



AESYS S.p.A.

SUSTAINABILITY REPORT

YEAR 2021

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LETTER TO THE STAKEHOLDERS

GRI 102-14

Dear Stakeholders,

Aesys closes a challenging year like 2021 consolidating its market position and demonstrating to be able to generate profit and liquidity, despite the difficulties from the inflationary trend and the general raw materials shortage.

The type of challenges faced during 2021 describes the just ended financial year as a transition year. The volume contraction dynamics started in 2020 have not affected the company operating fundamentals and have prepared for a relaunch for the coming years. The restart of the market, after the first half, leads an exceptional recovery and 2021 is the year that marks the highest orders acquisition in the company history.

About the turnover, the first half of the year features a slow restart and the recorded values are slightly lower than last year. Despite this, the business continues generating profit and cash. A continuous improvement of the internal processes took place thereafter. The special attention in maintaining the cost reduction flexibility and continuous product innovation placed the company in the right conditions to improve its economic and financial performance indices.

Also in 2021 Aesys did the best, confirming the ambition to do well and always better. The market segment, subjected to post-pandemic economy recovery plans, is particularly destined to a strong expansion in the coming years.

Therefore, strengthened in the business fundamentals, 2021 should be the year where the communicative process of company values should also find expression outside the company walls. We prepared for the first time the Sustainability Report, to mean the virtuous maturation path started in the past years and which has led us today to be fully sensitive towards ESG issues in our Culture, way of being, thinking and doing business.

The sustainability report establishes and formalizes to our stakeholders the Aesys interest towards the implementation of an environment and society positive impact and towards governance forms inspired by ethical criteria.

Once more, our People have made the difference in our path, participants and architects of this Culture: we are fully convinced that the Corporate Culture strengthening is the key to guarantee the value generation for our stakeholders in the long term.

Thank you all for the contribution and the trust you continue to place in Aesys.

Brusaporto, July 13, 2022

The Sustainability and Innovation Committee

METHODOLOGICAL NOTE

GRI 102-12, 102-46, 102-50, 102-52, 102-54, 102-56

Aesys does not fit the scope of Legislative Decree application no. 254. Nevertheless, it has voluntarily chosen to draw up this Sustainability Report describing the main results in terms of sustainability performance achieved in 2021 (from 1 January to 31 December 2021). This is a Financial Statements integration understanding the business activity, performance and impact. Its primary objective is to communicate in a more effective and in-depth manner topics not covered by the provisions in compliance with art. 2423 of the Civil Code. The topics dealt with concern the way in which Aesys has faced, managed and measured its impact in environmental, social and governance terms.

The data of the previous year are used for comparison purposes in order to facilitate the business performance evaluation. Estimates were used where it was not possible to represent objectively measured and measurable elements. Data have been omitted in the rare cases where the data extraction had particular difficulties in retrieval and processing and only if the information to be represented has been deemed not strictly relevant. This limited process was based on the best available methodologies appropriately indicated.

This Sustainability Report is not intended as an integral part of the Financial Statements and its annexes (explanatory notes and management report). The voluntary nature of the drafting wants to identify its content as a separate report respect to the provisions of art. 2423 of the Civil Code.

The Sustainability Report was prepared in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 and subsequent versions by the Global Reporting Initiative (GRI), according to the Core option. The principles for the social report (GBS 2013) preparation have been taken as a reference with regard to the benefit determination and distribution. Furthermore, the directives of the European Commission Guidelines "Guidelines on the communication of non-financial information" were taken into account.

The content selection to be reported was made on the basis of the priority and issues relevance for Aesys and its stakeholders, through a materiality analysis process described in the paragraph "Our stakeholders: materiality and SDGs".

The discussed topics required the transversal involvement of all company functions, under the Sustainability and Innovation Committee coordination. The integrity and traceability of the reported data have been assessed by an internal assurance system, based on the four eyes principle.

Aesys intends to undertake to make the reporting process stable on an annual basis and to make all the necessary improvements so that the communication reaches its highest effectiveness.

SCOPE OF APPLICATION

GRI 102-45, 102-46, 102-48, 102-49, 102-50, 102-51,

The scope of data and economic financial information is that of Aesys S.p.A statutory financial statements. It was decided to limit the reporting to Aesys S.p.A. (hereinafter Aesys), despite the fact that Aesys Group operates on the international scene through subsidiaries present in various countries of the world. The parent company has the operational centrality respect to its subsidiaries. Similarly, actions were taken with regard to social and environmental aspects. All production activities are carried out almost exclusively at Aesys. The subsidiaries mainly carry out market monitoring and after-sales service. If they intervene in the production factors transformation, they do so in an insignificant way in the entire Group's operations context

The 2021 represents the first financial year in which Aesys approaches the Sustainability Report preparation. Top management with immediate interest response from the entire corporate community sponsors this initiative. It faced a virtuous path aimed at capitalizing on the efforts already implemented in previous years and by more to launch the company on a continuous improvement strengthening the Aesys image and reputation. The business sustainability is the key element of success Aesys aspires to, once product and process excellence has been achieved.

This sustainability report was released by the Aesys Sustainability and Innovation Committee and was formally validated with the decision of the Sole Director on July 13, 2022.

CONTACTS TO REQUEST INFORMATION ABOUT THE REPORT

GRI 102-53

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AESYS REDESIGNS YOUR WORLD

ELEVATOR PITCH - AESYS IN BRIEF

GRI 102-1, 102-2, 102-7

*“When experience is enriched with new points of view
it becomes easier to develop flexible solutions”.*

Aesys has been a very successful international player for over 40 years operating in the systems and technologies market for displaying information to the public. Thanks to its strong vertical integration, Aesys manages the entire phases of conception, design, development, production, commissioning and on-board and ground systems maintenance. It gets on LED and LCD-TFT technology and it takes care to integrate the software to the hardware part, for the more functional products. Aesys is ready to satisfy every customer need and creates customized variable message panels that guarantee maximum visibility and readability in any environmental context.

Aesys signs inform millions of people every day in all languages. Leader in communication systems and display technologies for the traffic, transport, industry and public bodies and smart cities markets. Aesys now has about 350 employees dedicated to product excellence. Aesys is proud of its employment impact in the area. Since 1970s, the aim was to be 100% made in Aesys, in full awareness that the direct management of the production phases also assumes a benefit for the customer, giving project management operational flexibility and quality assurance.

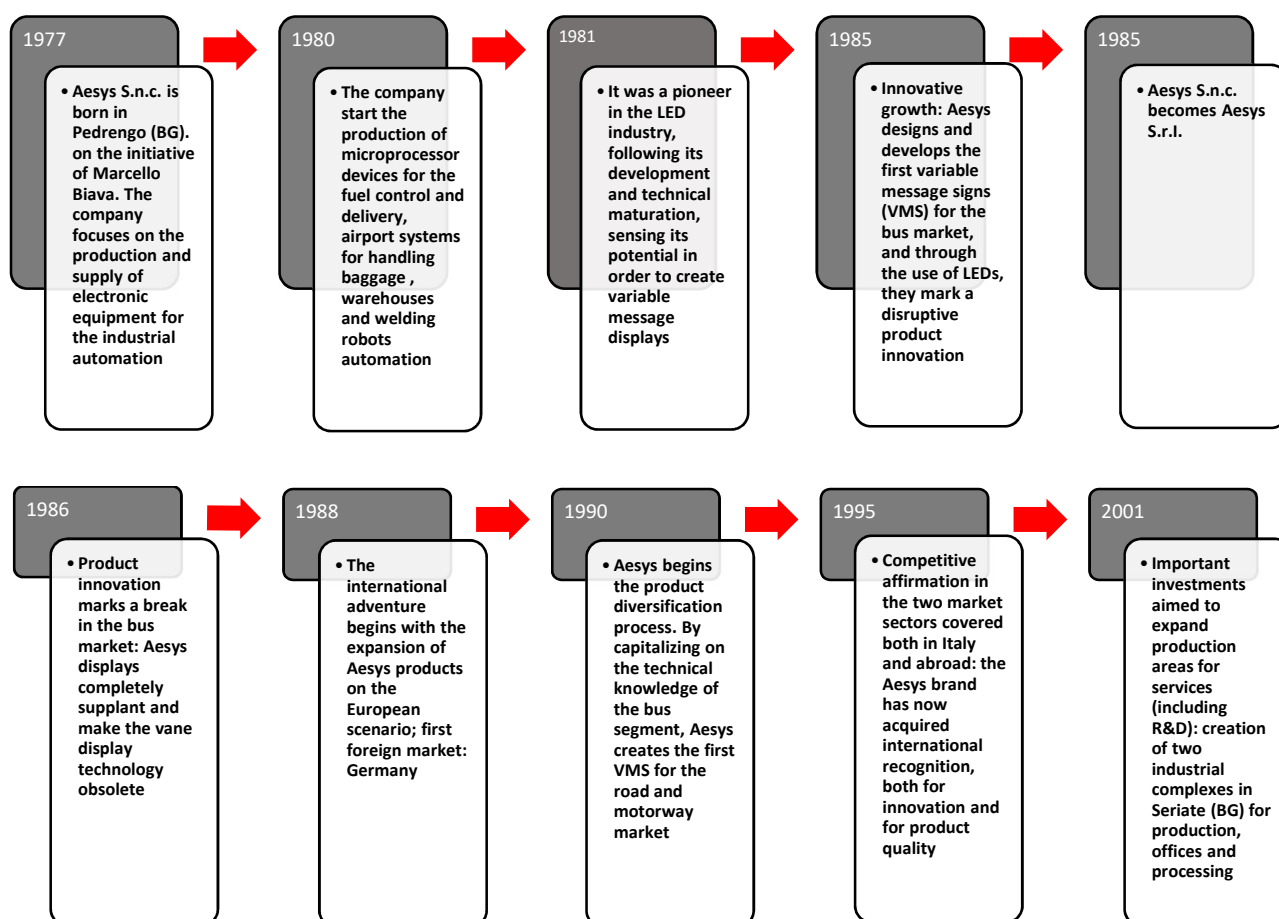
Every detail is important: from the reduced energy consumption, to the best environmental protection, to the most intuitive control software. The constant collaboration between the designers and the measurement laboratory technicians allows checking the results with appropriate adjustments to be made. The engineers are always oriented to bring the most modern and innovative technologies to Aesys signs, in order to characterize the products for their high technological level. The quality staff are careful to ensure that the quality culture is increasingly pervasive in all people working in the company. All the designed printed circuit boards (PCBs) are completely assembled in the electronic production plant, where the most modern machines for placing THT and SMT components are used. The mechanical structures of the panels take place in the mechanical workshop where steel, iron and aluminium are processed using robotic cutting and bending machines. The assemblers and wirers proceed with the components assembly and the testers complete the production cycle with quality checks, before proceeding with the shipment of the displays all over the world.

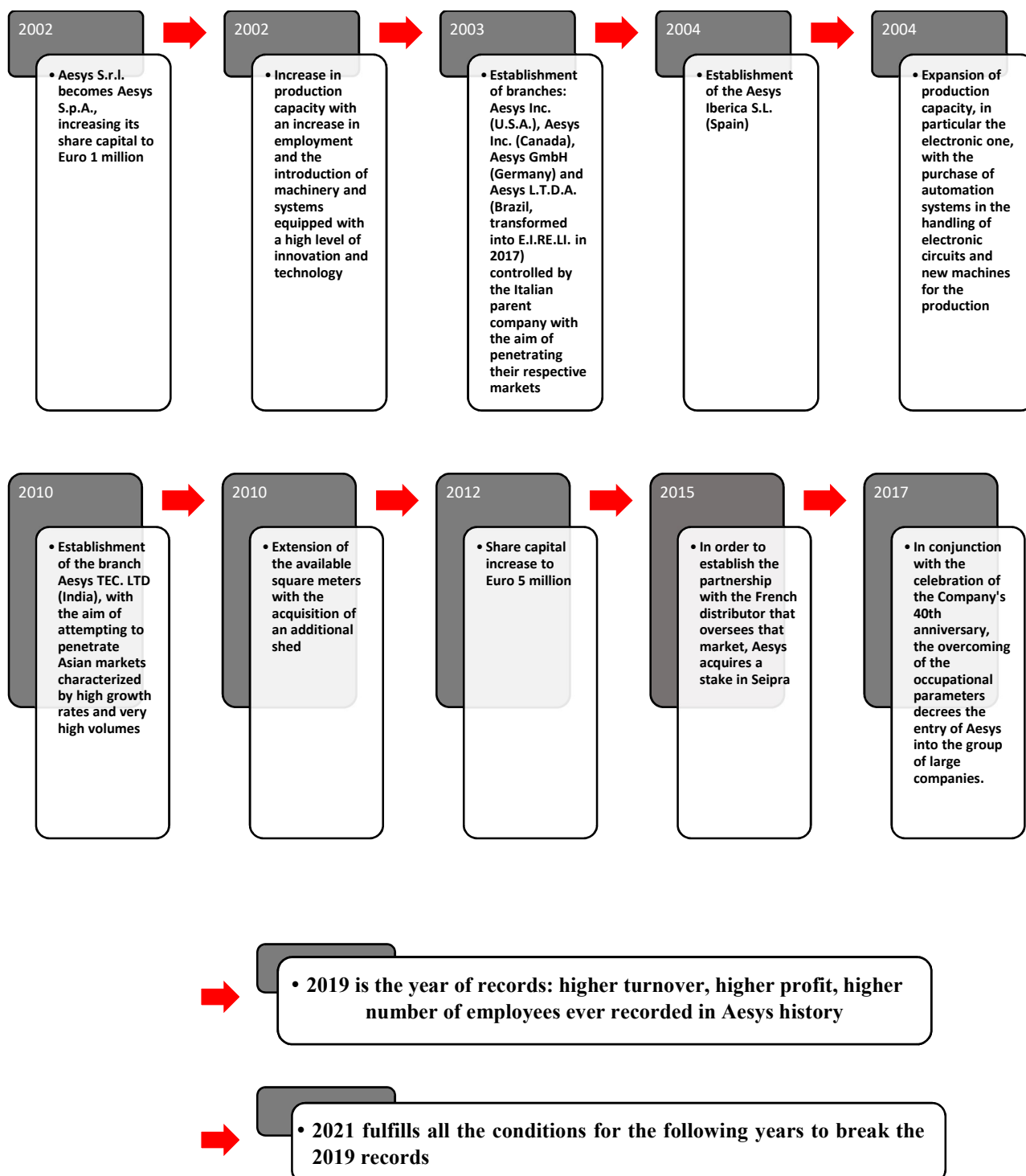
OUR HISTORY: FROM 1977 TO THE PRESENT

“Only teamwork can create reliable solutions”.

