ELSA SOLUTIONS

Motion

Efficiency

Storage

Energy

Innovation

Sustainability Report 2024

As hosts on this Earth, it would be short-sighted to pursue economic growth and development without due regard for the environment that sustains us and the well-being of future generations.

Dear Stakeholders,

It is with enthusiasm and a deep sense of responsibility that we present the First Sustainability Report 2024 of Elsa Solutions S.p.A.
In this day and age, when ecological transformation and social engagement are no longer optional but imperative, our company has strengthened its path toward transparent and innovation-driven ESG policies.
This report represents the culmination of a long journey to optimize our production processes, which has seen the adoption of low-impact technologies, the implementation of circular economy practices, and increased investment in R&D to develop cutting-edge, sustainable solutions.
Our strategy, built on the pillars of transparency, accountability and collaboration, has enabled us to transform environmental challenges into concrete opportunities for growth, helping to reduce ecological impact and create shared value for the community. The future will require increasingly innovative technical and technological solutions with the highest level of automation, geared toward maximum efficiency and reduced energy consumption.
With this paper, I wish to initiate an open and constructive dialogue, convinced that our commitment can inspire a vision of industrial progress in harmony and respect with our planet.
The journey toward a greener and more resilient future has just begun, and united by the same passion and determination, I am sure we will continue to make a difference.

Enzo Dal Pozzo

Chairman of Elsa Solutions SpA

Summary

Highlights 2024

• Environmental data

100%
Electricity consumed from renewable sources

28,4 t
Total waste produced

0,000001
$TonCO_2eq/€$
Emissive intensity

ISO14067
Life Cycle Assessment

• Social data

53
Employees as of 12/31/2024

0
injuries

92%
Open-ended contracts

45%
workers < 30 years old

• Economic data

22,3 mln€
Economic value generated

21,0 mln€
Economic value distributed

1

Identity & Strategy

1.1 Elsa Solutions

Elsa Solutions SpA (hereinafter also referred to as “Elsa Solutions” or the “Company”) is an Italian industrial company with over forty years of experience in the industrial automation and energy storage sectors (Nace code 46.50), which stands out for its ability to combine family roots and innovative vision. Listed on September 28, 2023, on the Euronext Growth Milan market, the Company operates through a solid and well-articulated organizational and governance structure capable of effectively addressing the challenges of Industry 4.0 and the energy transition.

Elsa Solutions' organization is divided into two main business lines: **E-Motion**, dedicated to the development of solutions for industrial automation and motion control; and **Aliant**, focused on the design and production of lithium batteries and high-performance hydrogen systems for industrial and mission-critical applications. This articulation allows the Company to preside over synergistic and strategic sectors, combining engineering capability, technological innovation and environmental sustainability. In 2024 Elsa Solutions S.p.A. generated revenues of €10.51 million from the E-Motion division and €11.41 million from the Aliant division, for total sales of €21.92 million, up from €19.28 million in the previous year. EBITDA for the year was approximately €2.25 million, while total assets amounted to €23.75 million. The company's workforce during the year consisted of 50 employees in terms of ULA.

The governance model is based on the principles of transparency, balance and long-term vision. At the center of the decision-making structure is the Board of Directors, composed of members with complementary skills, including representatives of the founding family and independent figures. This composition ensures a sound strategic approach that integrates industrial experience, entrepreneurial sensitivity, and sustainability orientation. The Board of Directors, appointed by the shareholders' meeting, defines the organization's development guidelines, promoting high ethical and operational standards. Alongside it, the Board of Statutory Auditors exercises internal control and supervisory functions, further strengthening the trust of Stakeholders and investors.

At the operational level, business functions are organized to foster synergy between research and development, production, and support activities, with the aim of optimizing efficiency and reducing environmental impact. This structure allows Elsa Solutions to maintain flexibility, responsiveness and strategic vision, consolidating its role as a reference not only for the quality of the technological solutions it offers, but also for its strong commitment to ethical, transparent and sustainable governance.

During the year 2024, the company recorded a further increase in revenues compared to the previous year and followed up on the strengthening path defined in the pre-IPO Business Plan. It implemented the workforce, defining and structuring the R&D department, implementing both the production technical department and the design technical department. In June 2024, obtained the RINA Type Approval certificate for batteries for marine use. During the year, a number of Patent and Intellectual Property Protection applications were also filed at the EU and international level.

In the second half of the year, the project of the expansion of the production site was finalized, and at the same time the equipment and facilities to increase production capacity were completed.

Our Story

Elsa Solutions represents a virtuous example of the synthesis of tradition and innovation, with roots firmly planted in the heart of Emilia-Romagna. Founded in 1982 under the name of Commerciale Elsa, the company was born from the vision and thanks to the experience gained by the current president in other industrial electronics companies in the area. From a small laboratory located in the cellar capable from the beginning of combining family values with a strong orientation toward the future, the company has embarked on a path of growth based on technical excellence and continuous evolution.
At a time when industrial electronics was still dominated by traditional approaches, the founders knew how to distinguish themselves by offering cutting-edge solutions and laying the foundation for a dynamic family business.
Collaboration through distribution contracts with a number of strategic national partners and the move to the Via Einaudi headquarters in 1989 enabled the company to embark on an initial phase of expansion. The generational transition, led with passion and vision by Daniela and Davide Dal Pozzo, marked a phase of further significant expansion: Elsa Solutions gradually expanded its activities, embracing not only industrial automation, but also the promising energy storage sector.
A crucial moment in the company's trajectory was the launch of the Aliant Battery brand, which marked the company's decisive entry into the special purpose lithium battery market for industrial and mission - critical applications. This step strengthened Elsa Solutions' positioning as a key technology player. At the same time, the company intensified its investment in R&D, adopting an approach oriented toward sustainability, social responsibility and international outlook.
A further phase of expansion and development in Elsa Solutions' identity was marked by the design and construction of its new plant at 15 Via Patarini, where it officially moved its legal and operational headquarters as of November 1, 2018. From the “cellar of Imola,” affectionately remembered as a symbol of its origins, Elsa Solutions has grown organically, establishing itself with a business model that values quality, reliability and environmental commitment. Its recent listing on Euronext Growth Milan on September 28, 2023, represents the crowning achievement of a solid and forward-looking entrepreneurial journey, confirming the company's ability to adapt and thrive in an ever-changing market.
Today, Elsa Solutions embodies a modern vision of enterprise: rooted in tradition but open to innovation, capable of transforming every technological challenge into an opportunity for sustainable and inclusive growth.

The following journey through our history traces the most significant years and moments for our company, from 1982 to the present. It is a curated selection of the key moments that have marked our growth, the challenges we have faced and the milestones we have achieved.
This journey is meant to be a tribute to the work done by all the people who have been part of it and to the vision that has guided us over time.

1982 — Commerciale Elsa

1989 — SICME ORANGE partner

1992 — CONTROL TECHNIQUES partner

1995 — RADIO ENERGIE partner

1999 — Commerciale Elsa (Elettronica industriale Strumentazione Automazione)

2008 — HENGSTLER partner

2009 — ALIANT Ultralight Battery

2018 — Transfer to the new headquarters in Via Patarini

2022 — 40th Anniversary 1982-2022

2023 — EURONEXT

2024 — Plant expansion

To be continued…

Values, Mission and Vision

Elsa Solutions is an Italian industrial reality with a solid history, rooted in the territory of Imola and projected towards a global, sustainable and digitized future. Founded in 1982, the company has been able to grow steadily and far-sightedly, becoming a point of reference in the electronics and industrial automation panorama thanks to an approach strongly oriented toward quality, innovation and technical specialization.
Over the years, Elsa Solutions has been able to interpret the changes in the industrial market, transforming itself from a component supplier to a strategic partner for integrated solutions, developing advanced projects in Motion Control, energy efficiency, custom automation and energy storage systems. Among its most distinctive milestones is its establishment as a pioneer in the development of special purpose lithium batteries designed for critical, high-performance industrial applications, as well as its current commitment to the study and adoption of hydrogen systems, a key technology for the energy transition and decarbonization of industry.

MISSION

To contribute to the realization of electrical and power electronic drive solutions and systems for industry and electric mobility of machinery, developing proprietary technologies oriented toward maximum efficiency. Facilitate the green transition of plant and machinery through the manufacture of essential components for such systems, with a special focus on the production of state-of-the-art accumulators, switchgear, and UPS

The **Mission** of Elsa Solutions is therefore founded on a clear operational philosophy: to transform every technical or industrial challenge of the customer into a concrete opportunity for improvement and efficiency, proposing tailored solutions that combine engineering rigor, operational flexibility and creative ability. The distinctive value lies in the ability to analyze in depth the needs of each project and develop integrated solutions that include hardware, software, retrofit of existing systems, predictive maintenance, technical support and training, all coordinated by a multidisciplinary team capable of guaranteeing technical excellence and operational continuity. The Company is committed to a pragmatic, problem-solving approach that values active collaboration with the customer, rapid decision-making, and the adoption of innovative methodologies to improve the production, energy, and environmental performance of plants.

VISION

The future will be characterized by technical and technological solutions geared toward maximum efficiency, aimed at reducing the energy consumption required to perform a given activity, and equipped with the highest level of automation, to function independently of human intervention. These two aspects involve substantial growth and contribution of electronic and information technologies available to the company.

Elsa Solutions' Vision is strongly projected towards the future and is embodied in the ambition to consolidate its leading role not only in the Italian panorama, but also in the main European and international markets, thanks to an advanced technological proposal aligned with the major transformations taking place in the global industry.

The goal is to anticipate market evolutions and drive technological progress toward a world in which automation, digitalization, environmental sustainability and safety are integrated and synergistic elements. With the opening of the new production site, a 5,000 m² space equipped with digital infrastructure and a state-of-the-art robotic line, Elsa Solutions has greatly expanded its production capacity, as well as establishing itself as a player in Industry 5.0, where efficiency, flexibility and environmental responsibility coexist.

Underlying the corporate culture are the founding values that guide every activity and direct all strategic choices: integrity, which is expressed in the transparency and fairness of relationships with clients and partners; reliability, which translates into consistent performance and the ability to keep promises; passion for innovation, which fuels a continuous search for cutting-edge technological solutions; and constant commitment to quality, which is the stylistic hallmark of Elsa Solutions' work in every area, from product design to after-sales relations.

These values not only represent the heart of the corporate identity, but are translated into a model of industrial excellence, capable of combining the wisdom of traditional Italian craftsmanship with the potential of the most advanced technology.

Elsa Solutions not only provides systems and technologies but also acts as a true industrial development partner, capable of accompanying its customers along paths of digital transformation, sustainable growth and optimization of production performance.

In a rapidly changing global context, marked by complex challenges and new opportunities, Elsa Solutions aims to be an active and conscious player, generating lasting value, promoting responsible innovation and contributing to the construction of a more resilient, intelligent and future-oriented industry.

Our headquarters

Elsa Solutions headquarters is located in Imola (BO), Via Pietro Patarini 15, and is the beating heart of our organization. Inaugurated in 2018, this facility is designed to efficiently support every aspect of our work in an integrated way: from administrative and commercial management, to production, logistics, and research and development. We cover more than 5,000 square meters in an area totaling 13,000 square meters, a modern and functional space where expertise meets daily to shape concrete and cutting-edge solutions. Our automated warehouse, capable of handling more than 5,000 items for prompt delivery, enables us to guarantee fast response times and flexibility even for complex and international projects.

The centralized organization in a single site allows us to work in close synergy between departments, speeding up decision-making processes and maintaining high quality at every stage: from design to production, from delivery to after-sales service. This model allows us to be agile, responsive and always close to our customers, anticipating the needs of a constantly evolving market.

In 2024, we started a major expansion project, adding 2,000 square meters to our headquarters. This new area is dedicated to advanced production and houses a state-of-the-art robotic line, which allows us to increase production capacity up to 200 MWh per year, especially with regard to the development of innovative energy systems such as special purpose lithium batteries. This investment testifies to our ongoing commitment to technological innovation and industrial sustainability.

We decided to keep all key functions under one roof because we believe in the value of direct collaboration, fluid communication and integrated vision. Our headquarters is not just a place of operation: it is the space where ideas, people and technologies come together to create real value. This is where we build our future, every day, with the goal of establishing ourselves as a benchmark in the world of industrial electronics, automation and smart energy.

1.2 Our products and markets served

In the industrial automation sector, Elsa Solutions stands out for an integrated and innovative approach that combines the digitization of production processes with the adoption of cutting-edge energy solutions. The company employs advanced technologies, including the Internet of Things, artificial intelligence and real-time control systems to optimize operational efficiency, reduce production time and ensure dynamic and precise management of industrial lines. In this context, the lithium battery industry plays a pivotal role, being constantly evolving and making a major contribution to the energy transition and environmental sustainability. Driven by the growing demand for energy storage solutions, this sector supports not only electric vehicles and electronic devices, but also renewable energy storage systems, allowing excess energy to be stored and used at times of greatest demand Lithium-ion batteries, with their high energy density, optimal performance, long life, and fast charging capabilities, provide the reliable energy base for automated systems. However, aware of the challenges associated with dependence on critical raw materials such as lithium, cobalt, and nickel, Elsa Solutions continually invests in R&D, exploring alternative technologies such as lithium metal, solid-state batteries, and new lithium-manganese-based chemistries that offer an ideal balance of cost, availability, and performance.

