.
Section 2 **Questions regarding cooperation**	Data-transfer systems, knowledge of Nice quality policy, potential future development of collaboration.
Section 3 **Questions regarding products and processes**	Research and development, product liability, FMEA (Failure Mode and Effect Analysis) method, communication with customers, product development and approval, quality management, supplier assessment procedures, supply traceability, delivery management, cleaning management, personnel training and qualification plans, maintenance plans and production process monitoring.
Section 4 **Questions regarding products and processes - Workplace safety**	Risk assessment - workplace health and safety management system (WHMS, OHSAS 18001 or ISO 45001) - safety organisation chart.
Section 5 **Questions regarding products and processes - Environment**	Environmental certification (ISO 14001) - waste management procedures - observance of maximum limits on hazardous substances as established by Directive 2011/65/EU
Section 6 **Questions regarding responsible business conduct - Social and Governance**	Working conditions, Non-discrimination policies, Ethical code presence

Specific sections		
Electronics	Plastic	Die-castings

2023 Supplier Performance Improvement Efforts

Building on the supplier evaluation criteria created in 2022, we placed significant emphasis on improving supplier relationships and incorporating sustainability criteria in evaluations. Specific checklists for audits were adopted to ensure comprehensive and consistent evaluation standards. We planned for the second step of the audit process to commence in 2024, including 30 complete audits and 5 self-assessments. Our objective is to reduce the number of Class C suppliers while enhancing the ratings of Class A and B suppliers through dedicated improvement activities.

Supplier class	
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

Performed audits identify improvement opportunities, which are shared with suppliers through reports. Follow-up audits evaluate the implementation of these improvements. Supplier performance is monitored using a comprehensive vendor rating system. In 2024, a new Purchasing department role will focus on supplier quality and development, supporting the Quality Department during audits, and evaluating new and potential suppliers.

New Product Development and Supplier Engagement

In 2023, according to the new product development procedure, the Quality Department started verifying through internal audits and requests for material declarations from suppliers the implementation of functional requirements regarding material usage. This is primarily done with a view to issuing EPD certifications for new products.

Human Rights Framework

Elimination of Child and Forced Labour, Even for Suppliers

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced labor, and human trafficking. At Nice, we have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships. We invest in and enforce effective systems and controls to safeguard against adverse human rights impacts and ensure that modern slavery does not occur in our business or supply chains.

Our Group is dedicated to transparency in our operations and our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all our contractors, suppliers, and business partners. For instance, Nice Group South Africa audits all local suppliers to ensure compliance with legislated labor requirements, particularly concerning child labor. We will not conduct business with any supplier that fails to meet these standards.

Considering only the manufacturing companies, in 2023 there were no specific activities and/ or suppliers deemed to be at significant risk of child and forced labor incidents.

Compliance and Ethical Standards

We adhere to the commitments outlined in our 231 Org. Model and Ethical Code, as specified in the related sections of Legislative Decree No. 231-2001. Our commitments include compliance with human rights, as detailed in our ethical code, which encompasses the right to life, liberty, security of person, non-discrimination, freedom from slavery or servitude, and childhood protection.

Human Rights Due Diligence (HRDD) and EU CSRD Compliance

In line with the Human Rights Due Diligence (HRDD) requirements of the EU Corporate Sustainability Reporting Directive (CSRD), we are committed to perform rigorous human rights assessments across our operations and supply chains in our Financial Year 2025. This includes ongoing audits and evaluations to ensure compliance with both local and international human rights standards. Our dedication to HRDD reflects our broader commitment to corporate sustainability and ethical business practices.

Nice*Love***Earth**

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."

5
EPD-CERTIFIED
PRODUCTS IN 2023

+5%
R&D INVESTMENTS
COMPARED TO 2022

856
INTELLECTUAL
PROPERTY RIGHTS

99%
EMISSION GENERATED
BY PRODUCTS

ENERGY CONSUMPTION OF THE PRODUCT

2030 GOALS:

• Reduce energy consumption during the product stand-by and use phases, to be applied to the new and existing products

PRODUCT CERTIFICATIONS

2030 GOALS:

• EPD certification of all new product lines (according to market relevance)

ECO-DESIGN AND CIRCULAR ECONOMY

2025 GOALS:

• Partnerships with research institutions and universities for research and development on reduced environmental impact materials and technologies

2030 GOALS:

• Adoption of biobased materials, in selected projects

• Extensive use of recycled plastic

• 100% low environmental impact packaging (recycled paper and cardboard, zero plastic, natural ink, digital instruction)

6.1

Overview of Our Sustainable Products

In a world where environmental sustainability is increasingly at the forefront of product development strategies, our commitment to green design stands as a cornerstone of our business ethos. Our innovative product designs are integral to our approach to sustainability, with each product reflecting our profound commitment to environmental responsibility and improving the quality of people's lives.

Our solutions

We leverage advancements in technology and environmental awareness to offer a variety of smart home solutions.
These solutions create a harmonious ecosystem that improves your standard of living while minimising environmental impact. Building on the success of millions of homes enhanced since 2016, our 2023 solutions continue to prioritise energy efficiency throughout the product life cycle, from design to deployment.
This focus not only improves individual comfort but contributes to a wider reduction in global energy consumption.

By prioritising sustainable practices throughout our operations, we aim to make a lasting positive impact on the environment, ensuring smarter homes for a greener future.

RESIDENTIAL SOLUTIONS:

- **GATE & BARRIER CONTROL**
- **GARAGE DOOR CONTROL**
- **INTERCOM, ACCESS CONTROL, INTERCOM, ALSO IN PROXIMITY OF THE HOUSE**
- **LIGHTS AND OTHER ELECTRICAL LOADS CONTROL**
- **AWNINGS AND PERGOLAS CONTROL**
- **BLINDS AND SHUTTERS CONTROL**
- **INTEGRATED ALARM AND CONTROL SYSTEM**
- **HVAC CONTROL**
- **A/V CONTROL HEALTH & WELLNESS**

COMMERCIAL SOLUTIONS:

- **GATE & BARRIER CONTROL**
- **LIGHTS AND OTHER ELECTRICAL LOADS CONTROL**
- **SUN SHADES CONTROL**
- **A/V CONTROL**
- **ACCESS CONTROLS**

INDUSTRIAL SOLUTIONS:

- **ACCESS CONTROL**
- **GARAGE DOOR CONTROL**
- **GATE & BARRIER CONTROL**
- **PERIMETER SECURITY HOSTILE VEHICLE MITIGATION SOLUTION**
- **SUN SHADES CONTROL**

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.

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

100 mln

Transmitters
Practical and functional solutions to manage Nice automation systems.

31 mln

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

14 mln

Gates, Doors & Barriers
Solutions to easily and safely open and close the automation systems.

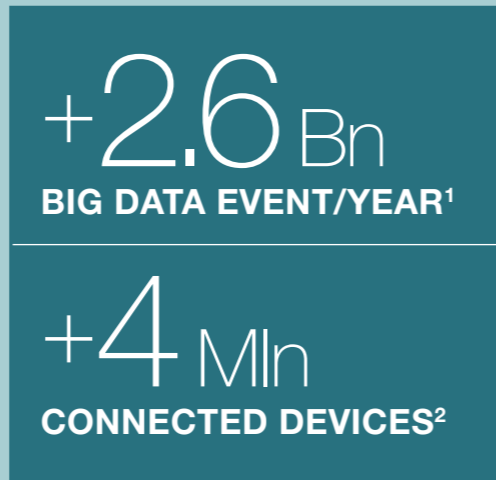**8.5** mln

Security Panels
Devices to monitor and control security features in the buildings.

1.7 mln

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

250 k

+2.6 Bn
BIG DATA EVENT/YEAR[1]

+4 Mln
CONNECTED DEVICES[2]

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

6.2
Advancing eco-friendly design and the Circular Economy

In 2023, we advanced our sustainability agenda, embedding the Eco-design approach, introduced in 2022, into formal company procedures, especially influencing design and development activities.

This methodology is now a cornerstone across all global business units, demonstrating our commitment to environmental stewardship and sustainability at every operational level. A significant focus for Nice this year has been the management of Supply Chain and Materials. The company mandated the use of 100% recycled paper and eliminated plastics from its packaging solutions, aligning operations with broader environmental goals. Additionally, in the design phase, a requirement for products to incorporate recycled plastics has been implemented. This directive underscores our dedication to reduce the environmental impact of our products and enhance sustainability in our product lines.

Simultaneously, the Environmental Product Declaration (EPD) has played a pivotal role. At Nice we ensure all product components meet environmental standards before market release. This proactive approach is designed not only to minimise ecological impacts but also to ensure compliance with international sustainability standards, reflecting a deep integration of environmental considerations into product development.

Further integrating sustainability into our operations, we have rigorously applied Life-cycle Assessment (LCA) to our product development strategy. The company has conducted detailed LCAs for various products to assess and mitigate environmental impacts throughout their lifecycle. These assessments inform the design team, which participates in dedicated sustainability training, enabling them to incorporate eco-friendly materials and processes from the conceptual phase through to production. The LCA results now underpin design decisions, ensuring each product adheres to high sustainability benchmarks.

Through these interconnected strategies, we fortify our commitment to sustainable practices. By weaving environmental considerations into our operational and design philosophies, not only do we enhance our competitiveness in the green economy but we also align ourselves with global sustainability targets and meet consumer expectations for environmentally responsible products. This comprehensive approach ensures continuity, coherence, and integration of sustainability into every aspect of the company's operations.

Nice Green Innovation in 2023

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.

