

SOCIAL SUSTAINABILITY

SIT EMPLOYEES
 CULTURE OF SUSTAINABILITY
 DIGITAL AND LEAN TRANSFORMATION
 DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION
 SIT'S SUPPORT FOR LOCAL COMMUNITIES

SIT EMPLOYEES

The SIT Group sees Corporate Social Responsibility as a key company value, and therefore encourages virtual collaboration and meetings, the use of new technologies, respect for the environment and a healthy work-life balance.

SIT strives for excellence by continuously working to improve its professionalism and the engagement of personnel at all levels. All those that contribute to the Group's activities constitute a strategic and valuable resource. For this reason, the Group is committed to guaranteeing respect for diversity, the rights of individuals, general well-being and professional growth.

Characteristics of the workforce

At December 31, 2020, the total SIT Group workforce numbered 2,125. This figure increases to 2,484 when taking into account the workforce of companies established and acquired by SIT in the second half of 2020: Plast Alfin S.a.r.l. (115 employees), SIT Controls Tunisia S.u.a.r.l (6 employees), and Janz Contagem e Gestão de Fluidos S.A. (238 employees).

The Group's total workforce at the end of the year amounted to 2,364 external workers and employees. The total number of SIT Group employees – including new companies – is 2,748, of which 25 are external employees of Janz Contagem e Gestão de Fluidos S.A.

Approximately 72% of Group employees work in offices and facilities in Italy and Romania.

TOTAL WORKFORCE AT DECEMBER 31²⁹

No. people	Male		Female		Total	
	2019	2020	2019	2020	2019	2020
Employees	799	820	1,213	1,305	2,012	2,125
External workers	43	74	145	165	188	239
Total	842	894	1,358	1,470	2,200	2,364

EMPLOYEES BY GENDER AND CONTRACT TYPE AT DECEMBER 31

No. people	Male		Female		Total	
	2019	2020	2019	2020	2019	2020
Permanent	743	762	1,105	1,190	1,848	1,952
Fixed-term	56	58	108	115	164	173
Total	799	820	1,213	1,305	2,012	2,125

²⁹) The total workforce includes SIT employees and external workers. In 2020, external workers included: agency/admin workers, contractual project workers, interns and agents, while only agency/admin workers were taken into account in 2019. The number differs in the Consolidated Financial Statements, in which only temporary workers are considered.

EMPLOYEES BY GEOGRAPHICAL AREA AND CONTRACT TYPE AT DECEMBER 31

No. people	Italy		Europe		The Americas		Asia/Pacific		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Perm.	802	800	636	646	340	440	70	66	1,848	1,952
Fixed	12	8	152	165	-	-	-	-	164	173
Total	814	808	788	811	340	440	70	66	2,012	2,125

EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT AT DECEMBER 31

No. people	Male		Female		Total	
	2019	2020	2019	2020	2019	2020
Full-time	784	806	1,134	1,230	1,918	2,036
Part-time	15	14	79	75	94	89
Total	799	820	1,213	1,305	2,012	2,125

EMPLOYEES BY GEOGRAPHICAL AREA AND TYPE OF EMPLOYMENT AT DECEMBER 31

No. people	Italy		Europe		The Americas		Asia/Pacific		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Full-time	754	751	759	782	340	440	65	63	1,918	2,036
Part-time	60	57	29	29	-	-	5	3	94	89
Total	814	808	788	811	340	440	70	66	2,012	2,125

NEW EMPLOYEES HIRED BY GENDER AND AGE IN 2020³⁰

	< 30	30-50	> 50	Total	Rate
Male	233	96	12	341	41.6%
Female	387	308	30	725	55.6%
Total	620	404	42	1,066	50.2%
Rate	153.1%	34.2%	7.8%	50.2%	

EMPLOYEE TURNOVER BY GENDER AND AGE IN 2020

	< 30	30-50	> 50	Total	Rate
Male	191	100	27	318	38.8%
Female	296	273	64	633	48.5%
Total	487	373	91	951	44.8%
Rate	120.5%	31.6%	16.9%	44.8%	

³⁰⁾ Employee hiring and turnover percentages have been calculated based on the total number of people (by age group, gender and geographical segment) employed at the end of the reporting period.

NEW EMPLOYEES HIRED BY GENDER AND AGE IN 2019³¹

	< 30	30-50	> 50	Total	Rate
Male	149	91	22	262	32.8%
Female	213	222	33	468	38.6%
Total	362	313	55	730	36.3%
Rate	115.7%	26.8%	10.4%	36.3%	

EMPLOYEE TURNOVER BY GENDER AND AGE IN 2019

	< 30	30-50	> 50	Total	Rate
Male	135	84	25	244	30.5%
Female	191	245	57	493	40.6%
Total	326	329	82	737	36.6%
Rate	104.2%	28.2%	15.4%	36.6%	

NEW EMPLOYEES HIRED BY GENDER AND AGE IN 2020 (ITALY)

	< 30	30-50	> 50	Total	Rate
Male	9	19	1	29	6.2%
Female	4	2	-	6	1.8%
Total	13	21	1	35	4.3%
Rate	40.6%	4.3%	0.3%	4.3%	

EMPLOYEE TURNOVER BY GENDER AND AGE IN 2020 (ITALY)

	< 30	30-50	> 50	Total	Rate
Male	3	13	9	25	5.3%
Female	-	3	11	14	4.15%
Total	3	16	20	39	4.83%
Performance evaluation rate	9.4%	3.3%	6.8%	4.8%	

