El.En. Group

Sustainability Report 2020





We create light, energy, waves

Laser technology at the service of our world

EL.EN. GROUP



1981 40 years of laser te

is finding an increasing number of applications that have given rise to actual industrial sectors and have radically changed the way other sectors work. As Prof. Gérard Mourou - Nobel Prize for Physics 2018 - recalled during his visit to the headquarters of the subsidiary Quanta System, we believe that "**The best is yet to come!**"

SALES BREAKDOWN BY SECTOR 2020





El.En., established in 1981, has over the years developed into a dynamic industrial group specialising in the production, research and development, distribution and sale of laser systems. Laser, which stands for "Light Amplification by Stimulated Emission of Radiation", a fascinating technology invented in 1960, is at the heart of the Group's technology. This light emission with such special characteristics (monochromaticity, coherence, brilliance) has found and





The El.En. Group is one of the most important companies in the laser world in terms of diversification and innovation: the search for technological excellence and production quality are its main characteristics. The Group's companies are active in the production, research and development, distribution and sales of high-performance, reliable and environmentally friendly laser systems.

Over time, the Group has taken on the structure that characterises it today by setting up new companies and acquiring control of others. Each company is entrusted with a specific business, sometimes related to a single geographical market, sometimes to a particular product niche and sometimes to a more extensive field of activity that is transversal to technologies, applications and geographical markets. The activities of all the companies are coordinated by the Parent Company so that the available resources can best serve the reference markets, exploiting the dynamism and flexibility of the individual business units without losing the advantages of the coordinated management of certain resources.

Among the many types of laser sources and applications developed to date, the Group has specialised in the development of systems for two main sectors:

The **medical division** designs and manufactures lasers and light systems mainly in the areas of aesthetics, surgery and therapy. The competence and reliability of our systems have allowed us to be among the leading global companies in this field: in almost forty years of activity and research, we have achieved excellence in our products.

The **industrial division** creates laser systems for cutting and marking. These systems are suitable for many different processes and can be used on many different materials. Laser sources are also produced with increased performance in terms of process speed and quality, reliability, safety and electrical efficiency.

The Group also operates in the **field of cultural heritage restoration**: for years it has been contributing to the conservation of the world's historical and artistic heritage, by proposing cutting-edge, minimally invasive solutions, developed jointly with the most important national research centres and used in major restoration sites.

Associated with the sale of systems are also the **after-sales service** activities, which are essential support for the installation and maintenance of laser systems, for the management of spare parts, consumables and for technical assistance.



COUNTRIES

13 PRODUCTION SITE

8 RESEARCH AND DEVELOPMENT CENTRES

SUBSIDIARY COMPANIES



SUSTAINABILITY FOR THE EL.EN. GROUP

Being sustainable means creating value over time and being ready to accept and successfully face the challenges of tomorrow. We have always believed that ethics, valuing human resources, protecting the environment, investing in research and development and in the high quality of our products, as well as safeguarding the interests of and creating value for all our stakeholders, are the only way to be an innovative, sustainable and successful company.

The principles of sustainability for the El.En. Group are not an abstract concept, but have always represented the pillars of the development and growth that has characterised the Group over the years. They are proof that value is created through responsible management that respects economic, social and environmental balances.

We have set out our principles in the **Sustainability Plan**, which represents the Group's strategic vision in the medium to long term and defines the objectives and actions to be taken to achieve them.





Sustainability Plan 2018-2022

Targets approved by the Board of Directors

Each objective is linked to a specific macro-area (Governance, Economic Responsibility, Product Responsibility, Human Resources Responsibility, Social Responsibility and Environmental Responsibility).

18

43

Activities to be undertaken in order to reach the targets reported

The El.En. Group's contribution to the Sustainable Development Goals (SDGs) promoted by the United Nations and published in the 2030 Agenda for Sustainable Development:

Governance



Economic responsibility



Human resource Responsibility



Social responsibility



Product responsibility



Environmental responsibility





ETHICS, INTEGRITY AND COMPLIANCE

The El.En. Group is aware of its responsibility towards the community and the environment in which it operates, and considers it essential that ethical and transparent conduct be maintained in all aspects for the correct management of company activities, in compliance with laws and regulations and in consideration of the expectations of all stakeholders.