Product Materials
To reduce reliance on virgin materials and minimise the generation of plastic waste, we use exclusively recycled plastic.

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.

In 2023, at Nice we continued our unwavering commitment to **research and development (R&D)** with a focus on **innovation** that extends beyond new products. Recognizing the crucial role of sustainability, our vision is to redefine how we produce and what we produce for the benefit of our planet.

Building upon this foundation of rigorous **testing and cutting-edge tools**, our commitment to sustainability extended into the prototyping stage in 2023. This ensures the highest standards of technology, quality, and sustainability are embedded within our prototypes. Since the launch of our ESG Program in 2021, we've conducted in-depth analyses that not only guarantee product functionality and regulatory compliance but also prioritise environmental impact reduction. This ongoing process allows us to continuously improve product performance while aligning with the industry's highest standards and our own sustainability goals. Reflecting this commitment, a significant portion of our generated value is continuously reinvested into R&D. This reinvestment fuels advancements not just in technical aspects and functionality but also in the exploration and integration of sustainable solutions, ensuring our offerings meet the evolving needs of our customers and our planet.

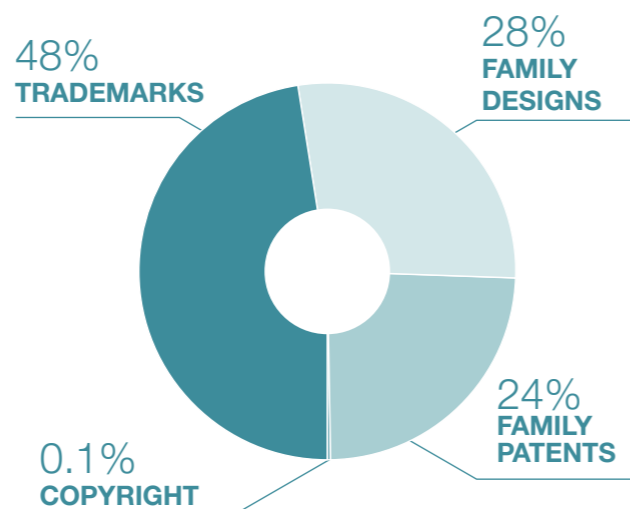### INVESTMENTS IN RESEARCH AND DEVELOPMENT

37.1mln
2023

35.5 mln
2022

INTELLECTUAL PROPERTY RIGHTS

856
GRANTED

49
PENDING

2
OPPOSED

907
TOTAL

INTELLECTUAL PROPERTY TYPE / PERCENTAGE

48% TRADEMARKS

28% FAMILY DESIGNS

24% FAMILY PATENTS

0.1% COPYRIGHT

To maintain our competitive edge, our strategy revolves around investing in research and development while safeguarding our intellectual property through various tools. As of 2023, we have successfully filed approximately 907 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 18,800 illicit sales, primarily occurring in marketplaces located in China, Poland and France.

This is Nice: Open Innovation for Sustainability

To evolve Nice's offering toward a more sustainable approach, we designed our Open Innovation Program with two different focal points:

Internal focus: A series of collaborative sessions involving the Nice People and partners like consultants and students, to design new sustainable solutions;

External focus: we scouted the market to identify innovative startups and suppliers that could increase the sustainability of Nice's solutions.

1) Collaborative sessions to stimulate intrapreneurship and generate innovative ideas:
The Innovation team involved the Nice People in a series of collaborative sessions where, through design thinking and lean startup methodologies, they stimulated the spark of new innovative ideas. In particular, they established vertically specialized think tanks to collaboratively ideate and design innovative solutions to increase the sustainability of Nice's offerings. The main projects we came up with were related to eco-design, renewable energy-powered solutions, and refurbished products. The last one passed the evaluation of the dedicated steering committee and is now under analysis by an inter-departmental team.

2) Market scouting to identify innovative startups and suppliers
In collaboration with external consultants, we ran a two-months market scouting to identify innovative players that could support Nice in replacing the traditional materials used in our solutions.

The project followed these steps:
- Brief definition: define the research briefs and the key technical requirements the new materials should have had;
- Scouting and deep-dive: identify startups and companies in line with the defined brief.
- Pitch day: the selected companies were invited to the Nice HQ to present their solution to Nice's management. At the end of the event, the best startups were selected to run a Proof of Concept (PoC);
- PoC: the selected startups, worked closely with the Nice team to develop a test solution for Nice's offering. PoCs are currently underway, testing the first gear motor case made by biobased material.

Thanks to our commitment to building a more sustainable future for the company and our industry through innovative approaches, we were able to generate a positive impact through collaboration with highly innovative players and the stimulation of intrapreneurship to generate new internal strategic solutions.

6.3
Fostering Research, Innovation, and Excellence

Hearing a Nice Voice:
Innovation & Pioneering Cutting-Edge Solutions

❝ **Innovation is not just about bringing new products to the market but about redefining how we produce and what we produce to benefit our planet.**❞

"As the Innovation Manager at Nice, my role extends beyond traditional product development to embrace a profound commitment to innovation and sustainability. We are particularly proud of our projects focusing on the adoption of circular economy principles and the exploration of sustainable materials such as those derived from rice husk waste. These initiatives not only minimise our environmental impact but also integrate seamlessly with our core operations.

Our journey toward incorporating these innovative solutions is driven by the desire to challenge and change the conventional production lifecycle. Collaborating externally has allowed us to push the boundaries of what can be achieved, enhancing our products' sustainability without sacrificing quality.

This shift is part of a larger strategy to weave sustainability into the very fabric of what we do at Nice. It requires a persistent dedication to creativity and improvement. Through these focused efforts, we are ensuring that our innovative practices contribute positively and substantially to our environmental goals, truly making a difference in our impact on the world."

Manuel Torossi
Innovation Manager

6.4
World Class Company: ensuring Quality and Safety

Our sustainable products are intricately woven into the fabric of our operational strategies, spearheaded by the pioneering efforts in World Class Engineering and World Class Manufacturing. These programs are crucial to our ethos of integrating sustainability from the ground up, ensuring every product developed and every process optimised contributes to a more sustainable future.

In 2023, our commitment to Operational Excellence advanced significantly, driven by the rigorous continuous implementation of our **World Class Engineering (WCE) and Manufacturing (WCM) programs.**

World Class Manufacturing (WCM):
our Operational Excellence Program applied to operations focused process, which aims to create processes free of defects, waste and accidents.
World Class Engineering (WCE):
our Operational Excellence Program applied to new product development processes, 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.

These initiatives are integral to our strategy of embedding sustainability deeply within our operations, ensuring that our products and processes uphold the highest standards of environmental and social responsibility. In 2023, we achieved our goals and successfully defined methods and developed best practices in Nice headquarters. We will expand these to other group companies in subsequent years.

The expansion of our factory layouts and the streamlining of production lines under the WCM program have been transformative. Innovations such as the introduction of ergonomic 'Golden Zones' in our production areas have not only optimised workflow but also significantly enhanced the safety and efficiency of our work environments. These adjustments are a testament to our dedication to minimising environmental impact and improving employee welfare—critical aspects of our sustainability goals.

The past year also saw substantial progress in our WCE efforts, focusing on product life-cycle management and eco-design. This approach has allowed us to reduce waste and improve resource efficiency significantly. As a result, we have seen a marked enhancement in both the sustainability and performance of our products.

As we continue to drive forward our vision for a sustainable future, our operational strategies remain firmly aligned with our long-term sustainability goals. By integrating innovative practices and technologies, we are not only advancing our environmental agenda but are also setting new benchmarks for operational excellence in the industry.
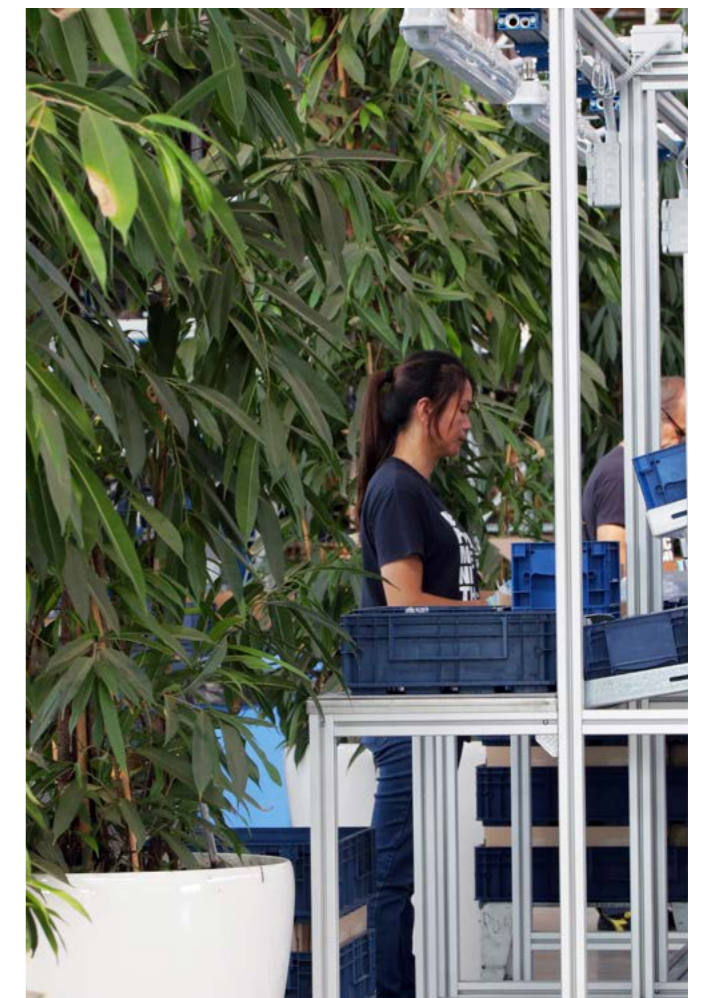
6.5
Transparent and responsible communication with consumers

Product labelling

Legal requirements

All product regulations mandate markings that include at least some functional and performance specifications, which may vary based on the specific product. This information is presented on a label that is designed to be permanently affixed, or directly imprinted onto the product surface via pad, screen, or laser printing methods. Typically required information encompasses:
- Manufacturer (complete postal address);
- Product identifier (model number);
- Manufacturing date or batch number;
- Operating voltage;
- Energy consumption;
- Operational temperature range;
- Performance specifications (e.g., speed, torque, force).