NEW EMPLOYEES HIRED BY GENDER AND AGE IN 2020 (EUROPE)

	< 30	30-50	> 50	Total	Rate
Male	59	24	10	93	48.2%
Female	53	96	28	177	28.6%
Total	112	120	38	270	33.3%
Rate	71.3%	27.6%	17.3%	33.3%	

EMPLOYEE TURNOVER BY GENDER AND AGE IN 2020 (EUROPE)

	< 30	30-50	> 50	Total	Rate
Male	45	28	15	88	45.6%
Female	34	82	43	159	25.7%
Total	79	110	58	247	30.5%
Rate	50.3%	25.3%	26.4%	30.5%	

³¹⁾ Employee hiring and turnover percentages have been calculated based on the total number of people (by age group, gender and geographical segment) employed at the end of the reporting period.

NEW EMPLOYEES HIRED BY GENDER AND AGE IN 2020 (AMERICAS)

	< 30	30-50	> 50	Total	Rate
Male	163	50	0	213	154.3%
Female	325	207	2	534	176.8%
Total	488	257	2	747	169.8%
Rate	236.9%	123.0%	8.0%	169.8%	

EMPLOYEE TURNOVER BY GENDER AND AGE IN 2020 (AMERICAS)

	< 30	30-50	> 50	Total	Rate
Male	140	54	3	197	142.8%
Female	256	184	10	450	149.0%
Total	396	238	13	647	147.0%
Rate	192.2%	113.9%	52.0%	147.0%	

NEW EMPLOYEES HIRED BY GENDER AND AGE IN 2020 (ASIA/PACIFIC)

	< 30	30-50	> 50	Total	Rate
Male	2	3	1	6	33.3%
Female	5	3	-	8	16.7%
Total	7	6	1	14	21.2%
Rate	77.8%	11.1%	33.3%	21.2%	

EMPLOYEE TURNOVER BY GENDER AND AGE IN 2020 (ASIA/PACIFIC)

	< 30	30-50	> 50	Total	Rate
Male	3	5	-	8	44.4%
Female	6	4	-	10	20.8%
Total	9	9	-	18	27.3%
Rate	100.0%	16.7%	0%	27.7%	

The high turnover is due to the use of fixed-term contracts in facility production departments. This allows the company to respond dynamically to variability in customer orders.

LOCALLY HIRED EXECUTIVES AT 31/12/2020³²

	Male	Female	Total
Total Executives	32	3	35
Locally hired Executives	31	3	34
Percentage of Executives hired locally	96.9%	100%	97.1%

LOCALLY HIRED EXECUTIVES AT 31/12/2019³³

	Male	Female	Total
Total Executives	32	4	36
Locally hired Executives	31	4	35
Percentage of Executives hired locally	96.9%	100%	97.2%

32) 33) These are Executives hired with the same nationality as that of the country in which they work. The location of operations considers all countries in which the Group operates.

Sustainability objectives

The "Human Resources Development" sustainability objectives are set out below. These commitments have been updated depending on their achievement during 2020. Some commitments had to be extended due to COVID-19. Finally, objectives achieved in previous years are not listed. Please refer to the 2019 Non-Financial Statement for more information.

AREA: SOCIAL SUSTAINABILITY

TOPIC: DEVELOPMENT OF HUMAN RESOURCES

OBJECTIVE

Training activities and the establishment of dedicated teams for the promotion of sustainability culture at all SIT offices around the globe.

DEADLINE

In the period 2019-2021

PROJECT PROGRESS

Cross-departmental teams have been set up in Italy to implement the following initiatives in order to promote a culture of sustainability:

- Plasticless projects to eliminate the use of plastic bottles and cups at Italian companies, and in particular:
 - (i) a pilot project in the company canteens at the Padua and Rovigo sites, where plastic bottles were removed and replaced by dispensers of several types of drinks for all employees. It is estimated that this will result in a saving of at least 35,000 plastic bottles per year.
 - (ii) installation of micro-filtered water dispensers in three different areas of the Padua office, allowing users to drink water from a customized steel bottle distributed to all SIT employees. This initiative will be replicated at the Rovigo and Montecassiano plants with the aim of involving all Italian sites by the end of 2021.
- Healthy snacks were added to vending machines in Padua. Expected to be rolled out to other Italian sites in 2021.

OBJECTIVE

Implementation of a performance assessment system to form the basis of managerial incentives to promote the achievement of ever better results.

DEADLINE

In the period 2019-2021

PROJECT PROGRESS

The Leadership Model – which was approved by the Remuneration Committee in September 2019 and subsequently presented to the Management Committee in November 2019 – was used as a basis for the Performance Appraisal tool on SuccessFactors (HR management platform). This cultural shift has thus been accompanied by an IT tool hosted on the SuccessFactors platform, which will speed up and streamline the provision of employee feedback in the hope that it will become a key company tool. Specific training on managing feedback was provided in 2020. An information campaign was also launched on the company Portal to promote the aforementioned initiatives and to encourage the cultural shift within the Group.

OBJECTIVE

Implementation of assessment programs to focus and develop the potential of the company's resources and talents.