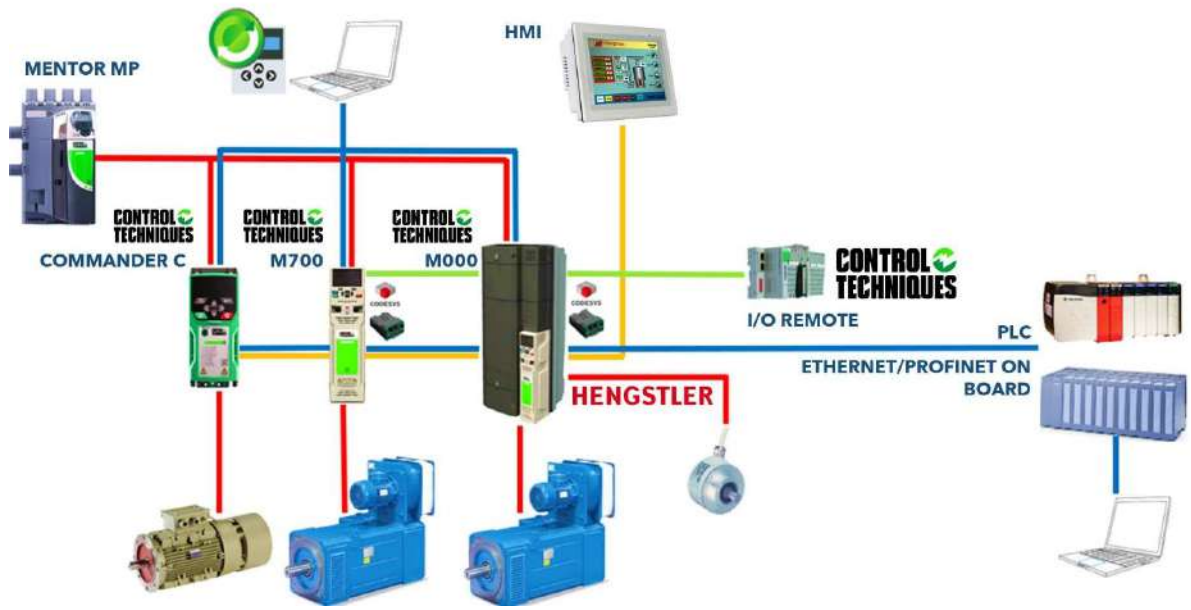
In parallel, the company integrates tools for traceability, quality control, and predictive analysis into its automated plants, thus supporting battery manufacturers in the continuous improvement of the supply chain. The approach taken is not limited to improving technical characteristics, but embraces responsible management of the entire product lifecycle, from raw material selection through production to recycling, in compliance with ESG criteria, thus contributing to the reduction of greenhouse gas emissions and the promotion of transparent and sustainable industrial practices. Thanks to this synergy between advanced automation and sustainable energy management, Elsa Solutions is positioned at the forefront of the industrial landscape, positioning itself as a reliable partner for companies seeking innovative solutions capable of anticipating market evolutions and responding dynamically to the challenges of the global energy transition.

Elsa Solutions emerges as a strategic partner for digital transformation and technological innovation, offering an extremely diverse and synergistic portfolio of business lines, including the E-Motion and Aliant lines, which represent the company's excellence in the respective fields of industrial automation and renewable energy.

The E-Motion and Aliant lines testify to Elsa Solutions' integrated and multidimensional approach, combining industrial automation, mechatronics, digitization and advanced energy solutions. The company offers highly customized solutions to meet the challenges of an ever-changing market, providing companies with innovative technological tools that anticipate global trends and contribute to the transition to a more sustainable and technologically advanced future.

E-Motion: Products and tailor-made solutions

E-Motion is the line that highlights Elsa Solutions' advanced skills in industrial automation, mechatronics and motion control systems. Elsa Solutions operates as a system integrator of industrial automation systems, offering customized solutions for the design, assembly and configuration of complete medium and large power systems, with powers ranging from 15 kW to 1,000 kW. With its expertise in mechatronics, E-Motion deals with the integration of advanced solutions in the industrial field, operating both on premise and remotely. The line also offers technical consulting for the integration of such systems into business processes, supporting companies in optimizing their production flows and automating processes, reducing response times and improving operational safety. E-motion also stands out for its adoption of innovative technologies, such as the Internet of Things (IoT) and automation 4.0, which enable companies to monitor and control their operations in real time, turning efficiency into a decisive competitive advantage.
With the E-motion business line, Elsa Solutions distributes a wide range of motion control components (AC/DC electric motors, servomotors, inverters, soft starters, power converters, sensors, etc.) and manufactures customized automation systems. Integrated tailor-made solutions maximize overall system efficiency and reduce waste by tailoring components and software to specific application needs. The use of high-efficiency electric motors enables lower consumption and emissions, as energy efficiency is a crucial parameter in reducing environmental impact. In this view, Elsa's E-motion solutions contribute to the decarbonization of industry, given that the development of electric motors is opposed to the use of fossil fuels and is intrinsically linked to decarbonization processes.
Overall, a customized design optimizes costs and consumption, with benefits ranging as much to production efficiency as to environmental sustainability.



Aliant: Products and tailor-made solutions

In parallel, the **Aliant** line is dedicated to innovation in the field of advanced energy solutions, particularly in lithium-ion batteries (LFP) and hydrogen systems. Elsa Solutions operates as an Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM) for the design and manufacture of special purpose systems and batteries for industrial and mission-critical applications, such as heavy-duty, uninterruptible power supply, emergency and off-grid stationary systems. The company is positioned as one of Italy's leading players in lithium-ion batteries and hydrogen systems, responding to the growing demand for more sustainable and efficient energy solutions. Aliant stands out for its ability to offer cutting-edge energy solutions that balance performance, sustainability and reliability, perfect for the most demanding industrial applications. In this area Elsa Solutions continually invests in research and development, exploring alternative technologies such as lithium metal, solid-state batteries, and new lithium-manganese-based chemistries, to ensure solutions that meet the demands of green sustainability

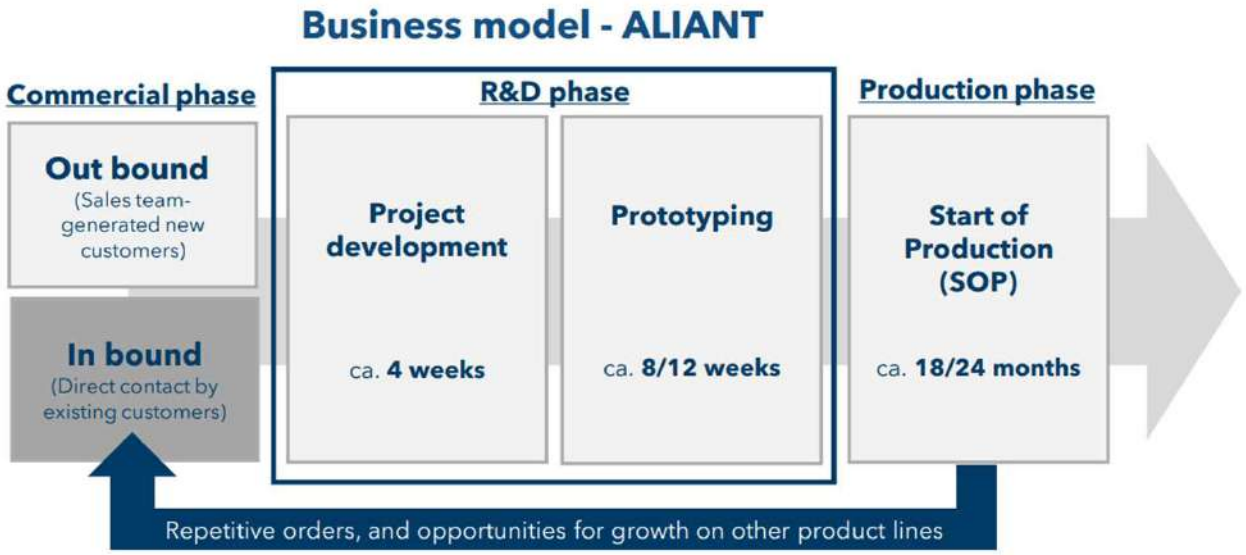
Batteries with the LFP (lithium-iron-phosphate) system have significant environmental advantages over older lead-acid batteries: they contain no toxic materials, do not require dedicated ventilation systems, and operate at lower temperatures. Such accumulators ensure high cyclability and long operating life, reducing total cost of ownership. In addition, Aliant-branded production is certified with a Carbon Footprint assessment, allowing CO_2 emissions to be quantified for each battery produced (see section 4.3 LCA). These features make Aliant products inherently adherent to sustainability principles, contributing to less polluting and more durable industrial plants.

The main product solutions in Aliant's business line are:

1) LITHIUM BATTERIES
   - **Batteries for automation (EK series):** for traction use
   - **Batteries for power supply (E series):** ultralight for scooters, bicycles
   - **Stationary batteries (EA/EY series):** ultralight for portable devices
   - **Batteries for marine services and propulsion (NEK series):** marine field storage
   - **Starter batteries (YLP/XR series):** batteries for racing motorcycles

2) HYDROGEN SYSTEMS
   - **Hydrogen fuel cell battery systems:** system integrating hydrogen fuel cells and lithium batteries. 100% carbon-free solutions.

Aliant's division offers fully customized battery and power system designs. Battery packs are sized to the customer: capacity, shape, voltage and connections are optimized for the specific application. In line with industry practices, Aliant can design and manufacture custom battery packs using LFP cells. Working directly with the customer, Elsa provides technical support at the preliminary ("pre-study") stage, which is useful in jointly defining the technical specifications and identifying the solution best suited to the application needs. Tailor-made modules already include their own dedicated BMS and configurable interfaces (e.g., terminal layout and communication protocols). In this way, each system meets the requirements exactly, maximizing energy efficiency and reducing footprint. The result is an extended life cycle and less waste: the tailored design limits material waste and ensures optimal performance throughout operational use, increasing the overall sustainability of the product.
The process of refining a tailored solution is developed according to the procedure outlined in the following business model:



A concrete example of Aliant battery application related to a customized solution on the customer.

Service and technical support services

One of Elsa Solutions' main strengths lies in the quality and timeliness of its service and technical support, which is a hallmark of our customer-oriented approach, guaranteeing effective, customized and continuous solutions at every stage of the business relationship, from pre-sales consulting to after-sales support.
Elsa guarantees comprehensive technical support for both business units.
Services include:

- **On-site support:** specialized in-house technicians intervene directly at the customer's site for installations, commissioning and repairs.
- **Remote support:** telephone support, remote technical interventions with dedicated software and remote diagnostics promote optimization of resources and workflows.
- **Repairs with return of the product to the premises:** assistance is managed directly in the relevant Elsa technical departments, where devices are analyzed, remanufactured or repaired according to the quality standards applied, guaranteeing restoration of functionality and extension of the life cycle.

Elasticity in the support services offered by Elsa Solutions makes it possible to identify the most effective solution in terms of speed of intervention, time optimization and cost containment.
A qualified and specialized team is available for each stage of the battery life cycle, providing tailored technical support for all service needs.
These forms of service ensure that devices manufactured and/or marketed by Elsa remain efficient over time, helping to extend the useful life of systems and avoid premature replacement of components, with clear sustainability benefits (less waste and additional consumption).

Innovation and Robotics

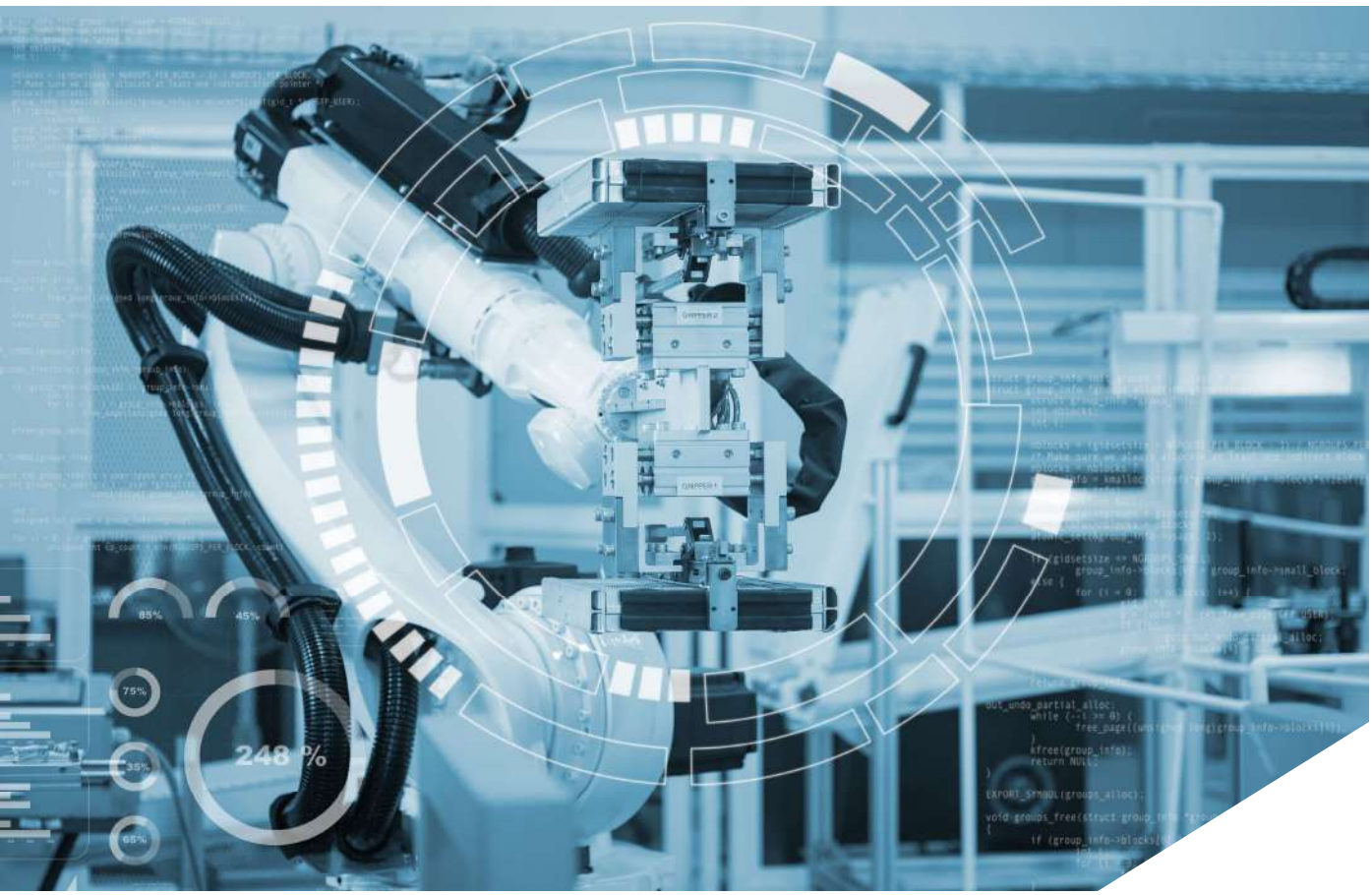
In the highly strategic field of energy storage systems, technological innovation and the integration of robotic solutions are essential factors in ensuring operational efficiency, process reliability and environmental sustainability. Elsa Solutions systematically invests in research and development, adopting cutting-edge technologies and automated systems that enable it to optimize production, improve product quality, and respond flexibly to the needs of a changing market, actively contributing to the energy transition.