Furthermore, obligatory symbols and logos such as the CE marking (required for sales within the European Union), various certification logos, and symbols indicating product disposal methods, are also essential on both the product packaging and within its documentation, such as user manuals.

Declaration of Conformity

Regulatory framework

At Nice we remain committed to full regulatory compliance. Our Declaration of Conformity documents continue to be readily available for all our products, ensuring transparency and compliance with the latest directives. These declarations detail the applicable regulations and standards our products meet. They can be easily accessed on our website. ↗

Compliance with European directives.
The majority of our products require electricity to operate. Therefore, to be marketed in Europe, one of our primary target markets, they must comply with several specific directives:

- **2006/42/EC** (Machinery) The "Machinery" Directive pertains to the safety of machines.
- **2006/95/EC (LVD)** The "Low Voltage" Directive covers health and safety risks arising from the use of electrical equipment.
- **2014/30/EU (EMC)** The "EMC" Directive is related to electromagnetic compatibility among various electrical devices.
- **2014/53/EU (RED)** The "Radio" Directive applies to products that intentionally emit or receive radio waves.
- **1907/2006/EC (REACH)** The regulation defines the assessment, registration, and authorization for the production of chemicals considered very hazardous to health and the environment.
- **2011/65/EU (RoHS 2)** The RoHS Directive prohibits the use of certain particularly hazardous substances in electrical and electronic equipment.
- **2012/19/EU (WEEE)** The Directive concerns waste from electrical and electronic equipment.
- **2023/826/EU (Standby)** The Regulation aims to reduce the consumption of electrical devices by setting limits for Standby and Off modes.

The purpose of these Directives is to establish minimum requirements to ensure adequate safety in use and subsequently in the disposal of the product; for example:
- Against mechanical hazards (crushing, impact, cutting, high temperatures, falling parts, etc.).
- Against risks of an electrical nature (electrocution of people, fire, explosion, etc.).
- So that devices do not disturb the operation of other devices and that they are adequately immune from interference from others.
- So that Radio devices do not disturb the operation of other Radio devices; specifically in the operating frequency.
- Against the dispersion into the environment of substances considered hazardous.
- So that the manufacturer encourages the reuse or recycling of products or contributes to financing the disposal costs of end-of-life products.
- And finally, to reduce the waste of electrical energy by setting limits on consumption when the equipment is connected but not performing any function.

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.

Finally, the installer also provides suggestions and ideas for improvement.

By increasing its technological capacity, Nice aims at providing a higher quality of information to the installer, which translates into a better understanding of the product by the latter, and thus in better suggestions and relationship with the end users. The key actions are related to simplifying and amplify the adoption of the CRM in daily activities, and enriching it with additional technological tools to maximize the commercial opportunities and to predict and prevent market-related issues.

Nice "Customer Service" is still 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. Nice is implementing procedures to keep account of clients and installers request histories to facilitate their interaction with "Customer Service" and guarantee timely and effective solutions of possible future problems.
The importance of these professional figures is also highlighted by the Nice's commitment to actively collaborate with installers and empower them to expand and better manage their client range, as well as better predict their clients' needs.

This is Nice: Partnering with Like Minded Businesses is Our Pathway Towards a Sustainable Future

At Nice, we are proud to collaborate with forward-thinking business partners and distributors like Elettroworld, who share our unwavering commitment to sustainability and environmental stewardship.

We understand that sustainable practices must be woven into every aspect of product development and implementation. Through the close of Nice Italia with Elettroworld, we have been able to optimize features to reduce energy consumption, effectively enhancing the functional attributes while minimizing the environmental impact of their systems.

One of the key areas of focus in our joint endeavours has been maximizing efficiency and minimizing waste, thanks to the adoption of Nice solutions We have worked hand-in-hand to develop innovative solutions that integrate excess electricity generated from photovoltaic installations into heating solutions, rather than selling it back to the grid. This approach not only aligns with our sustainability goals but also provides cost savings to Elettroworld's customers, creating a win-win scenario for both the environment and the end-users.

Furthermore, we have been actively involved in renovation projects, updating them with Nice smart and energy-efficient technologies. By breathing new life into existing infrastructure, we are collectively reducing the overall environmental impact and paving the way for a more sustainable future. Our efforts are focused on creating long-term, sustainable solutions that will benefit not only the present generation but also the generations to come.

Nice Italia belives that collaboration is the key to driving meaningful change. Our partnership with Elettroworld is a testament to the power of shared values and a common vision, where we work together to create a more sustainable and prosperous future for all.

Hearing a Nice Voice: Delivering Exceptional Service, Exceeding Client Expectations

❝

Innovation and versatility in installation are the keys to our success."

"At Elettroworld, we've been constantly innovating our approach to meet the demands of both new and existing markets. Our ability to install versatile systems that cater to energy savings and advanced monitoring, including managing thermostatic valves in homes and large photovoltaic systems, is something I take pride in. Working with Nice has allowed us to integrate smarter solutions that not only enhance the customer experience but also contribute to significant household savings."

**Cristian Bottasso,
Owner, Elettro World,
Civil and Industrial Electrical Installations**

6.6
Certified Quality

Quality, safety and sustainable product design are our key focus areas. All products must comply with applicable legal standards in their markets, while also meeting customer and end-user expectations.
↗

We duly adhere to our certified ISO 9001:2015 and ISO 14001:2015 quality and environmental management systems. During new product development, we ensure regulatory requirements are analysed thoroughly and complied with from the design phase.

REGULATORY REQUIREMENTS		
Functional requirements, i.e. compliance with the performance characteristics declared in the product marking (labelling) and instruction manuals	**Safety requirements,** i.e. the product cannot become hazardous	**Environmental requirements,** i.e. products do not contain prohibited substances, do not release hazardous substances and involve a commitment to research into low-impact technologies, considering the entire product life cycle (LCA)

In 2023 we renewed our existing certifications, further strengthened our processes to ensure compliance with the established standards. We have undertaken various projects and initiatives to standardise procedures and make key company processes streamlined at the group level.

In 2023, the **ISO 14001** certification was reaffirmed with a third-party audit, confirming the correct reconfiguration of environmental compliance management methods. The **first audit of the WCM** (World Class Manufacturing) project was also conducted, one of the focus was the Environment pillar, which achieved the first point. This pillar is dedicated to developing, implementing, and maintaining environmental safeguards with the aim of reducing environmental and energy impact.

Under the **The World Class Manufacturing (WCM)** project, specifically within the Environment pillar, resources will be allocated to reduce energy consumption and pollutants, with particular attention to waste disposal and compliance with ISO 14001 standard. The implementation of ISO 14001 and WCM standards helps maintain environmental management systems at the plant level. This involves understanding environmental regulations, preventing contamination, conserving energy and resources, and reducing waste. The correct management approach helps avoid economic and legal repercussions. Operational/management instructions have been developed for ISO 14001 standards. The consistent use of operational/standard tools such as OPL (One Point Lesson) and SOP (Standard Operating Procedures), introduced in 2022, has confirmed their value.

Our quality and environmental systems undergo third-party inspections quarterly and annually. No critical issues have been identified in the inspections as of February 2023. Furthermore, we have internal audit for the EPD process annually to verify compliance with ISO 9001 and ISO 14001 certification requirements.

If needed, product specs are updated and then approved by internal labs issuing conformity reports. Our internal labs manage CE marking and declarations of conformity to ensure products comply with relevant standards. To obtain or maintain the certifications, 3 third-party audits were conducted in 2023. For product certifications, the key departments are Product Marketing for selections/formulations, R&D from design to testing, and Operations for production process verification, coordinated by Quality.

Type of Certificate	Certificate	Description
System Certification	ISO 9001 : 2015	Quality Management System.
System Certification	ISO 14001 : 2015	Environmental Management System.
System Certification	EPD Process	Environmental Product Declarations (Product LCA Studies).
System and Product Certification (Radio)	RED	European directive establishing manufacturing standards for radio products concerning their health and safety, electromagnetic compatibility (EMC), and efficient use of the radio spectrum
Product Certification (Sun Shading Solutions)	UL	American market certification attesting to the product's compliance, evaluating it for fire risk, electrical shock, or mechanical hazards
Product Certification (Sun Shading solutions)	NF	French market certification attesting to product compliance with national, European, and international regulatory documents
Product Certification (Sun Shading solutions)	CCC	Chinese market safety mark
Product Certification (Sun Shading solutions)	CQC	Chinese market quality certification
Product Certification (Sun Shading solutions)	VDE	European market certification for electrical and medical products
Product Certification (Gate and Door)	ETL	American market certification attesting to product compliance
Product Certification (Alarm)	IMQ	European market certification related to product safety and quality
Laboratory Recognition	UL	Laboratory system certification (certified levels CTDP and CTF3)
Laboratory Recognition	Intertek	Laboratory system certification (certified level)
Laboratory Recognition	CTC Advanced	Laboratory recognition certification (for RED)
Product Certification (Various)	FCC	US market certification that sets manufacturing standards for radio products with regards to health and safety, electromagnetic compatibility (EMC) and efficient use of the radio spectrum approved by the Federal Communications Commission

Adhering to product standards and certifications offers advantages like reduced safety risks from electronics and moving parts, as well as solidifying a positive market reputation and brand continuity through marks.