DEADLINE

In the period 2019-2021

PROJECT PROGRESS

An assessment of white-collar working potential was carried out in Italy. In-depth feedback interviews were carried out to provide a general overview of the results of the assessment and to facilitate collaboration between employees during the initial stages. A presentation on the necessary cultural changes to be made was devised following the incorporation of various profiles and the systematic assessment of departmental skills.

Health & Safety

In line with its corporate values, SIT pays the utmost attention to occupational health and safety by promoting a consolidated culture of prevention. Due to the very nature of the sectors in which SIT operates, this culture applies to the design, production and sale of devices and safety systems, as well as workplace conditions.

As regards the situation relating to the spread of COVID-19 which began in early 2020, and as the situation worsened in March of the same year, SIT prioritized the health of its employees and respected the measures put in place by the health and government authorities.

As soon as a state of emergency was declared in March 2020, the Company set up an Emergency Committee at its headquarters, whose main role was to safeguard the health and safety of Group employees while guaranteeing business continuity. Within this context, the Committee planned, coordinated and supervised the activities deemed necessary to tackle the health crisis, periodically reporting to the Corporate and Control Boards (Risk and Sustainability Control Committee, Board of Statutory Auditors, Supervisory Board). The Committee facilitated ongoing contact between the various company divisions and departments, accepting their requests and taking appropriate and timely action. The organizational health and safety body guaranteed compliance with legal requirements and health protocols at the Group's production plants in Italy and abroad – which were implemented at a fast pace during the pandemic – collaborating with workers' representatives on an ongoing basis through the establishment of local COVID-19 Committees (as explicitly required by the document issued on March 14, 2020, entitled, "shared protocol governing measures to combat and contain the spread of COVID-19 in the workplace" and updated on April 26, 2020).

Under the supervision and coordination of the Emergency Committee, the process owners, HSE Manager, and subsidiaries located abroad adopted measures to comply with local government regulations (where necessary and appropriate), which were similar to those adopted by Group companies in Italy.

In particular:

SIT has invited all employees working in any capacity to inform the Company if they are suffering from any of the symptoms indicated by the health authorities. Employees have also been asked to inform the Company if their closest and cohabiting relatives are suffering from any symptoms, obliging them to stay at home once they have informed the Company;

- Full employee leave has been given to those who have opted to stay at home;
- Access to company sites, the performance of work activities and employee gatherings (in the canteen, coffee area and changing rooms) is governed by provisions and monitored by the company, which is prepared to take disciplinary actions if rules are not respected;
- Stricter hygiene and safety regulations have been put in place at the Company's sites. These include ensuring that people maintain a certain distance from others, introducing protective measures, opening up spaces, equipping staff canteen workers with appropriate safety means, and installing hand gel dispensers;
- Workplaces have been routinely cleaned according to the regulations and following an extremely strict protocol;
- Where possible, the remote-working program, which was initiated in September 2019, was rolled out to a greater number of workers, and the number of remote days was increased.
- Protective masks and guidelines for working safely have been sent to the Group's subsidiaries.

After carrying out an inspection to check all measures had been implemented and complied with to contain the spread of COVID-19 at the Group's sites in Italy (Padua, Rovigo, Montecassiano and Milan), the Public Authority for Prevention and Safety in the Workplace certified that no regulatory violations had been detected.

SIT continued a series of initiatives in 2020 to improve the health and safety conditions of all workers in all workplace environments, especially within production facilities. On a half-yearly basis, the Safety Plan is drawn up which describes for each industrial site in Italy the activities carried out in accordance with applicable legislation and regulations, and establishes objectives to be achieved in the subsequent three-year period. A field audit is carried out at the same time and on a regular basis. It is designed to monitor health and safety conditions and identify potential areas for improvement.

The Group intends to maintain a culture of occupational health and safety by ensuring its employees are aware of occupational risks and take responsibility for how they behave at work. As such, the Group constantly raises awareness and provides training to allow its employees to correctly and promptly report risks, failures and faults to those in charge of the site.

Routine risk monitoring and injury assessments are also carried out at the Group's sites abroad, in order to avoid recurring accidents. In addition, the Group continuously plans and carries out routine maintenance and improvements on its systems, equipment, buildings and production processes.

Information and training are of extreme value and importance, and where possible, these activities are carried out by expert in-house employees, with the aim of raising awareness among the workforce. In 2020, numerous training courses were held for all direct and indirect personnel in Italy and in Group facilities in other countries, not only on safety, but also on emergency situation management, including first aid and fire prevention.

The Group maintains constant collaboration with workers' representatives through regular scheduled meetings aimed at the joint assessment of health and safety risks. Improvement actions are shared during these meetings, taking into account any potential organizational changes.

Injury data for 2020 highlight the Group's effective commitment to reducing its employee injury rate. Said commitment takes the form of technical measures, such as increasing automation and designing appropriate workstations, as well as enlisting expert employees to provide specific training. These training activities are carried out by in-house members of staff with knowledge of the risks associated with the tasks performed on site.

A total of 11 workplace injuries (applying to both employees and external workers) occurred across Group sites during 2020. No injury occurred causing serious consequences for workers ³⁴.

At a Group level, there was one (1) more injury in 2020 than in 2019. It should be noted that the number of incidents at international plants decreased, while those at Italian plants increased, although the severity of the incidents decreased. In summary, the injury frequency index (which increased in 2020) was affected by the reduced number of hours worked.

Injuries were predominantly due to accidents involving impacts, crushing and efforts to lift and move loads.