Elsa Solutions has implemented a highly innovative manufacturing approach for Aliant's line of business, based on robotic lines for mass production of battery modules. These automated systems perform operations with high precision, ensuring quality uniformity and reduced cycle times.

In parallel, the company is leveraging additive technologies (3D printers with environmentally sustainable PLA materials) to make structural supports and internal prototypes: this enables rapid design iteration and waste containment compared to traditional processes.

Innovation is not limited to the product but invests the entire production management system. Internal software is constantly updated to optimize manufacturing parameters and planned maintenance. On the hardware front, Elsa integrates advanced machinery that simplifies and speeds up operations on the assembly benches, enabling real-time monitoring of performance and adherence to the timelines agreed with the customer.

The sum of these innovations results in Aliant products with lower environmental impact, greater reliability and reduced total cost of ownership. It is an automation 4.0 model that combines sustainability, flexibility and high-quality standards, positioning Elsa as a forerunner in the industrial battery market.



Warehouse and items in stock

To ensure fast and efficient shipping service, Elsa Solutions is committed, for the Emotion business line, to maintaining a wide availability of products in stock within its warehouse. This strategic choice stems from an awareness of how crucial it is to respond promptly to customer needs, ensuring immediate deliveries and minimizing waiting times. The ability to be responsive and to have goods available for prompt delivery represents for us a key element of competitiveness and an added value that we intend to offer at every stage of the business relationship.
Elsa has adopted management software that enables it to check and monitor in real time its inventory and items committed in the near future, to better coordinate incoming and outgoing logistics flows. To improve operational efficiency, Elsa also activated an automated vertical warehouse for small parts, instrumental in the assembly of its finished products. An intelligent system subsequently allows continuous inventory monitoring by the supplier and subsequent automatic replenishment of understock against parameters.
During 2024, Elsa Solutions also made major investments regarding the renewal of its intralogistics handling fleet, replacing the existing fleet in its entirety and adopting exclusively electric battery-powered stackers and forklifts of the latest generation from leading international brands, equipped with high-efficiency battery chargers. This is with a view to improving worker safety, making goods handling more efficient and enabling energy savings.
By adopting these systems, optimal stock levels can be maintained, and customer needs can be met with agility, reducing lead times and minimizing the environmental impact from travel and manual operations. The combination of smart technologies and electric warehouse vehicles makes the process more sustainable, reduces indirect emissions and improves operator safety.

Commitment to the customer

All of Elsa Solutions' operational efforts are directed in the satisfaction of its customers. Elsa recognizes that structured, long-term business success is based on established relationships and respectful customer satisfaction, a source of continuous improvement.
Elsa ensures fairness of treatment between actual and potential customers, striving to achieve the highest possible level of service in all its areas of operation.
Elsa Solutions' approach to customers is based on helpfulness, respect, courtesy and participation, with the constant goal of improving their satisfaction.
Elsa places great importance on listening and dialogue, using tools designed to ensure the quality and timeliness of information. Customers are always fully and transparently informed about the features, functions, costs and risks of the services offered.
In order to achieve this result vis-à-vis the customer, a crucial function is also played by our supply chain. Established relationships with trusted suppliers and a careful selection of high-quality items enable us to guarantee solutions with a high value content, characterized by technological innovation, quality of materials and customized solutions.
Elsa Solutions has adopted a Management System fully compliant with ISO 9001 principles, with a Quality Policy geared toward continuous improvement, operational reliability and value creation for all stakeholders.
Elsa promotes transparency and timeliness in responding to customer needs. Through an automated complaint handling (RMA) system and through a website, customers can submit inquiries and reports that are handled by Customer Care and area sales representatives.

1.3 Governance

Elsa Solutions adopts a sound and transparent governance system based on principles of integrity, accountability and sustainability. The governance structure ensures long-term oriented strategic management in line with the organization's business goals and values.
The Board of Directors, composed of professionals with experience in the battery and industrial automation industry as well as in management, is responsible for monitoring and guiding the organization's internal activities, ensuring effective management aligned with regulatory requirements.
Elsa Solutions experienced a major reconfiguration in governance and corporate structure following its listing on the EGM in September 2023. The inclusion of two Independent Directors, the establishment of a Board of Statutory Auditors, and the inclusion of an Audit Firm, has resulted in significant consolidation in the corporate and governance structure of Elsa Solutions.
The Board of Directors, through the inclusion of a QHSE responsible figure, has embarked on a strategic path of strengthening in terms of Quality, Health, Safety and Environment. The company has adopted:

- A simplified organizational model pursuant to Legislative Decree 81/2008
- The Code of Ethics approved on December 5, 2024.
- Whistleblowing procedure approved on December 5, 2024

In addition, as of the date of preparation of this Statement, the Company is in the process of ISO9001 certification.

Elsa Solutions' management promotes a strong commitment to sustainability by approving the results of materiality analyses and integrating ESG (environmental, social and governance) criteria into decision-making processes and corporate strategy. This approach is reflected in the transparent reporting of sustainability activities and the setting of ambitious targets in relation to ecological change and sustainable mobility.

The Board of Directors, appointed by the Ordinary General Meeting of Shareholders on September 21, 2023, consists of the following 5 members:

Board of Directors

Chairman of the Board of Directors
Enzo Dal Pozzo

Chief Executive Officer
Davide Dal Pozzo

Advisors
Daniela Dal Pozzo
Silvia Villa
Giuseppe Tosto

The Board of Statutory Auditors is the supervisory body that monitors compliance with the law and the articles of association, compliance with the principles of proper administration and the adequacy of the company's organizational, administrative and accounting structure.

The main functions of the Board of Auditors of Elsa Solutions are:
- Legality check.
- Supervision of administration.
- Attendance at meetings of the Board of Directors and Shareholders' Meeting.

The Board of Statutory Auditors of Elsa Solutions was appointed by the Ordinary Shareholders' Meeting on July 11, 2023 and plays a crucial role in the corporate governance system, helping to ensure transparency, reliability and fairness in management. It is composed of the following members:

Supervisory Board

Chairman of the Supervisory Board
Vincenza Bellettini

Statutory Auditors
Monica Cesari
Marco Donini

Alternate Auditors
Ernesto Umberto Maria Bosi
Gianluigi Rossi

The Board of Directors and the Board of Statutory Auditors will remain in office until the approval of the annual financial statements as of December 31, 2025.
The statutory audit is assigned to RSM Società di Revisione e Organizzazione Contabile S.p.A. for the three-year period 2025 - 2027.

Auditing Company

RSM Società di Revisione e Organizzazione Contabile S.p.A.

Compliance-oriented organizational model

Elsa Solutions' corporate governance is founded on sound principles of ethics, transparency and accountability, which guide all the Company's activities and strategic decisions.
The adoption of the **Organization, Management and Control Model pursuant to Legislative Decree 81/2008** represents a central element in our governance strategy, underscoring the Company's ongoing commitment to ensuring regulatory compliance and preventing unlawful behavior. The model was developed in accordance with international best practices and is constantly updated to respond to the changing regulatory environment and operational challenges. It not only aims to prevent the commission of crimes but also helps to strengthen an ethical and responsible management system involving all levels of the organization.

To support this system, Elsa Solutions has implemented a whistleblowing procedure that is an important pillar in ensuring transparency and integrity. This platform allows employees and stakeholders to securely, confidentially and anonymously report any violations of the Organizational Model or behavior contrary to the company's values. These reports are handled through a structured and impartial process, ensuring maximum protection for the reporter and taking appropriate measures to correct any critical issues.
These governance tools, integrated within the company's operations, help create a working environment based on trust and shared responsibility, fostering an organizational culture oriented toward sustainability, ethics and compliance with regulations. Thanks to this approach, Elsa Solutions is positioned as a benchmark for the development of modern and transparent management models in line with growing stakeholder expectations and sustainable development goals.

Code of Ethics

Elsa Solutions has a corporate Code of Ethics within the Organization, Management and Control Model on occupational health and safety. The Code of Ethics was approved by the Board of Directors on December 5, 2024, by notifying all organizational levels, and defines the fundamental values and principles that inspire the organization's actions. The Code reflects the company's commitment to ensuring respect for human rights, protecting the dignity of the individual and promoting a fair, safe and inclusive working environment. In particular, the company firmly opposes all forms of exploitation, discrimination or abuse, consistent with major international standards.
Adherence to the Code of Ethics, approved by the Board of Directors, represents a fundamental commitment to ensure legality, integrity and fairness in relations with all stakeholders. The Code establishes guidelines to promote environmental protection, respect for human rights and the enhancement of human resources, ensuring equal opportunities and combating all forms of discrimination.
During 2024, Elsa Solutions had no confirmed incidents related to human rights violations within its workforce. Specifically, there were no incidents attributable to child labor, forced labor, human trafficking, discrimination, or other serious incidents related to the failure to respect human rights.
The complete Corporate Code of Ethics can be viewed on the company's official website in Italian and English.

Elsa Solutions' Code of Ethics is a fundamental document that establishes principles and guidelines to ensure responsible and transparent behavior in all company activities.

GDPR Privacy

Elsa Solutions treats with special attention the regulations governed by the General Data Protection Regulation. Personal data represent intimate and sensitive aspects and their protection, in addition to a legal issue, denotes respect and honesty towards the interlocutor.
The company employs a consulting firm in the interpretation and regulation of all privacy-related updates. In recent years, no privacy violations or personal data leaks have been encountered.

	UM	2024	2023
Totale denunce comprovate ricevute riguardanti le violazioni della privacy dei clienti	n.	0	0
Totale di fughe, furti o perdite di dati dei clienti rilevate	n.	0	0

Strategy

Our strategy is based on an integrated, multidimensional vision that combines an ambitious technological innovation program with agile management geared toward sustainable organic growth and the continuous strengthening of our distinctive competencies. Operating at the heart of the industrial electronics and Motion Control sector, we anticipate the evolution of markets and technologies through constant investment in R&D, the adoption of modern production processes and the integration of advanced digital technologies that enable us to design cutting-edge, flexible and tailored solutions to meet the challenges of a rapidly changing global environment. With this in mind, the E-Motion segment is focusing on the domestic OEM market, aiming to strengthen the online channel for resellers and distributors, with the goal of strengthening a dynamic network capable of responding promptly to the needs of the territory. In parallel, the Aliant division aims to penetrate the main target market consisting of domestic and European OEMs, who also export their products to the U.S. market, with a focus on the sale of traction batteries. On this front, we invest in R&D, certifications and after-sales services, which are key elements in offering innovative and reliable technological solutions capable of consolidating our position in a competitive and constantly evolving environment.

We firmly believe that innovation must translate into real value, so we are committed to the development of high-performance products and systems, with a specific focus on strategic areas such as special purpose lithium batteries, smart energy storage systems and hydrogen technologies. In parallel, we adopt an integrated organizational model in which all key functions coexist in our Imola headquarters, in an operational ecosystem designed to foster collaboration, rapid decision-making and design consistency.

Another cornerstone of our strategy is the building and consolidation of strategic relationships with technology partners, customers and financial stakeholders, based on transparent communication, mutual trust and shared goals. This collaborative network allows us not only to constantly improve the quality and competitiveness of our solutions, but also to seize new opportunities in domestic and international markets in a timely manner.

Moreover, our strategy structurally integrates principles of environmental and social sustainability, translating into a concrete commitment to responsible and low-impact business models. We promote energy efficiency, the adoption of green materials and processes, and the development of technologies that meet the challenges of the ecological transition. This orientation recently led us to be recognized among the "Growth Leaders 2025," an achievement that testifies to the solidity of our trajectory and the consistency of our strategic positioning.

Through this integrated and sustainable approach, Elsa Solutions confirms itself as a reliable technological partner, capable of accompanying industrial companies along paths of digitalization, innovation and energy transformation, actively contributing to the creation of a more efficient, intelligent and environmentally friendly manufacturing future. Our ambition is not only to consolidate our presence in our target markets, but to drive change and build an industrial model of excellence, at the service of tomorrow's challenges.

2

The issues of sustainability

2.1 Analysis of Relevance

As part of its sustainability reporting, Elsa Solutions has adopted a structured process of dual materiality analysis, inspired by the requirements of the CSRD (Corporate Sustainability Reporting Directive) and ESRS (European Sustainability Reporting Standards). Adoption of this approach ensures the materiality of the information reported, supported and complemented by the risks, impacts and opportunities related to the company's activities.

The analysis combines two key perspectives:

1. **Relevance of impacts ("inside-out"):** assesses the effects generated by the Company on the environment, society, stakeholders, including also the value chain.
2. **Financial relevance ("outside-in"):** considers the influence of environmental, social and governance (ESG) factors on economic and financial performance. In addition, financial relevance finds expression in the mapping of risks and opportunities generated by Elsa Solutions' own activities and activities generated by actors in the value chain (Upstream/Upstream or Downstream/Downstream).