Our approach to verifying and continuously enhancing product quality involves analyzing new product designs, ensuring conformity with certification criteria, and leveraging customer feedback. When customers face product issues, the Assistance Team provides support to troubleshoot and then relays those insights to Quality to aid product improvements, tracking return rates. Weekly product statistics are generated and analysed monthly.

Quality reports highlight warranty claims and out-of-box failures that negatively impact initial user experiences, such as packaging damage, complex setup procedures, or device malfunctions. These insights guide further enhancements to mitigate poor first impressions.

Road to zero defects

The "Road to Zero Defects" project, headed by the Quality department since 2022 with the participation of all other company departments and locations, displayed significant developments.

The project encompasses the entire lifecycle of the product. Starting from the product design and material sourcing stages, and up until the sale and customer support operations, various projects and control & prevention processes are adopted with the aim of eliminating waste, reducing defects, and maintaining **high-quality standards.**

The close link to Key Performance Indicators (KPIs) and Key Activity Indicators (KAIs) not only enabled the company to ensure an increasing level of product safety and reliability, but also allowed it to track its overall progress. From the launch of the project, untill the end of 2023, the company registered a **30% progress** on a group level in the roadmap towards the achievement of "zero defects".
In 2023 the focus for all the Nice plants have been on the product development process phase, in according to the project's preventive approach, emphasising proactive measures at every stage of the product life cycle, reinforcing the commitment to quality across all departments and locations.

6.7
Customer Health and Safety

Ensuring customer health and safety is the corner-stone of our operations at Nice. We are committed to delivering products with electronic components that are safe for both domestic and industrial use. This commitment permeates every phase of our product lifecycle—from design through to customer service, demonstrating our dedication to excellence and safety in all aspects.

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: • Ground continuity testing; • Dielectric strength testing.
	Functional tests: • Voltage and current usage testing; • Unlock testing; • Load and empty testing.

Each production and design activity consists of seve-ral 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 custo-mer 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 of finished products by type of defect.

Through KPI monitoring and our proactive approach to quality and safety, we have achieved remarkable results. From 2020 to 2023, we have not recorded any safety incidents among our customers, underscoring our dedication to safeguarding our customers and maintaining the highest standards of product safety and reliability throughout the product lifecycle.

This is Nice: Enabling Independent Living for Vulnerable Individuals

Through the collaboration of Nice Italia with the non-profit organization Informatici Senza Frontie-re (ISF) on the 'Una casa per amico' (A Home for a Friend) project, Nice is showcasing how Home Management Solutions can improve the quality of life for vulnerable individuals, such as the elderly and people with disabilities, allowing them to live inde-pendently.

By integrating our smart home technologies, inclu-ding voice assistants, smartphone apps, and sensor systems, we have transformed residential units into safe, secure, and intelligent living spaces. These smart homes can detect potential risks like open do-ors, water leaks, or smoke, alerting both the residen-ts and their caregivers, enabling timely intervention.

Our solutions also allow remote monitoring of energy consumption and indoor temperature, contribu-ting to energy efficiency and cost savings. The user-friendly interfaces are crucial in empowering residents to independently manage their living environments, fostering a sense of autonomy and dignity.

Bridging the Tech Gap: Nice's Capacity Building for Caregivers and Residents

Complementing our technological solutions, Nice is actively involved in providing training programs for caregivers, family members, and residents, ensu-ring effective utilization of the smart home features and promoting digital literacy among the vulnerable populations we serve.

The success of the 'Una casa per amico' pilot phase has paved the way for expanding the project to at least 15 new residential units by 2024 and further co-housing initiatives in 2025, extending the benefits of our Green Design approach to more individuals in need.

Through this project, Nice exemplifies our commit-ment to leveraging technology for social impact, creating innovative solutions that enhance the well-being and independence of vulnerable communities while contributing to a more sustainable and inclusi-ve society.

7.1

Methodological Note

This is the third Nice Sustainability Report, designed to provide a fully voluntary disclosure of relevant issues to our organization and our key stakeholders. The reporting range involves 35 companies, including the parent company, Nice S.p.A., and refers to the period 2021-2023. Holding companies and companies in liquidation in 2023 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 organization shall report information that is correct and sufficiently detailed to allow an assessment of the organization's impacts.

- **Balance:** The organization shall report information in an unbiased way and provide a fair representation of the organization's negative and positive impacts.

- **Clarity:** The organization shall present information in a way that is accessible and understandable.

- **Comparability:** The organization shall select, compile, and report information consistently to enable an analysis of changes in the organization's impacts over time and an analysis of these impacts relative to those of other organizations.

- **Completeness:** The organization shall provide sufficient information to enable an assessment of the organization's impacts during the reporting period.

- **Sustainability context:** The organization shall report information about its impacts in the wider context of sustainable development.

- **Timeliness:** The organization shall report information on a regular schedule and make it available in time for information users to make decisions.

- **Verifiability:** The organization shall gather, record, compile, and analyze 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.

For information regarding the report:
Sustainability Dept.
email: **sustainability@niceforyou.com**

Organizational Details

- Legal name, nature of ownership, and legal form: Nice S.p.A.

- Address 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 documents for sustainability reporting. This document serves to communicate a company's environmental, social, and economic sustainability performance, outcomes, and goals, adhering to globally recognized reporting standards. Nice has organized 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: Assessment of a level of responsibility/dependence and power/influence to all stakeholders based on relationships with Nice.
3. Positioning: Defining a priority for stakeholders according to the values assigned in phase 2 as an indicator of their strategic nature.
4. Engagement: Determination of the most appropriate engagement methods for each stakeholder category.

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 analyzed and aggregated to compile and publish Nice's Sustainability Report 2023.

The disclosure of information under the Global Reporting Initiative (GRI) Standards is managed differently across sectors. Centralized management of data, predominantly overseen by Nice S.p.A., incorporates several GRI categories. This includes General Disclosures (GRI 2)(excluding specifics GRI 2-30, 2-7, 2-8), Material Topics (GRI 3), Economic Performance (GRI 201), Benefits given to employees (GRI 401-2), Supplier Social Assessment (GRI 414), Customer Health and Safety (GRI 416), Marketing and Labeling (GRI 417 and Emissions, Materials (GRI 301).

Manufacturing companies specifically reported on Waste (GRI 306), Water and Effluents (GRI 303), Social Information on Occupational Health and Safety (GRI 403), Training (GRI 404), Diversity and Equal Opportu-

nity (GRI 405), and Child and Forced Labor (GRI 408 and 409).

For the year 2023, estimations have been made on Scope 3 categories (GRI 305-3) following the requirements of the Greenhouse Gas (GHG) Protocol. These estimations covered in particular; S3.4_Upstream transports, S3.6_Business Travel, and S3.7_Employee commuting, and involved the following companies; Nice UK, SAAC, Vidue Spain, AFCA-V2 SAS, V2 Maroc, and V2 Tunisie.

For the remaining GRI Standards, information and data were collected by all companies, including commercial ones.

The following Material Topics (GRI 3) were addressed:

- Product and system certifications
- Anti-corruption
- Materials
- Energy
- Water
- Emissions
- Occupational Health and Safety
- Training and education
- Diversity and equal opportunity
- Non-discrimination
- Child labor
- Forced or compulsory labor
- Supplier social assessment
- Customer Health and Safety
- Marketing and labeling
- Customer Privacy

Nice Additions to this year's Sustainability Report

In line with the Human Rights Due Diligence (HRDD) requirements of the EU Corporate Sustainability Reporting Directive (CSRD), we are committed to performing rigorous human rights assessments across our operations and supply chains in our Financial Year 2025. This includes ongoing audits and evaluations to ensure compliance with both local and international human rights standards, reflecting our broader commitment to corporate sustainability and ethical business practices.

In 2022, we integrated the material themes identified by our stakeholders with the European Financial Reporting Advisory Group (EFRAG) themes. Building on this foundation, in 2023, we initiated a double materiality assessment in accordance with the European Sustainability Reporting Standards (ESRS). This assessment involves an in-depth stakeholder engagement process aimed at evaluating both the financial impact of sustainability issues on our business and the impact of our business on sustainability issues. Our updated material topics will be published in the 2024 Sustainability Report.

Furthermore, we are dedicated to achieving full compliance with the CSRD by the time we publish our 2026 Sustainability Report.

To provide a richer and more authentic perspective, we have incorporated testimonials from key internal stakeholders, enhancing both the qualitative and quantitative data collected. These testimonials capture the genuine voices and insights from within Nice, reflecting our commitment to transparency and accountability. By sharing these personal and professional experiences, we aim to present a more comprehensive and relatable narrative of our sustainability journey, resonating more deeply with our stakeholders and reinforcing our dedication to ethical business practices and corporate sustainability.

Restatements of Information

In this reporting period, we have made several restatements to data from previous years to enhance accuracy and comparability. These restatements are primarily due to the implementation of improved measurement methodologies, adjustments in data collection processes, and correction of previously identified errors. Specifically, the changes include:

Unit of Measurements: In this reporting period, we have changed the unit of measurement for our environmental data from megajoules (MJ) to gigajoules (GJ). This change has been made to align with industry best practices and enhance the clarity and comparability of our energy consumption data.