34) The total number of injuries recorded does not include those occurring while travelling in private vehicles.

TOTAL NUMBER OF EMPLOYEE WORK-RELATED INJURIES IN 2020

	Male	Female	Total
Work-related injuries	9	1	10
Fatalities	-	-	-
High consequence work related injuries	-	-	-

TOTAL NUMBER OF EMPLOYEE WORK-RELATED INJURIES IN 2019

	Male	Female	Total
Work-related injuries	2	8	10
Fatalities	-	-	-
High consequence work related injuries	-	-	-

FREQUENCY INDEX OF EMPLOYEE WORK-RELATED INJURIES IN 2020

	Male	Female	Total
Rate of recordable work-related injuries ³⁵	6.71	0.48	2.93
Rate of fatalities as a result of work-related injury	-	-	-
Rate of high-consequence work-related injuries	-	-	-

FREQUENCY INDEX OF EMPLOYEE WORK-RELATED INJURIES IN 2019³⁶

	Male	Female	Total
Rate of recordable work-related injuries ³⁷	1,47	3,94	2,95
Rate of fatalities as a result of work-related injury	-	-	-
Rate of high-consequence work-related injuries	-	-	-

EMPLOYEE HOURS WORKED³⁸

	2019			2020		
	Male	Female	Total	Male	Female	Total
Hours worked ³⁹	1,364,193	2,029,250	3,393,442	1,341,227	2,071,449	3,412,676

35) The Frequency Index represents the ratio between the total number of injuries and the total number of days worked during the same period, multiplied by 1,000,000.

36) Following improvements to the reporting system, the 2019 figures on workplace injury indices have been restated following a restatement of hours worked, and differ from those published in the previous NFS.

37) The Frequency Index represents the ratio between the total number of injuries and the total number of days worked during the same period, multiplied by 1,000,000.

38) Following improvements to the reporting system, the 2019 figures relating to hours worked have been restated and differ to those published in the previous NFS.

39) The total number of hours worked has been partially estimated from the number hours contracted and the number of employees at December 31.

External workers are defined as contractors/temporary workers and trainees working at the Group's operating sites.⁴⁰

TOTAL NUMBER OF WORK-RELATED INJURIES INVOLVING SIT GROUP EXTERNAL WORKERS IN 2020

	Male	Female	Total
Work-related injuries	-	1	1
Fatalities	-	-	-
High consequence work related injuries	-	-	-

TOTAL NUMBER OF WORK-RELATED INJURIES INVOLVING SIT GROUP EXTERNAL WORKERS IN 2019

	Male	Female	Total
Work-related injuries	-	-	-
Fatalities	-	-	-
High consequence work related injuries	-	-	-

FREQUENCY INDEX OF OUTSIDE WORKER INJURIES IN 2020

	Male	Female	Total
Rate of recordable work-related injuries ⁴¹	-	4.91	3.47
Rate of fatalities as a result of work-related injury	-	-	-
Rate of high-consequence work-related injuries	-	-	-

FREQUENCY INDEX OF OUTSIDE WORKER INJURIES IN 2019

	Male	Female	Total
Rate of recordable work-related injuries ⁴²	-	-	-
Rate of fatalities as a result of work-related injury	-	-	-
Rate of high-consequence work-related injuries	-	-	-

HOURS WORKED BY OUTSIDE WORKERS⁴³

	2019			2020		
	Male	Female	Total	Male	Female	Total
Hours worked	84,780	271,306	356,086	84,431	203,505	287,936

40) Injury data on external workers only cover temporary workers, self-employed workers, project workers, and interns. No other external workers operating at Group sites and/or under the Group's control have been included in the data, on the basis of their significance and the availability of such data, over which the Group does not exercise direct control.

41) The Frequency Index represents the ratio between the total number of injuries and the total number of days worked during the same period, multiplied by 1,000,000.

42) The Frequency Index represents the ratio between the total number of injuries and the total number of days worked during the same period, multiplied by 1,000,000.

43) External workers at the Mexican site have not been included in this calculation as relevant data is not available. Following improvements to the reporting system, the 2019 figures relating to hours worked have been restated and differ to those published in the previous NFS.

Sustainability objectives

The "Worker Health and Safety" sustainability objectives are set out below. These objectives have been updated depending on their achievement during 2020. Some sustainability objectives had to be extended due to COVID-19. Finally, objectives achieved in previous years are not listed. Please refer to the 2019 Non-Financial Statement for more information.

AREA: SOCIAL SUSTAINABILITY

TOPIC: EMPLOYEE HEALTH AND SAFETY

OBJECTIVE

As part of the Group's policy to implement improvement actions that go beyond the requirements of current legislation, the strengthening of initiatives concerning fire risk mitigation at all of the Group's production facilities. The plan is broken down into the following phases:

- in 2019, improvements to die-casting stations at the Rovigo 1 facility, and to warehouse areas at the SIT Romania facility.
- in 2020, feasibility studies for improvements to the Mexican and Romanian facilities.
- in 2021, feasibility studies for improvements to the China, Rovigo 2 and Montecassiano facilities.