Today Aesys is able to respond to the constant challenges asked by the market, thanks to the benefit of its business system and its products positively contributing to the commercial proposition of its customers. In other terms, Aesys is an enabling factor for its customers' success, being transport companies, system integrators, motorway concessionaires or buses and rail vehicles manufacturers.

In Aesys, everything starts from understanding customers' needs and requirements, continuing with the excellent executive capacity and ending with the reliability and flexibility expected by the customers. By naturally assimilating the concept of change and paying particular attention and sensitivity to innovation, over the years, the Company has reached its strengths through the processes specialization and working methods, the dynamic industrial vision, and the ability to build relationships based on constant comparisons in order to pursue continuous improvement. These aspects helped Aesys to stand out on the market. Aesys is now the result of its history:





OUR BUSINESS SECTORS

GRI 102-6

*"Millions of people, hundreds of cultures and a single need:
clear information in real time".*

Aesys information systems help millions of people, passengers, travellers and citizens who every day in the five continents need to have information in real time in the following sectors:



OUR MARKETS

GRI 102-6

Aesys constant commitment to innovation, development and attention to customer and market needs has led the company to be able to offer a very wide range of products and solutions, always in step with the best available technologies. A summary list of the main types of products made by Aesys, in relation to the reference markets, is following:



BUS

- Line and destination indicators
- Line and destination voice announcement
- On-board multimedia system
- Audiovisual next stop announcement
- Fleet monitoring system
- Video surveillance and passenger counting system
- Information poles
- Bus station information system



RAILWAY

- Line and destination indicators
- On-board multimedia system
- Next stop audiovisual system
- Arrival and departure boards
- Waiting room displays
- Trackside displays



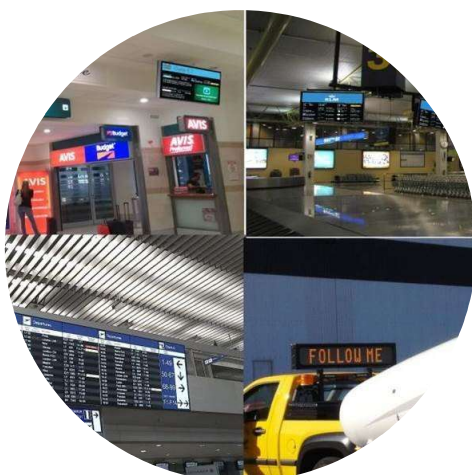
HIGHWAY

- Variable Message Signs (VMS)
- Photovoltaic variable message signs
- Variable message signs on mobile vehicles
- Addressing system to car parks
- Lane management systems
- LED displays for signalling ZTL
- Petrol signs
- Speed detector signs



INDUSTRY

- Graphic panels for track safety (Formula 1 and Moto GP)
- Load call information displays for ports and interports
- Production progress information displays
- Electronic price lists
- Light indicators for aircraft taxiing



AIRPORT

- Arrival/departure boards and transit visualisation displays



SMART CITIES

- Electronic alphanumeric display boards
- Electronic graphic display boards

OUR PRODUCTS IN THE WORLD

GRI 102-6

“A global vision for a successful business”.

From its Italian headquarters, with the help of its subsidiaries and associates and thanks to the network of partners spread over several countries, Aesys has expanded its commercial footprint over the years on the entire world stage: the map below shows the presence of Aesys products in different countries¹:



¹For a more in-depth description of Aesys S.p.A. product presence in the world, see the 'Case History' section of the corporate website www.aesys.com

OUR REVENUE IN THE WORLD

GRI 102-7

Below you may find a representation of Aesys revenue distribution by geographical area. The table is based on the customer's nationality in order to express Aesys capability to directly cover the territory. In any case, the territorial footprint of Aesys products diffusion, as highlighted in the above map, goes towards foreign countries contrary to the table below. This is because many sales realized directly with Italian or European customers have their final customer/use abroad.

Revenues by geographical area (amounts in millions of Euros)	2021		2020		2019	
Geographic area	Revenues	%	Revenues	%	Revenues	%
Italy	17.6	47%	16.6	40%	23.0	41%
European Union	16.9	45%	13.3	32%	16.3	29%
Rest of the world	3	8%	11.6	28%	16.9	30%
Total revenues	37.5	100%	41.5	100%	56.2	100%

OUR STAKEHOLDERS: MATERIALITY AND SDGs

GRI 102-43, 102-44

THE STAKEHOLDERS ROLE

Stakeholder is the individual or collective subject who *“has interests in the organization or company activity, influences its decisions or is conditioned by them”* (cited by Treccani Encyclopedia).

For Aesys, the involvement and discussion with stakeholders is of primary importance in order to understand their needs and expectations and to allow constant and increasing attention to business strategies and objectives, risk assessment and opportunities.

Aesys relations with its stakeholders, by transparency and concreteness, provide tools and dialogue channels dedicated to each stakeholder category.

Through the stakeholder constructive dialogue, Aesys aims to pursue the social responsibility full implementation, in a current and prospective path of sustainable development and environmental protection, of constant search for a balance between economic initiatives, safety operations and risk prevention.

IDENTIFICATION OF STAKEHOLDERS AND MAIN DIALOGUE TOOLS

GRI 102-40, 102-42, 102-43

The table below highlights the process relating to mapping, identification and relevance of the main stakeholders categories. Through the stakeholder engagement process, Aesys identified the dependence and influence level of stakeholders towards the organization, emphasizing the main dialogue tools.

STAKEHOLDER	ENGAGEMENT ACTIVITIES DIALOGUE TOOLS - INITIATIVES - RELATIONS
Employees	Dialogue with Human Resources Internal communications Institutional website Social network Visual Management, documents and periodic informative meetings on values / products / people Multimedia channels for sharing and communication
Customers	Institutional website Social network Events and trade fairs Telephone / e-mail contacts Business meetings and company visits Evaluation tools and questionnaires ²

² Questionnaires and surveys that customers submitted to Aesys

Suppliers	Institutional website Telephone/e-mail contacts Business meetings and audit visits Dedicated portals and platforms
Public institutions and the banking system	Financial reports Information on request Meetings, sending and exchange of communications for specific obligations or requests
Universities and research centres	Institutional website Conferences and seminars Scientific communities Social network Telephone/e-mail contacts/meetings
Local communities	Institutional website Social network Meetings with local community representatives
Shareholders	Institutional website Shareholders' meeting Financial results presentation Financial reports / budgets
Business partner	Institutional website Social network Telephone/e-mail contacts Business meetings and company visits
Associations	Institutional website Telephone/e-mail contacts and meetings Active participation in events and committees

MATERIALITY ANALYSIS

GRI102-44, 102-46, 102-49

The materiality concept refers to the relevance degree that various operational issues determine on company performance and on the ability to influence internal decisions as well as the stakeholders' opinion.

The materiality analysis aims to identify those issues of significant importance for the company or its stakeholders. The focus is exclusively on the greatest interest areas for the company business development creating value, in a long-term sustainability perspective. Aesys sustainability performance may be monitored through the indicators based on the relevant issues.

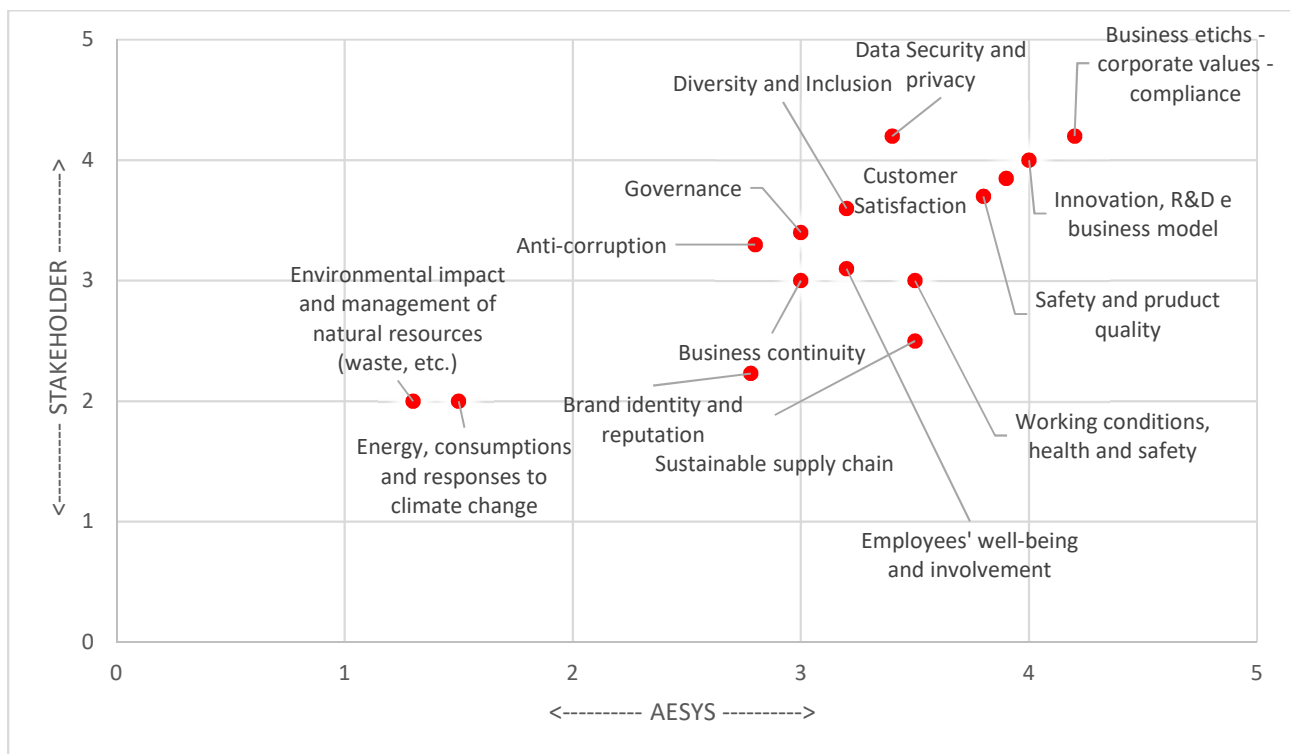
As this is the first company sustainability report, despite the absence of regulatory obligations, but strongly believing in sustainable development and transmitting these values to the entire organizational structure, Aesys carried out the process of identifying the material issues based on:

- analysis of Aesys economic, social and environmental impacts and of/for its stakeholders;
- benchmark with comparable operators;
- guidelines and standards reporting.

In concrete terms, the materiality analysis identified the priority issues for the stakeholders, based on their relevance, as well as those considered as priorities by the Company. The result obtained thanks to the process described above allowed the company to draw up a list containing the main material topics. Subsequently, this list was subject to a careful internal analysis useful for identifying the importance of each material issue both from Aesys point of view and from stakeholders' point of view too. In particular, to assess and identify the relevance of material issues for stakeholders, detailed analyses were carried out on questionnaires and surveys that the client companies submitted to Aesys in order to meet the expectations together with an in-depth analysis of the recurring engagement activities carried out in relation to the various categories of stakeholders. The result is the materiality matrix shown below:

MATERIALITY MATRIX

GRI 102-47



Business ethics, corporate values, compliance, governance and anti-corruption: Aesys' commitment to the fight against active and passive corruption through the application of policies, procedures, mechanisms for reporting potential irregularities and the instillation of an internal culture aimed at management transparency is considered of utmost importance both by Aesys and by its stakeholders. Internal principles and regulations are summarized in the organization, management and control model (as per ex. Legislative Decree 231/01), the Code of Ethics and other codes of conduct adopted. An integral part of the effectiveness of the system consists

in the definition of roles and responsibilities, which are responsible for the control, in the dissemination and incentive to use whistleblowing channels, in the training activity and in the invitation to suppliers to adhere to principles and national and international guidelines.