The process adopted by Elsa Solutions consists of **three main phases**, supported by sound methodologies that comply with the standards of the EFRAG guidelines and ESRS.
The first phase consists of understanding the business sustainability context, operational activities, and relationships along the value chain. Elsa Solutions conducted a comprehensive mapping of its operations/activities, including an analysis of value chain activities: from upstream suppliers to downstream customers. Key internal and external stakeholders were identified, including employees, customers, suppliers, investors, banks, and insurance companies. This analysis was augmented by a Peer&Comparables Benchmark analysis, with the aim of identifying relevant sustainability issues in the industry and Elsa Solutions' ESG positioning, as well as to identify emerging risks and strategic opportunities.

In the second phase, Elsa Solutions identified, mapped, and assessed the risks, opportunities, and impacts related to its activities. This analysis included a qualitative assessment based on short, medium, and long-term scenarios aligned with the sustainability criteria defined in ESRS1. During this phase, Elsa Solutions mapped and examined environmental, social, and governance impacts in order to understand the positive and negative effects, both current and potential, of its activities and value chain. From a financial point of view, risks and opportunities related to its own activities and in particular related to physical risks, use of hazardous substances, access to capital sources, waste management, accidents and occupational injuries, recruitment of specialized technical profiles, absence/inefficiency in communication of product characteristics, and penalties from wrongdoing were identified and mapped.
In addition, Elsa Solutions identified and mapped dependencies along the value chain, of which relevant sustainability issues emerged such as climate change adaptation for raw material sourcing and operations in the commercial chain.
The third phase concerns the assessment of materiality, divided into the two dimensions of analysis mentioned above. The materiality of impacts was assessed according to criteria such as severity, scope, and irretrievability, while the financial dimension explored the potential impact of ESG factors on economic performance, with a focus on operational resilience, access to capital, and reputational risks.
During 2024 and with the preparation of this first Sustainability Report, Elsa Solutions adopted qualitative criteria of financial relevance and a more in-depth focus on the value chain marking an important step forward in aligning with recent reporting standards such as: VSME (Voluntary Sustainability Reporting Standard), ESRS.
This new approach enables the Company to identify risks and opportunities arising from sustainability issues and integrate its strategy accordingly.

Below is the summary of the materiality analysis conducted on ESRS sustainability issues. For issues judged to be relevant, the respective relevant IROs are given in the following paragraphs.

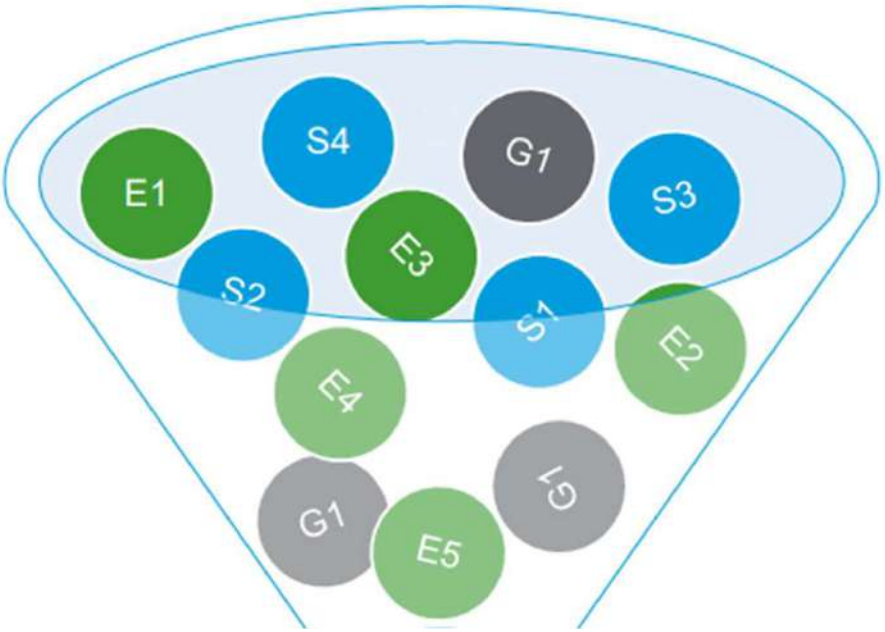
ESRS/VSME SUSTAINABILITY ISSUES	Relevance Analysis Results
ESRS E1 – Climate change	**Relevant**
ESRS E2 – Pollution	Not relevant
ESRS E3 – Water and marine resources	Not relevant
ESRS E4 - Biodiversity	Not relevant
ESRS E5 – Circular Economy	**Relevant**
ESRS S1 – Own Workers	**Relevant**
ESRS S2 – Value chain workers	Not relevant
ESRS S3 – Affected communities	Not relevant
ESRS S4 – Consumers and end users	**Relevant**
ESRS G1 – Business conduct	**Relevant**

2.2 Identification of relevant IROs

Following the process of identification and assessment of Impacts, Risks and Opportunities (IROs) described in the previous paragraph, a mapping of current and potential impacts, as well as relevant financial risks and opportunities, related to the Company's activities was prepared. The analysis of impacts was conducted based on the criteria provided by ESRS and Implementation guidance 1 (IG1) - Materiality assessment, peculiar to the two perspectives of analysis, namely:

1. **Relevance of impacts ("inside-out")** determined by identifying for each impact the dimensions of analysis below:
   - Scale: describes how severe or beneficial the impact is on the environment and people.
   - Scope: describes how extensive the impact on the environment and people is.
   - Irreversibility: describes how much negative impact on the environment and people can be remedied.
   - Likelihood: describes the possibility of an impact occurring on the environment and people.
2. **Financial relevance ("outside-in"):** based on estimating the magnitude and probability of occurrence of risks and opportunities.
   - Magnitude: describes the magnitude of financial risk and opportunity.
   - Probability: describes the possibility of the risk or opportunity occurring.

Finally, once the materiality level of each IRO was determined, specific materiality thresholds were defined so as to determine the relevant IROs for the Company.
The process considered the entire value chain - from upstream activities to direct operations to downstream activities - with the goal of providing a holistic and integrated view of key environmental social and governance dynamics relevant to the business model.
In the Appendix chapter, the list of relevant sustainability issues for Elsa Solutions for 2024 is given, along with their identified impacts, risks, and opportunities (IROs, page 67).



2.3 Stakeholder Engagement Activities

In 2024, Elsa Solutions embarked on a structured stakeholder engagement process aimed at gathering their assessments of the impacts generated by the company's activities.
In this context, the company promoted a consultation process, involving stakeholders through the administration of a questionnaire, with the aim of ensuring a transparent dialogue and an in-depth understanding of their perceptions and expectations.
The process involved the following stakeholder categories: employees, customers, suppliers, investors, banks and insurance companies, both domestically and internationally. Stakeholder assessments complemented the materiality analysis, contributing to an assessment of impacts.
Key stakeholder categories were identified through a structured process designed to understand their role and expectations with respect to the company's activities. A total of 97 stakeholders participated in the initiative, with a response rate of 40%.
The results of stakeholder engagement activities did not reveal any additional relevant sustainability issues beyond those identified in the materiality analysis.
The boards of directors, management, and auditors are constantly updated on the outcomes of these activities and on the analysis of impacts, ensuring constant alignment of corporate governance with stakeholder expectations.
This approach enables Elsa Solutions to develop management oriented toward responsibility and sustainability over the long term.

3

Economic responsibility

Real sustainability is about simultaneously being profitable and responding to the reality and the concerns of the world in which you operate. We're not separate from the world.

Cit. John Browne

3.1 Management performance

In order to preserve its stability and resilience in the long term, a company must be able to create a sound financial and economic structure and a network of partners and lenders, which allows it to be sustainable in economic terms as well.
Elsa Solutions recognizes the crucial importance of economic responsibility to all stakeholders, including lenders, investors, employees, customers, suppliers, and the community at large. In an increasingly complex and interconnected economic environment, we believe that transparency, accountability and sustainability of our economic performance are key elements in building and maintaining lasting trusting relationships.
Economic value generated and distributed represents the ability to create wealth and value through its activities and to distribute it among its Stakeholders.
Functioning as a connecting point between the Financial Statements and the Sustainability Report, Elsa Solutions has found it essential to measure and bring out the economic impact that the company's activities generate on its value chain.
During 2024, the Company generated an economic value of 22.349.267 euros and distributed 20.977.779 euros to its stakeholders, suppliers, collaborators, lenders, and public administration and local community.

2024		2023
22.349.267 €	Economic value generated	**19.439.201 €**
20.977.779 €	Economic value distributed	**18.334.764 €**
94%	% Economic value distributed	**94%**
1.371.488 €	Economic value withheld	**1.104.437 €**

We believe that achieving good economic performance should not be done at the expense of stakeholder interests, but rather in harmony with them. For this reason, we adopt corporate policies that promote equity, social responsibility and environmental sustainability, integrating these principles into our decision-making processes.
Our business model is geared toward the creation of shared value, in which the economic success of the company translates into concrete benefits for all stakeholders. We constantly invest in innovation, training and continuous improvement, knowing that only through balanced and inclusive growth can we ensure a solid and prosperous future.
In conclusion, economic responsibility is a strategic pillar for us, guiding our daily actions and defining our commitment to ethical, transparent and long-term oriented management.
This section shows the representation of the economic value generated by Elsa Solutions and the distribution of this value to the main categories of Stakeholders.
These data were obtained by reclassifying the Income Statement in order to harmonize information on economic value generated, distributed and retained.

ECONOMIC VALUE (Eur)	2024	2023
Economic value generated (A)	**22.349.267**	**19.439.201**
Revenues from sales and services	21.918.549	19.275.572
Other income	364.640	127.832
Financial income	66.078	35.797
Economic value distributed (B)	**20.977.779**	**18.334.764**
Suppliers	17.662.152	15.535.823
Employee remuneration	2.587.970	1.947.270
Remuneration of lenders	366.468	299.543
P.A. remuneration	361.189	552.128
Economic value withheld (A-B)	**1.371.488**	**1.104.437**
Change in inventories	219.506	755.783
Exchange rate differences	- 3.886	- 97.002
Depreciation	- 564.355	- 473.870
Reserves	**1.022.753**	**1.289.348**

3.2 Approach to taxation

Elsa Solutions adopts a tax strategy in accordance with the principles of legitimacy, in compliance with the rules, according to the principle of transparency, clarity and truthfulness of accounting and management feedback.
The fiscal headquarters of the Company is in Italy, with an approach therefore based on compliance and adherence to local regulations.

During 2024, the company had no significant tax disputes, and as of the date of this document, no tax disputes were pending.

Management of corporate taxation is entrusted to the Administrative Department, with supervision by the Board of Directors.
The company employs an agency of accountants for support in the interpretation and application of Italian tax regulations, to ensure full compliance with all legal obligations and full transparency to tax authorities.
Elsa Solutions has the following key goals in the fiscal area:

- **Total tax compliance:** meeting all tax deadlines
- **Tax burden optimization:** planning corporate operations in a tax-efficient and fair manner.
- **Transparency and traceability:** ensuring clear and verifiable reporting
- **Tax risk management:** working with tax advisors on all regulatory changes
- **Alignment with ESG sustainability:** integrating responsible taxation into sustainability reports and contributing to the economic well-being of the area

FISCAL FRIENDLY

3.3 Future Goals and SDGs

In a global economic environment characterized by instability and uncertainty, economic responsibility is a key pillar for ensuring business continuity, especially after listing. Listed companies are required to respond not only to the needs of the market, but also to the expectations of shareholders, stakeholders and society.
Economic responsibility implies transparent, efficient and sustainable management of financial resources, with the goal of generating value in the long run. In particular, for a newly listed company, it is essential to demonstrate soundness, reliability, and adaptability to market changes. This approach enhances investor confidence and contributes to the stability of the stock.
The commitment to economic responsibility aligns with several UN SDGs.

Inclusive and sustainable economic growth, underpins Elsa Solutions' governance strategy. Positive economic performance enables investment in sustainability and the circular economy.

Investing in innovation and digital infrastructure is essential to increasing productivity and competitiveness. In a country where the productivity index has not risen in 20 years, Elsa Solutions has the crucial goal of going against the trend.

Elsa Solutions is committed to meeting all tax deadlines on time. Income taxes ensure tax revenues, to be redistributed and fund public services in the community.

RESPONSIBLE CONSUMPTION & PRODUCTION

Environmental responsibility

Being responsible to the environment means being responsible to humanity.

4.1 Energy Management

Elsa Solutions recognizes its responsibility to the environment and is actively working to contribute to a more sustainable future. We believe that economic growth must go hand in hand with protecting the planet, which is why we adopt business practices that reduce the environmental impact of our activities. We are also committed to reducing the consumption of natural resources, limiting pollutant emissions and promoting energy efficiency in all our operations. We constantly monitor our environmental impact and take measures to improve our performance, such as using low-impact technologies, digitizing processes, and reducing waste.

Climate change is one of the most urgent challenges of our time. Elsa Solutions is committed to contributing to the fight against global warming through concrete actions: a production process with a low ecological and energy impact, offsetting CO_2 emissions, and using renewable energy sources. We adopt the principles of circular economy to reduce environmental impact and enhance the value of resources. We aim to extend the life cycle of products, reduce waste, and promote the reuse and recycling of materials.

Elsa Solutions is dedicated to continuously monitoring and improving its energy consumption, recognizing the key role of efficient resource management in curbing environmental impact.

The Company gives a central role to the careful and responsible management of energy within its environmental strategies. Aware that energy consumption is a significant aspect in terms of environmental and climate impact, the company has adopted an energy policy based on criteria of efficiency, sustainability and transparency.