DEADLINE

In the period 2019-2021

PROJECT PROGRESS

All improvements intended for the die-casting area at the Rovigo 1 plant were carried out, including:

- *The reinforcement of active protection systems:*
 - the installation of a temperature rise detector next to each die-casting system
 - the installation of a radar system on the walls to detect fumes in the die-casting department.Both systems are monitored by a control device that warns users of potential danger via a mobile system, allowing employees to check control panels remotely.
- *Strengthening of passive protection systems:*
 - Strengthening of extinguishing systems with the positioning of an extinguisher by each press;
 - Positioning of four-wheeled fire extinguishers in the die-casting department
 - Replacement of flammable materials with fireproof materials in plants.
 - Sprinkler systems have been installed in the warehouses at the SIT Romania and SIT Mexico plants. The Romanian plant was connected to the water network in June 2020 to ensure the continuity of firefighting services.
 - The installation of a second sprinkler system in additional areas recently converted into warehouses at the SIT Romania plant is nearing completion.

In 2020, fire prevention and protection system control and monitoring actions were stepped up and strengthened at the SIT China plant. Works were carried out on the electrical cabinet to provide for suitable fire detection and alarms in real time.

At the Montecassiano plant, the emergency lighting system was upgraded and all light fixtures and emergency lighting units were replaced.

Actions were taken to optimize internal material and vehicle movements following an assessment. The internal layout of the site was altered, and a new area dedicated to warehouse activities was created to improve the management of flammable materials.

Following an additional fire prevention adequacy audit, a general review was performed and all fire prevention signs were updated.

OBJECTIVE⁴⁴

Improvements to the working conditions and environments at factories in China, Mexico, Romania and Montecassiano.

DEADLINE

During 2020 – 2021

PROJECT PROGRESS

The health of all workers in China (previously not foreseen) is being monitored on a regular basis. The first workers' health checkup was performed at the end of October 2020 and will take place on an annual basis.

In addition, the lighting conditions in transit areas providing access to the production area at the factory China – which were not adequately lit – were checked and upgraded. New lighting points have been installed, which turn on automatically when personnel are present or passing.

During 2020, plans were made to resurface the industrial flooring on an annual basis at the Mexico site to improve horizontal signage and to update departmental lighting.

During 2020, filters were installed at the Mexico plant to extract the oil mist generated by machines and equipment in departmental areas, improving the working environment.

In 2020, a new canteen and changing rooms were built at SIT and MeterSIT Romania to avoid the risks associated with the transit of personnel through operational production areas.

Despite already being compliant with the legal limits, the suction hood on the kiln was upgraded at the Montecassiano site in 2020, increasing its surface area to allow for improved suction and the conveying of smoke/emissions to the treatment plant, resulting in a significant improvement in working conditions.

Works have also been carried out to reorganize working areas and spaces at the Montecassiano plant, thereby improving the internal transit of materials and vehicles while reducing the risk of people and vehicles passing between them.

Lighting units in the workplace will be reassessed in 2021 following the implementation of the optimized layout.

OBJECTIVE⁴⁵

The creation and implementation of a system for reporting, analyzing, and communicating HSE events to the Parent Company in order to assess and manage them, including those deemed inconsequential, in addition to all unsafe situations and/or conditions. The aim is to promote a preventive and participatory approach among operating staff and to develop a shared HSE culture.

DEADLINE

For the period 2020 - 2021

PROJECT PROGRESS

During the last quarter of 2020, an operating procedure was devised at a corporate level and guidelines were provided to all production sites, defining specific standards and instructions for the detection, analysis/evaluation, classification and sharing of HSE events, including near misses and unsafe conditions and acts.

Activities include the involvement and participation of operational staff and, in addition to communication at a corporate level, the communication and sharing of summary reports at production sites to help raise employee awareness (Heinrich's HSE Pyramid).

In the final months of 2020, SIT Mexico started to monitor HSE events, paying particular attention to unsafe conditions and actions. The Heinrich HSE Pyramid and indicators were displayed on factory notice boards.

Given the complications resulting from the COVID-19 pandemic, the HSE Communication & Reporting system will be implemented across all Group production sites over the next two years.

44) 45) New objective

Employer Branding

With the aim of attracting the very best talent, the Parent Company has established strong and fruitful collaborative relationships with numerous Italian universities.

During 2020, SIT funded a research project in collaboration with the Industrial Engineering Department at the University of Padua, aimed at selecting materials for valve components resistant to aggressive gaseous environments.

The company also participated in six events sponsored by the careers services at various Italian universities. During these events, SIT met with students and graduates interested in jobs or internships organized by the University of Padua, the University of Trento, Milan Polytechnic, and the University of Milan. In addition, the Group participated in the Digital Recruiting Week organized by StartHub Consulting, allowing the Company to work on attracting young STEM (Science Technology Engineering Mathematics) candidates.

Due to the COVID-19 pandemic, the events, which usually take place in person at universities and other similar facilities, were held online with the help of video platforms used by the institutions themselves or by the companies involved.

Virtual Career Days allowed SIT to meet with young people throughout Italy, raising awareness of the SIT Group among young students, recent graduates and PhD students enrolled at a range of departments and campuses. The one-to-one meetings were organized in various ways by the organizations involved and allowed the Group to explore young people's opinions, hopes, projects and fears in depth, raising SIT's awareness of what the future labor market might look like, in the hope of planning career paths with a greater emphasis on young people and on the development of their professional skills and abilities.

Finally, during 2020, despite the difficulties faced, twenty-two curricular/extracurricular internships were organized at SIT's Italian offices for university students, two of which involved the writing of a dissertation.