Data security and privacy: The protection of sensitive data processed by Aesys and attention to IT security issues are considered a priority both by Aesys and by its stakeholders, as part of the entire business management activity. The underlying risk concerns both the management of sensitive data of employees, customers and partners as well as the protection of internal knowledge and innovative research and projects, which may manifest itself with the non-compliance with the safety and privacy regulations and with the intrusion into information systems and consequent theft or corruption of data. Aesys proceeds with the management of these risks through the implementation of specific procedures that obtained the ISO EN 27001 certification and ensuring compliance with national and European laws and regulations (GDPR).

Innovation, research & development and business model, brand identity and reputation, product safety and quality: Aesys has its roots in technological innovation and aims to design products with a high technical content that incorporate the most advanced technological solutions. In order to maintain its business model and thus power innovation and development initiatives, Aesys enhances its human capital both in terms of retention and of attractiveness of new resources. The risk underlying an adequate management of this material issue is that of business sustainability. Likewise, the use of the best technology, combined with specific internal processes, business is aimed at ensuring compliance with product, sector and marketing market standards in terms of safety. The dynamic synthesis of these elements leads to the definition of the corporate identity and its recognition by customers and stakeholders.

Customer satisfaction: focusing the process of continuous improvement avoiding self-reference and bringing the customer's voice into the company has been one of Aesys' keys to success and will be the same for the future. The company gives attention to the collection of direct and indirect feedback that the market communicates. The risk underlying an inadequate interpretation of market signals, especially in terms of satisfaction and interpretation of customer needs puts the sustainability of the business at risk.

Diversity and inclusion: Aesys internally encourages, promotes and guarantees the protection, enhancement of diversity, inclusion and equal treatment with active policies aimed at instilling a culture of respect. Aesys promotes also pay equity between men and women for equal duties and professional level, condemning discrimination cases and shaping its decisions without differentiation based on age, sex, sexual orientation, health, race, nationality, religious affiliation and political opinion.

Business continuity: in order to avoid the interruption of Aesys production and / or activities due to external or internal events and / or inadequate recovery plans, the internal structure of Aesys has carried out specific analyses aimed at identifying the main risks that may affect the operational continuity of the company. The outcome was the preparation of an emergency plan deemed suitable for reducing the impact of accidental events. Aesys adopted procedures complying with ISO22301 standards in relation to those management processes that underlie information security, consistently with the positive conclusion of ISO27001 certification process.

Working conditions, health and safety, employee well-being and their involvement: Aesys implements active safety protection policies in the workplace, also through the training of its employees, and monitors behaviours and situations in order to prevent accidents in the workplace by reducing the number of events. Likewise, in the full awareness that one of the keys to Aesys' success are its people who, with their daily commitment, have allowed and are enabling the Company's continued affirmation on international markets, Aesys pays attention to active policies aimed at retaining and enhancing its human capital, with the aim of cultivating its potential and developing its executive skills.

Responsible management of the supply chain: Aesys is constantly committed to operating in a socially responsible manner, ensuring maximum compliance with regulations and best practices. As an extension of its work, Aesys acts towards its supply chain by promoting its adoption and compliance with ethical and sustainability principles. With this purpose, Aesys has adopted codes of conduct that suppliers are required to read and substantially comply with them.

Environmental impact, management of natural resources, consumption and response to climate change: Aesys recognizes the importance of safeguarding and protecting the environment as a condition of existence of the industrial system in a social context. Since time, Aesys has been committed to making adequate resources available for the prevention of pollution deriving from its activities and for the continuous improvement of its environmental performance, balancing the possibility of using the best available knowledge and technologies with the financial constraints that the principles of sound economic management require. To this end, Aesys monitors and guarantees compliance with the laws and regulations in force, an efficient maintenance activity of the production plants and technologies in order to contain their energy impact, an adequate green management method for the recovery and disposal of waste. To consent the processes underlying this material topic that monitor and manage the risk, the environmental certification ISO 14001 operates.

SDG ROADMAP

GRI 102-11

Aesys, in compliance with the provisions of the United Nations Organization regarding Sustainable Development Goals (SDGs), undertakes to constantly improve, and within the limits of its potential, its contribution to sustainable development. With the aim of creating shared value for its stakeholders, Aesys adopts an industrial development model based on the principles of sustainability, transparency and quality. Attention to these aspects translates into concrete commitments by the company and the use of specific management and organizational structures.



The ever-increasing demand for companies to combine economic development with social inclusion, respect for human rights, environmental sustainability and new forms of responsibility in terms of governance, leads Aesys to regularly monitor the 17 sustainable development goals.



Reflecting on the company situation, on the specific context and on the general reference sector, with attention to the impacts generated and suffered by Aesys throughout the supply chain, the relevant SDGs, or on which Aesys may objectively implement active policies, are identified as follows:

Ensuring health and well-being for all and for all ages: 3.6 – Halving the global number of deaths and injuries because of road accidents. Thanks to the information systems designed and marketed, Aesys seeks directly and indirectly to improve road safety both through products whose concept, by design and constant innovation, is characterized by reliability and readability, and by stimulating the counterparts in bringing out new needs, in face of technological evolutions, which go in that direction.



Provide quality, equitable and inclusive education and learning opportunities for all.

4.4 – *Substantially increase the number of young people and adults who have the necessary skills, including technical and professional skills, for employment, decent work and entrepreneurship.*

Strongly believing in the growth of young people and in the guarantee offered by the school / work binomial, the Company continuously undertakes relationships with high schools and universities aimed both at training young students and at school and academic training towards subjects of industrial interest for Aesys.



Achieve gender equality and empower all women and girls. 5.5 – Guarantee the female gender full and effective participation and equal opportunities for leadership at all levels of the decision-making process in political, economic and public life. Reduce inequalities.

10.2 – *Strengthen and promote the social, economic and political inclusion of all, regardless of age, sex, disability, race, ethnicity, origin, religion or economic or other status.* 10.4 – *Adopt policies, in particular fiscal, wage and social protection policies, to progressively achieve greater equality.* Aesys undertakes to guarantee equal opportunities without discrimination of any kind both in the personnel selection phases and in the internal promotion process; this principle has been established in the company Code of Ethics and in all the documents originating from it.



Ensure access to affordable, reliable, sustainable and modern energy systems for all. 7.3 – Doubling of the global rate of improvement in energy efficiency. Aesys makes a commitment, and likewise undertakes to constantly renew it, to design its devices with regard to energy efficiency levels and to gradually increase the self-production of energy from renewable sources.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. 8.2 – Achieve higher levels of economic productivity through diversification, technological updating and innovation, also aiming for high benefit in labour-intensive sectors. 8.3 – Promote development-oriented policies supporting productive activities, the creation of decent work, entrepreneurship, creativity and innovation and encourage the training and growth of micro, small and medium-sized enterprises, including through access to financial services. 8.5 – Achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for jobs of equal value. 8.8 – Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, especially migrant women, and those in precarious work. Aesys was born and developed as a technology company, for which it has in its DNA the predisposition to invest in R&D activities with consequent feeding of technical and technological progress within its operating sector.



Make cities and human settlements inclusive, safe, long lasting and sustainable. 11.7.b – Significantly increase the number of cities and human settlements with the adoption and implementation of policies and programs aimed at inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to integrated disasters, and aimed at developing and implementing disaster risk management at all levels. Aesys believes to be able to contribute in this sense through its commitment to the technological development of products allowing a rapid and effective alerting of the population to alarms. With regard to its product portfolio, for example, sensor-based systems for monitoring and integrated hydrometric detection with an information network of Variable Message Signs (VMS), which can be directly, connected to civil protection and citizens mobile devices.



Guarantee sustainable models of production and consumption. 12.5 – *Substantially reduce the production of waste through prevention, reduction, recycling and reuse.* Always strongly active in monitoring waste data and environmental protection, Aesys guarantees constant training to workers regarding the collection and management of waste as well as the upstream reduction of its production, in order to reduce its quantity and optimize their disposal and recycling.



Peace, justice and strong institutions. 16.5 – *Substantially reduce corruption and bribery in all their forms.* Aesys commitment is stated in the company Code of Ethics and is integrated into the Organization, Management and Control Model, from which active actions and organizational structures arise aimed at making this commitment efficient and effective.

OUR GOVERNANCE

OUR COMPANY SCOPE

GRI 102-1, 102-2, 102-3, 102-4

As already explained in the paragraph relating to the “Scope of application”, Aesys S.p.A is the subject of reporting in this sustainability report; however, for the sake of completeness of information, we consider useful to mention the Group structure, which is an integral part of Aesys operations.

The corporate structure of the Aesys Group consists of a holding company under Italian law - Aesys Holding Srl - that exclusively carries out the coordination and management of Aesys group's investments - which has the operational and sub-holding role - and of 4 subsidiaries under Spanish, German, US and Brazilian law. Within the operating scope of the group, an associated company incorporated under French law is also active. The following scheme better illustrates the Group corporate organization chart.

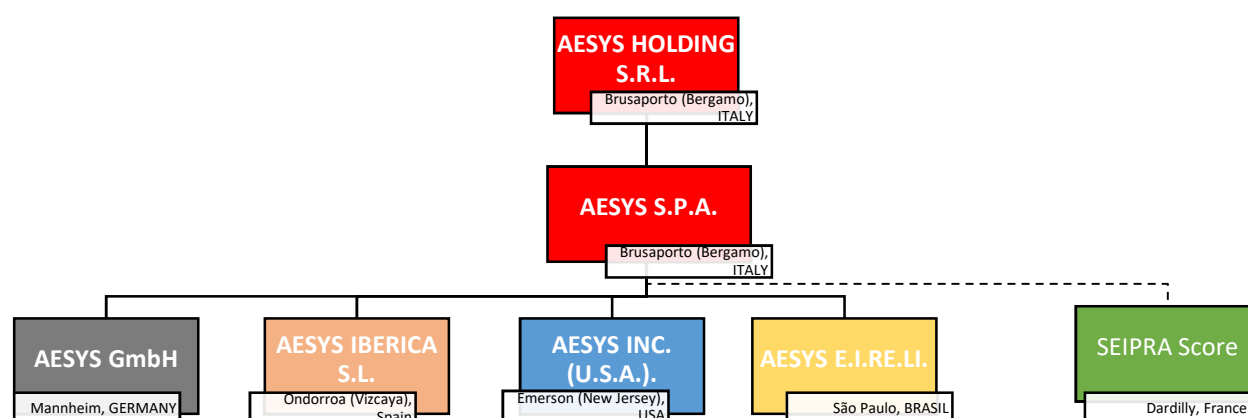


Figure1- Group corporate organization chart

Aesys Holding S.r.l. is the top management of the Group and is therefore in charge of the consolidation obligations pursuant to Legislative Decree 127/91. It exclusively carries out the coordination of the Group's activities and the management of shareholdings, holding 99.94% of Aesys Company. The registered office of the company, which operates in the legal form of a Limited Liability Company under Italian law, is in Brusaporto (Bergamo), in via Artigiani, 41.

Aesys S.p.A. is the main company of the Group. Aesys innovates, produces, distributes and commercialize variable message communication and display systems; its products are applied in the road sector, in public transport by rail (trains, tramway, subways) and by road (buses and long-distance buses), in the industrial and airport sectors. Its commercial footprint covers the 5 continents and is therefore significantly aimed at internationalization. It also operates as a sub-holding holding the participation of operating companies under foreign law. The legal form in which Aesys operates is that of a joint-stock company with a traditional administration system (Article 2380 of the Civil Code); the operational headquarters are located in Seriate (Bergamo), in via Pastrengo, 7C and the legal headquarters coincide with that of the parent company.

Aesys GmbH. manages the direct sales and after-sales market for Aesys products mainly on German territory, in the field of rail transport and public road transport. Its registered office is located in Mannheim (DE).

Aesys Iberica S.L. manages the direct sales and after-sales market for Aesys products mainly in Spain territory and in the public road transport sector. Its registered office is in Ondarroa (ES).

Aesys INC. manages the direct sales and after-sales market for Aesys products mainly in the United States and in the public road transport sector. It is better able to meet the needs and regulations imposed by local operations thanks to an organizational structure and skills that make it suitable for on-site production. Its registered office is in Emerson - New Jersey (USA).

Aesys EIRE.LI. (Formerly Aesys LTDA) manages the direct sales and after-sales market for Aesys products mainly in Brazilian territory and in the traffic sector. Its registered office is in San Paolo (BRA).