Elsa Solutions is committed to promoting these criteria and the principle of environmental responsibility to its supply chain as well. It favors local suppliers as much as possible and seeks to select partners with a considerate approach to sustainability and with environmental certifications. In this regard, it should be noted that for Aliant's line of business, the company is conditioned to source lithium cells mainly from China, as it is unable to select and designate European suppliers for this type of material. The lithium cell suppliers all have environmental (ISO14001) and quality (ISO9001) certifications.

During 2024, the company's entire electricity needs of 224.6 MWh were met through energy from renewable sources, purchased from Hera Comm SpA through contracts with Guarantees of Origin (GO) and partly through self-generation from a photovoltaic system positioned on the roof of the plant.
More than 60 percent of total energy consumption has been covered through these renewable energy sources. These choices have significantly reduced indirect emissions related to grid electricity, contributing to more sustainable resource management.
Below is a representation of the total energy (renewable and non-renewable) consumed within Elsa Solutions. For further details, please refer to the "Quantitative Indicators" in the Appendix.

2024	Renewable	Non-Renewable	Total
Electricity	224,6 MWh	0	224,6 MWh
Combustibles	8,2 MWh	135,3 MWh	143,5 MWh
Total	**232,8 MWh**	**135,3 MWh**	**368,1 MWh**

In parallel, Elsa Solutions carries out systematic monitoring of its energy consumption, with the aim of promoting energy efficiency initiatives at the operational and management level, in line with the principles of continuous improvement. Consistent with its approach to sustainability, the company has also embarked on a path of evolution of the corporate fleet, equipping itself in the early stages with mild hybrid and full electric vehicles, with the aim of progressively reducing direct emissions and consumption related to internal mobility.
The company believes it is critically important to continue on the right path, to invest further in renewable energy sources in order to mitigate its ecological footprint.

Photovoltaic plant

The design of the Elsa Solutions plant included the inclination and right arrangements for the installation of a photovoltaic system on the roof of the plant from the initial stage. In 2018, the first system with a capacity of 62 kWp was installed in conjunction with the relocation of the legal and operational headquarters.
In the second half of 2024, an expansion of the existing photovoltaic system was installed, for an additional 25 kWp.
These investments on the one hand express the savings from the economic point of view of energy not purchased in the market, and on the other hand embrace a sustainable approach to the dynamics of energy supply from renewables at the source.
In 2024, the company self-generated a total of 27.05 MWh of electricity from PV, and of this, it sold 2.98 MWh to the grid. It should be considered that due to the 2024 expansion work, the PV plant did not operate at full capacity for some months of 2024. We therefore expect significantly higher production and self-consumption for the year 2025.

Self-generated electricity:

From photovoltaics	**27,05 MWh**
- of which to the grid	**2,98 MWh**

At a later stage, it is planned to install an additional photovoltaic system on the roof of the production site being expanded and finalized in 2024.

4.2 Carbon footprint

Carbon footprint is a key strategic tool for objectively assessing the environmental impact of our activities. Measuring GHG emissions allows us not only to understand the main sources of impact, but also to accurately identify areas where we need to take action to activate effective and targeted solutions.

To support timely monitoring, Elsa adopts an approach consistent with UNI EN ISO 14067, which enables transparent and verifiable assessment of greenhouse gas emissions, reinforcing the robustness of reported information and helping to steer business decisions toward models with lower environmental impact.

Below is a representation of Elsa Solutions' CO_2 emissions. For further details, please refer to the "Quantitative Indicators," in the Appendix.

Scope	Unit of measure	2024
Scope 1	$tonCO_2eq$	**32,41**
Scope 2		**39,88**
Location based	$tonCO_2eq$	39,88
Market based	$tonCO_2eq$	0

As part of its initiatives to mitigate environmental impacts, Elsa Solutions has launched a multi-year voluntary project to offset greenhouse gas emissions by signing a partnership with Treedom, the certified B Corp platform that enables remote tree planting. The trees produce oxygen and absorb carbon dioxide, thus improving air quality and helping to lower temperatures. The partnership involves the annual planting of 450 trees in areas at risk of desertification, located in Africa and Central America.

With this collaboration, Elsa Solutions has the opportunity to achieve this twofold goal: to mitigate its own environmental impact and at the same time enable local developing communities to receive funding, food resources and economic opportunities.

treedom®
let's green the planet

4.3 Life Cycle Assessment - ISO14067

Life Cycle Assessment systematically assesses the environmental impacts of a product throughout its life cycle, from raw material to final disposal. The product carbon footprint (CFP or PCF) specifically measures the total greenhouse gas emissions attributable to the product throughout its life cycle: from the extraction stage, to production, to use and subsequent end-of-life. ISO 14067 Reference Standard.
This approach makes it possible to identify “hot spots” along the production chain, highlighting wasted energy or raw material to be corrected - for example, in cell production or assembly - translating waste reduction into cost savings and lower emissions.
LCA assessment is fully consistent with the principles of the circular economy. The new EU legislation on batteries (EU Regulation 2023/1542) explicitly incorporates these principles at all stages of the life cycle - from raw material extraction, to design, production, reuse, and recycling.
In parallel, the CFP is a key transparency tool to stakeholders (customers, investors, communities, regulators). A certified Carbon FootPrint provides comparable and verifiable data on the environmental impact of our products. In particular, this meets the needs of those who purchase our Aliant solutions: it is well known that a battery does not emit CO_2 during use, but we believe that our customers need to be aware of the overall impact generated during production and at the end of the life cycle.
Using the LCA approach, we can communicate in quantitative terms what the initial carbon footprint is due to battery production, which is the most impactful phase of the entire life cycle.
LCA results thus become essential for transparency and enabling comparisons: as ISO 14067 points out, “transparent reporting of life-cycle greenhouse gas emissions” is a key element in generating trust with stakeholders.

ISO 14067

CO2
ISO 14067
Carboon
Footprint

Elsa Solutions was among the first companies in Italy to adopt a Carbon Footprint of Product Systematic Approach (CFP) for its Aliant battery line.
According to ISO 14067, this method allows the CFP calculation to be applied to all product families through the same methodological framework.
For Elsa, this represents a structured and ongoing investment that will enable it to use the same systematic CFP-SA method for all Aliant products, including prototypes made in-house.

With this in mind, Elsa Solutions has developed dedicated LCA calculation models and implemented ISO 14067-certified internal procedures, with the systematic organization of data collection from suppliers and production facilities (energy consumption, materials, transportation, disposal, etc.) in a centralized database. The outputs of this process include carbon footprint reports validated according to ISO 14067.
This is coupled with a replicable year-on-year database and periodic verification by a certified body, which is also useful for implementing further studies and constantly improving the approach.

Key activities include:

- Comprehensive LCA studies for each Aliant product, prepared according to industry PCR rules
- Implementation of an internally certified **CFP Management System** according to ISO 14067 CFP-SA.
- Creation of an **LCA data portal** conforming to international standards.
- Generation of **product CFP reports** aligned with current regulations.

Certified emission factors (Fossil, Biogenic, DLUC1) were used to quantify absolute contributions, ensuring reliability and comparability of results.

Fattori di emissione (kg CO_2e/UF)			CONTRIBUTO ASSOLUTO	CONTRIBUTO RELATIVO
CO_2e fossile	CO_2e biogenica	CO_2e dLUC	FE (kg CO2e/UF)	%

CFP data analysis and results

The same sample battery audited by Bureau Veritas was used as a reference for the analysis and creation of the following graphs.

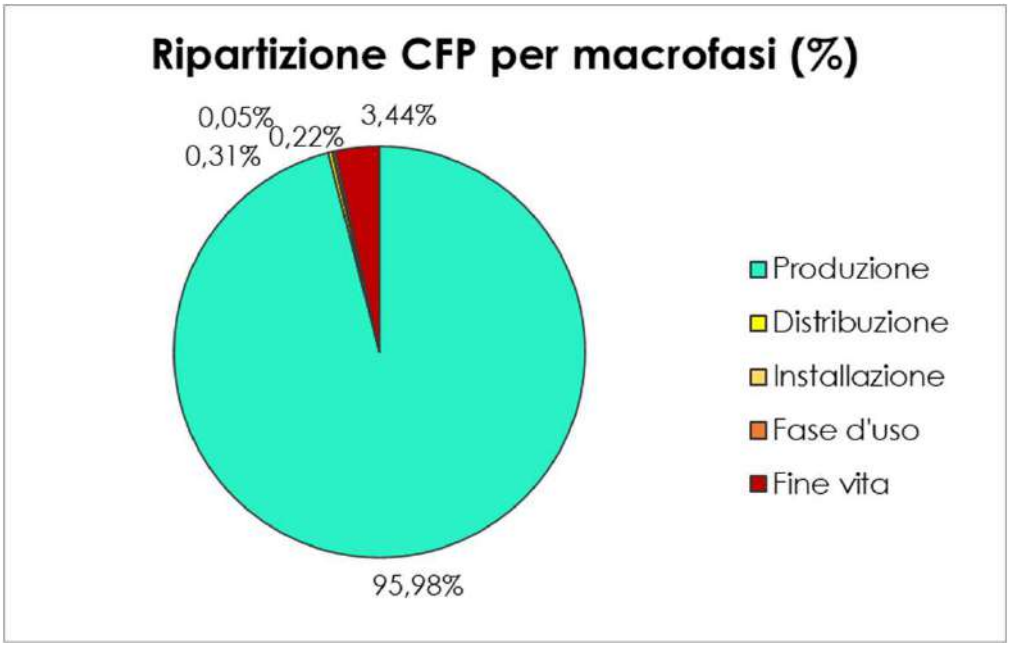
CFP (kg CO2e/U.F.)
503,66

All phases and sub-phases of the life cycle from production to the end of the useful cycle were considered.

MODULO		FASE DEL CICLO DI VITA	kg CO_2e	%
Produzione	UPSTREAM	MP batteria	472,07	93,7%
		Materiali Ausiliari	0,00	0,0%
		Trasporto materie prime	4,87	1,0%
	CORE	Packaging batteria	1,27	0,3%
		Consumi energetici stabilimento	5,06	1,0%
		Emissioni in atmosfera	0,07	0,0%
		Rifiuti di stabilimento	0,06	0,0%
Distribuzione	DOWNSTREAM	Trasporto al sito di utilizzo	1,56	0,3%
Installazione		Smaltimento packaging	0,23	0,0%
Fase d'uso		Consumi in fase d'uso	1,13	0,2%
Fine vita		Fine vita batteria	17,34	3,4%

DLUC (Direct Land Use Change): refers to greenhouse gas emissions associated with direct land use change, such as deforestation or conversion of agricultural land to land for biofuel production.

The results obtained show a clear distribution of emissions along the life cycle of the battery analyzed. In particular, about 95 percent of the overall carbon footprint is attributable to the production phase, and of this, as much as 97 percent is attributable to primary production processes. This kind of evidence provides Elsa with a concrete cue for continuous improvement actions, with targeted focus on the cause of the most relevant environmental impacts.



Monitoring of collected data

The launch of the CFP-Systematic Approach required significant initial effort - IT infrastructure, staff training, validation of pilot projects-but it has enabled the construction of a robust and repeatable database that is constantly updated and certified. This information asset supports increasingly accurate simulations and transparent communications to stakeholders:

- **Questionnaires to over 100 suppliers**, including QHSE aspects and specific sustainability requests.
- **Database with over 300 raw materials**, representative of each component of Aliant products, updated annually; each material was measured and analyzed to determine its percentage composition (plastic, aluminum, steel, copper, etc.).

The data collected are updated periodically, feeding into successive LCA reviews and setting increasingly challenging targets.

Improvement activities and future prospects

The ISO 14067 certification process highlights new opportunities for action to reduce environmental impact. As was demonstrated under “Data Analysis and CFP Results,” life cycle analysis identifies “critical areas” of energy and raw material consumption, enabling Elsa to intervene in R&D and production. For example, through these studies, high-impact components (cells, management systems, etc.) can be recognized and improvement processes can be designed.

Once detailed data is obtained, the company can identify areas for improvement and devise strategies to reduce impact at each stage, while generating cost savings and strengthening its business appeal. We monitor all key indicators (consumption, emissions from inputs, etc.) annually through the CFP system, tracking trends and redefining reduction targets. The ISO 14067 project thus creates a virtuous circle of audits, increasingly stringent targets and implementation of countermeasures:

- Periodic review of LCAs and updating of internal databases.
- Identification of emission "hotspots" and implementation of efficiency projects (e.g. reduction of cell consumption, implementation of renewable energy, optimization of production processes).
- Internal compliance audits and setting increasingly ambitious decarbonization targets.
- The information obtained is not just limited to the finished product: it is also used as strategic support for ESG policies, in line with regulatory requirements (such as VSME standards), and is a competitive advantage in anticipating compliance toward emerging regulations such as the Battery Passport, CSRD, and other European requirements.
- The availability of data from 2022 onward also allows for the monitoring and comparison of emissions of changed products over time, including updates related to supply, transport, and materials. This approach supports the integration of the continuous improvement principle into product design and lifecycle management.

In practice, Elsa has transformed the results of LCA analysis into a structured environmental data asset, capable of guiding not only technical choices but also transparent sustainability communication to stakeholders.

In the coming years, the role of LCA and CFP in Elsa will expand significantly. Starting in 2027, the European Union will introduce the digital Battery Passport, in which each battery must carry a QR-code containing manufacturing and sustainability information. Specifically, the passport will include CO_2 emissions built into the manufacture of each model and data on the recyclability of materials. LCAs carried out in-house by Elsa will form the basis of this data. In view of this requirement, we are already collecting the key parameters for each cell and module so that the declarations required by the European regulation can be prepared in time.