People Attraction

SIT pays particular attention to its Employee Value Proposition (EVP), which essentially consists of the experience had by employees and potential candidates in the workplace. EVP is rated based on the company's intrinsic characteristics, its brand identity, its corporate culture and the relationship it has with its employees. The EVP is most explicitly expressed in the way SIT designs and manages its recruitment process. In fact, the recruitment process does not discriminate with regard to gender, religion, personal beliefs, race, ethnic origin, disability, age, sexual orientation or personal politics.

In addition, stable and long-lasting employment relationships are considered fundamental in fostering the growth of the company, as well as constituting a significant motivational factor. In 2020, around 35 people were hired on permanent contracts for the various departments of SIT S.p.A. and MeteRSit S.r.l.

The Human Resources department also motivates current SIT Group employees to get involved with recruitment activities through two internal initiatives: the Internal Job Posting and Referral program.

Through the Internal Job Posting program, SIT makes job positions available to all of its Italian and international employees, encouraging those interested in changing roles to submit an application. By doing so, SIT hopes to encourage professional growth among those with a desire to develop their professional career by engaging in new experiences.

SIT's Referral program, on the other hand, offers bonuses to employees who help identify candidates for the profiles sought by the company.

For all new hires, SIT provides a Customized Induction program aimed at immediately transmitting corporate values and product and process knowledge. The induction program is customized in a targeted manner according to the future role of the incoming employee. In 2020, a total of 240 hours were dedicated to induction programs for 30 new hires. For the first time, most of the meetings were held remotely on Microsoft Teams due to the pandemic. Remote meetings allowed people to get to know each other and to learn more about products, processes and business areas without the need to be physically present, thus overcoming the obstacles and barriers resulting from COVID-19.

Development of human resources

SIT aspires to promote and develop the skills, abilities and knowledge of every employee through professional training and refresher programs aimed at guaranteeing the achievement of corporate goals.

The annual training plan ensures that all employees at Italian companies are equipped with the necessary technical, specialist and safety skills, focusing specifically on strengthening digital and security skills in 2020.

To support the digital transformation project, a workshop was organized that involved all relevant company figures, who shared information on projects taking place across the Group. It was also an opportunity to exchange information on the results achieved. 2020 also saw strong and decisive support from the company in the field of ethics and business integrity through the organization and provision of several training sessions aimed at raising employee awareness of the Group's anti-corruption policies.

Approx. 52 employees were involved in three training sessions totaling 156 hours.

In 2020, training sessions were generally characterized by a focus on the online provision of technical and managerial content. A total of 7,791 training hours were provided in Italy, 54% percent of which focused on technical training, 24% on safety training and 22% on managerial training. In 2020, the Group invested significantly in project management and project design courses, such as the visual management course, which involved 67 people from the R&D departments in Italy in a total of 536 training hours. From a managerial perspective, three 24-hour team-building sessions were held to strengthen group dynamics in specific company populations, in addition to various other internal training courses, which will be pursued further in 2021, such as the "train the trainer", "remote working" and "continuous feedback" courses, resulting in a total of 1,708 hours of managerial training provided to 155 employees.

In 2020, the Group also invested in English language courses, Master's degree courses at Bocconi University and personal coaching courses for managers facing more challenging responsibilities.

Alongside online tools, the Board of Directors decided to embark on a change management process with regard to sustainability. In line with this decision, the Directors began a 64-hour Driving Corporate Sustainability training course in July 2020, which is expected to end in April 2021.

The Company continues to confirm its commitment and dedication to sustainability by analyzing the company's values and developing action plans to shift the Group's cultural mindset on the important topic of corporate sustainability.

A total of approx. 51,368 training hours were provided to the Group, with the following distribution:

- 36% - standard training
- 4% - managerial training
- 60% - health and safety training

In order to further develop the Group's human capital, a review of employee management processes continued into 2020 with the aim of standardizing and digitizing procedures using the Success Factors tool dedicated to HR processes. The tool continues to be used, with a particular focus on the Learning module, which will contain information on employee training.

From 2020 onward, all courses taken throughout the year will be monitored and reported on using the new SuccessFactors management system. This system will allow the Training Center to monitor training initiatives and will also allow users to view updates to their training profiles in real time, including all courses attended and completed.

HOURS OF TRAINING PROVIDED IN 2020⁴⁶

	Total hours male	Total hours female	Total hours	Average hours
Executives	1,041	204	1,245	35.6
White-collar	4,688	2,502	7,190	16.3
Blue-collar	8,040	34,894	42,934	26.0
Total	13,769	37,600	51,368	24.2
Average hours	16.8	28.8	24.2	-

HOURS OF TRAINING PROVIDED IN 2019⁴⁷

	Total hours male	Total hours female	Total hours	Average hours
Executives	979	208	1,187	33.0
White-collar	5,929	3,087	9,016	20.5
Blue-collar	7,826	29,416	37,242	24.2
Total	14,734	32,711	47,445	23.6
Average hours	18.4	27.0	23.6	

46) 47) The total number of training hours has been partially estimated from training plans defined at the beginning of year.

CULTURE OF SUSTAINABILITY

After updating its mission, vision and values, SIT decided to actively invest in promoting a culture of sustainability through the launch of a major training project involving all members of the Company's senior management team in 2020.

The training course started in July 2020 and is scheduled to end in April 2021, lasting ten months in total. The main objective is to strengthen and raise awareness of sustainability issues.