For this reason, since 2008, the Parent Company has adopted its own **Code of Ethics** as a tool for strengthening and disseminating a corporate culture. All Group companies have **implemented** the Code of Ethics and, where necessary, **translated** it into the local language, undertaking to **disseminate it** to their employees and collaborators. Some subsidiaries deliver or provide specific training on the Group's Code of Ethics to all new employees (the number of employees reached 462 in 2020).

El.En. S.p.A. and the Italian companies Deka M.E.L.A. S.r.l., Quanta System S.p.A. and ASA S.r.l. have adopted an **Organisational Model pursuant to Legislative Decree 231/2001** aimed at preventing their employees and/or collaborators from committing offences in the interest of the company. This model of organisation, management and control of the company's activities consists in a series of general principles of conduct - in the areas identified as sensitive for the purposes of preventing so-called predicate offences - and in a structured system of procedures and control activities for the prevention of such offences.

In order to ensure compliance with the principles contained in the Code of Ethics and the effective implementation of the system of information flows and controls of Model 231, the Group companies that have set it up make use of the **Supervisory Board**. Appointed by the Board of Directors, the Supervisory Board's main task is to monitor and, if necessary, report any irregularities or violations and to supervise compliance with the procedures adopted by the Company in the context of the prevention of the so-called predicate offences, identified following an in-depth analysis.

In order to further strengthen its system for preventing corruption and bribery, El.En. S.p.A. has approved an **Anti-Corruption Policy**, which in 2020 was implemented by all subsidiaries, approved by the Boards of Directors where present, translated if necessary into local languages and disseminated to all Group employees.

During the year, **specific training** was provided to managers and middle managers of El.En. Group companies. 177 employees attended the "Anti-corruption, Code of Ethics and Human Rights" training.



462

Number of people trained on the Code of Ethics in 2020



177

Number of people who received specific training on anti-corruption and human rights

Anti-Corruption Policy approved by all subsidiaries, in which the Group has further increased awareness of these issues.

SUSTAINABILITY GOVERNANCE

With regard to sustainability issues, the Board of Directors has tasked the Control and Risk **Committee** with assisting it in evaluating and deciding on sustainability issues, and in examining scenarios for the preparation of the strategic plan and corporate governance of the Company and the Group. In order to strengthen sustainability governance, the Board of Directors has tasked the Executive Director in charge of the internal control system with defining the strategic sustainability guidelines, the Sustainability Plan and the review of the Non-Financial Reporting. El.En. S.p.A. has included, among the parameters relating to the variable component of executive directors' **remuneration**, objectives linked to corporate sustainability. The Parent Company has also appointed a Sustainability manager to coordinate all activities necessary to meet sustainability commitments, to identify areas and projects for improvement at Group level and to monitor the progress of existing projects.



RESEARCH AND DEVELOPMENT IN THE GROUP

The critical success factors of our Group are the adequacy of the range of products we offer and the ability to continuously innovate to meet market needs and create new ones. Our positioning on high-tech products and the global competitive environment in which we operate imply a continuous and significant commitment to research and development of new products and technologies.

It is the acquired skills and passion of our people that make the real difference: in forty years of experience we have developed an understanding of physical, biomedical and technological phenomena that leads to a marked ability to innovate our know-how, production technologies, processes, products and related services.

We set ourselves no limits in our research activities in **our own laboratories**, as well as in cooperation with leading research centres, hospitals and universities, both nationally and internationally, driven by a desire and passion for everything that is or can be new. Most research is applied research activity, but basic research is conducted for some specific topics, generally related to activities concerning medium and long-term innovative objectives.

The El.En. Group's ability to innovate is also demonstrated by the number of patents that Group companies have filed: in less than forty years, 128 patents have been filed, while more than 80 are currently in the application phase.