The conversion from MJ to GJ has been applied retroactively to previous years' data to ensure comparability. Specifically, 1 GJ equals 1,000 MJ. The updated figures are provided in the relevant sections of this report, with detailed tables illustrating the recalibrated data. This methodological enhancement underscores our commitment to transparency and the continuous improvement of our sustainability reporting practices.

GRI 300 Series: We adopted a more precise method for measuring environmental data, particularly for GHG emissions and Energy Consumption, resulting in a restatement of data for 2021 and 2022. The same goes for waste-related disclosures. We have reviewed the classification of certain waste streams and revised the data for 2021 and 2022.

These restatements are significant as they affect our overall sustainability performance metrics and provide stakeholders with a clearer and more accurate representation of our environmental impact. The detailed effects of these restatements are outlined in the relevant sections of this report. Our commitment to transparency and continuous improvement drives these updates, ensuring that our sustainability reporting remains robust and reliable.

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

The updates made for the 2023 report demonstrate our ongoing commitment to transparency, ethical standards, and proactive engagement with all stakeholders to ensure sustainable and responsible business practices.
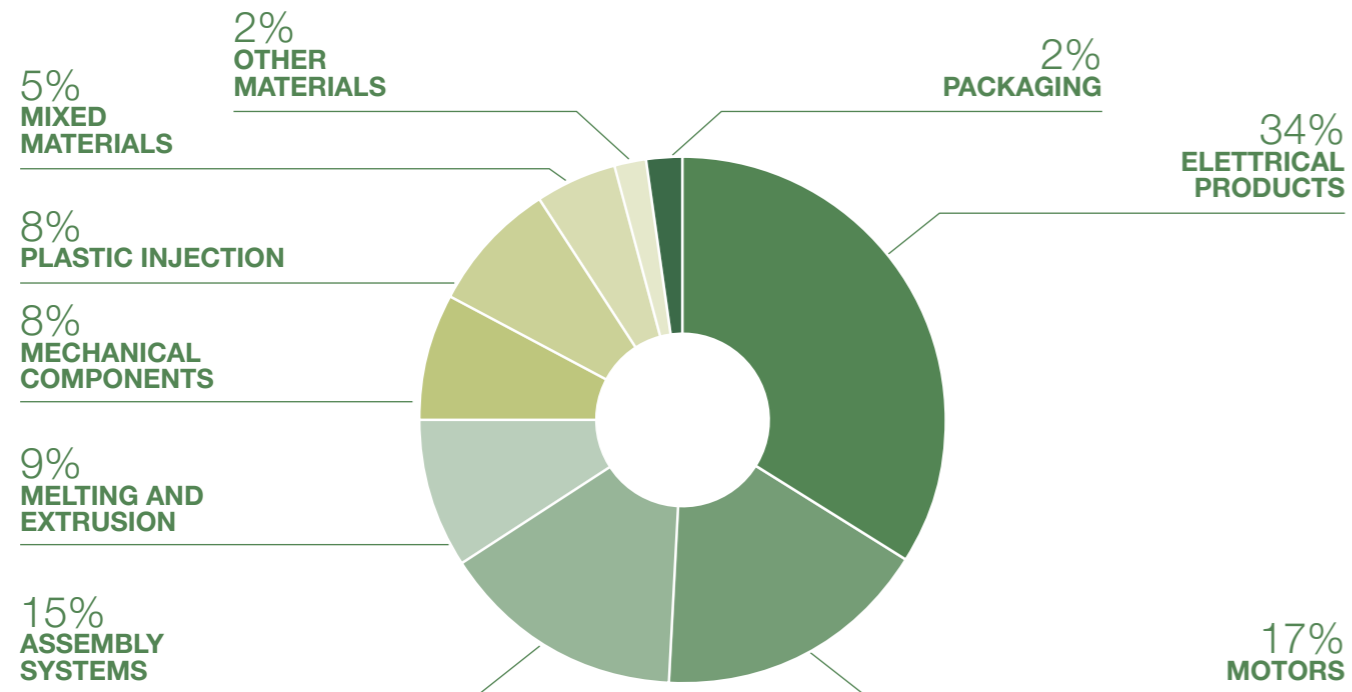
In our next report, we will update this table to reflect the outcomes of our double materiality assessment (DMA) process. This will include detailed feedback and insights gathered from stakeholder surveys and questionnaires, ensuring our communication channels and methods are fully aligned with both the financial materiality (outside-in) and impact materiality (inside-out) perspectives.
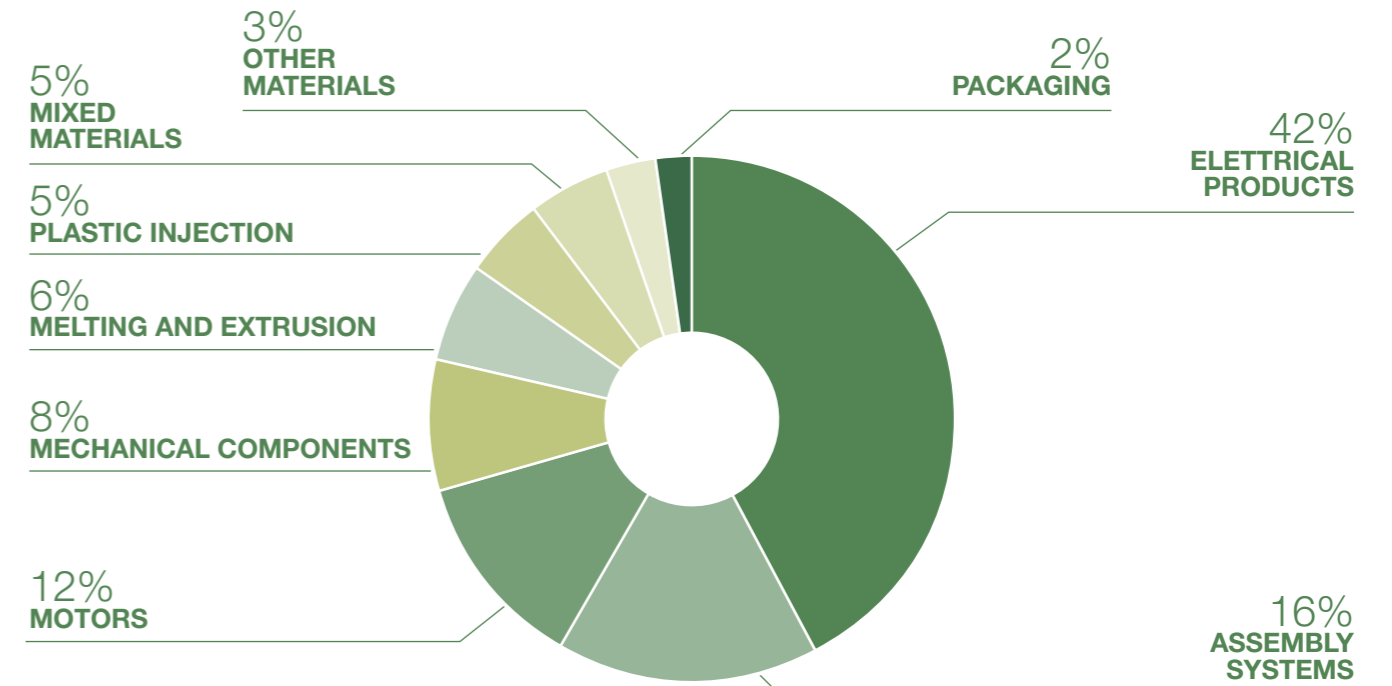
8.1

Appendix

The Nice Group's information for 2021, 2022 and 2023, which is not covered in the chapters is expanded below. used international reference for sustainability reporting.
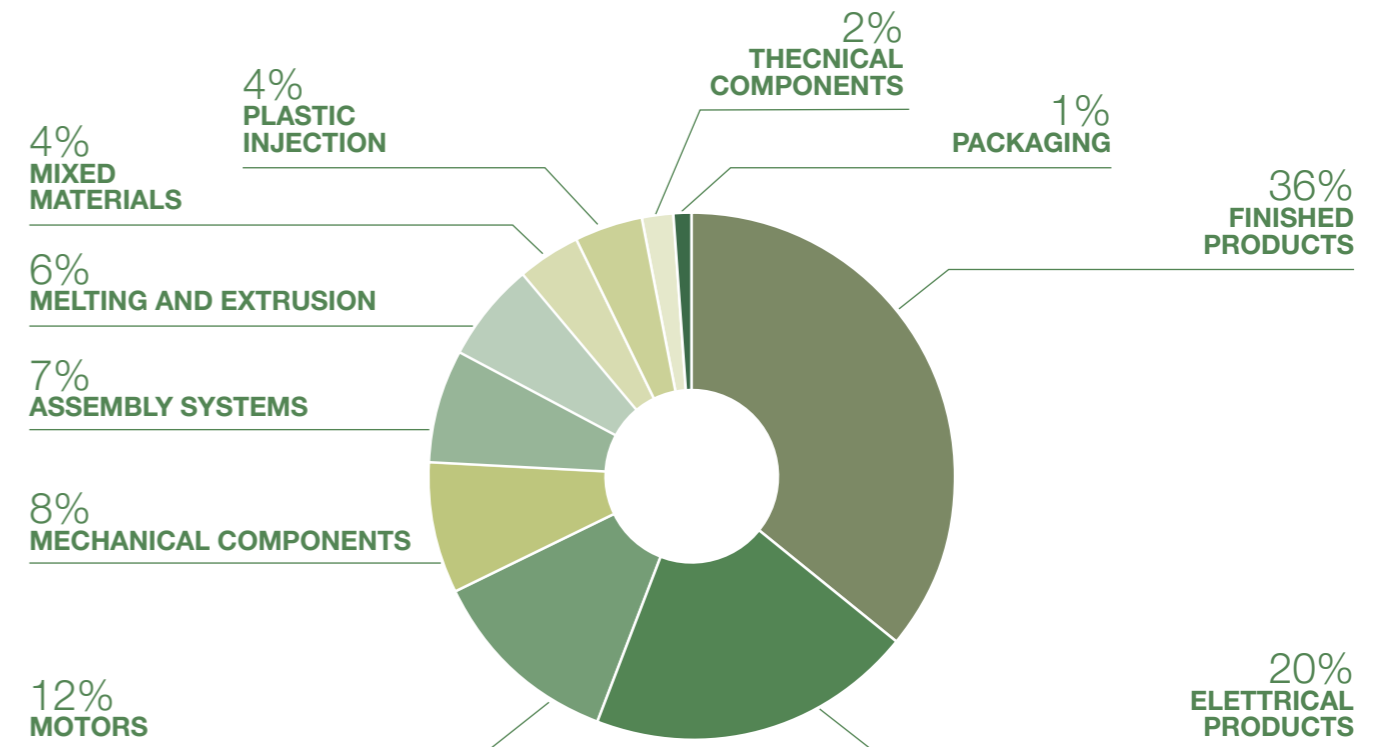
GRI 301
Materials