SAS Seipra manages the direct sales and after-sales market for Aesys products mainly in French territory and in the rail transport and public road transport sectors. Its registered office is in Dardilly, Lyon (F). Seipra is the company that most recently entered the galaxy of the Aesys group: historical distributor of Aesys on the French market, it is now a company associated with the group through a 10% stake.

GOVERNANCE AND ORGANIZATION

GRI 102-5, 102-18

The Aesys corporate governance model is structured according to the traditional system (as per Article 2380 of the Civil Code, paragraph 1).

A Sole Director, as shown in the following table, administers Aesys:

QUALIFICATION	FIRST NAME	GENDER	YEAR OF BIRTH
Sole Director	Marco Biava	M.	1983

The Board of Statutory Auditors is composed of the following members:

QUALIFICATION	FIRST NAME	GENDER	YEAR OF BIRTH
President	Maurizio Civardi	M	1959
Statutory Auditor	Antonio Rosina	M	1962
Statutory Auditor	Giovanni Traverso	M	1952

The Supervisory Body is composed as follows:

QUALIFICATION	FIRST NAME	GENDER	YEAR OF BIRTH
Supervisory Body	Niccolò Bertolini Clerici	M	1975

The statutory auditing of the accounts has been entrusted to BDO S.p.A. for the three-year period 2019-2021.

OUR COMMITTEES

GRI 102-18

CONTROL AND RISKS COMMITTEE

The Control and Risks Committee has the function of outlining the guidelines capable of reducing and mitigating the risk, providing opinions to the Sole Director on the management and identification of risks. It is therefore a body with consultative and propositional functions to support corporate decisions.

SUSTAINABILITY AND INNOVATION COMMITTEE

The Sustainability and Innovation Committee, responsible for the supervision of issues relating to sustainability, has the function of outlining the guidelines necessary to keep attention and sensitivity towards the issues in question high in the company, providing opinions to the Sole Director and contributing the definition of guidelines for operating functions.

INFORMATION SECURITY COMMITTEE

The Information Security Committee constitutes the company reference for information security management problems. It deals with the development, maintenance and improvement of the part of the integrated management system specifically dedicated to the management of information security, supporting the IT security manager in the definition of policies, risk analysis, analysis of non-conformities and incidents with consequent definition of corrective actions, management of emergencies / crises and also actively contributing to staff training.

ETHICS AND INTEGRITY

GRI 102-12, 102-16, 308-1, 414-1

Aesys, in full awareness of its social responsibility, places ethics and the integrity of its action among its main values. In light of this, Governance in the planning of objectives and performances both of an economic and financial nature and in terms of sustainability is assumed as a system of rules and processes that oversee the elaboration of the decision-making and executive process. Governance has a key role in giving practical implementation of ethical values: ethical and integral corporate management is the prerequisite that allows Aesys to create value and increase the trust and interest of all stakeholders. Among the tools that enable and implement this macro objective, the Code of Ethics and the Organization, management and control model are identified according to the needs expressed by 231/2001 Legislative Decree (also “231 Model” or “Model”)³.

³Aesys S.p.A. Code of Ethics and 231 Model (English and Italian versions) are available and downloadable on <http://www.aesys.com>

The Aesys **Code of Ethics** aims to define a set of behavioural rules allowing the dissemination of a corporate culture inspired by legality among employees, suppliers and collaborators. The Code establishes the founding values of Aesys: legality, loyalty, transparency, impartiality, diligence and professionalism, confidentiality of information, protection of the environment and sustainable development and competition.

The Organization, Management and Control Model, introduced for the approval of the corporate bodies in November 2016, represents the construction of a structured and organic system of procedures and control activities, which aims to prevent the crimes as per 231/2001 Legislative Decree, by identifying the activities exposed to the risk of crime and their consequent procedure.

Through the adoption of the Model and its continuous updating, Aesys aims to pursue the following main purposes:

- fix and stigmatize the values of ethics and respect for legality;
- determine in the recipients of the Model the awareness of being able to incur, in the event of violation of the provisions contained therein, in the commission of offenses subject to criminal sanctions that may be imposed against them and administrative sanctions that can be imposed on Aesys;
 - reiterate that these forms of unlawful behaviour are strongly condemned by Aesys, as they (even if the Company were apparently in a position to take advantage of them) are in any case contrary not only to the provisions of the law, but also to the ethical principles to which intends to comply with the exercise of the company activity;
 - allow Aesys, thanks to a monitoring action on the areas of activity at risk, to intervene promptly to prevent or counter the commission of the crimes themselves.

More in detail and without the need to exhaustively list, Aesys MOCG pays particular attention to the relationships that exist with some of its key stakeholders and therefore:

- condemns all forms of corruption;
- requires that relations with customers, suppliers and external collaborators to be transparent, non-discriminatory and based on fairness;
- undertakes Aesys to maintain a frank and honest collaboration, in full compliance with the laws and regulations in force, towards the *Public Administration, Supervisory Bodies, Trade associations and Judicial Authorities*;
- protects equal opportunities in personnel management;
- Aesys work is based on non-discrimination.

In the structural imprint of its MOCG, Aesys has opted for a regulatory structure defined for business activities and processes with a potential "crime risk". The Model consists of a general, so-called descriptive part and a special part that, in turn, defines general and specific activity and control protocols. This display choice was made based on the greater usability of the Model compared to a structure that would give evidence of the individual categories of crime. The Supervisory Body is monocratic, composed by a member outside the Company.

Aesys has a specific "whistleblowing" reporting procedure accompanied - in fact - by the creation of an ad hoc e-mail address, with very strict reading access requirements, which aims to collect any reports anonymously and confidentially. The e-mail box, which is also advertised on the company website under the "Legal Notes" section, is added to the Supervisory Body existing one for the purposes just mentioned. The reports may refer to the scope of the predicate offenses and the risk areas defined in the Model and to all those behaviours that may cause damage to the company's assets or reputation.

OUR ACTIVE COMMITMENT AGAINST CORRUPTION

GRI 102-13, 102-16, 205-1, 205-2

Aesys is actively engaged in the fight against corruption, both public and private, as required by national legislation. In particular, Aesys actively prevents any attempt at corruption in the broad sense, or as any behaviour that results in illegitimate favours, collusive behaviour or solicitation of personal advantages. The Code of Ethics and 231 Model, integrated by the specific Codes of Conduct, are the tools to monitor the onset of corruption and punctually detail prescriptions, prohibitions and behavioural attitudes, facilitating the reader in understanding the legislation.

The Code of Ethics and the MOCG recall specific behavioural duties in those areas of company operations in which it is probable or possible that the risk of commission of crimes may occur. In particular, in carrying out relations with customers and suppliers, it must be taken into account that gifts, contributions and entertainment expenses are permitted only when of modest value and when they can unequivocally be interpreted as devoid of the purpose of acquiring improper advantages. There are also corporate procedures that govern relations, both institutional and commercial, with national or EU public entities, supervisory authorities, public officials, and persons in charge of public service.

Aesys, in mapping the risks aimed at preventing the commission of corruption offenses, proceeded to identify a series of potential offenses. A synoptic framework emerged which summarized 50 potential offenses that would lead to the commission of 71 offenses: the objective that the company set thanks to this analysis was to increase internal awareness of the risk and to create procedures on behavioural rules where that risk was found to be significant or relevant.

In order to make internal communication and the learning of the ethical principles that mark the company's work pervasive, Aesys methodically communicates its anti-corruption policies and procedures to the audience of the governing body, employees and business partners (providers). During 2021, the aforementioned audiences were 100% covered. Furthermore, Aesys proceeds to provide training on the same issues to those categories that, from risk analysis, are most exposed: 100% of employees and managers and 100% of the governing body receive training in this regard.

OUR CODES OF CONDUCT

GRI 102-12, 102-16, 308-1, 414-1

In order to make the contents of the code of ethics and the MOCG more pervasive, Aesys entrusts the specific codes of conduct with a further detail of behavioural indications.

Anti-corruption Code of Conduct: Aesys is committed to fighting corruption and preventing the risks of illegal practices, at any working level and in any geographical area. The adoption of the Anti-corruption Code was created with the aim of strengthening the protections for the prevention and contrast of possible corruption practices. Its further purpose is to promote compliance with ethical standards and full compliance with national and international regulations on the prevention of active and passive corruption of public and private entities in all its forms, as well as integrity, transparency and correctness in carrying out work activities. The Code applies to all Aesys employees, managers and the Administrative Body and, more generally, to all those with whom Aesys comes into contact in the course of its business. These subjects, in compliance with the provisions of the Code of Ethics and the Aesys Organization, Management and Control Model, 231/2016 Legislative Decree, undertake to conduct their activities, in all the countries in which they are present and operate, in compliance with the ethical principles of Aesys and in compliance with applicable laws. The purpose of the Code is to set out in a structured way a systematic framework of the reference principles of the regulatory instruments and internal rules on anti-corruption to prevent potential episodes of corruption in order to protect the integrity and reputation of Aesys.

Code of Business Conduct: such Code aims at clearly stating the ethical principles shaping the commercial conduct of the Company, its virtuous imprint in doing business and the moral responsibility that innervates strategic decisions in the conduct of negotiations and commercial relations. Specifically, the Code includes principles, guidelines and rules of conduct and defines internal responsibilities that the members of the Company (employees, managers, directors, collaborators and partners of the Company) expressly assume towards all those subjects with whom they interact in carrying out their business. Aesys undertakes to operate only with business partners who comply with all applicable laws and regulations for the proper conduct of its activities in its jurisdiction. Moreover, the principles contained in the Universal Declaration of Human Rights established by the United Nations Organization and those indicated in the Declaration on fundamental principles and rights at work issued in 1998 by the International Labour Organization, as implemented by the legislation and legal practices in use in various nations, should be complied.

Conflict Minerals: Based on the "Conflict Minerals" procurement policy contained in 2017/821 (EU) Regulation, Aesys requires its suppliers, including those already consolidated, to provide information on the source of the materials supplied to the organization through internationally recognized formats. In the event of a lack of response or a declaration of use of minerals extracted or treated in structures considered "NON-Conflict Free", Aesys undertakes to interrupt the purchases and in any case not to integrate those purchase lots into its products, in order to guarantee the its "conflict free" products.

Code of Conduct for Supplier: The procurement process along the Aesys supply chain is based on selection criteria based both on the quality and on competitiveness of components, raw materials and services and on adherence to ethical values. In fact, it aims to promote behaviour and practices of social and environmental responsibility on the part of its suppliers, in order to favour the sustainability of the business processes that characterize the sectors to which they belong. The Supplier Code of Conduct applies to all Aesys suppliers who enter into a contract with Aesys for the supply of goods or services. The recipients, in turn, are encouraged to share it and favour its application by their suppliers, favouring the overall sustainability of their supply chain. Aesys expects its Suppliers to support the Company's commitment to generate long-term economic, social and environmental value for all stakeholders involved. Aesys commitment is to ensure the maximum dissemination of its code of conduct to all internal and external subjects interested in the corporate mission through specific communication activities.

OUR INTEGRATED APPROACH: QUALITY, ENVIRONMENT, SAFETY AND ETHICS

GRI 102-12

Aesys aims to achieve technological and operational excellence in full compliance with economic, social, environmental and ethical sustainability. Aesys is constantly committed to improving its production and management processes, through responsible management that combines quality and efficiency in business development with attention to its employees and the environment. To seal the path taken towards this vision of business operations, Aesys boasts the following certifications: UNI EN ISO 9001:2015, UNI EN ISO 14001:2015, UNI ISO 45001:2018, UNI ISO IEC 27001:2013 + 27017:2015 + 27018:2019, UNI EN ISO 3834-2:2006, UNI EN 15085-2, UNI EN 1090, DIN 6701-2.

In order to harmonize its management, Aesys has adopted "Integrated policies for quality, environment, health and safety in the workplace, information security and ethics" which, without claiming to be exhaustive, are based on compliance with the following principles⁴:

- consider the constant satisfaction of the needs of all interested parties as a fundamental element of the corporate strategy, continuously pursuing and promoting activities aimed at the innovation of its products and processes in order to satisfy, anticipate and exceed the expectations and needs of customers, guaranteeing respect for the environment, health and safety of use;
- enhance and constantly promote the professional and human growth of all interested parties, orienting their choices for the benefit of their collaborators (considered the "heritage" through which to achieve their business objectives) and their suppliers (according to which a reciprocal relationship benefit allows both a continuous growth and a constant improvement, as well as the creation of value in favour of the final customer);
- systematically apply the logic of risk based thinking in the management of processes;
- develop a corporate culture aimed at continuous improvement: teaming up is the must that all Aesys managers must have in order to involve the staff and make them aware, at all times, of the importance of satisfying the customer;
- provide safe and healthy working conditions for the prevention of work-related injuries and illnesses by trying to prevent and limit risks from origin, as well as enhance professionalism and promote the awareness of each worker so that he becomes a promoter of his own safety, of his colleagues and also of third parties, intervening or reporting dangerous situations, even if they do not directly involve him;
- periodically carry out the analysis of the context in which Aesys operates, together with the needs and expectations of the interested parties, as prerequisites for the correct setting of the entire management system;
- regularly analyse the sources of impact on the environment in its production processes, making every effort in organizational, operational and technological terms to prevent any type of pollution; develop products that actively contribute to respecting the environment thanks to the introduction of the most recent technological solutions in order to contribute globally to the reduction of consumption and pollution; reduce energy consumption (electricity, water and methane gas) and the production of waste, favouring its recovery where possible;
- develop awareness, knowledge, culture of the environment and safety at all levels through training courses and appropriate information as well as procedures, instructions and information documentation;
- prevent and correct, in order to protect the environment, health and safety in the workplace, any dangerous situation by implementing the analysis of the causes and possible solutions;
- guarantee the maximum confidentiality of information and an adequate availability and integrity, to protect interested parties: the most critical company information and the most sensitive data remain confidential to protect the business and the freedom of workers;
- adopt the most advanced international norms and standards in the field of Quality, Environment, Safety and Information, at the same time favouring the application and dissemination of a corporate culture that respects human rights and ethical principles.