With regard to research and development activities in the **medical field**, we mention the Group's main lines of development:

- Development of new laser systems and improvement of already developed ones, with pulse durations in the picosecond range, for dermatological applications;
- Preliminary study, development and design of systems integrating and improving existing laser technologies for hair removal applications, as well as improving related accessories and their functionality;
- body in general;
- body through non-invasive treatment;
- dermatological and aesthetic applications;
- through the use of lasers in physiotherapy;

Research activities and clinical trials on the effect of laser applications on biological tissues (including laboratory studies on biological samples and cell cultures); experiments on laser emissions of wavelengths for which theoretical models predict a particular effectiveness in the treatment of certain skin conditions or of the human

Development of an innovative version of the Onda system based on microwave technology for the reduction of subcutaneous fat thickness in various parts of the

Implementation of new functions and accessories for the LUXEA platform for

Continuation of studies to confirm the anti-inflammatory action, accelerated healing of surgical wounds, the analgesic effect as well as the improvement of limb function



RESEARCH AND DEVELOPMENT IN THE MEDICAL SECTOR

El.En. S.p.A. In one of the toughest years we have ever faced, we have continued to invest in R&D and have succeeded in bringing many different products to market, both in the aesthetic medical sector and in the surgical sector. In the hair removal sector, two highend products were released, redesigned on the basis of the new Embedded PC-based control platform, enabling the management of remote support services (Elite-IQ and Again). In the body contouring section, a second version of the Onda product was released, with the new treatment for double chin, and a new product was developed, which combines magnetic muscle stimulation generated with electrical stimulation and LED-based thermal stimulation. (PhysiQ / Delinea). Two products developed with a new technology based on magnetic muscle stimulation (Schwarzy and B-Strong) were launched on the market; the same technology was also used on a different product for medicalavnaecological applications in the treatment of urinary stress incontinence (Dr. Arnold). In the field of *dermatology*, a new product dedicated to skin photo-rejuvenation, based on the direct stimulation of collagen, has been developed and marketed. In the surgical segment, research and development work on CO₂ laser technology continued. New accessories and systems were developed, including the Multipulse Duo marketed by the subsidiary Asclepion Laser Technologies. New products released this year include Therma Eye, a pulsed light-based solution for the treatment of dry eye disease.



- wavelength laser for precision and innovative surgical applications;
- lesions in general;
- the reduction of fat lavers:
- In the Body Contouring segment, development of systems for muscle stimulation to reduce localised fat deposits based on electrical and magnetic excitation;
- In the Gynaecology segment, development of systems for the treatment of stress incontinence, in particular medical systems for magnetic stimulation of the pelvic floor.

In the **industrial sector**, the Group carries out the following activities:

- Development of innovative processes for cutting, pre-cutting and microperforating in machines of labels and security printing paper;
- Development of software and algorithms for advanced high-speed coding in the security printing sector;
- enabled by the technology;
- high power fibre sources;
- Continuous improvement of sheet metal cutting application processes aimed at improving the efficiency, speed and versatility of cutting at increasing thicknesses through the appropriate management of the available high powers;
- Completion and installation of the first laser system for sheet metal cutting with a 30KW power laser source;
- Multidisciplinary experimentation and research (electronics, optics, fluid dynamics) for optimising the potential of laser systems for cutting metal sheets;
- Improved performance of galvanometric components of scanning systems in terms of dynamism and stability under varying boundary conditions;
- Development and fine-tuning of scanning systems for CO₂ and fibre lasers for the enamel stripping of copper conductors for the manufacture of electric motors in the automotive sector;
- adhesive labels and/or inks.