In addition to the Battery Passport, the CFP-SA may be extended to new areas, such as studying the second life of batteries (reconditioning and reuse) and optimizing advanced recycling processes. By quantifying the impact of second life scenarios, Elsa will be able to highlight the environmental benefits of reuse and refine recovery supply chains. Similarly, LCA data will feed into Environmental Product Declarations (EPDs) and integrate into upcoming ESG reports, reinforcing our reputation for transparency and rigor.

4.4 Waste Management and Packaging

Elsa Solutions integrates circular economy principles within its operations, adopting an approach focused on environmental responsibility and resource efficiency. The company aims to reduce waste and enhance the value of materials and processes throughout the value chain, promoting sustainable behavior in various operational areas. In this way, it contributes to the construction of a conscious and innovation-oriented business model. Elsa implements an integrated waste management program, implemented in accordance with current environmental regulations. The program includes:

1) Optimization of waste management in the offices and warehouse: the Company has defined, in its operational areas of collection islands and containers coded according to the European Waste Catalogue (EER), facilitating the correct disposal by staff. This system made it possible to collect a total of 28.4 t of waste, 100% of which was sent for recovery or recycling.
Below is a representation of the total waste (hazardous and non-hazardous) produced within Elsa Solutions. For further details, please refer to the "Quantitative Indicators," in the Appendix.

Waste generated by type	Unit of measure	Reuse/Recovery
Non-hazardous	**t**	**24,2**
15.02.03 - vermiculite	t	0,7
17.09.04 - mixed waste	t	1,4
15.01.03 - wood	t	2
16.02.14 - electric motors	t	4,7
15.01.04 - Aluminum Packaging	t	11,5
16.02.14 - Battery charger	t	0,4
08.03.18 - toner	t	0,0
17.04.05 - scrap iron	t	3,5
Hazardous	**t**	**4,2**
16.06.05 - other batteries and accumulators	t	4,2
Total waste produced	**t**	**28,4**

2) Ensuring high sanitation standards: cleaners conduct regular emptying to ensure optimal hygienic conditions in all business areas.

3) Internal communication and staff awareness: there are appointees for some business areas to support colleagues in identifying waste and promoting virtuous behavior.

4) Use of recycled and recyclable packaging: Elsa Solutions has adopted IATA-compliant packaging to ship its products, preferring containers made of wood and recycled materials. In the **Packaging Design Specification** that we use for shipping, we have defined mixes and percentages of use:

- 70% wood
- 20% recycled pallet
- 7% recycled bubble wrap
- 3% recycled cardboard and steel

5) Improved operational efficiency and reduced environmental impact through internal reuse of materials (e.g., cable scrap), proper waste classification, and tracked monitoring through RENTRI (Registro Elettronico Nazionale per la Tracciabilità dei Rifiuti).

Elsa Solutions is committed to proper management of waste streams and to making the best use of end-of-life materials. These choices are reviewed and updated regularly to ensure compliance and reduce the environmental footprint.
Special wastes (4.25 t) such as lithium batteries, WEEE and transformers - are safely processed in accordance with ADR regulations by relying on qualified suppliers.
The company has extensively and thoroughly trained all its employees to follow proper and optimal end-of-life management of materials.
Elsa Solutions does not use water resources in its production process, but only for staff sanitation.

4.5 Low-impact manufacturing plant and processes

Plant

In the long path of structural growth of Elsa Solutions and mainly as a result of the development of the Aliant line of business, in 2015 the management pointed out the need to expand the space used for the production process and warehouse at the operational headquarters, as it was no longer sufficient to ensure the proper development and organization of production processes.
Unable to expand the Via Einaudi plant, the company had to locate land and plan the development of the new headquarters at 15 Via Patarini, Imola.
In 2016, the company then started the design of the current headquarters, with a focus on environmental and energy-saving issues, with innovative choices compared to the period. The building for office, warehouse and production use is equipped with:

- Prefabricated panels and fixtures with low conductivity and high thermal insulation
- High-efficiency HVAC systems with all-electric heat pump with inverter control
- Absence of methane gas line for any use
- Efficient underfloor heating throughout the production part
- Roof-integrated photovoltaic system complete with proprietary Energy Management System, developed by in-house Technical Department and implemented with management software for the purpose of maximizing self-consumption and promoting the operation of heating and cooling machines at the same time as photovoltaic production (high-efficiency thermal storage).
- Total LED lighting, both in offices and production part, with control unit for complete nighttime shutdown.

In 2023 Elsa started a project to expand its production site brought to completion in 2024, with the same criteria of efficiency and low energy consumption.

Digital and efficient production processes

Elsa Solutions has adopted the same focus on efficiency and resource reduction to the production process as well.
Innovative technological solutions enable our technicians to perform remote commissioning and remote service.
This allows us to ensure faster response times for the customer, while reducing the travel of our technicians, and thus also reducing the use of cars, trains and planes.

4.6 Future Goals and SDGs

In the current context of increasing attention to environmental sustainability, Elsa Solutions recognizes and fully integrates with the sustainability strategies adopted during its years of operation and believes it is of paramount importance to continue on the path taken, with a responsible and forward-looking vision.
The company's environmental goals are fully aligned with the United Nations Sustainable Development Goals (SDGs), particularly items 7, 12 and 13.

We intend to continue to optimize the use of natural resources, reduce waste and promote recycling. The company will also adopt more eco-friendly assessment criteria in its supply chain.

Elsa Solutions is committed to reducing energy consumption through energy efficiency and the adoption of renewable sources. The new photovoltaic plant project is part of this effort.

Our strategy includes measuring and reducing greenhouse gas emissions, offsetting residual emissions, and raising internal and external awareness of climate issues.

GOOD HEALTH
& WELL-BEING

5

Responsibility to human capital

Our employees are part of our journey and are the force that makes it possible. Every accomplishment is a reflection of their commitment, passion and value.

5.1 Our people

Elsa Solutions considers human capital central to its success and a key resource for sustaining the company's growth and innovation. In an ever-changing context marked by technological, environmental and social challenges, investment in people is the key for Elsa Solutions to drive innovation and build shared value over the long term. The Company fosters an inclusive, safe and stimulating work environment in which each employee can express his or her full potential and actively contribute to the company's goals.
Personnel management is based on the values of fairness, innovation and respect, promoting a work environment that stimulates employees' talent and well-being:

1) **Enhancement of skills:** Elsa Solutions invests in the continuous training and professional development of its employees through refresher programs and internal growth paths. The goal is to enhance technical and soft skills, fostering staff motivation and involvement.
2) **Safety and well-being:** Safety at work is a top priority for Elsa Solutions, which takes strict measures to prevent accidents and ensure the health of employees. It also promotes staff well-being through initiatives aimed at work-life balance, enhancing motivation and a sense of belonging.
3) **Inclusion and equal opportunity:** Elsa Solutions is committed to creating an inclusive and respectful work environment, ensuring equal opportunity for all employees regardless of gender, age, origin or cultural background. Valuing diversity is a key element of the corporate culture.
4) **Corporate culture:** Elsa Solutions fosters a culture based on collaboration, transparency and innovation, encouraging open dialogue between all organizational levels. This contributes to a positive and dynamic work climate, in which every employee actively participates in the achievement of company goals.

Through this strategic human capital management, Elsa Solutions aims to build a cohesive and motivated team capable of meeting market challenges and contributing to the company's sustainable growth.

Organic staff composition and gender equality

Valuing Diversity is one of the founding principles of Elsa Solutions: a key element in building an inclusive, challenging and equity-oriented work environment. We firmly believe that staff diversity, in its many dimensions, gender, ethnicity, age, ability and cultural background, is an essential driver for innovation and progress. In particular, gender equality occupies a central place in Elsa Solutions' strategy.
Below is a representation of the organic composition of Elsa Solutions' staff. For further details, please refer to the "Quantitative Indicators," in the Appendix.

Organic	Unit of measure	31.12.2024	31.12.2023
Total	**n.**	**53**	**45**
Women	n.	10	11
Man	n.	43	34

Elsa Solutions recorded a workforce of 53 employees as of December 31, 2024, an increase of 8 people from December 31, 2023. The company has strengthened the production and technical departments to respond adequately and scrupulously to the needs of our customers, as well as to strengthen the corporate structure.
The industry in which Elsa Solutions operates is by custom characterized by a bias toward a male workforce. Despite this, 19% of the employees are female.

Elsa Solutions believes that gender equality ensures a balance of roles and positive synergy.

More than 90% of the workforce as of 31.12.2024 has a permanent contract (100% for women) and the company does not use temporary workers.

Types of contracts		Unit of measure	31.12.2024	31.12.2023
Indefinite time				
	Man	n.	39	34
	Woman	n.	10	10
Fixed-term				
	Man	n.	4	0
	Woman	n.	0	1
Total		**n.**	**53**	**45**
Total employees covered by CCNL		**%**	**100**	**100**

Staff training

Elsa Solutions considers personnel training a key element for business success and the enhancement of human capital. The company constantly invests in skill development programs geared toward both technical upgrading and personal and professional growth.
Through targeted training courses, employees have the opportunity to acquire new knowledge and hone their skills, ensuring that they are always prepared to meet the needs of an ever-changing market.
The goal of training is not only to improve business performance, but also to strengthen employee motivation and nurture a climate of collaboration and shared growth. Through this strategy, Elsa Solutions aims to build a prepared team capable of meeting the challenges of the future with competence, passion and sustainable responsibility.

Below is a representation of the total average hours of training divided by gender. For further details, please refer to the "Quantitative Indicators," in the Appendix.

Average training hours	Unit of measure	31.12.2024
Total	**H/dip**	**11**
Woman	H/dip	1
Man	H/dip	14

Following a reporting of certified training hours, the total training hours provided is 603 H. The training offered consists of 380 hours of compulsory training and 223 hours of professionalizing training.
Processing the collected data, this results in about 11 hours of training per employee, divided between about 14 hours for male staff and about 1 hour for female staff. The wide gap between male and female training hours is mainly attributable to different needs based on the employee's job description and the non-reporting of on-the-job training in the administrative department.
Elsa Solutions is also committed to ensuring the mandatory safety training required by Legislative Decree 81/2008 to more employees than required by the regulations.
It should be considered that this was the first year in which the Company reported training hours and only certified working hours were tracked. In addition to these, during 2024, the Company provided on-the-job training and carried out specific projects. The operational and integrated nature of these initiatives, typical of on-the-job training, did not allow for the timely monitoring of the hours provided, the number of hours provided of which was not monitored given the method of administration.

5.2 Occupational health and safety

Protecting the health and safety of employees is a top priority for Elsa Solutions, which takes a proactive and structured approach to ensuring a safe working environment that complies with current regulations and is geared toward the well-being of staff.

The Company employs an in-house Prevention and Protection Service Manager (RSPP), whose role is central to the management of safety policies. The RSPP is responsible for monitoring and continuously improving prevention procedures, identifying risks and implementing corrective actions to mitigate them. This key figure collaborates with managers of different business areas to promote a shared safety culture.

Elsa Solutions also employs a competent physician, who plays a crucial role in the prevention and protection of workers' health. The competent doctor is in charge of carrying out the health surveillance required by law, monitoring the health status of employees through periodic visits and specific assessments in relation to the tasks performed. Currently, no occupational diseases are recorded.

To further strengthen its commitment to safety, Elsa Solutions continuously invests in staff training and awareness through targeted courses on occupational health and safety. These training programs, aimed at both new hires and longtime employees, include a wide range of topics, such as hazard identification and management, proper use of personal protective equipment (PPE), and emergency procedures. The courses are designed to be interactive and hands-on, with the goal of ensuring that every employee gains the skills needed to deal with potentially critical situations and operate safely.

Through these initiatives, Elsa Solutions is committed to ensuring the maximum safety of its employees, contributing to their well-being and the creation of a positive and protected work environment.

Major investments related to the renewal of the intralogistics handling fleet in 2024 were also made with a view to improving worker safety.

In addition, Elsa Solutions is committed to keeping staff up-to-date on the latest regulations and technologies related to occupational safety by organizing regular training sessions. These educational courses not only strengthen the company's culture of prevention but also promote the psychological and physical well-being of employees, contributing to the creation of a more peaceful and productive work environment.

No fatal, permanent, or temporary injuries were recorded in 2024.

Employees	Unit of measure	31.12.2024
Fatalities	n.	0
Permanent injuries	n.	0
Temporary injuries	n.	0
Hours worked	H	92331

5.3 Future Goals and SDGs

In line with Goal 8 of Agenda 2030, we are committed to promoting decent work for all, ensuring fair conditions, security and opportunities for development. A place where employees can grow professionally and personally.

We believe that people's well-being is at the heart of every organization, which is why we are committed to creating an environment that fosters the physical, mental and emotional health of those who work with us.

In a highly technical environment such as ours, it is essential to continue to invest in training and research, with the goal of organizing proper reporting of training hours.

We believe in a future where talent has no gender. That is why we strive every day to build an equitable environment where women and men can express their potential in full freedom.

SUSTAINABLE CITIES AND COMMUNITIES

6

Responsibility to the territory

Community is not merely a place, is a bond of mutual responsibility.

6.1 Sponsorships and donations

Elsa Solutions strongly feels rootedness and a sense of belonging to its local area and community.
Since its founding in 1982, Elsa Solutions has come a long way and has always been linked to the territory of Imola, in the province of Bologna: from the small family business with the headquarters obtained in the workshop next to the house, to the move to the headquarters in Via Einaudi (Imola), to the construction of the new plant and subsequent expansion of the headquarters in Via Patarini (Imola).
Elsa Solutions has always been committed to considering local ownership in its business strategies: from the workforce, to local suppliers, to partnerships with local entities.
Elsa Solutions strongly believes in future generations and sports as a driver for inclusive and personal growth, educational and training development, and physical and mental well-being.
In 2024 Elsa Solutions sponsored two sports clubs: the **Sword Academy**, which promotes fencing; and the **Crammont Mont Blanc Ski Club**, whose winter championship it sponsors.
The company also commits annually to contribute a donation to the **Italian Red Cross**, for the **Sportello Sociale** project.