⁴For more details, please refer to the institutional website www.aesys.com

RISK MANAGEMENT MODEL

GRI 102-11, 102-12, 102-15

The risk management system is integrated in the organizational, administrative and accounting structure and, more generally, in the corporate structure of Aesys. In fact, the Company has fully implemented in this sense what is regulated by the reference standards, with particular reference to the UNI EN ISO 9001: 2015; UNI EN ISO 14001: 2015; UNI ISO 45001: 2018; ISO / IEC 27001: 2017, through the internal coding of the integrated management manual.

Operational risk management – which takes place in an organic, conscious and structured manner – involves the identification, assessment and monitoring of business and project risks and the related treatment plans, and is supported by specific methodologies, tools and metrics for its analysis and management. ERM (Enterprise Risk Management) processes are constantly optimized with the aim of innovating and spreading an effective organizational culture based on risk. In this sense, Risk Management is an integral part of corporate processes and culture, as much that risk is considered by the organization not only as a threat, but also as a source of opportunities and future competitive advantage.



The general management carries out its function of guiding and evaluating the adequacy of the risk management system and represents its central body. In particular, it defines the guidelines of the risk management model and periodically assesses the adequacy and relative functioning of the system, ensuring that the main corporate risks are identified and managed in consistence with the strategic objectives identified.

To this end, the general management avails itself of the support of other corporate bodies, in particular the Control and Risks Committee, the Board of Statutory Auditors, the Supervisory Body and the same line and internal governance functions. Therefore, Aesys manages and monitors the risks associated with the pursuit of corporate strategic objectives, including those relating to sustainability issues.

To allow a more in-depth interpretation of the main risk factors of Aesys for sustainability, as well as those strictly connected to the management methods, the analysis relating to the materiality matrix may be consulted.

OUR ECONOMIC IMPACT

GRI 207-1, 207-2, 207-3

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GRI 102-5, 102-7, 207-1, 102-10

The Aesys share capital as at December 31, 2021 is equal to 5.000.000 euros, consisting of 5.000.000 shares, all of which are ordinary; Aesys Holding S.r.l. owns 4.997.000 shares, Biava family owns 3.000 shares.

TAX COMPLIANCE

GRI 102-12, 207-1, 207-2, 207-3, 207-4

Aesys operations are aimed at consolidating and growing the business; the consequent regulatory aspects, including fiscal ones, must necessarily be fulfilled. In other words, Aesys does not make use of organizational and legal structures aimed at achieving tax savings and likewise the intra-group transactions are linked to the arm's length principle. This statement of principle is an integral part of the corporate culture, and as such it is pervasive in all levels of the organization. Within the MOCG and the operating procedures that supervise the tax management process of the Company, the reference to principles of honesty and transparency in the relationship with the tax authorities is firm.

In consistence with its corporate values and to ensure transparent business management, Aesys ensures compliance with the tax regulations in force in the countries in which it operates and in which it distributes its products. In this sense, specific provisions adopted by the Company are contained in the Code of Ethics, in the Anti-Corruption Code and in 231/2001 Model. The correct fulfilment of tax obligations – based on honesty, loyalty, legitimacy and transparency principles – finds application and pervasiveness within the entire company structure, with methodical identification of the "four eyes" principle. The ultimate goal to which the Company aspires is to comply with these obligations in a correct, absolute and timely manner to minimize any tax risk associated with the incorrect application of the tax laws and regulations in force both in Italy and in the other countries in which the company operates.

GENERATED AND DISTRIBUTED ECONOMIC VALUE

According to GBS Standard (2013)

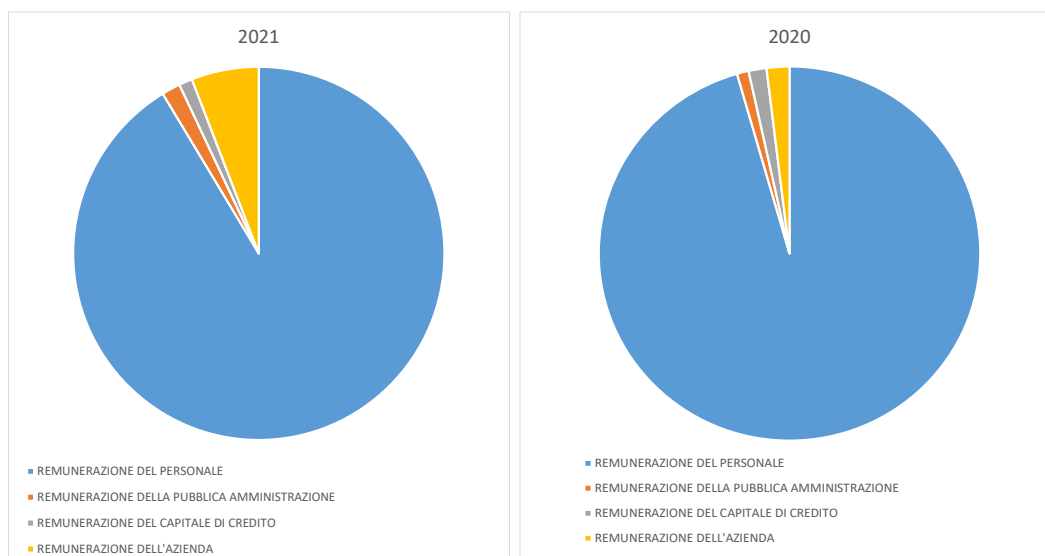
The social value of the company is also measured in relation to the generation and distribution of added value, which is highlighted in the following table:

	2021	2020
A) Value of production		
1. Revenues from sales and services	37,462	41,509
2. Change in work in progress	1.101	-3.843
3. Change in contract work in progress	234	-1.249
4. Other revenues and income	724	531
Revenues from typical production	39,521	36,948
5. Revenues from atypical productions (economy productions)	0	0
B) Intermediate costs of production		
6. Consumption of raw materials, subsidiary materials and goods	-15,888	-15,444
7. Costs for services	-5,239	-5,364
8. Cost for use of third party assets	-751	-797
9. Provisions for risks	-334	-137
10. Other provisions	-641	0

11. Various management charges	-339	-350
C) Accessory and extraordinary components		
12. Accessory management balance		
- accessory revenues	77	3
- Additional costs	-67	38
13. Balance of extraordinary components		
- Extraordinary revenues	0	0
- Extraordinary costs	0	0
GROSS GLOBAL ADDED VALUE	16,339	14,897
Depreciation of operations	-575	-990
NET GLOBAL ADDED VALUE	15,764	13,907

From the detailed analysis of the distribution, it is clear that most of the added value generated is distributed to employees.

	2021	2020
REMUNERATION OF STAFF	14,400	13,561
REMUNERATION OF THE PUBLIC ADMINISTRATION	255	-142
REMUNERATION OF THE CREDIT CAPITAL	183	214
REMUNERATION OF THE COMPANY	926	274
TOTAL ADDED VALUE DISTRIBUTED	15,764	13,907



OUR SUPPLY CHAIN

GRI 102-9, 308-1, 414-1

Aesys is characterized by a significant vertical integration of its work. Aesys is organized to be able to internally follow all these phases of the value chain: from the first contact with the customers to understand their needs and direct them towards the best solution, to the development concept and its technical design. Also from the creation of electronic boards and mechanical components to the final assembly of the product, from testing to commissioning and after-sales service.

In internal processing aimed at adding value, Aesys transforms components and semi-finished products from the supply chain; therefore, the definition of supply chain, may be summarized as “a system of organizations, people, activities, information and resources involved in the process aimed at transferring or providing a product or service from the supplier to the customer”.

If the integrated management of many transformation processes allows Aesys to directly monitor the value creation process, a critical aspect of the supply chain is that of supply: to complete its activities, Aesys collaborates with its suppliers with the ultimate goal of sourcing the best components and products and services necessary to maintain high standards of excellence.

In addition to requiring qualitative, technical and technological standards managed by contracts and specific product datasheets aimed at guaranteeing the efficiency and effectiveness of transactions, Aesys has decided to adopt a Supplier Code of Conduct, so that both operations with suppliers and operations of suppliers are inspired by virtuous ethical and behavioural values.

The Code of Conduct for Aesys suppliers aims to outline the values that inspire the Company in the principles of conduct that should guide the action of the suppliers themselves in their activities, with particular reference to the protection of human rights and respect for the environment. The Code is intended for all Aesys direct suppliers, who, in turn, are encouraged to share it and favour its application by their suppliers, promoting the overall sustainability of their supply chain. The goal is to generate long-term economic, social and environmental value for all stakeholders involved.

NUMBER OF SUPPLIERS AND TOTAL EXPENDITURE BY PURCHASES CATEGORY

Product category	2021		2020	
	No. of suppliers	Value of total annual expenditure (in millions of €)	No. of suppliers	Value of total annual expenditure (in millions of €)
1) Raw materials	662	17.6	615	14.7
2) Services	441	5.4	424	5.4
3) Use of third party assets	13	0.8	18	0.8
4) Various management charges	153	0.3	146	0.4
TOTAL	1269	24.2	1203	21.2

DISTRIBUTION OF OUR SUPPLIERS BY GEOGRAPHICAL AREA

The numerical calculations highlighted below are based on the results of the VAT books, whose accounting could, for reasons of time lag in recording, differ from the economic/statutory data reported above which was processed according to the accrual principle.

SUPPLIERS				
Geographic area	2021		2020	
	No. of Suppliers	Value of annual expenditure (in K €)	No. of suppliers	Value of annual expenditure (in K €)
Europe	137	3,267	119	3,554
Asia	19	1,034	17	651
Africa	16	203	17	216
North America	16	572	19	217
South America	4	5	2	0
Oceania	4	29	4	15
TOTAL	196	5,110	178	4,653

OUR LOCAL SUPPLIERS

GRI 204-1

Aesys pays particular attention to the purchase of goods and services from local suppliers, whose purpose is to contribute to the creation of value in the local community where the company operates.

The term local suppliers means suppliers resident in Italy. More specifically, supporting local suppliers and involving them in their commercial relations guarantees heterogeneous improvements: local procurement can represent a strategy aimed at minimizing long-distance transport and thus mitigating the related environmental impacts with considerable advantages at the level economic. In this way, the local economy is supported and relations with the reference community are maintained and consolidated.

Furthermore, due to its strong roots in the territory of origin, Aesys believes that the further refinement of the analysis on local suppliers could have a significant explanatory value, detailing how much of its supply chain takes place in the territory of the Region and the Province (Lombardy and Bergamo).

PERCENTAGE OF EXPENDITURE MADE ON LOCAL SUPPLIERS

GRI 204-1

Aesys						
Suppliers	2021			2020		
	No. of suppliers	Total annual expenditure value (K €)	% of spending	No. of Suppliers	Total annual expenditure value (K €)	% of spending
Purchases from local suppliers (Bergamo)	220	4,206	20%	220	5,031	27%

Purchases from local suppliers (Lombardy)	295	9,748	47%	307	8,735	46%
Purchases from other suppliers (Italy)	326	6,927	33%	268	5,039	27%
Total	841	20,883	100%	779	18,805	100%

THE MANAGEMENT OF MINERALS FROM CONFLICT ZONES

GRI 102-12, 308-1, 408-1, 409-1

In the category of "Conflict Minerals", also known as 3TG, tin, tantalum, tungsten and gold are included. They are defined "Conflict Minerals" as their extraction takes place for the most part in politically and socially unstable areas such as the Democratic Republic of Congo (DRC) and neighbouring areas. These areas do not guarantee the civil standards of working conditions, at the edge of human rights violation, and money laundering in illegal activities, such as direct financing of armed groups.

In order to prevent and stem the problem by discouraging the use of minerals from those areas, the international community has intervened with specific regulations. In this regard, it is necessary to refer to 2017/821 EU Regulation, published on May 17, 2017, and section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Conflict Mineral Rules").