Study, development and design of systems based on high-power Holmium technology, as well as the technological renewal of the medium-power system for the treatment of urinary tract stones and benign prostatic hyperplasia, and a new combined

Continuation of development and innovation activities in dermatology for the segment dedicated to tattoo removal and the treatment of skin and dermatological

Development of systems with LED technology combined with electrostimulation for

Raising the maximum power of sources in the RF range while maintaining high beam quality and modulability; development of innovative applications (e.g. microperforation of panels or special applications in the field of digital converting)

Research activities for the improvement of laser beam management and focusing of

Development and fine-tuning of industrial cleaning systems, such as surfaces in the avionics and marine sectors, in synergy with our Art Heritage Conservation Business Unit; Development and implementation of direct food marking systems avoiding the use of



154 **PEOPLE EMPLOYED** IN RESEARCH AND **DEVELOPMENT ACTIVITIES**

8 RESEARCH CENTRES



Quanta System S.p.A. during the last year, the company continued to develop new products. In the *surgical sector*, the company launched the new Thulium Fiber laser - Fiber Dust system, which completed the company's product portfolio for the urological market. At the same time, the R&D team has continued to study new sources based on non-linear optics (dedicated to vascular applications) and worked on some developments of the Thulium laser for the treatment of urinary tract stones, which will lead to new product development projects in the coming years.

In the *dermatology sector*, product development and innovation activities continued, leading to the launch of new laser systems for tattoo removal and for the treatment of skin and dermatological lesions in general. Finally, Quanta System's collaboration with the Massachusetts General Hospital's Center for Photo-Medicine has led to the development of a new application in the field of dermatology: the treatment of active acne.

THE TECHNOLOGICAL REVOLUTION OF FIBRE IN THE INDUSTRIAL SECTOR Penta research and development

Penta started its activity about thirty years ago with machines with CO₂ laser sources, establishing itself mainly in the sector of nonmetallic material cutting. The turning point came with the technological revolution in the metal-sheet cutting sector, which gave birth to the very short wavelength fibre laser sources. Thanks to the efforts made by its



THE OUALITY AND SAFETY OF OUR PRODUCTS

The Group is aware that the complexity of its business requires high quality standards. We are therefore committed and strive to maintain the high levels of Quality and Safety of our products, which are essential to their continued growth and success. We always pay the utmost attention to the design and development phases of our systems; our value also depends on the study and application of increasingly selective, effective and safe methods.

Our products and our Quality system are certified by the world's leading bodies, which are responsible for monitoring the safety and effectiveness of medical devices in particular. Our companies are regularly audited to renew their certificates, which are essential for exporting our products to foreign countries.

The various Group companies comply with the following standards and regulations, depending on the geographical area and type of business in which they operate:

- · ISO 9001;
- ISO 13485 on the quality management system for medical devices;
- **MDSAP** 13485 (Medical Device Single Audit Program);
- · European Directive MDD93/42/EEC (Medical Devices Directive) which will soon be
- National laws of member states of the European Community and non-European machine") and Brazil.

The Group is committed to achieving, through the motivation and involvement of its people, a continuous improvement in the quality of its products and services. This objective is pursued through the optimisation of company processes, according to criteria of efficiency and unequivocal, uniform, streamlined and effective working methods.

There is also an increasing tendency towards a risk management oriented Quality Policy, as a tool for evaluation and decision making, in order to pursue continuous improvement through appropriate preventive or corrective actions.

replaced by Regolamento Europeo (UE) 2017/745 MDR (Medical Device Regulation);

countries such as the United States of America (21CFR820/803/806), Japan, China (CCC-Certification for electronic components and Enterprise standard "CNC laser cutting

R&D laboratories, aimed at the research and adoption of increasingly powerful sources (reaching levels once considered unattainable for CO₂ sources), in recent years Penta has become strongly established in the metal cutting market. It now offers solutions at affordable costs and perfect in terms of production efficiency and effectiveness, which have allowed the use for both highefficiency and high-speed productions and for productions requiring higher thicknesses, previously achieved only by other technologies.



60 People in the Quality function

THE ENVIRONMENTAL **CERTIFICATIONS OF PENTA LASER WENZHOU**

Last year, the Chinese subsidiary Penta Laser Wenzhou obtained ISO 14001 certification for the implementation of an **environmental** management system, with the aim of demonstrating that it had put in place policies and procedures to address and deal with the possible negative impact of its production on the environment, defining and certifying its processes.