6.2 Aliant Electrification Academy

The sectors in which Elsa Solutions operates, industrial automation and energy storage, require high-profile training and technical knowledge to understand and master product features.
In an effort to raise awareness and make highly technical topics more understandable to users in the company's value chain, as well as to all individuals interested in these issues, Elsa Solutions has created its Electrification Academy: an in-depth column dedicated to heavy vehicle electrification, featuring several highly skilled industry technicians to delve into the various features and challenges in the electric transition of heavy vehicles.

Academy of the Sword

Crammont Ski Club

Social Desk Project

CROCE ROSSA ITALIANA
VOLONTARIO

Electrification Academy

ELECTRIFICATION ACADEMY

6.3 Future Goals and SDGs

Our company firmly believes that economic success should go hand in hand with social responsibility. For this reason, we are actively engaged in and aim to continue supporting the local community and enhancing the area in which we operate. Our corporate vision includes a strong sense of belonging and responsibility to the people and environment around us, with a special focus on the Sustainable Development Goals, established by the United Nations.

Elsa Solutions is committed to reducing inequality in its community by providing donations to voluntary organizations in the area and sponsoring sports clubs, helping to make it possible for all young people with a strong inclination and interest to engage in sports.

We believe that education and innovation are the cornerstone of a sustainable and equitable future. Therefore, we will continue to invest in training with our Electrification Academy and classes at technical institutes in the area.

Elsa Solutions has initiated an interlocution with the Municipality of Imola, to propose the **"Adopt a flowerbed"** project. The project consists of the adoption of a public green area adjacent to the Company's headquarters, through maintenance, pruning and enhancement activities, with the aim of contributing to urban decorum and the well-being of the local community.

A glimpse into the future

Elsa Solutions, aware of the crucial role that sustainability plays in the global industrial context, has integrated practices and policies aimed at reducing environmental impact and improving quality of life into its business strategies. The company adopts a holistic approach that starts with the responsible sourcing of raw materials, moves through the adoption of energy-efficient technologies and optimized production processes, to the promotion of advanced recycling and waste management systems, actively contributing to a circular economy model.

In line with ESG (Environmental, Social, and Governance) standards, Elsa Solutions has implemented policies of transparency, social responsibility, and environmental protection, supporting employee training and community involvement in green initiatives. The company promotes an inclusive and safe work environment, with initiatives that foster diversity and inclusion, while also ensuring ethical management throughout the value chain.

A key part of the sustainability strategy involves the energy sector. Elsa Solutions stands out for its commitment to the development of innovative solutions such as lithium-ion batteries and hydrogen systems for energy storage and management, which not only promote electric mobility and renewable energy management, but also support the reduction of greenhouse gas emissions. In addition, the company invests in research and development to explore alternative technologies, such as solid-state batteries and innovative lithium-manganese-based chemistries, and in solutions that enable companies to optimize energy use while minimizing environmental impact. These solutions are an important step in reducing dependence on nonrenewable energy sources and promoting the transition to sustainable mobility.

On the digitalization front, Elsa Solutions is developing platforms for real-time monitoring of environmental impact, helping companies make more informed and responsible decisions. The adoption of energy-efficient technologies and the optimization of production processes represent other concrete actions the company is taking to reduce resource consumption and improve operational efficiency.

Looking ahead, Elsa Solutions aims to consolidate its leadership in the industry by investing in innovations that combine digitization and sustainability. Future initiatives include the adoption of renewable energy technologies, as well as strategic collaborations with local and international research organizations to develop increasingly advanced and sustainable solutions. The company is also committed to further strengthening its circular economy model by pursuing practices that minimize waste and encourage resource reuse.

In summary, Elsa Solutions positions itself as a responsible and innovative player committed to creating long-term sustainable value. Through an integrated approach that combines technological innovation, social responsibility, and respect for the environment, the company is charting a course for a greener and more resilient future, contributing to the progress of an increasingly sustainability-driven global economy.

Appendix

Methodological Note & Credits

This Sustainability Report of Elsa Solutions, prepared on a voluntary and individual basis, covers the year ended December 31, 2024, in line with the financial reporting period, and is the first Sustainability Report of Elsa Solutions.
The Document has been prepared, in all significant aspects, with reference ("With reference to") to the reporting standards "Consolidated set of GRI Standards" defined by the Global Reporting Initiative (hereinafter also "GRI") in 2021. In addition, with a view to progressively adapting to the recent reporting standards, Elsa Solutions has decided to include within this Document, reference to the disclosures set forth in the VSME standard (Voluntary Sustainability Reporting Standard for non-listed SMEs) adopted by EFRAG (European Financial Reporting Advisory Group) in December 2024.

The Sustainability Report was approved by the Board of Directors (BoD) on July 30, 2025. Preliminarily, the Board of Directors approved the results of the materiality analysis for 2024.

All data reported are the result of an internal reporting process that involved contact persons from the various relevant business areas and are supported by appropriate documentation kept at the company.
The point of contact for questions about reporting and reported information is the managers of the quality and environment office:

- Mircos Michael *(Project manager)*
- Puhar Fulvio *(QHSE manager)*

A correlation table between the reported information deemed material and the GRI and VSME metrics is represented in summary form in the Appendix, under the "Reconciliation Table" section of this Report.

This Sustainability Report was prepared with the technical-methodological support of RSM Società di Revisione e Organizzazione Contabile S.p.A

Elsa Solutions received grants to cover 50% of the costs related to the drafting and communication of this Sustainability Report from the CCIAA of Bologna, following regular participation in the Call for Proposals sent on March 14, 2025. Special thanks to the Bologna Chamber of Commerce of Industry, Crafts and Agriculture for the initiative.

Quantitative indicators: Environmental

Energy consumption of Elsa Solutions

[Tab. 1 GRI 302-1, VSME B3]

Energy consumed within Elsa Solutions S.p.A.	Unit of measure	31.12.2024
Energy consumed by non-renewable fuel	MWh	135,3
of which Methane	MWh	0,0
of which LPG	MWh	0,0
of which Diesel	MWh	109,6
of which Petrol	MWh	25,7
Energy consumed by renewable fuel	MWh	8,2
of which Methane	MWh	0,0
of which LPG	MWh	0,0
of which Diesel	MWh	8,2
of which Petrol	MWh	0,0
Electricity consumed for lights, heating and cooling	MWh	224,6
Electricity purchased from conventional sources	MWh	200,6
of which renewable	MWh	200,6
of which non-renewable	MWh	0,0
Electricity purchased from renewable sources	MWh	0,0
Self-produced electricity from photovoltaics	MWh	27,1
of which sold to the network	MWh	2,9
Total	MWh	368,1
Of which renewable	MWh	232,8
Of which non-renewable	MWh	135,3

Energy intensity

[Tab. 2 GRI 302-3]

Energy intensity of Elsa Solutions S.p.A.	Unit of measure	31.12.2024
Total Energy consumed within Elsa Solutions S.p.A.	MWh	368,14
Turnover of Elsa Solutions S.p.A. al 31.12.2024	€	21.918.549
Energy intensity	MWh/€	0,000017

Emissions of CO_2eq

[Tab. 3 GRI 305-1, GRI 305-2, VSME B3]

Scope		Unit of measure	31.12.2024
Scope 1		$tonCO_2eq$	32,41
Scope 2			39,88
	Location based	$tonCO_2eq$	39,88
	Market based	$tonCO_2eq$	0

Emission intensity of Elsa Solutions

[Tab. 4 GRI 305-4, VSME B3]

Emission intensity	Unit of measure	31.12.2024
Scope 1 + Scope 2 location based	$tonCO_2eq$	72,29
Scope 1 + Scope 2 market based	$tonCO_2eq$	32,41
Elsa Solutions' revenues as at 31.12.2024	€/000	21.918,55
Emission intensity (Scope 1 + Scope 2 location based)	tonCO2eq/€	0,000003
Emission intensity (Scope 1 + Scope 2 market based)	tonCO2eq/€	0,000001

Waste produced

[Tab. 5 GRI 306-3, GRI 306-4, VSME B7]

Waste produced by type	Unit of measure	Reuse / Recovery	Disposed
Non-hazardous	t	24,2	-
15.02.03 - vermiculite	t	0,7	0
17.09.04 - mixed waste	t	1,4	0
15.01.03 - wood	t	2	0
16.02.14 - Electric motors	t	4,7	0
15.01.04 - Aluminum Packaging	t	11,5	0
16.02.14 - Battery charger	t	0,4	0
08.03.18 - toner	t	0,0	0
17.04.05 - scrap iron	t	3,5	0
Hazardous	t	4,2	-
16.06.05 - Other batteries and accumulators	t	4,2	0
Total waste produced	t	28,4	-

Quantitative indicators: Social

Tables relating to the type of contracts

[Tab. 6a GRI 2-7, GRI 2-30, VSME B8, VSME B10]

Type of contracts		Unit of measure	31.12.2024
Open-ended		n.	49
	Man	n.	39
	Woman	n.	10
Fixed-term		n.	4
	Man	n.	4
	Woman	n.	0
Total		n.	53
Total employees covered by the CCNL		%	100

[Tab. 6b GRI 2-7, VSME B8]

Type of contract*	Unit of measure	Men	Women	Total
Full-time	n.	43	9	52
Part-time	n.	0	1	1
Total	**n.**	**43**	**10**	**53**

**Data as of 31.12.2024*

[Tab. 6c GRI 2-7, VSME B8]

Type of contract*	Unit of measure	Open-ended	Fixed-term	Total
Emilia Romagna	n.	49	4	53
Total	**n.**	**49**	**4**	**53**

**Data as of 31.12.2024*

Tables relating to hiring/terminations

[Tab. 7a GRI 401-1, VSME B8]

Hiring/Terminations	Unit of measure	31.12.2024
Hiring	n.	13
Terminations	n.	5
Turnover Rate*	%	10,1

**Calculated on the total number of employees as of 31.12.*

[Tab. 7b GRI 401-1]

Hiring/Terminations by age*		Unit of measure	31.12.2024
<30			
	Hiring	%	7,6
	Terminations	%	3,8
30-50			
	Hiring	%	11,3
	Terminations	%	5,7
>50			
	Hiring	%	5,7
	Terminations	%	0,0

*Calculated on the total number of employees as of 31.12

[Tab. 7c GRI 401-1]

Hirings / Terminations by gender*		Unit of measure	31.12.2024
Women			
	Hiring	%	0,0
	Terminations	%	1,9
Men			
	Hiring	%	24,5
	Terminations	%	7,6

*Calculated on the basis of the total number of employees as of 31.12

[Tab. 7d GRI 401-1]

Hirings / Terminations by region*		Unit of measure	31.12.2024
Emilia Romagna			
	Hiring	%	24,6
	Terminations	%	9,5

*Calculated on the basis of the total number of employees as of 31.12

Tables related to training

[Tab. 8a GRI 404-1, VSME B10]

Average hours of training*	Unit of measure	31.12.2024
Women	H/empl.	1
Men	H/empl.	14
Total	H/H/empl.	11

**Calculated on the basis of the total number of employees as of 31.12*

[Tab. 8b GRI 404-1]

Average hours of training*	Unit of measure	31.12.2024
Employees	**H/empl.**	**7**
Women	H/empl.	0
Men	H/empl.	10
Workers	**H/empl.**	**16**
Women	H/empl.	1
Men	H/empl.	17
Total	**H/empl.**	**11**
Women	H/empl.	1
Men	H/empl.	14

**Calculated on the basis of the total number of employees as of 31.12*

The average total hours of training per employee were calculated taking into account the total hours of training provided in 2024 (603) and the total number of employees (53) present in Elsa Solutions as of 31.12.2024.
The average total hours of training for women were calculated taking into account the total hours provided to women in 2024 (5.5) and the total number of female employees (10) present in Elsa Solutions as of 31.12.2024.
The average total hours of training for men were calculated taking into account the total hours provided to men in 2024 (597.5) and the total number of male employees (43) present in Elsa Solutions as of 31.12.2024.

Table Number of accidents and rate

[Tab. 9 GRI 403-9, VSME B9]

Employees	Unit of measure	31.12.2024
Fatal accidents	n.	0
Permanent injuries	n.	0
Temporary injuries	n.	0
Hours worked	n./000	92,3
Rate of fatal accidents at work	n.	0
Rate of permanent injuries at work	n.	0
Rate of temporary injuries at work	n.	0

Tables on diversity

[Tab. 10a GRI 405-1]

Organic breakdown by gender as of 31.12.2024*	Unit of measure (n.)	Unit of measure (%)
Employees	25	47
Women	8	15
Men	17	32
Workers	28	53
Women	2	4
Men	26	49
Total	53	100
Women	10	19
Men	43	81

[Tab. 10b GRI 405-1]

Composition of the workforce by age group as of 31.12.2024	Unit of measure (n.)	Unit of measure (%)
Employees	25	47
<30	8	15
30-50	9	17
>50	8	15
Workers	28	53
<30	16	30
30-50	8	15
>50	4	8
Total	53	100
<30	24	45
30-50	17	32
>50	12	23

Protected categories

[Tab. 10c GRI 405-1]

Protected Categories (Law 68/99) as of 31.12.2024	Unit of measure (n.)	Unit of measure (%)
Art.18	0	0
Art.1	2	4
Other	0	0
Total	**2**	**4**

Ratio of base pay to base salary

[Tab. 11a GRI 405-2, VSME B10]

Ratio of basic salary* of women to men	Unit of measure	31.12.2024
Employees	**%**	0,9
Workers	**%**	1,0

** The percentage of the basic salary divided by roles was calculated taking into account the average basic salary of women (calculated on the number of women for each role as per the staff as of 31.12.2024) and the average basic salary of men (calculated on the number of men for each role as per the staff as of 31.12.2024) divided by roles and the total number.*
**The values refer to the average basic salary of workers (women and men), taking into account the basic salary plus additional amounts paid to a worker, such as bonuses, shares such as shares and quotas, benefits, overtime, time due, and any additional allowances such as travel, food, lodging, and childcare.*
It should also be considered that Elsa Solutions ensures equal treatment at the contractual level between men and women, the resulting difference of 8.8% in the wage gap derives mainly from business trips which concerns only male staff.