Aesys is constantly committed to operating in a socially responsible manner ensuring maximum compliance with the aforementioned regulations. In this regard, Aesys promotes the protection of human rights also in its supply chain as required by the Conflict Minerals Policy, the Code of Ethics and the Supplier Code of Conduct. In particular, Aesys requires explicitly to its suppliers exposed to risk, to purchase and produce material using only responsible sources and to provide adequate verification of the first purchase source of the materials used in the supply of components and raw materials.

Going into detail, Aesys is committed to:

- Periodically assess whether there are any negative effects in the frame of Conflict Minerals in its supply chain;
- Educate your collaborators in relation to the importance of fulfilling the requirements relating to the management of Conflict Minerals;
- Do not intentionally procure "Conflict minerals" without the "Conflict Free" certification;
- Require their suppliers to implement an appropriate evaluation process with their supply chains, in order that the specified metals come only from:
 - mines and foundries outside "Conflict Region";
 - mines and foundries within "Conflict Region" that have been certified by an independent third party as "Conflict Free".
- Collect, where required, information from its suppliers certifying their diligence in the supply chain in order to reduce the risk of "Conflict Minerals".

In this regard, the risk analysis conducted in 2021 led Aesys to monitor the tin purchase process, with the identification of two potentially exposed suppliers: both have documented and further attested full compliance with international legislation.

OUR METHOD IS OUR IDENTITY

INNOVATION, RESEARCH AND DEVELOPMENT AND BUSINESS MODEL

GRI 103-2, 103-3

The pioneering spirit that has characterized Aesys since the beginning of its development is an integral part of the corporate culture. The company diversifies and regularly renews its products and business processes to ensure the reliability and flexibility expected by the customers. If process innovation is transversal to the entire company, the diversification and development of products is centralized on the R&D function, which is therefore the main company body that guarantees the ambition and the corporate vision of innovation.

Always looking to the future, the R&D function acts in consideration of two macro guidelines: the first follows the technological evolution, the second the specific market needs.

This approach is the result of a precise strategic choice, which requires Aesys to make a considerable investment in resources both from a quantitative and qualitative point of view. The personnel involved in innovation, modernization and development projects of new products in 2021 was composed by 67 people, with an investment of € 3.768K, equal to 10% of the Company's revenues. It follows that Aesys, while not having patents, attributes a strategic role in maintaining its competitive advantage to the protection of company information, technical-industrial or scientific experiences (so-called know-how).

Today Aesys may count on a broad technological portfolio capable of proactively supporting the second development line, focused on product customization in order to better meet customer needs and an integral part of the company's competitive advantage.

SAFETY AND QUALITY OF PRODUCTS

GRI 102-12, 416-1, 417-1

Aesys has always been committed to complying with the most stringent safety requirements of its products. Company operations take place in contexts regulated by European standards or by specific standards of the countries in which the devices are marketed and installed, therefore the knowledge of local national and supranational regulations is a key element for the creation of products that meet the required safety standards. . To this end, Aesys has a specific inter-functional team that, by adding together various technical, legal, commercial and production skills, is able to intercept, plan, instruct and prescribe the appropriate indications so that, from the conception of the product, it is possible for Aesys to operate according to the best practices in pursuit of product safety.

In the executive phase, the vertical integration that characterizes the company and which allows to keep under control, as well as the entire development products' process, also the production and commissioning phase, contributing to the total certainty of satisfaction of all required requisites, is not to be underestimated. For instance, in this sense, the certifications obtained in the management of special gluing and welding processes which, finding application in the construction of product structures, are an integral part of achieving safety requirements are reported.

Likewise, with regard to health, all Aesys products are fully compliant with the laws and regulations in force on the product markets and in particular comply with the REACH regulation. Aesys carefully evaluates the use of hazardous substances in its products and production processes and adopts a policy that drastically reduces their use. Consistently, Aesys, in the totality of what has placed on the market, gives adequate information through the product labelling of which are the minimum safety and disposal requirements, also based on specific product regulations. Furthermore, the Company is organizing itself to be fully compliant with future labelling obligations for the proper packaging disposal.

QUALITY MANAGEMENT OF PRODUCTION PROCESSES

Aesys is oriented to process best practices and over the years has acquired a series of certifications, already mentioned in this report, which demonstrate the commitment and attention in this regard. A fundamental stimulus in this direction of continuous improvement, aimed at perfecting flexibility and speed of reaction, is the vertical integration of its production processes, which constitutes a competitive advantage of Aesys.

From a methodological point of view, all Aesys processes are methodically reviewed using the risk based approach and the Process-FMECA methodology. The operators dedicated to special processes are promptly kept at the best levels of training also through the accreditation of qualifications in many cases not specifically required as mandatory by the reference standards (for example, IPC A-610 for the acceptability of electronic assemblies and IPC -7711/7721 for the repair of electronic assemblies).

ATTENTION TO THE CUSTOMER AND THE MANAGEMENT OF COMPLAINTS

GRI 103-2, 103-3

The attention to the customer and the management of complaints are areas that Aesys monitors and manages promptly in a careful manner, through an interdisciplinary approach that involves various company functions.

When it is considered that a product subject to directives and/or regulations placed on the market does not comply with the declaration of conformity or performance, or does not comply with other relevant requirements, Aesys undertakes to take the appropriate corrective measures necessary to bring it into compliance or, if appropriate, withdraw it or recall it. Furthermore, if the product presents a risk, Aesys immediately informs the competent authorities in the perspective preventing the risk.

According to company policy and with the aim of implementing effective corrective or improvement actions, any customer complaint or non-compliance reported is subject to an analysis of the causes of the occurrence. To achieve this result, Aesys uses the RCA - Root Cause Analysis methodology, which is the investigation technique that allows to recognize the root causes of problems of particular impact and to identify the appropriate solutions to solve them, with the aim of implementing corrective and improvement interventions in order to avoid the recurrence of what happened in the future.

Aesys strong attention to the customer drives the company to monitor the progress of complaints received over time; the average order of magnitude measured over the last two years is just under 50 units: Aesys has set itself the concrete objective of reducing the quantity and magnitude over time year after year, in a process of continuous improvement.

DATA SECURITY AND CYBERSECURITY

GRI 102-12, 418-1

The growing and constant need to guarantee the confidentiality, integrity and availability of the information processed by Aesys, connected with intellectual property, information of customers, suppliers and its workers / collaborators, has driven the Company to equip itself with an information security control and management system compliant with the most recognized international standards. The ultimate goal of the Company is to avoid exposing itself to “unassessed” risks.

The security of sensitive data and information, as well as the protection of intellectual property, are essential functions for Aesys to ensure the same business continuity. The detection of threats, countermeasures to the attacks suffered and the minimization of risks is carried out both in full compliance with the regulations (first of all GDPR) and with the best passive security standards, in the provision of continuous training of operators (active security).

In this sense, Aesys felt the need to achieve ISO/IEC 27001 certification with the related ISO/IEC 27017 and 27018 extensions, in relation to the provision of cloud services.

Furthermore, in the field of centre software development, Aesys fully complies with the requirements of the standards required for this activity, having adopted processes governed by specific design procedures, with full compliance with AGID requirements.

During the current year, Aesys has not been the subject of proven complaints regarding the violation of privacy and possible loss of data. The goal, undoubtedly foreseeable, is to continue to guarantee high levels of data protection as well as to minimize the vulnerabilities that could compromise its security, by implementing the latest generation and innovative support tools.

BRAND IDENTITY AND REPUTATION

GRI 103-2, 103-3

The Aesys brand has widely established over the years, thanks to the essence that characterizes the company's work. Customer orientation, attention to their needs, continuous improvement of processes, the ambition to adopt the best operating practices and continuous technical and technological innovation, have allowed the company to define a persevering competitive advantage that is implemented in the product/company combination. The brand identity and corporate reputation, which are a synthetic expression of this combination, are therefore extremely concrete intangible assets, which in turn contribute to positively nourish the organizational identity, the differentiation from the competition and opening up to new markets and customers.

Given these premises, Aesys pays constant attention to guaranteeing its stakeholders the positive recognition of the Brand and of the company Reputation in a perspective of active commitment and concrete investment of resources in ESG matters: this is an integral part of Aesys strategy towards the strengthening of the just mentioned intangible assets. A virtuous circle is expected whereby concrete actions aimed at strengthening the reputation and affirming the brand will allow the Company to act more and more effectively in affirming its business.

BUSINESS CONTINUITY

GRI 103-2, 103-3

Business continuity is the ability of the organization to guarantee business operations at acceptable predefined levels following events and / or external factors affecting the company. No dramatic event had ever occurred in Aesys during its existence of over 40 years that had affected the importance of an organized and structured approach to emergency management. The Covid-19 pandemic unfortunately marked a watershed in this sense and led Aesys to address the issue of business continuity by attributing significant importance to it. The result was an organized approach that led the internal structure to carry out and identify the main risks that could affect the business continuity of the company, with the consequent elaboration of an emergency plan deemed suitable for reducing the impact of accidental events. Furthermore, Aesys has adopted procedures that comply with ISO22301 standards in relation to those management processes that underlie information security, consistently with the positive conclusion of the ISO27001 certification process.

COVID-19 PANDEMIC EMERGENCY

During 2021, Aesys continued the procedures already implemented in 2020, in order to counter and contain the Covid-19 pandemic and thus ensure that people who work or who in any case have access to company offices adequate levels of protection. All this for the respect due to people and for ensuring the continuity of production and operation. Therefore, the “Regulatory protocol for the containment of the spread of COVID-19” remained operational and underwent changes and adjustments based on the evolution of the legislation and directives issued by the Ministry of Health during the year. Therefore, activities and initiatives aimed at encouraging distancing continued, through the reorganization of spaces, the use of smart working, the distribution and use of PPE, the sanitation of the environments, the medical consultancy service. It is worth noting, in 2021, the supervening obligation of a green pass for access to company premises and for staff on the road, to which both the company and its people have complied.

With regard to the Russia-Ukraine conflict, 2021 Aesys had no direct exposure to those markets. Some commercial prospects would likely have started in the course of 2022 if the conflict had not erupted. However, the unpredictable geopolitical evolution of the crisis does not allow Aesys to provide reliable estimates on the impact of the crisis.

OUR PEOPLE

THE ENHANCEMENT OF HUMAN CAPITAL

GRI 102-7, 102-8, 401-1

The key to Aesys success are its people who, with their daily commitment, have allowed and are allowing the continuous affirmation of the Company on international markets. Therefore, Aesys pays attention to active policies aimed at retaining and enhancing its human capital, with the aim of cultivating its potential and developing its executive capabilities.

At December 31 2021, Aesys payroll staff numbered 304, down by 4% compared to 2020 (316). The fluctuation from one year to the next is considered physiological and largely attributable to the precise measurement method at the end of the year, compared to an average figure that would eliminate positive or negative peak moments.

The company population of Aesys is almost entirely concentrated in the operational offices based in Seriate and Brusaporto; for reasons of territorial coverage and better provision of service to customers, some people work at Bari operating unit.

For information purposes only, as they are outside the reporting scope, 10 people should be added to the data indicated above. This people, in consideration of the international footprint, and as better specified in the initial part of this document, operate in the foreign law companies that Aesys has established in Germany, Spain, Brazil, USA and which are hired by the subsidiaries in full compliance with local regulations.

Consistent with the objective of retaining the professionalism considered strategic for the prosperity of the business, Aesys operates with permanent contracts for 99.3% of its staff.

As of December 31, 2021, Aesys employed 31 external collaborators employed by agencies; the figure referring to the previous year denotes a similar order of magnitude (29 units). As a strategic choice, in the context of the production functions most linked to fluctuations in turnover volumes, Aesys has chosen to give priority to the certainty of operational saturation to people hired on an indefinite basis, managing operational peaks with recourse to temporary work. This approach, initiated in the years of continuous growth preceding the pandemic, has allowed, in 2020 and 2021, which vice versa marked a decline in turnover, a natural realignment of the workforce to the capacity required by lower production volumes.

In addition, in support of the commitment to the growth of new talents and to seal the collaboration with educational training institutions, 15 trainees were employed in internships/alternation school/work projects, at the date of December 31, 2021.

With respect to the professional categories, 48% of the workforce is placed in the category of labourers, in line with the choice of vertical integration that the company has made; office workers represent 39% of the workforce; 6% is represented by apprentices and the remaining 7% by managers, middle managers and executives.

DISTRIBUTION OF EMPLOYEES AND TEMPORARY STAFF BY PROFESSIONAL CATEGORY AND GENDER

GRI 405-1

	As of December 31, 2021			As of December 31, 2020		
	Men	Women	Total	Men	Women	Total
Managers	23	2	25	22	1	23
Office workers	99	32	131	94	34	128
Labourers	129	31	160	139	32	171
Apprentices	18	1	19	22	1	23
TOTAL	269	66	335	277	68	345

As regards the turnover within the Company, in the course of 2021 and with mere reference to the personnel on direct payroll, 14 new employees joined the team compared to 26 who left.