In 2020, the company obtained two other very important certifications: ISO 45001, the international standard for occupational health and safety, to have a defined and certified structure of health and safety measures to protect employees and visitors by mitigating or eliminating all harmful or hazardous factors; and **ISO 50001**, the international standard that helps ensure access to **clean**, reliable and sustainable energy, proposing corrective



THE PRODUCTION PROCESS

New layouts for El.En.'s production plants

The parent company El.En. S.p.A. has redesigned the factories in both the industrial and medical areas based on Industry 4.0 criteria, in order to reorganise and optimise spaces, making them more comfortable and functional and improving the efficiency of the activities by including "smart" technologies in the production processes.

INDUSTRIAL Area

The production processes were integrated and interconnected: the introduction of intelligent test benches for the sources increased production capacity by reducing the time the sources spent in the test line; the interconnection offered the possibility of monitoring the progress of the test phases and checking the status of the benches at any time, as well as automating and scheduling the start of the phases. Specific high-tech, high-performance environments have been created inside the plant, such as the **clean** room (for assembling components in a clean environment) and the ultrasonic cleaning system for mechanical parts, which guarantees thorough cleaning and eliminates safety risks at work. A vertical automatic warehouse was also introduced, which, compared to traditional storage solutions, saves space and speeds up storage and retrieval operations. A production line for the prototyping of electronic boards has also been created using Industry 4.0 criteria. Finally, two machines, a lathe and a milling cutter, both computer numerical control machines, have been installed in the workshop for high-precision machining.

MEDICAL Area

The production lines have been expanded with **more BOXES** for testing medical systems. Electronic production has improved the workstations for testing electronic boards, the workstations for the **service** department have also been increased and a special area has been created for customer care personnel. The **production engineering** areas, which have also been expanded, now have a "burn-in zone" specifically dedicated to prolonged stress tests. The warehouse area was also extended and two vertical automatic warehouses were installed, interconnected with the company's management system. The entire medical area is also setting up a digitisation process of production progress (MES - manufacturing execution system) to optimise processes from the launch of the order to the creation of the finished product. By the end of 2021, it will be possible to monitor the activities of the plant and of the production departments with real-time data, reduce non-value-added activities and drive plant operations and processes to maximum efficiency.

In addition, a Smart 4.0 3D printer was purchased, integrated and interconnected. It can be used to produce products and articles by generating and then adding layers of material (additive manufacturing), rapidly and precisely.

actions and strategies necessary to achieve or even just improve energy efficiency: obtaining this certification enables a more appropriate management of the energy used for business processes, encouraging its conscious and waste-free use.



A supplier assessment checklist that also includes ESG issues has been implemented

As part of the Sustainability Plan, we have also included the assessment of a number of sustainability aspects in the supplier qualification and approval procedure, so that these also contribute to the overall assessment of the supplier.

NEW OPERATING SYSTEM FOR QUANTA

AThe subsidiary Quanta System has also started down a path leading to the interconnection and digitisation of the company according to Industry 4.0 criteria, identifying the transition to a new ERP system (SAP S4Hana) as the most effective way to achieve these objectives.

The new operating system minimises the risk of errors, ensures a high degree of employee satisfaction and maximum productivity. The integrated system also facilitates smart working, meeting the needs created by the pandemic situation, but which could be the basis for a labour revolution that is already upon us.



LASER AS A SUSTAINABLE TOOLE

The use of our medical and aesthetic lasers and our ongoing commitment to research and development of new or improved applications generates a number of indirect social impacts that translate into benefits for both the end patients and the local community. With our laser systems we have contributed to making tools and solutions available to the market that improve our patients' well-being and quality of life, by reducing both physical and aesthetic health problems and the associated psychological ones: laser is a device that, thanks to its innate selectivity, treats the pathologies it is used for, maximising the effectiveness of interaction and minimising the side effects of treatments.