MATERIAL PURCHASES BY TYPE 2022

3%
OTHER MATERIALS

2%
PACKAGING

5%
MIXED MATERIALS

42%
ELETTRICAL PRODUCTS

5%
PLASTIC INJECTION

6%
MELTING AND EXTRUSION

8%
MECHANICAL COMPONENTS

12%
MOTORS

16%
ASSEMBLY SYSTEMS

MATERIAL PURCHASES BY TYPE 2021

2%
OTHER MATERIALS

2%
PACKAGING

5%
MIXED MATERIALS

34%
ELETTRICAL PRODUCTS

8%
PLASTIC INJECTION

8%
MECHANICAL COMPONENTS

9%
MELTING AND EXTRUSION

15%
ASSEMBLY SYSTEMS

17%
MOTORS

MATERIAL PURCHASES BY TYPE 2023

4%
PLASTIC INJECTION

2%
THECNICAL COMPONENTS

1%
PACKAGING

4%
MIXED MATERIALS

36%
FINISHED PRODUCTS

6%
MELTING AND EXTRUSION

7%
ASSEMBLY SYSTEMS

8%
MECHANICAL COMPONENTS

12%
MOTORS

20%
ELETTRICAL PRODUCTS

GRI 302-1
Energy consumption within the organisation

ENERGY CONSUMPTION BY SOURCE 2021
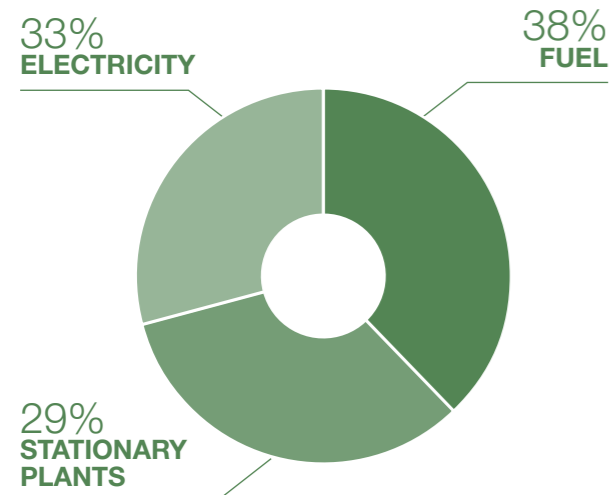
33% ELECTRICITY

38% FUEL

29% STATIONARY PLANTS

ENERGY CONSUMPTION BY SOURCE 2022

22% STATIONARY PLANTS

41% ELECTRICITY

36% FUEL

ENERGY CONSUMPTION BY SOURCE 2023

23% STATIONARY PLANTS

41% FUEL

36% ELECTRICITY
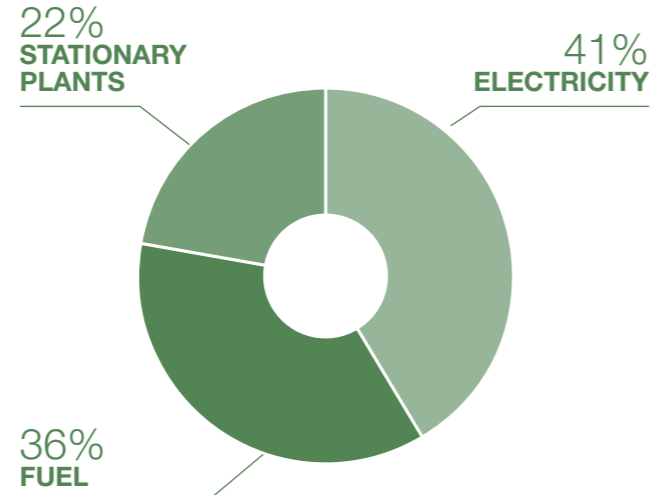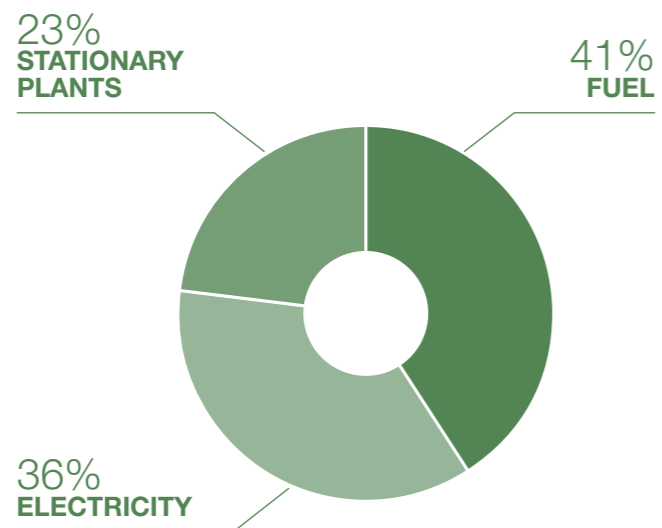
GRI 302-1
Energy consumption within the organisation

FUELS FOR HEATING SYSTEMS BREAKDOWN 2021
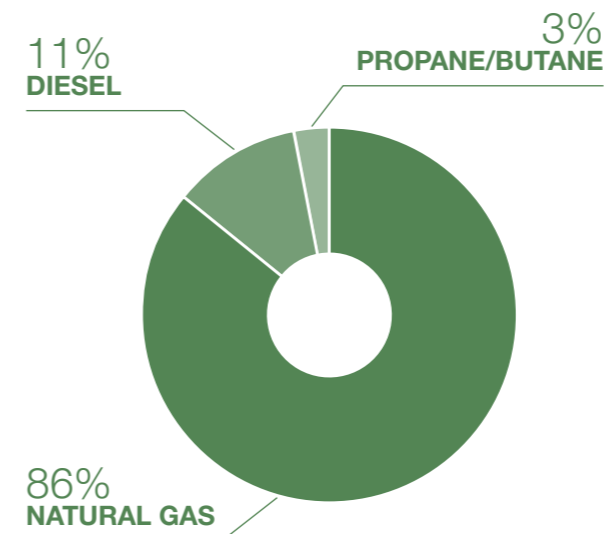
11% DIESEL

3% PROPANE/BUTANE

86% NATURAL GAS

FUELS FOR HEATING SYSTEMS BREAKDOWN 2022

4% PROPANE/BUTANE

1% DIESEL

9% FUEL OIL

86% NATURAL GAS

FUELS FOR HEATING SYSTEMS BREAKDOWN 2023

3% PROPANE/BUTANE

9% FUEL OIL

87% NATURAL GAS
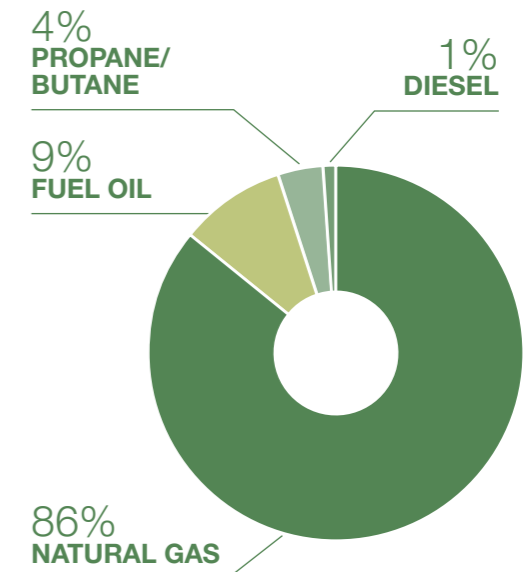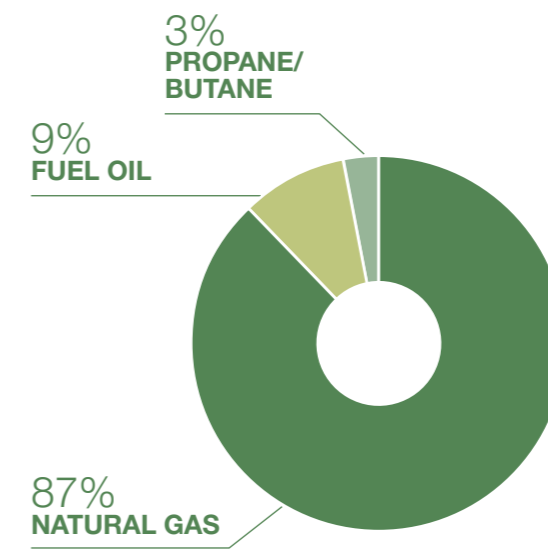
GRI 305-1
Direct (Scope 1) emissions