The training course involves the following steps:

- 1 Kick-off: information on the training course and its aims;
- 2 Sustainability as key to business: meeting with companies from other sectors to benchmark how sustainability issues are integrated into business strategies;
- 3 Meeting with representatives from the Organization for Economic Co-operation and Development (OECD): international sustainability trends and scenarios;
- 4 Culture of sustainability at SIT: current scenario and strategies for the future
- 5 Sustainable Development Goals and the circular economy: the concept of "shared and long-term value creation";
- 6 Stakeholder management strategies;
- 7 Marrying strategic business objectives with sustainable performance;
- 8 Preparing the SIT Green Paper: sustainability pillars. The Sustainability Report: purpose, drafting principles and contents;
- 9 Drivers of a new model of internal and external communication and promotion of a culture of sustainability.

These activities culminated in the definition of an SIT Green Paper (see the paragraph on "Sustainability for SIT"), which summarizes the Group's strategies and commitment to combining business with social responsibility and a respect for the environment.

Remuneration

SIT's remuneration policy is based on incentive systems designed to acknowledge the commitment and merits of its employees, to foster a sense of belonging, to attract talented resources and to align the interests of personnel with the goal of creating sustainable value for shareholders in the medium to long term.

To ensure fairness and transparency, SIT has aligned its remuneration system for Executives and managers with the Group's dimensional and organizational characteristics and with the market in which it operates. Said remuneration includes a fixed annual component and a variable component, which is linked to the achievement of specific performance objectives, including those of a non-financial nature. The Management By Objectives (MBO) incentive, governed by an appropriate internal policy, represents the annual variable remuneration component. It contains the strategic objectives (the EBITDA and net cash position, in particular), the process objectives, and the various departmental objectives, together with the bonus percentages associated with the achievement of each objective.

In 2019, the Group updated its Management by Objectives policy, which oversees incentive plans linked to business objectives.

È stato rivisto, infatti, il criterio di misurazione degli obiettivi e confermata la percentuale del 125% come valore massimo raggiungibile per singolo obiettivo. È stata poi introdotta una soglia di sbarramento che prevede che, al mancato raggiungimento dell'80% del valore di EBITDA di Gruppo, si renda invalido l'intero importo del Bonus spettante. Il Comitato per la Remunerazione, nel corso dell'Esercizio 2020 ha contribuito alla modifica della policy Group "Management by Objectives" che regola l'applicazione dei piani di incentivazione legati agli obiettivi di business come segue:

- (i) È stata rivista e formalizzata la curva di payout relativa alla misurazione degli obiettivi quantitativi. Tale curva può generare un payout compreso tra lo 0% e il 125% del target. È stato inoltre confermato un tetto massimo alla retribuzione variabile al raggiungimento del 125% degli obiettivi di performance.
- (ii) È stata infine rafforzata l'integrazione della sostenibilità all'interno della pianificazione strategica, confermando anche quest'anno obiettivi ESG all'interno dei piani di MBO legandoli, in particolare, allo sviluppo sostenibile dei prodotti e della rispettiva supply chain.

RATIO OF THE STANDARD ENTRY LEVEL WAGE TO THE LOCAL MINIMUM WAGE IN SIGNIFICANT COUNTRIES FOR THE GROUP⁴⁸

	2020
Italy	1.00
Romania	1.11
Mexico	1.71
Netherlands	1.20
China	1.05

As evidenced by the above table, SIT tends to position itself above the standard pay of the reference country in order to attract talent and maintain competitiveness. Furthermore, there are no gender differences in the standard wage and the local minimum wage.

Once an aspirational leadership model was defined, a performance management process was launched in 2019 to improve leadership skills, promote mutual transparency through feedback, encourage a meritocratic culture, and to allow for the personal and professional growth of all SIT employees.

In 2020, performance management was extended to the entire white-collar population by means of the SuccessFactors tool, on which interested parties were trained. In particular, through five training sessions, employees learned about the usefulness of the tool, confirmed its effectiveness, and prepared to use it during the 2021 feedback interview. Alongside traditional training activities, a communication campaign was launched in December 2020 on the company portal to accompany the important topic of cultural change, by means of articles, surveys and in-depth analysis. The campaign will continue throughout 2021.

⁴⁸ Significant countries are those in which the Group has at least one production facility. The local minimum wage was taken from collective bargaining agreements in the respective countries where the individual facilities are located.

Welfare and well-being

Also regarding welfare benefits, the Group has always been committed to guaranteeing transparency and clarity for its personnel. Assignment schemes do not vary according to different contractual forms (e.g. full-time, part-time, fixed-term or open-ended contract), but may vary according to different geographical areas, depending on reference standards that may include or exclude certain services.

SIT is attentive to the well-being and work-life balance of its employees. For this reason, it allows, where possible, flexitime schemes in Italian branches.

As for support for families, the Group provides new mothers and fathers with a baby welcome kit containing some useful baby care items. The main benefits include: Life Insurance, Health Insurance, Pension Plans, Luncheon Vouchers.

Starting in 2018, a corporate welfare plan was established in Italy. The corporate plan makes an annual amount available to beneficiaries that can be used on a welfare platform dedicated to SIT employees. The platform offers services and benefits for families, healthcare, leisure, culture and more, falling within applicable tax incentive categories. The platform collects welfare incentive allocations through the National Metalworking Collective Bargaining Agreement. Furthermore, from 2018, as per applicable bargaining, it has been possible for personnel to allocate part or all of the value of individual performance bonuses to corporate welfare, thus increasing the opportunities to use the available services. In 2020, approximately 5% of all welfare benefits resulted from performance bonus conversions, and over 95% of the company population used their welfare benefits within the end-of-year deadline.