Industrial processing carried out with laser systems is highly valued in terms of sustainability: the use of lasers in the industrial metal-cutting sector means that no polluting materials are added to the processing, the fumes produced contain no chemical additives and the quantities of waste are reduced thanks to its extreme precision and the use of programmable software. Furthermore, the technological revolution that has led to the replacement of CO₂ lasers with fibre lasers has also made it possible to increase machine productivity. This reduces energy consumption during the production process and decreases CO₂ emissions into the atmosphere, **helping customers to establish processes that are much more respectful of ethical and environmental values**. In the textile sector, cutting and marking systems make it possible to cut and bleach the fabric at the same time, offering a solution that is not only fast, precise and ecological (by not using chemicals for bleaching and not producing polluting processing waste) but is, above all, a solution that improves the quality of life of workers, replacing obsolete techniques that involved tiring work and the use of abrasive and chemical materials that are harmful and difficult to dispose of.

One of the flagships of the El.En. Group is represented by the small segment of restoration. Interest in the conservation of artistic heritage has grown over time within the Group and has inspired research to provide advanced technologies for the conservation and restoration of some of the world's most important art masterpieces. **The beauty of works** of art is our legacy for future generations and we have a duty to preserve it for them. We are therefore proud to be the first in the world to present specific lasers for art restoration operations, using the same technology used in medicine and surgery. Whether we are restoring works of art or practising medicine, we can say that we respond to the same principle: caring for people, our masterpieces.

THE NEW TFL LASER TECHNOLOGY

For the El.En. Group, innovation in the medical sector means finding new ways of operating on people in a less invasive way that allows them to recover quickly and easily, by investing in the development of new technologies. In 2020, the subsidiary **Quanta System S.p.A.** launched a new laser technology called TFL (Thulium Fiber Laser), which represents a revolution in the treatment of kidney stones, making their destruction more precise and less invasive thanks to the Fiber Dust system. This system makes it possible to increase the peak power needed for greater effectiveness in the lithotripsy of high-density calculi (hard stones). The effect of finer pulverisation of the stone also makes it easier to eliminate residual fragments.

DEKA MAB - MEDICAL ADVISORY BOARD SET UP FOR WOMEN'S INTIMATE HEALTH

In 2020, the subsidiary **DEKA Mela S.r.I.** set up its own **Medical Advisory Board (MAB)** for women's intimate health. The establishment of the MAB marks an important milestone for Deka, for the international scientific community and for women suffering from various gynaecological conditions. We believe we can provide valuable information on the current needs of women's health and wellbeing and thus increase the number of already numerous clinical studies and scientific publications carried out with the MonalisaTouch CO₂laser, increasing, through further investigation, the knowledge and experience of this important system.

A LASER TO TREAT ACNE

The remedy for acne is called **ACCURE**, a laser system capable of exploding and destroying the sebaceous glands that cause acne, without causing any damage to the epidermis. This high-tech medical laser device has become reality thanks to the work of a team of engineers and technicians from Quanta System and El.En. Acne is a very common inflammatory process in 14-18 year olds and affects millions of teenagers worldwide every year. But the most serious psychosocial consequences of acne are related not to the clinical severity of the disorder, but rather to the fact that it can severely affect a person's mood, causing sadness, irritability, anxiety, lack of motivation, difficulty in relationships and even social selfexclusion. We are pleased to have contributed to making a solution available to the market that improves patients' well-being and guality of life by reducing both the clinical and psychological problems associated with it.



THE CONTRIBUTION TO THE COMMUNITY

The El.En. Group wants to confirm that it is not only a reliable landmark for its shareholders and stakeholders, but also as a true supporting pillar in the social sphere. At El.En. we strive every day to ensure that our work has a positive impact on people's health.

We provide expertise, knowledge and tools, with the aim of increasing access to care and improving health care for the most fragile and disadvantaged people around the world. At the same time, we work to increase scientific knowledge. We are working for science and for a healthier world.