[Tab. 11b GRI 405-2, VSME B10]

Ratio of women's basic pay to men	Unit of measure	31.12.2024
Employees	**%**	0,7
Workers	**%**	1,0

Quantitative indicators: Governance

Composition of BoD members

[Tab. 14 GRI 405-1]

Composition	n.	%
Executive members	3	60
Non-executive members	0	0
Independent members	2	40

Gender composition in the BoD

(Tab. 15 GRI 405-1, VSME C9]

Gender composition	n.	%
Women	2	40
Men	3	60
Ratio of women to men	0,7	67

Incidents of corruption

[Tab. 16 GRI 205-3, VSME B11]

Cases	Unit of Measure	31.12.2024
Number of corruption incidents	n.	0
Number of employees fired for corruption	n.	0
Number of employees who have been subject to corruption measures	n.	0
Number of contracts terminated with Business Partners due to incidents of corruption ascertained	n.	0
Number of contracts not renewed with Business Partners due to ascertained episodes of corruption	n.	0

Relevant IRO list

The following tables contain the relevant impacts, risks, and opportunities (IROs) that emerged for each thematic ESRS. For each IRO, the following are indicated: The type of impact (positive or negative) or risk; The time dimension (current or potential);Where the impact occurs: own operation, upstream, downstream in the value chain. A description of the impact, risk or opportunity identified.

ESRS E1 - Climate Change

Subtopic / Sub-subtopic	IRO	Size	Own operations / Value chain	IRO Description.
Adaptation to climate change	Positive impact	Current	Own operation	Elsa Solutions contributes to climate change adaptation through the adoption of product certifications (ISO 14067) in order to monitor its GHG emissions.
Climate change mitigation	Positive impact	Current	Own operation	Elsa Solutions promotes climate change mitigation through the use of energy from renewable sources.
	Positive impact	Current	Own operation	Elsa Solutions promotes climate change mitigation through the use of electric-powered heat pumps.
	Negative impact	Potential	Upstream	Actors upstream in the Elsa Solutions value chain may disfavor or have disfavored climate change mitigation from their failure to oversee and monitor the energy consumption of GHG emissions.
	Negative impact	Potential	Upstream	Upstream actors in the Elsa Solutions value chain may disfavor or have disfavored climate change mitigation and consequently contributed to the increase in GHG emissions due to the production and transportation of raw materials and semi-finished products.
	Positive impact	Current	Own operation	Elsa Solutions contributes to pollution mitigation by planting trees to offset direct emissions from its operations.
	Positive impact	Current	Own operation	Elsa Solutions contributes to climate change mitigation by paying attention to product life cycle, improving product durability and reuse, through obtaining specific certifications such as LCA.
	Opportunities	Current	Own operation	European and international regulations favor the adoption of renewable sources and storage technologies such as batteries, creating new opportunities for Elsa Solutions to develop and position itself in growing markets.
Energy	Positive impact	Current	Own operation	Elsa Solutions facilitates investments fi nalized to the production of energy from renewable sources with the installation of photovoltaic panels

ESRS E5 - Circular Economy

Subtopic / Sub-subtopic	IRO	Size	Own operations /Value chain	IRO Description
Resource inflows, including the use of resources	Positive impact	Current	Own operation	Elsa Solutions is committed to implementing consistent waste management practices in all plants.
	Opportunities	Potential	Own operation	Elsa Solutions could benefit from an opportunity to position or access capital in the medium to long term or in the short term through investment in research and development projects.
Outflows of resources, related to products	Positive impact	Current	Own operation	Elsa Solutions promotes the circular economy through product life cycle investments and obtaining LCA certifications.
	Risk	Potential	Own operation	Elsa Solutions may incur a decrease in sales due to delayed adjustment to the constant and rapid technological progress in the storage battery industry.
Waste	Positive impact	Current	Own operation	Elsa Solutions destines waste to accredited entities for its disposal and recovery.
	Negative impact	Potential	Upstream	Upstream actors in the Elsa Solutions value chain may not be adopting sound waste management practices.

ESRS S1 – Own Workforce

Subtopic / Sub-subtopic	IRO	Size	Own operations / Value chain	IRO Description
Secure employment, working hours, adequate wages, social dialogue, freedom of association, including the existence of works councils	Positive impact	Current	Own operation	Elsa Solutions contributes to the satisfaction, motivation and increase of the well-being of the workforce through secure employment, adequate wages, active dialogue, freedom of association, rights to information, consultation and participation of workers and respect for working hours.
Collective bargaining including the percentage of jobs covered by collective agreements	Positive impact	Current	Own operation	Elsa Solutions uses collective agreements (CCNL Services) to classify its employees by registering a percentage of 100%.
Work-life balance	Positive impact	Potential	Own operation	Elsa Solutions may have fostered the work-life balance of its employees through the adoption of a Welfare Plan for its employees.
Health and safety	Positive impact	Current	Own operation	Elsa Solutions promotes the health and safety of its employees through training courses on health and safety issues at all levels.
	Positive impact	Current	Own operation	Elsa Solutions contributes to reducing the risk of accidents in the workplace through policies/practices on the health and safety of workers.
Training and skills development	Positive impact	Current	Own operation	Elsa Solutions encourages training courses for its employees.
	Risk	Potential	Own operation	Elsa Solutions may face difficulties in recruiting specialized technical profiles for its business.
Protection against discrimination and harassment	Positive impact	Current	Own operation	Elsa Solutions promotes the mitigation of incidents on the subject through the use of the whistleblowing channel.
Privacy	Positive impact	Current	Own operation	Elsa Solutions is committed to protecting the confidentiality of its employees' data.

ESRS S4 – Customers and end consumers

Sub-theme / Sub-sub-sub-theme	IRO	Dimension	Own operations / Value chain	IRO Description
Responsible marketing	Positive impact	Current	Own operation	Elsa Solutions uses responsible marketing strategies, prioritizing consumer needs through Customer Care channels.
	Positive impact	Current	Own operation	Elsa Solutions uses responsible marketing strategies, complying with GDPR data protection regulations, to avoid potential leaks of sensitive customer data.
Health and safety	Positive impact	Current	Own operation	Elsa Solutions ensures the quality of the final product, in order to mitigate the safety risks of consumers and end users.

ESRS G1 – Governance Conduct

Sub-theme / Sub-sub-sub-theme	IRO	Dimension	Own operations / Value chain	IRO Description
Corporate culture	Positive impact	Current	Own operation	Elsa Solutions promotes a corporate culture through the sharing of its Code of Ethics and the organization, management and control model.
Whistleblower protection	Positive impact	Current	Own operation	Elsa Solutions adopts the whistleblowing procedure.
Active and passive corruption	Positive impact	Current	Own operation	Elsa Solutions conveys anti-corruption procedures to all employees, through: communication and training on the code of ethics and anti-corruption procedures.

Reconciliation table of relevant topics

Relevant topics	VSME Metrics	GRI metrics
Climate change	B3 – Energy and greenhouse gas emissions C3 - Energy and greenhouse gas emissions	302-1 Energy consumed within the organization 302-3 Energy intensity 305-1 Direct GHG Emissions (Scope 1) 305-2 Indirect GHG emissions from energy consumption (Scope 2) 305-4 GHG Emission Intensity
Circular economy	B7 – Resources used, circular economy and waste management	306-3 Waste produced 306-4 Waste Management
Business Conduct	B11 – Convictions and penalties for active and passive corruption	205-1 Transactions assessed for corruption risks 205-3 Confirmed incidents of corruption established and actions taken
Own workers	B8 - Workforce – General characteristics B9 – Workforce – Health and Safety B10 – Remuneration, collective bargaining and training C5 – Additional Workforce Information C6 – Additional Workforce Information – Human Rights Policies and Processes C7 – Serious Human Rights Incidents	2-7 Employees 401-1 New hires and turnover 401-3 Parental leave 403-2 Hazard Identification, Risk Assessment and Accident Investigation 403-9 Accidents at the workplace 403-10 Occupational diseases 404-1 Average annual training hours per employee 405-1 Diversity in Governing Bodies and Among Employees 405-2 Ratio of basic salary and pay of women to men
Customers and end users	NA	418–1 Customer Privacy

GRI Table of Contents

GRI Standards	
Statement of Use	Elsa Solutions reports information with reference to GRI Standards for the period from January 1 to December 31, 2024
GRI used	GRI 1: Foundation 2021
GRI Sectors standard applied	N.A.

GRI Disclosures	Reference	Notes/Direct Response
GRI 2 – General Information		
2-1 Details about the organization	Par. «1.1 Elsa Solutions» pag. 6-11; Par. « 1.3 Governance», pag. 24	
2-2 Entities included in the organization's sustainability reporting	App. «Methodological note & Credits», pag. 59	
2-3 Reporting period, frequency and point of contact	App. «Methodological note & Credits», pag. 59	
2-6 Activities, value chain and other business relationships	Par. «1.1 Elsa Solutions»; Par. «1.2 Our products and markets served», pag. 6-19	
2-7 Employees	Cap. «5 Responsibility to human capital», pag. 48; App. «Social quantitative indicators, Tab. 6a, 6b, 6c», pag. 62	
2-9 Structure and composition of governance	Par. «1.3 Governance», pag. 20	
2-10 Appointment and selection of the top governing body	Par. «1.3 Governance», pag. 20	
2-11 Chairman of the highest governing body	Par. «1.3 Governance», pag. 20	
2-12 Role of the highest governing body in overseeing impact management	Par. «1.3 Governance», pag. 20	
2-14 Role of the highest governing body in sustainability reporting	Par. «1.3 Governance», pag. 20	
2-22 Strategy statement of sustainable development	«Letter to Stakeholders», pag. 2	
2-26 Mechanisms for requesting clarification and raising critical issues	Par. «1.3 Governance», pag. 22	
2-29 Approach to involvement of Stakeholders	Par. «2.3 Stakeholder Engagement Activities», pag. 29	
2-30 Collective bargaining agreements	App. «Social quantitative indicators, Tab. 6a», pag. 62	

GRI Disclosures	Reference	Notes/Direct Response
GRI3 - Material Themes		
3-1 Process of determining material themes	Par. «2.1 Relevance analysis», pag. 26; Par. «2.2 Identification of relevant IROs», pag. 28; Par. «2.3 Stakeholder Engagement Activities», pag. 29	
3-2 List of material topics	Par. «2.1 Identification of relevant IROs», pag. 28	
3-3 Management of material issues	Par. «2.1 Relevance analysis», pag. 26; Par. «2.2 Identification of relevant IROs», pag. 28; App. «Relevant IRO list», pag. 67	
GRI 200 – Governance Information		
201-1 Economic value generated and distributed	Par. «3.1 Management performance», pag. 31	
205-1 Operations assessed for corruption-related risks		Note 1
205-3 Established incidents of bribery and actions taken	App. «Quantitative indicators Governance, Tab. 13», pag. 67	
207-1 Approach to taxation	Par. «3.2 Approach to taxation», pag. 33	
GRI 300 - Environmental information		
302-1 Energy consumed within the organization	Par. «4.1 Energy Management», pag. 36 App. «Quantitative Environmental Indicators, Tab. 1», pag. 60	
302-3 Energy intensity	Par. «4.1 Energy Management», pag. 36 App. «Quantitative Environmental Indicators, Tab. 2», pag. 60	
305-1 Direct GHG emissions (Scope 1)	Par. «4.2 Carbon footprint», pag. 39 App. «Quantitative Environmental Indicators, Tab. 3», pag. 61	
305-2 Indirect GHG emissions from energy consumption (Scope 2)	Par. «4.2 Carbon footprint», pag. 39 App. «Quantitative Environmental Indicators, Tab. 3», pag. 61	
305-4 GHG emission intensity	Par. «4.2 Carbon footprint», pag. 39 App. «Quantitative Environmental Indicators, Tab. 4», pag. 61	
306-3 Waste Produced	Par. «4.4 Waste Management and Packaging», pag. 44 App. «Quantitative Environmental Indicators, Tab. 5», pag. 61	
306-4 Waste not intended for disposal	Par. «4.4 Waste Management and Packaging», pag. 44 App. «Quantitative Environmental Indicators, Tab. 5», pag. 61	

GRI Disclosures	Reference	Notes/Direct Response
GRI 400 – Social information		
401-1 New hires and turnover	App. «Social quantitative indicators, Tab. 7a», pag. 62	
401-3 Parental leave		Note 2
403-9 Occupational accidents	App. «Social quantitative indicators, Tab. 9», pag. 64	
403-10 Occupational diseases	Par. «5.2 Occupational health and safety», pag. 52	
404-1 Average hours of annual training per employee	App. «Social quantitative indicators, Tab. 8a, Tab. 8b», pag. 64	
405-1 Diversity in governing department and among employees	App. «Social quantitative indicators, Tab. 10a, Tab. 10b», pag. 65	
405-2 Ratio of basic wage and salary of women to men	App. «Social quantitative indicators, Tab. 11a, Tab. 11b», pag. 66	
418-1 Customer privacy	Par. «1.3 Governance», pag. 23	

NOTES

Note 1: Elsa Solutions applies an Organizational Model in line with the 231/2001 Model at its sole location to prevent crimes, including those related to corruption. Risks are periodically assessed according to the procedures set forth in the MOG, with the aim of identifying sensitive areas and adopting appropriate controls.
Note 2: A total of 6 employees including 5 men and 1 women took parental leave during 2024. At the time of writing, all those who took parental leave have returned to work.

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