NEW ENTRIES AND ENTRY RATE

GRI 401-1

	2021				
	<30	30-50	> 50	Total	Rate
Man	/	10	/	10	3.6%
Woman	2	2	/	4	6%
Total	2	12	/	14	4%
<i>Rate</i>	3%	6%	0%	4%	

The outgoing turnover, that is the ratio between the number of exits and the total employees as of December 31, 2021 is around 8%.

EXPENSES AND TURNOVER RATE

GRI 401-1, 402-1

	2021				
	<30	30-50	> 50	Total	Rate
Man	4	20	/	24	9%
Woman	1	/	1	2	3%
Total	5	20	1	26	8%
<i>Rate</i>	7%	9%	2%	8%	

Aesys did not implement collective workforce reduction plans in 2021; as specified, the turnover is physiological and in line with the post-pandemic historical context. Aesys fully implements the regulatory provisions and the collective agreement applied, for which, in detail, it respects and requests that the minimum notice periods be fully complied with, in order to respect the needs of individual freedom of people by reconciling them with organizational needs.

GENERAL INFORMATION ABOUT EMPLOYEES

GRI 102-8

Number of employees divided by type of contract and gender						
Type of employment contract	As of December 31, 2021			As of December 31, 2020		
	Men	Women	Total	Men	Women	Total
Permanent contract	222	61	283	229	63	292
Temporary contract	/	2	2	/	1	1
Apprenticeship	18	1	19	22	1	23
Total	240	64	304	251	65	316

Number of employees divided into part-time and full-time						
Full-Time / Part-Time	As of December 31, 2021			As of December 31, 2020		
	Men	Women	Total	Men	Women	Total
Full-Time	239	48	287	249	49	298
Part-Time	1	16	17	2	16	18
Total	239	64	304	251	65	316

For the purposes of this calculation, the two tables described above do not include, as they are not relevant, workers with the following contracts: outsourcing, stabilization, staff leasing, curricular internship and extracurricular internship.

DISTRIBUTION OF EMPLOYEES BY AGE

GRI 102-41, 202-2, 405-1

	2021				2020			
	<30	30-50	> 50	Total	<30	30-50	> 50	Total
Managers	/	18	7	25	/	19	4	23
Office workers	17	95	19	131	17	93	18	128
Labourers	33	92	35	160	33	105	33	171
Apprentices	19	/	/	19	23	/	/	23
Total	69	204	61	335	73	217	55	345

In the categorization of managers, employment relationships classified in the categories of middle managers and executives are counted.

100% of the corporate executive class is an integral part of the local community. Likewise, 100% of the company population is employed under collective agreements.

DIVERSITY AND INCLUSION

GRI 405-1, 406-1

The principles of non-discrimination are pervasive in all policies and codes adopted by Aesys that condemns any form of discrimination. With particular regard to its employees, from the selection process to salary and career advancement review and at any other evaluation moment, Aesys is obliged to base its decisions exclusively on the full and honest evaluation of facts, skills, knowledge and effectiveness and working efficiency of each employee. Evaluations are based without distinction based on age, sex, sexual orientation, health, race, nationality, religious affiliation and political opinion.

The organization and control model unequivocally regulates this principle and delegates any reports of discrepancies to a whistleblowing system. During 2021, no surveys were received that report cases of discrimination. No cases of discrimination were recorded in the reporting year.

The commitment to foster diversity in the company is concretized in the female participation in the company population, in a sector, the metalworking one, which has always been characterized by an almost total male participation. Referring the quantitative analysis to the precise data reported in the previous tables, it is only necessary to underline the presence of women also within the production departments for about 20% of the workforce.

As regards the distribution of employees by age group, Aesys staff is more concentrated in the group that includes employees aged between 30 and 50 (**61%**). The other bands contain, respectively, **18%** (over 50 years old) and **21%** (under 30 years old). Aesys believes in the innovative and creative capacity that the new generations can bring, combined with the experience of people of the higher age class.

DEVELOPMENT OF HUMAN CAPITAL

GRI 404-1

Aesys values and protects its expertise. In the path of continuous growth, therefore, Aesys invests in the training of its People, so that their professional and cultural enrichment can be the basis for responding to the challenges that the market, for dynamism and technological evolution, imposes on the Company.

The training of People also has an indirect effect of attraction and retention of human capital, for which this process is managed with attention and according to predefined guidelines in an inter-functional path, which sees the involvement of HR and all the line and management functions and staff. Each department manager assesses the training gaps with respect to current and future business development plans every year and identifies the specific training needs of their team members, with the aim of aligning their specific skills with what is functional to operational excellence. HR, in its role as business partner, evaluates the proposals, aligns the requests of the individual functions on a common standard, and is responsible for summarizing a training plan, which, once approved by management, is implemented during the year.

During 2021, the training hours developed in Aesys were equal to 3,714, with a per capita average of about 11 hours.

AVERAGE HOURS OF TRAINING PER EMPLOYEE, DIVIDED BY GENDER AND PROFESSIONAL CATEGORY (2021)

GRI 404-1

	Men		Women		Total	
	no. of hours	Average hours	no. of hours	Average hours	no. of hours	Average hours
Manager	312	14	22	11	334	14
Office workers	744	8	287	9	1031	9
Labourers	1551	12	329	11	1880	12
Apprentices	405	22	64	64	469	25
Total	3012	11	702	11	3714	11

EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER ASSESSMENT (2021)

GRI 404-3

On an annual basis, Aesys evaluates the performance of its entire People, with a computerized process for collecting feedback from individual team managers. Each employee is assessed on different axes of performance, behavioural and in consonance with company values, operational effectiveness and efficiency, potential for professional development and growth, and the achievement of the assigned objectives. The assessment percentage score therefore covers 100% of Aesys employees, at all levels of the hierarchical and organizational scale.

REMUNERATION AND BENEFITS

GRI 401-2

In order to attract, motivate and retain the resources endowed with the professional qualities and skills (both technical and managerial) necessary to pursue the company objectives, Aesys annually approves the "Remuneration Policy". Such Policy aims to assess the adequacy of the attractiveness on the job market, both in terms of retention, for the best company resources, and the attraction of new ones.

This process is believed to be an integral part of the larger goal of creating sustainable value in the medium to long term. Aesys, in pursuing it professionally, operates on two levels: the first, top-down, is managed by the HR function and is carried out through benchmark analysis with respect to the market, to verify annually for each role and task the correct alignment with the best contractual conditions that the labour market expresses itself in the reference sector. The second, bottom-up, is aimed at collecting feedback and weak signals along the entire organizational chain so that the degree of satisfaction of the individual People who work in the company is methodically assessed.

Aesys takes care to put in place plans and initiatives aimed at improving the quality of working life of its employees. Specifically, Aesys aims to combine organizational and production needs with the demands for flexibility that come from the world of work. The first flexibility response that Aesys has historically given is that of opening up to the type of part-time contract, from which 17 people benefited in 2021 (6% of the company population), an increase compared to the previous year. Furthermore, for all indirect functions not immediately linked to the production departments, Aesys has adopted flexible hours in and out. Furthermore, on the wave of what has been positively experienced in the face of the pandemic event, Aesys has adopted an operating model that gives the possibility for employees to perform their activity in smart working, where admissible due to the duties and contingent organizational needs.

The constant attention to the issues of the well-being of People understood in a broad sense and the care that the general conditions of presence in the Company are aligned with the best practices have led to an assessment of low risk of work-related stress.

It is specified that Aesys does not have differentiated treatment in terms of benefits between full-time and permanent employees and part-time and/or temporary employees.

HEALTH AND SAFETY OF EMPLOYEES

GRI 102-12, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9

The main behavioural value on which Aesys bases its being a company is security. Therefore, the utmost attention is paid to guaranteeing the conditions for the full and safe operation of its employees and to the continuous reaffirmation of an operating culture focused on safety. Aesys aims to comply not only with all the specific regulations on the subject but also to implement effective action aimed at the prevention and continuous improvement of working conditions.

Aesys has also adopted a risk-based approach in the safety field, which, by mapping the entire company operations, has as its purpose the assessment of the health and safety risks associated with company activities and the effective implementation of the risk prevention and management program. The compliance of the company work is certified by the ISO 45001-2018 certification.

Aesys drew up the "risk assessment document", which of the risk-based approach is the synthesis of identifying company risks and tracing them back to acceptability by outlining a reduction plan, and the clear definition of a

system of roles and responsibilities in an organizational structure that also engages external professionals. However, in addition, Aesys is firmly convinced that the best safety is achieved with the full active participation of People. In this direction, training plays a key role in pursuing the cultural pervasiveness mentioned above. Each worker, in the context of specific tasks and skills, is the recipient of training and information activities, the deadlines of which are methodically monitored in order to ensure timeliness.

The operativeness of the competent doctor guarantees the health monitoring of the People. This is in full compliance with the regulations in force in terms of privacy, which in particular provide that the employer is not aware of the state of health of the employees but is limited to receiving a prescription from part of the competent doctor in relation to the suitability to perform specific duties. The competent doctor acts on the basis of the risk assessment and defines the surveillance plan for the carrying out of medical examinations and diagnostic tests. Aesys complies with the prescriptions of the competent doctor and does not discriminate in the assignment of roles and tasks based on the health of the workers.

Consistently with its internal approach, Aesys asks its suppliers to undertake to comply with the provisions contained in the Supplier Code of Conduct, which explicitly mentions the behavioural duties aimed at guaranteeing safety in the workplace.

Below is an explanatory table of the historical trend of accidents, with the categories useful for framing the severity and frequency in relation to the worked hours, according to the INAIL method.

DATA RELATING TO INJURIES

GRI 403-9

	Employees		
Number of injuries	2021	2020	2019
Fatal injuries	-	-	-
Accidents with serious consequences (excluding deaths)	-	-	-
Recordable injuries	1	3	2
Types of injury (body part affected)	2021	2020	2019
Fingers		2	2
Nose		1	
Eye	1		
Total days of absence	2021	2020	2019
Days	14	206	168
Hours	2021	2020	2019
Worked hours	566,294	537,421	688,661
Multiplier	1,000,000	1,000,000	1,000,000
Index	2021	2020	2019
Mortality rate for accidents at work	-	-	-
Accident rate with serious consequences (excluding deaths)	-	-	-
Index of recordable injuries	1,76	5,58	2,90

Frequency and severity index *	2021	2020	2019
Frequency index	3.2	9.3	6,9
Severity index	0.04	0.54	0.52

OUR COMMITMENT TO THE ENVIRONMENT

THE MANAGEMENT OF NATURAL RESOURCES IN INDUSTRIAL PROCESSES

GRI 102-11, 102-12

"The direction along which Aesys moves is to optimize plant management and minimize energy waste".

Aesys recognizes the importance of safeguarding and protecting the environment as a condition of existence of the industrial system in a social context. Aesys has long been committed to making adequate resources available for the prevention of pollution deriving from its activities and for the continuous improvement of its environmental performance, balancing the possibility of using the best available knowledge and technologies with the financial constraints that the principles of sound economic management require.

To give substance to this commitment, Aesys for years has adopted an environmental management system capable of combining corporate objectives with those of environmental sustainability for the benefit of future generations. The ISO 14001:2015 Certification confirms the company's effectiveness in this sense.

OUR CONTRIBUTION TO CONTRAST TO CLIMATE CHANGE

Aesys analysed the risk of climatic variations from two points of view, one active and one passive. In order to respond to the passive one, that is to be able to suffer adverse weather and climatic situations that could lead to an interruption of production continuity or damage to company assets, Aesys has developed emergency plans deemed adequate to deal with the occurrence of these extreme situations. On the active side, Aesys constantly monitors the reference regulations on environmental and product matters through the ISO 14001 certification and applies them throughout the entire business operations, from design to production. In addition, Aesys has adopted a code of conduct for suppliers that acts as an incentive towards Aesys partners to comply with local regulations and raise, in turn, their production standards towards environmental management best practice.

THE CONSUMPTION OF ENERGY

GRI 302-1

At the end of 2021, Aesys total energy consumption amounted to 3,415MWh, corresponding to 12,294GJ, a slight increase compared to the previous year for which a figure of 3,266MWh was recorded, corresponding to 11,758GJ. Energy consumption is for the most part attributable to non-renewable sources and is used in production processes, air conditioning and transport of goods and people. The use of energy from renewable sources, self-produced, is equal to about 8% of the total energy consumption.

SUMMARY OF ENERGY CONSUMPTION, in MWh	2021	2020	% change over previous year	% on total consumption
Electric Energy	1,549	1,492	4%	45%
--- of which from renewable energy and self-produced	270	253	7%	8%
Methane gas	1,138	1,025	11%	33%
Transport fuels	728	750	-3%	21%
TOTAL	3,415	3,266	5%	

There was a 7% growth in self-consumption of electricity self-produced by the photovoltaic systems that Aesys has equipped itself with, more than proportional to the overall increase in electricity consumed in 2021.