One of the ways in which we operate in the social field is to support, through specific donations, non-profit organisations, foundations and cutting-edge scientific laboratories throughout the world, helping them to use new technologies in the service of patient health, as well as in the conservation and restoration of cultural assets.

Moreover, the Group has always been committed to supporting cultural, social and educational initiatives in favour of the local community, with the aim of strengthening the relationship with the territory in which it operates and with the people who are directly or indirectly involved in the Group's activities.

The basic idea is the promotion of a mutual and positive relationship of the Group and the local community, which benefits both parties involved in the projects and activities developed. The Group is committed to promoting curricular and extra-curricular university internships, school-to-work projects that involve local school students (allowing them to learn in a work environment, integrating theoretical and practical aspects) and participation in **career days**, open days of interaction between companies and new graduates looking for their first job.

LASERS FOR RESTORATION

The collaboration with the International Restoration Project conducted by the ICR (Istituto Centrale per il Restauro - MIBAC [Italian Insitute for Restoration]) in Rome and by the National Corporation for Antiquities and Museum of Sudan continued this year, with the restoration of the wall paintings of the Mut temple in Gebel Barkal, a UNESCO World Heritage Site, dating back to the first half of the 7th century BC.

The El.En. Group also participated, through a free loan, in the restoration of the Chapel of the Cardinal of Portugal in the Church of San Miniato - Florence, where, for the first time, laser systems were used on the vault to clean the gilding of Luca della Robbia medallions, remove layers of repainting and rediscover the original gold leaf. Using lasers from the El.En. Group, a more than 2,000-year-old human mummy from the Ptolemaic era has been restored in Turin. It is wrapped in linen cloth bandages and features a painted cartonnage mask, and the laser was used to gradually remove deposits from the surface.

Our Light For Art division for conservation and restoration and our lasers are increasingly proving to be a worldwide landmark for the conservation cleaning of artistic and cultural heritage items. Thanks to continuous study and optimisation work, in collaboration with national and international research bodies, El.En. offers the broadest range of laser systems dedicated to this specific application. We are now able to meet every need, enabling restorers to successfully tackle many conservation problems.



428 million euro: the economic value generated by the Group. 405 million euro: generated and distributed economic value



BIG ACADEMY

Big Academy is an advanced training programme designed for managers in the energy, mechanics, optics, electronics and IT sectors, operating in both small and mediumsized manufacturing companies and in large industrial enterprises. The training plan is the result of collaboration between academics from the areas of social sciences, economics and management engineering and professionals from large-scale industry. El.En. S.p.A. is one of the five companies that participated, together with the University of Florence, in creating and defining this training course. This partnership, which links businesses, universities and public administration, is the distinctive feature of the initiative, representing its unique, innovative character that has a territorial vocation but an international scope, with major growth prospects over time. It is a further demonstration of how our Group has always been committed to supporting cultural, social and educational initiatives in the territory it is active in.



OUR PEOPLE

The past year has been one of the most difficult and complicated for all of us to deal with. The pandemic has slowed down our growth plans, forced us to reduce our production rates and redesigned our workplaces and operating methods, highlighting, at the root of it all, the excellent quality of our human resources. During these difficult months, we have appreciated as never before the value of our staff's skills and their great dedication, which make our human resources the strength of our activity.

Important decisions were taken in a timely manner with regard to the conduct of company activities: all the companies immediately encouraged **smart working** in order to reduce the presence in offices; **investments** were also made in **IT equipment** to provide those who did not already have them with laptops and routers with internet data, thus ensuring business continuity.

With regard to operational staff, in each company, especially in the first months of the pandemic, the number of staff present was reduced to the minimum necessary for strategic production, reduced or rotating shifts were organised to ensure social distancing, and non-essential activities were suspended.

Never before has safe accessibility in the workplace been such a priority for all the companies in the El.En Group, which has always been committed to **ensuring healthy and safe working environments** that comply with regulations on worker safety and the environment. Our aim is to disseminate and develop awareness among people of the risks associated with their work activities and to promote responsible behaviour in all workers, with targeted programmes aimed at preventing potential personal injury.

