



## LETTER TO THE STAKEHOLDERS



### Dear Stakeholders,

2020 was the year of the pandemic, a medical emergency that has affected us all. As citizens, as people, as businesses.

For SIT, despite the effects of the pandemic, the year was defined by our exceptional response to the emergency, a response that further strengthened our team. The economic and financial results approved by the Board of Directors on March 29 are testament to this. *The two key numbers that summarize our 2020 are:*

- Consolidated revenues of Euro 320.7 million (-8.9% on 2019);
- Consolidated net profit of Euro 13.2 million (4.1% of consolidated revenues).

SIT's share price performed well in the second half of the year, confirming the value of SIT's work and the ability of its team to execute its strategy. This is an ability which is not yet reflected in share performance.

During times of great difficulty and uncertainty we have stood strong, resolving problems quickly, rapidly identifying solutions, and at all times protecting the health of our staff and the jobs of everybody involved in the Company. We took immediate action to manage the situation and, through a willingness to adapt, make sacrifices and be humble, while simultaneously ensuring that strategic initiatives were implemented without delay, we have managed to deliver to all our stakeholders what I consider to be a successful 2020, both in terms of the results achieved and the projects carried out. Among these, I would like to highlight the launch of business sites dedicated to reducing our carbon footprint, our ongoing support for local communities, and the renewal of our Code of Ethics in the pursuit of ever greater sustainability.

For a number of years we have been engaged in a process to raise awareness of ESG issues and to monitor the environmental, social and economic impacts generated by our work, all with a view to continuous improvement.

**Sustainability is part of our mission and vision, but was already in the DNA of SIT Precisa when it was founded in 1953. It's a principle that we have extended to the entire company and integrated into business decisions and growth strategies.**

I am convinced that the ability to generate value should be assessed over the long term. In this regard I am in full agreement with Larry Fink, Blackrock CEO, who says:

*"There is no company whose business model won't be profoundly affected by the transition to a net zero economy. The objective is to achieve an economy that emits no more carbon dioxide than it removes from the atmosphere by 2050, the scientifically established threshold necessary to keep global warming well below 2°C. As the transition accelerates, companies with a well-articulated long-term strategy, and a clear plan to address the transition to net zero, will distinguish themselves with their stakeholders – with customers, policymakers, employees and shareholders – by inspiring confidence that they can navigate this global transformation. But companies that are not quickly preparing themselves will see their businesses and valuations suffer, as these same stakeholders lose confidence that those companies can adapt their business models to the dramatic changes that are coming."*

As people, as citizens and as businesses we have a duty to play an active part in the biggest challenge of our times: the energy and ecological transition. SIT wants to play a leading role in this challenge, strengthened by a mission aligned with a sustainable vision for the company, and with a business model that will continue to place increasing emphasis on green issues. Against this backdrop we have begun numerous collaborations with leading institutions, universities and trade associations. Together we are defining the near future for the use of alternative gases in domestic use. Hydrogen, in particular, is a leading driver of development. In this area, SIT is working alongside the most significant multinational firms, those for whom we have always been strategic suppliers.

Water, by definition a scarce resource, has become a fundamental part of our sustainable development strategy in the "metering" segment. Through Janz, the Portuguese company that became part of the Group in late 2020, and exploiting MeterRSit's expertise in the smart meter sector, we are preparing to enter the water market, with a view to creating value and protecting natural resources through our ability to provide accurate measurements and data transmission.

**SIT is part of the world, and pays close attention to what happens in it. We have put this in black and white in our mission and our vision. These set out our commitment, which I would like to reiterate, to making the world a more sustainable place through our work.**

**Federico de' Stefani**

Presidente e Amministratore Delegato  
SIT S.p.A.