The greater consumption of natural gas is attributable to the climatic trend observed in the winter period of 2021, which, compared to the previous year, recorded average temperatures 1 degree Celsius lower.

EMISSIONS IN THE ATMOSPHERE

GRI 305-1, 305-2

During 2021, Aesys produced 1,064 tons of CO₂eq, a slight increase (4%) compared to 2020, the year impacted by the company closure due to lockdown with total shutdown of the production plants in the months of March and April.

With reference to direct emissions (Scope 1), that are the emissions deriving from the consumption related to the use of fossil fuels, the figure for 2021 is equal to 398 tons of CO₂eq, with an increase of 4% compared to 2020 for the reasons highlighted above. The increase is specifically attributable to the greater use of methane gas, compared to a slight decrease in the use of transport fuel.

Indirect emissions (Scope 2) deriving from the purchase of electricity are up compared to 2020, 665 tons CO₂eq against 641 tons CO₂eq. The location based and market based measurement methodology coincide.

Due to the type of work that Aesys carries out, the release of other substances into the atmosphere is negligible.

WATER CONSUMPTION

GRI 303-1, 303-3

The use of water resources is managed with the utmost responsibility. Aesys production cycles do not require the use of water resources; from this point of view, the company's commitment to reduce consumption passes through awareness of individual employees to responsible use.

During 2021, Aesys consumed about 2,9 Ml, with an increase of about 7% of the water used compared to 2020. The increase is clearly attributable to an anomalous production trend during 2020 due to pandemic events, which saw company operations blocked for some months. Consistent with the civil use of water in the Company, 100% of the collection comes from the aqueduct, without resorting to alternative sources. Likewise, the wastewater is discharged into the local sewers, and from there sent to the local purification plants.

WASTE AND WATER DISCHARGE MANAGEMENT

GRI 306-1, 306-3, 306-4, 306-5

The waste intended for recovery produced by Aesys amounted to 348t in 2021, a slight increase compared to 2020 that recorded 342t. Against this increase, the decrease in produced and non-recyclable waste is also reported in 2021: in fact, Aesys sent 1t of waste for disposal, compared to 2.1t of the previous year. The historical series of waste sent for disposal has been methodically decreasing over the last few years with significant percentages: 2020 on 2019 showed -43%, 2021 on 2020 -52%, with a recovery percentage on 2021 that stands at 99.7%.

Below are the main categories of waste sent for recovery and the relative comparison with the previous year:

DESCRIPTION	2021	2020
Aluminium	113.66	95.04
Iron and steel	87.76	109.84
Mixed materials packaging	43.70	40.98
Paper or paperboard packaging	42.82	35.02
Wooden packaging	36.80	34.98
Plastic packaging	5.16	4.45
End-of-life equipment	4.03	1.36
Components removed from end-of-life equipment	3.10	3.48
Polycarbonate and methacrylate waste	2.62	2.54
Non-ferrous materials filings and shavings	2.23	3.78
Cables other than 170410	1.84	2.50
End-of-life equipment containing hazardous components	1.11	1.10
Non-ferrous materials powders and particulates	0.57	0.92

The quantity of other types of waste, in addition to the total waste sent for recovery, is not significant.

Aesys operates in full compliance with current regulations. With particular regard to its operating sector, which consider the use and therefore the disposal of electrical and electronic material, in 2021 Aesys also proceeded to register on the WEEE portal in order to make the necessary declarations.

WASTE DISPOSED BY TYPE AND METHOD OF DISPOSAL (in tons)

Method	2021				2020			
	Dangerous	Not dangerous	Total	% Total	Dangerous	Not dangerous	Total	% Total
Recovery (R13)	2.24	344.36	346.60	99.7%	1.90	337.84	339.74	99.4%
Disposal (D15)	1.04	/	1.04	0.3%	1.61	0.540	2.15	0.6%
TOTAL	3.28	344.36	347.64	100%	3.51	338.38	341.89	100%

As for recovery operations, the total waste is intended for preparation for reuse, while for disposal the waste is collected in D15 so we are not aware of which disposal method will be used.

GRI CONTENTS INDEX

GRI 102-55

This report has been prepared in accordance with the GRI Standards: Core option. Below is the table relating to the GRI contents index arranged by Aesys.

GRI Standard	Information/Description	Page number	Omissions	Note
GRI 101 - REPORTING PRINCIPLES (2016)				
GRI 102 - GENERAL INFORMATION (2016)				
GRI 102-1	Organization name	7; 23-24		
GRI 102-2	Activities, brands, products and services	7; 23-24		
GRI 102-3	Location of the headquarters	23-24		
GRI 102-4	Place of activities	23-24		
GRI 102-5	Ownership and legal form	24-25; 31		
GRI 102-6	Markets served	10; 11-13; 14		
GRI 102-7	Dimension of the organization	7; 15; 31; 40		
GRI 102-8	Information on employees and other workers	40-47		
GRI 102-9	Supply chain	33-35		
GRI 102-10	Significant changes to the organization and its supply chain	During the reporting year there were no significant changes to the organization and/or its supply chain		
GRI 102-11	Precautionary principle	20-22; 30; 48		
GRI 102-12	External initiatives	5; 25-31; 35-38; 45-46; 48		
GRI 102-13	Membership to associations	27		
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GRI 102-40	List of stakeholder groups	16-17		
GRI 102-41	Collective agreements	43		
GRI 102-42	Identification and selection of stakeholders	16-17		
GRI 102-43	Methods of involving stakeholders	16-17		

GRI 102-44	Key issues and subjects raised	16; 17-18		
GRI 102-45	Subjects included in the consolidated financial statements	6		
GRI 102-46	Definition of the content of the report and scope of the subjects	5; 6; 17-18		
GRI 102-47	List of material topics	18-20		
GRI 102-48	Review of information	6		
GRI 102-49	Changes in reporting	6		
GRI 102-50	Reporting period	5; 6		
GRI 102-51	Date of the most recent report	The publication date of this report (July, 13 2022) is the most recent as it is the first sustainability report drawn up by Aesys		
GRI 102-52	Reporting periodicity	5		
GRI 102-53	Contact to request information regarding the report	6		
GRI 102-54	Statement on reporting in accordance with the GRI Standards	5		
GRI 102-55	GRI content index	51-62		
GRI 102-56	External assurance	This report is not subject to external assurance		
GRI 200 SECTION: ECONOMIC ASPECT				
PRESENCE ON THE MARKET				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
PRESENCE ON THE MARKET (2016)				
202-2	Proportion of senior managers hired by the local community	43		
PROCUREMENT PRACTICES				
Management approach (2016)				

103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
PROCUREMENT PRACTICES (2016)				
204-1	Proportion of expenditure on local suppliers	34-35		
ANTI-CORRUPTION				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
ANTI-CORRUPTION (2016)				
205-1	Operations assessed for the risks associated with corruption	27		
205-2	Communication and training on anti-corruption policies and procedures	27		
205-3	Confirmed episodes of corruption and actions taken	During the reporting year of this report there were no cases of active and/or passive corruption		
TAXES				
Management approach (2016)				
207-1	Approach to taxation	31		
207-2	Tax governance, risk control and management	31		
207-3	Involvement of stakeholders and management of tax concerns	31		
TAXES (2019)				
207-4	Country by country reporting	/	Consistently with the general approach of the reporting scope, the analysis was limited to the Italian territory	

GRI 300 SECTION: ENVIRONMENTAL ASPECT				
POWER				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
ENERGY 2016				
302-1	Energy consumed within the organization	48-49		
WATER AND WATER DISCHARGE				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
WATER AND WATER WASTE (2018)				
303-1	Interaction with water as a shared resource	49		
303-3	Water extraction	49		
EMISSIONS				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
EMISSIONS (2016)				
305-1	Direct GHG emissions (Scope 1)	49		
305-2	Indirect GHG emissions from energy consumption (Scope 2)	49		
WASTE				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		

103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
WASTE (2020)				
306-1	Production of waste and significant impacts related to waste	49-50 During the reporting period there were no significant impacts related to waste		
306-2	Management of the significant impacts associated with waste	/	During the reporting period there were no significant impacts related to waste	
306-3	Waste produced	49-50		
306-4	Waste not destined for disposal	49-50		
306-5	Waste destined for disposal	49-50		
ENVIRONMENTAL COMPLIANCE				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
ENVIRONMENTAL COMPLIANCE (2016)				
307-1	Non-compliance with environmental laws and regulations	There are no fines and/or penalties for violations of laws and regulations on the subject during the reporting year		
ENVIRONMENTAL ASSESSMENT OF SUPPLIERS				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		

ENVIRONMENTAL ASSESSMENT OF SUPPLIERS (2016)				
GRI 308-1	New suppliers that have been evaluated using environmental criteria	25-27; 27-28; 33; 35		
GRI 400 SECTION: SOCIAL ASPECT				
OCCUPATION				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20; 40		
103-3	Assessment of management methods	18-20; 40		
EMPLOYMENT (2016)				
401-1	New hires and turnover	40-47		
401-2	Benefits provided for full-time employees, but not for part-time or fixed-term employees	45		
INDUSTRIAL RELATIONS				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
INDUSTRIAL RELATIONS (2016)				
402-1	Minimum notice period for operational changes	41-42		
HEALTH AND SAFETY AT WORK				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
HEALTH AND SAFETY AT WORK (2018)				
403-1	Occupational health and safety management system	45-46		

403-2	Hazard identification, risk assessment and accident investigation	45-46		
403-3	Occupational medicine services	45-46		
403-4	Participation and consultation of workers and communication on health and safety at work	45-46		
403-5	Training of workers on occupational health and safety	45-46		
403-6	Promotion of workers' health	45-46		
403-7	Prevention and mitigation of occupational health and safety impacts within commercial relationships	45-46		
403-9	Accidents at work	45-6; 46-47		
TRAINING AND EDUCATION				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
TRAINING AND EDUCATION (2016)				
404-1	Average hours of training per year per employee	44		
404-3	Percentage of employees receiving periodic performance and professional development reviews	44		
DIVERSITY AND EQUAL OPPORTUNITIES				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
DIVERSITY AND EQUAL OPPORTUNITIES (2016)				
405-1	Diversity in governance bodies and among employees	41; 43		

NON-DISCRIMINATION				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
NON-DISCRIMINATION (2016)				
406-1	Incidents of discrimination and corrective measures taken	43		
		No episodes of discrimination occurred in the reporting year of this report		
CHILD LABOUR				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
CHILD LABOUR (2016)				
408-1	Activities and suppliers at significant risk of child labour episodes	35		
FORCED LABOUR				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
FORCED LABOUR (2016)				
409-1	Activities and suppliers at significant risk of forced or obligatory labour	35		
EVALUATION OF SUPPLIERS IN SOCIAL MATTERS				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		

103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
EVALUATION OF SUPPLIERS IN SOCIAL MATTERS				
414-1	New suppliers that have been evaluated through the use of social criteria	25-27; 27-28; 33		
HEALTH AND SAFETY OF CUSTOMERS				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
CUSTOMER HEALTH AND SAFETY (2016)				
416-1	Assessment of the impacts on health and safety by product and service categories	36-37		
416-2	Episodes of non-compliance concerning impacts on the health and safety of products and services	In this reporting period there were no episodes of non-compliance with the regulations and/or self-regulation codes		
MARKETING AND LABELING				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
MARKETING AND LABELLING (2016)				
417-1	Requirements for information and labelling of products and services	36-37		
417-2	Episodes of non-compliance regarding information and labelling of products and services	During this reporting period, there were no cases of non-compliance with regard to information and labelling of products and services		

417-3	Cases of non-compliance regarding marketing communications	During the reporting period of this report, there were no cases of non-compliance regarding marketing communications		
CUSTOMER PRIVACY				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
CUSTOMER PRIVACY (2016)				
418-1	Proven complaints regarding violations of customer privacy and loss of customer data	37-38 No complaints regarding violations of customer privacy and the related loss of data both in this reporting year and in previous years		
SOCIO-ECONOMIC COMPLIANCE				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20		
103-3	Assessment of management methods	18-20		
SOCIO-ECONOMIC COMPLIANCE (2016)				
419-1	Non-compliance with social and economic laws and regulations	During this reporting period there were no violations of non-compliance with laws and regulations in social and economic matters		
INNOVATION, RESEARCH AND DEVELOPMENT AND BUSINESS MODEL				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		

103-2	The management method and its components	18-20; 36		
103-3	Assessment of management methods	18-20; 36		
CUSTOMER SATISFACTION				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20; 37		
103-3	Assessment of management methods	18-20; 37		
BRAND IDENTITY AND REPUTATION				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20; 38		
103-3	Assessment of management methods	18-20; 38		
BUSINESS CONTINUITY				
Management approach (2016)				
103-1	Explanation of the material topic and its scope	18-20		
103-2	The management method and its components	18-20; 38-39		
103-3	Assessment of management methods	18-20; 38-39		

The calculation of the economic value generated and distributed was carried out following the GBS standard.