We consider **training** fundamental to the growth of our staff: we promote continuous training with both refresher courses and courses dedicated to specific topics, in order to enhance the knowledge and specialisation of each resource within the organisation. Over 27,100 hours of training were provided last year, with a per capita average of 16.7 hours.

We promote the **well-being of people** as a key factor for business success, because we are convinced that working in a tailor-made environment promotes a greater spirit of belonging to the company and it is necessary to enhance and cultivate the importance of human relationships, exchanging and sharing.

It is with this in mind that within the companies of the El.En. Group we have started down a true **welfare development path**: the companies that in recent years have renovated, extended or relocated their premises have decided to dedicate ample space to the wellbeing of people, to raise the quality of working life within the company and provide allround care to employees. It is increasingly important to complement the training and career path of each professional with an investment that leads to the creation of an energetic and fulfilling working environment.



1626 people

+9% increase in staff compared to previous year 24% Under 30

24% Under 30



over 27.100

training hours delivered

+24% increase in training hours compared to the previous year

more than **2.900**

hours of specific health and safety training



Human Rights Policy

translated and approved by all subsidiaries with which the Group has further strengthened sensitivity to respect for human rights.

EMERGENCY COMMITTEE - COVID 19

To deal with the Covid 19 pandemic, the parent company El.En. S.p.A. set up an **Extraordinary Emergency Committee**, which took important decisions both on extraordinary measures, with particular reference to the above-mentioned effects on the health and safety of workers, and on the economic activity and business continuity of the organisation of all El.En. Group subsidiaries.



THE ENVIRONMENT

For the Group, the environment is a primary asset that must be safeguarded. Activities are therefore planned with a view to striking a balance between economic objectives and essential environmental needs, respecting and protecting the rights of future generations and in line with the principle of sustainable development.

The Group is therefore committed to **monitoring the environmental impact** generated by its activities, as well as preventing any potential risks, implementing corrective and mitigation actions, in compliance with current regulations and in the light of best practices.

PENTA LASER WENZHOU BECOMES A "GREEN FACTORY"

In 2020, the Ministry of Industry and Information Technology of the People's Republic of China awarded the subsidiary Penta Laser Wenzhou the title of "**Green Factory**".

The companies awarded this prize are companies in the manufacturing industry that focus on developing sustainable production processes, using harmless raw materials, recycling waste and practising energy efficiency.

In 2020, the company inaugurated its second headquarters in the city of Wenzhou and the "Green Building Evaluation Standards" were scrupulously followed in the construction of this building. Energy-efficient electrical systems were installed and **LED technology** was used for the lighting design; in some rooms **presence sensors** were also installed for automatic lighting. The company has implemented policies for the control and management of HVAC systems, with a particular focus on **energy savings** in heating and air conditioning systems.

Taps with infrared sensors to regulate water use have been installed throughout the site to reduce waste, and the **land** where the site is built has been **made fully permeable** for greater protection of the ground water system, using an environmentally friendly road material that allows rainwater to penetrate quickly and replenish groundwater flows, to alleviate the heat effect of the urban island.

17.647 16.832 in 2019

Gj Electricity purchased (+5% due to the expansion of the production sites of some subsidiaries)

43.895

44.628 in 2019

Gj Energy consumption (-2% compared to previous year)



95.184 24.130 in 2019

kWh self-generated electricity produced by the installed photovoltaic systems



7% Self-generated electricity compared to total electricity consumption



Environmental Policy

translated and approved by all subsidiaries with which the Group has formalised its commitment to monitor and seek to reduce the environmental impact of its activities.



Industrial and Medical Laser Solutions

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The full version of the Consolidated non financial Statement 2020, available on www.elengroup.com reports a series of "GRI Sustainability Reporting Standard" defined by the GRI - Global Reporting Initiative.

For more information on the contents of our Consolidated non financial Statement 2020, you can contact the e-mail address sustainability@elen.it