**PERCENTAGE OF SCOPE 1
EMISSIONS BY SOURCE 2021**
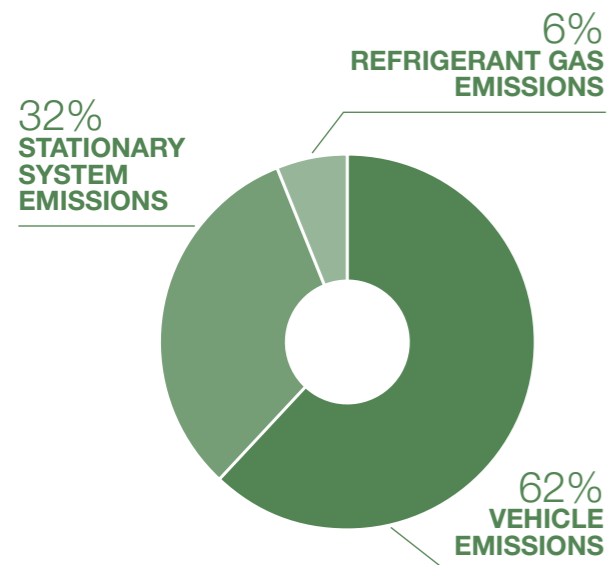
6%
REFRIGERANT GAS
EMISSIONS

32%
STATIONARY
SYSTEM
EMISSIONS

62%
VEHICLE
EMISSIONS

**PERCENTAGE OF SCOPE 1
EMISSIONS BY SOURCE 2022**

3%
REFRIGERANT GAS
EMISSIONS

35%
STATIONARY
SYSTEM
EMISSIONS

62%
VEHICLE
EMISSIONS

**PERCENTAGE OF SCOPE 1
EMISSIONS BY SOURCE 2023**

4%
REFRIGERANT GAS
EMISSIONS

29%
STATIONARY
SYSTEM
EMISSIONS

67%
VEHICLE
EMISSIONS
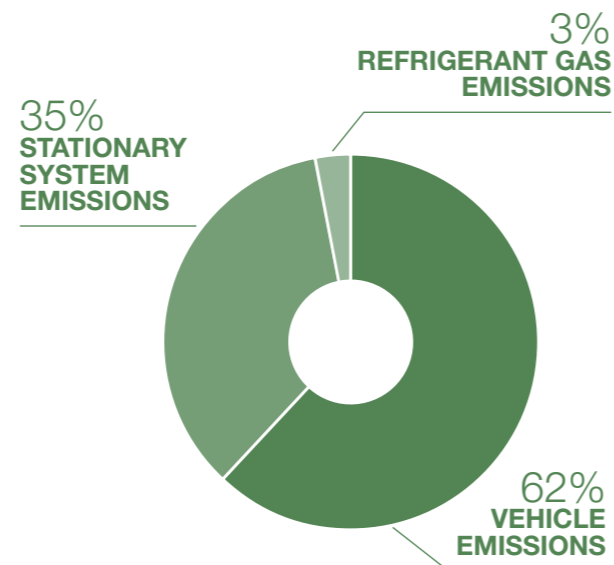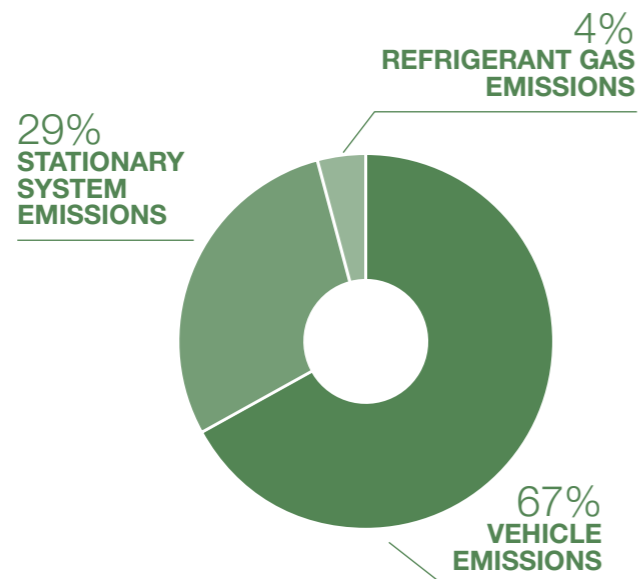
GRI 306-3
Waste generated

ORIGIN OF WASTE PRODUCED 2021

3.6%
ELECTRIC/ELECTRONIC EQUIPMENT -
BATTERIES/ACCUMULATORS

14.6%
CONSTRUCTION AND
DEMOLITION OPERATIONS

0.4%
PROCESSING - PHYSICAL/
MECHANICAL SURFACE
TREATEMENT OF METALS/
PLASTICS - WATER/STEAM
BASED DEGREASING PROCESSES

0.03%
OTHER

81%
PACKAGING - ABSORBTION
AND FILTRATION MATERIALS
- RAGS AND PROTECTIVE
CLOTHING

ORIGIN OF WASTE PRODUCED 2022

5%
PLASTICS

6%
PAPER AND CARDBOARD

10%
CONSTRUCTION AND
DEMOLITION OPERATIONS

27%
NON-DIFFERENTIATED
URBAN WASTE

4%
ELECTRIC/ELECTRONIC EQUIPMENT
- BATTERIES/ACCUMULATORS

3%
OTHER

45%
PACKAGING - ABSORBTION
AND FILTRATION MATERIALS
- RAGS AND PROTECTIVE
CLOTHING

9.1
GRI Index

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 2 General Disclosure	GRI 2-1 - Organizational details	7 Methodological Note	The data has been managed and reported centrally by Nice S.p.A.
	GRI 2-2 - Process to determine remuneration	5.2 Employment Excellence: From Diversity to Inclusion	
	GRI 2-3 - Reporting period, frequency and contact point	7 Methodological Note	
	GRI 2-4 - Restatements of information	7. Methodological Note	
	GRI 2-5 - External assurance	Omission	Absence of assurance for the Nice S.p.A. Sustainability Report for the current year.
	GRI 2-6 - Activities, value chain and other business relationships	2.1 Our Approach to Sustainability 5.7 Ethical Supply Chain Management	The data has been managed and reported centrally by Nice S.p.A.
	GRI 2-7 - Employees	5.2 Diversity and Demography	
	GRI 2-8 - Workers who are not employees	5.2 Diversity & Demography	
	GRI 2-9A - Governance structure and composition (qualitative)	3.1 Governance Structure: Upholding Integrity	
	GRI 2-9B - Governance structure and composition (quantitative)	3.1 Governance Structure: Upholding Integrity	
	GRI 2-10 - Nomination and selection of the highest governance body	3.1 Governance Structure: Upholding Integrity	
	GRI 2-11 - Chair of the highest governance body	3.1 Governance Structure: Upholding Integrity	
	GRI 2-12 - Role of the highest governance body in overseeing the management of impacts	3.1 Governance Structure: Upholding Integrity	The data has been managed and reported centrally by Nice S.p.A.
	GRI 2-13 - Delegation of responsibility for managing impacts	3.1 Governance Structure: Upholding Integrity	
	GRI 2-14 - Role of the highest governance body in sustainability reporting	3.1 Governance Structure: Upholding Integrity	
	GRI 2-15 - Conflicts of interest	The conflicts are disclosed in the yearly financial statements and in the consolidated financial statements.	

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 2 General Disclosure	GRI 2-16 - Communication of critical concerns	If any, during the Board of Directors' meetings duly convened.	The data has been managed and reported centrally by Nice S.p.A.
	GRI 2-17 - Collective knowledge of the highest governance body	3.1 Governance Structure: Upholding Integrity	
	GRI 2-18 - Evaluation of the performance of the highest governance body	3.1 Governance Structure: Upholding Integrity	
	GRI 2-19 - Remuneration policies	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	
	GRI 2-20 - Process to determine remuneration	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	
	GRI 2-21 - Annual total compensation ratio	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	
	GRI 2-22 - Statement on sustainable development strategy	Letter to our stakeholders	
	GRI 2-23 - Policy commitments	3.1 Governance Structure: Upholding Integrity 3.2 Ethical Standards and Anti-Corruption Measures	
	GRI 2-24 - Embedding policy commitments	2.1 Our Approach to Sustainability 3.2 Ethical Standards and Anti-Corruption Measures	
	GRI 2-25 - Processes to remediate negative impacts	3.2 Ethical Standards and Anti-Corruption Measures	
	GRI 2-26 - Mechanisms for seeking advice and raising concerns	3.2 Ethical Standards and Anti-Corruption Measures	
	GRI 2-27 - Compliance with laws and regulations	3.2 Ethical Standards and Anti-Corruption Measures 3.4 Legal Compliance	
	GRI 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, Confindustria Veneto Est, Federmanager, Fondazione Idi Dirigenti

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 2 General Disclosure	GRI 2-29 - Approach to stakeholder engagement	2.4 Robust Stakeholder Engagement for the Upcoming Double Materiality Analysis 2.5 Building Shared Value with our Internal and External Stakeholders	The data has been managed and reported centrally by Nice S.p.A.
	GRI 2-30 - Collective bargaining agreements	5.4 Talent Development and Lifelong learning	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	GRI 3-1 - Process to determine material topics	2.3 Materiality Assessment: Prioritizing Impact	The data has been managed and reported centrally by Nice S.p.A.
	GRI 3-2 - List of material topics	2.3 Materiality Assessment: Prioritizing Impact	
	GRI 3-3 - Management of material topics	2.3 Materiality Assessment: Prioritizing Impact	
GRI 200 Economic	GRI 201-1 Economic Performance	3.6 Economic Performance and Value Distribution	The reporting scope includes only Nice S.p.A
	GRI 202-1 - Direct economic value generated and distributed	3.6 Economic Performance and Value Distribution	
GRI 205 - Anti-corruption	GRI 3-3 - Anti-corruption - Management of material topics	3.2 Ethical Standards and Anti-Corruption Measures	The data has been managed and reported centrally by Nice S.p.A.
	GRI 205-2 - Communication and training about anti-corruption policies and procedures	3.2 Ethical Standards and Anti-Corruption Measures	
	GRI 205-3 - Confirmed incidents of corruption and actions taken	3.2 Ethical Standards and Anti-Corruption Measures	
GRI 207 - Tax	GRI 207-1 - Approach to Tax	Omission	The topic is not material, hence, no information is disclosed in this reporting period.
GRI 301 - Materials	GRI 3-3 - Materials - Management of material topics	6.2 Advancing eco-friendly design and the Circular Economy	The data has been managed and reported centrally by Nice S.p.A.

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 302 - Energy	GRI 3-3 - Energy - Management of material topics	2.1 Our Approach to Sustainability	The data has been managed and reported centrally by Nice S.p.A.
	GRI 302-1 - Energy consumption within the organization	4.3 Energy Efficiency and Renewable Energy Use	
	GRI 302-3 - Energy intensity	4.3 Energy Efficiency and Renewable Energy Use	
GRI 305 - Emissions	GRI 305-1 - Direct (Scope 1) GHG emissions	4.1 Our Commitment to the Planet	
	GRI 305-2 - Energy indirect (Scope 2) GHG emissions	4.1 Our Commitment to the Planet	
	GRI 305-3 - Other indirect (Scope 3) GHG emissions	4.1 Our Commitment to the Planet	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. For year 2023 estimations have been made on categories S3.4_Upstream transports, S3.6_Business Travel, S3.7_Employee commuting and have involved the following companies: Nice UK, SAAC, Vidue Spain, AFCA-V2 SAS, V2 Maroc, V2 Tunisie.
	GRI 3-3 - Emissions - Management of material topics	4.2 Emissions Reduction Plan	The data has been managed and reported centrally by Nice S.p.A.
GRI 303 - Water and effluents	GRI 3-3 - Water - Management of material topics	4.6 Resource Management towards Circular Economy: Materials, Waste, and Water	The data has been managed and reported centrally by Nice S.p.A.
	GRI 303-1 - Interactions with water	4.6 Resource Management towards Circular Economy: Materials, Waste, and Water	Only manufacturing companies have been considered

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 306 - Waste	GRU 3-3 - WAS Waste - Management of material topics	4.1 Our Commitment to the Planet	The data has been managed and reported centrally by Nice S.p.A.
	GRI 306-1 - Waste generation and significant waste-related impacts	4.6 Resource Management towards Circular Economy: Materials, Waste, and Water	Only manufacturing companies have been considered
	GRI 306-2 - Management of significant waste-related impacts	4.6 Resource Management towards Circular Economy: Materials, Waste, and Water	
GRI 401 - Employment	GRI 3-3 - Employment - Management of material topics	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	The data has been managed and reported centrally by Nice S.p.A.
	GRI 401-1 - New employee hires and employee turnover	5.2 Diversity & Demographics	
	GRI 401-2 - Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	The data has been managed and reported centrally by Nice S.p.A.
GRI 403 - Occupatio-nal health and safety	GRI 3-3 - Occupational health and safety - Management of material topics	5.3 Occupational Health and Safety	The data has been managed and reported centrally by Nice S.p.A.
	GRI 403-1 - Occupational health	5.3 Occupational Health and Safety	
	GRI 403-2 - Hazard identification, risk assessment, and incident investigation	5.3 Occupational Health and Safety	
	GRI 403-3 - Occupational health services	5.3 Occupational Health and Safety	
	GRI 403-4 - Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational Health and Safety	
	GRI 403-5 - Worker training on occupational health and safety	5.3 Occupational Health and Safety	Only manufacturing companies have been considered
	GRI 403-6 - Promotion of worker health	5.3 Occupational Health and Safety	
	GRI 403-7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational Health and Safety	
	GRI 403-8a - Workers covered by an occupational health and safety management system	5.3 Occupational Health and Safety	
	GRI 403-8b - Workers covered by an occupational health and safety management system - Percentage	5.3 Occupational Health and Safety	

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 403 - Occupatio-nal health and safety	GRI 403-9 - Work-related injuries	5.3 Occupational Health and Safety	Only manufacturing companies have been considered. The data for "the main types of work-rela-ted injury" is not available for this report cycle and shall be duly reported in the next report.
	GRI 403-10 - Work-related ill health	5.3 Occupational Health and Safety	
GRI 404 - Training and education	GRI 3-3 - Training and education - Management of material topics	5.4 Talent Development and Lifelong learning	The data has been managed and reported centrally by Nice S.p.A.
	GRI 404-1a - Hours of training per employee per year	5.4 Talent Development and Lifelong learning	Only manufacturing companies have been considered
	GRI 404-1b - Average hours of training per year per employee	5.4 Talent Development and Lifelong learning	
	GRI 404-2 - Programs for upgrading employee skills and transition assistance programs	5.4 Talent Development and Lifelong learning	
	GRI 404-3 - Percentage of employees receiving regular performance and career development reviews	5.4 Talent Development and Lifelong learning	
GRI 405 - Diversity and equal opportunity	GRI 3-3 - Diversity and Equal Opportunities - Management of material topics	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	The data has been managed and reported centrally by Nice S.p.A.
	GRI 405-1a - Diversity of governance bodies and employees - Top Management	5.2 Diversity and Demogrphics	
	GRI 405-1b - Diversity of governance bodies and employees - Number of employees	5.2 Diversity and Demogrphics	
	GRI 405-1c - Diversity of governance bodies and employees - Percentage of Employees	5.2 Diversity and Demogrphics	
	GRI 405-2 - Ratio of basic salary and remuneration of women to men	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	Only manufacturing companies have been considered
	GRI 405-2a1 - Average salary calculated by summing exact wages	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	
	GRI 405-2a2 - Average remuneration calculated by summing exact remunerations	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	
GRI 406 - Non discri-mination	GRI 3-3 - Non-discrimination - Management of material topics	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	The data has been managed and reported centrally by Nice S.p.A.
	GRI 406-1 - Incidents of discrimination and corrective actions taken	5.5 Employment Excellence: A journey Toward Equity and Wellbeing	

GRI STANDARD	DISCLOSURE	LOCATION (CHAPTER OF THIS REPORT)	OMISSIONS EXPLENATION / ADDITIONAL CLARIFICATION
GRI 408 - Child labor	GRI 3-3 - Child labor - Management of material topics	5.7 Ethical Supply Chain Management	The data has been managed and reported centrally by Nice S.p.A.
	GRI 408-1 - Operations and suppliers at significant risk for incidents	5.7 Ethical Supply Chain Management	Only manufacturing companies have been considered
GRI 409 - Forced or compulsory labor	GRI 3-3 - Forced or compulsory labor - Management of material topics	5.7 Ethical Supply Chain Management	The data has been managed and reported centrally by Nice S.p.A.
	GRI 409-1 - Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.7 Ethical Supply Chain Management	Only manufacturing companies have been considered
GRI 414 - Supplier social assessment	GRI 3-3 - Supplier social assessment - Management of material topics	2.1 Our Approach to Sustainability 6.2 Ethical Supply Chain Management	The data has been managed and reported centrally by Nice S.p.A.
	GRI 414-1 - New suppliers that were screened using social criteria	6.2 Ethical Supply Chain Management	
GRI 416 - Customer health and safety	GRI 3-3 - Customer Health and Safety - Management of material topics	6.7 Customer Health and Safety	The data has been managed and reported centrally by Nice S.p.A.
	GRI 416-2 - Incidents of non-compliance concerning the health and safety impacts of products and services	6.7 Customer Health and Safety	
GRI 417 - Marketing and labeling	GRI 3-3 - Marketing and labeling - Management of material topics	6.6 Certified Quality	The data has been managed and reported centrally by Nice S.p.A.
	GRI 417-1 - Requirements for product and service information and labeling	6.5 Transparent and responsible communication with consumers	
	GRI 417-2 - Incidents of non-compliance concerning product and service information and labeling	6.5 Transparent and responsible communication with consumers	
	GRI 417-3 - Incidents of non-compliance concerning marketing communications	6.5 Transparent and responsible communication with consumers	
GRI 418 - Customer privacy	GRI 3-3 - Customer Privacy - Management of material topics	3.3 Privacy and Cybersecurity	The data has been managed and reported centrally by Nice S.p.A.
	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Privacy and Cybersecurity	

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