SIT continues to protect its employees around the world with additional healthcare benefits, in order to provide them with a form of protection to supplement or replace their national medical and health services. These benefits were rolled out to all members of staff at the Romania site in 2019.

In 2020, during a proposal to renew the SIT Rovigo 1 Plant Performance Award for 2021-2024, the Group reached an agreement with trade union representatives – by way of derogation from the relevant National Labor Collective Agreement. From 2022 onward, the Company will improve its health care coverage for all workers entitled to enrolment in "Plan A" by supplementing the monthly sum provided by the National Labor Collective Agreement for "Plan B".

The use of remote working continued into 2020, after being trialed at the Padua and Milan offices in 2019 through two pilot projects.

Remote work – which is based on a new managerial philosophy that allows people to be more flexible and independent while taking greater responsibility for their work – has provided the Company with excellent leverage for attracting external candidates and retaining employees. In 2020, remote work also allowed business to continue during the lockdowns and while social distancing was required due to the ongoing pandemic. Thanks to prior implementation of the project, the Company was prepared for the mass management of remote working.

Thanks to actions taken the previous year, SIT was able to manage work flexibly during the pandemic, allowing its employees to continue working from home, and was proactive in doing so, drawing up a netiquette in anticipation of the potential stresses caused by the move to remote work.

Furthermore, in July, in recognition of the professionalism demonstrated by its employees, SIT announced its decision to consider making flexitime permanent, allowing employees to work from home two days a week in the long term.

261 employees in Italy are currently able to work remotely, thanks in part to the allocation of company devices.

The benefits of SmartWorking do not end with an increase in employee well-being and productivity: the scheme also helps protect the environment. Remote working solutions help reduce the greenhouse gas generated during the journey to and from work.

Employee communication

To promote internal communications and the engagement of resources, the Group distributes a monthly magazine entitled SIT&Talk to all branches worldwide. The digital magazine contains articles written exclusively by employees themselves aimed at disseminating information at all levels on corporate news, business performance, organizational changes, technical subjects, company products and general culture, and at engaging employees in the various activities of company facilities and offices.

Sustainability objectives

The "Welfare and Well-Being" and "Internal Communications" objectives are set out below. These objectives have been updated depending on their achievement during 2020. Some sustainability objectives had to be extended due to COVID-19. Finally, objectives achieved in previous years are not listed. Please refer to the 2019 Non-Financial Statement for more information.

AREA: AREA: SOCIAL SUSTAINABILITY

TOPIC: WELFARE AND WELL-BEING

OBJECTIVE

Development of actions to improve the employee work-life balance through the launch of smart working initiatives, supported by the assessment of the digital propensity of employees, and the consequent digitalization of internal processes.

DEADLINE

In the period 2019-2021

PROJECT PROGRESS

A smart working pilot project was launched at offices in Padua and Milan (Italy) in 2019. The project involved 60 people working in the Heating and Metering departments. Focus groups were set up to monitor the project.

To date, 261 employees at the Group's main plants in Padua, Milan, Rovigo and Montecassiano are able to work remotely. Remote working arrangements have been encouraged at international offices, especially during the COVID-19 pandemic. In general, employees with duties that did not explicitly require them to be physically present on the premises were allowed to work from home. The Company provided them with adequate means to do so.

As remote working arrangements are not specifically monitored abroad, we estimate that, at a Group level, about 340 people had access to remote working methods during 2020.

AREA: AREA: SOCIAL SUSTAINABILITY

TOPIC: WELFARE AND WELL-BEING

OBJECTIVE

Improvements to the work environment through the upgrading and new construction of company buildings.

DEADLINE

2019-2022 - Deadline extended due to slowdowns caused by the COVID-19 pandemic.

PROJECT PROGRESS

The preliminary part of the project, authorized by the BoD, was completed, and the final project was submitted. Demolition works prior the project launch began in December 2020. The project is expected to be completed by the end of 2022 due to the pandemic. The new HQ will offer around 30% more office and lab space compared to the current office, in addition to more green areas and indoor gathering spaces.

AREA: SOCIAL SUSTAINABILITY

TOPIC: INTERNAL COMMUNICATION

OBJECTIVE

Development of internal and external communications on sustainability guidelines, goals and actions, also via the complete redesign of the company intranet.

DEADLINE

In the period 2019-2021

PROJECT PROGRESS

The project to build a new portal platform was completed in April 2020 with the online launch of a corporate portal on Microsoft's SharePoint platform. Content is uploaded to the portal on a daily basis by the project team (from the Marketing, HR, Digital and Sustainability departments). The portal currently features People, Marketing, Company and Sustainability sections. The Sit&Talk digital (in-house magazine) has also been uploaded to the portal and has been online since April 2020.

DIGITAL AND LEAN TRANSFORMATION

During 2019, SIT launched a five-year digital transformation plan.

The project rests on three pillars: 1) the review and continuous improvement of processes, 2) the use of enabling digital technologies, computerization, the cloud, mobile/social devices, and the Internet of Things 3) the strengthening of digital skills, the active exploration of an end-to-end transformation process, and professional and organizational development.

In this sense, digital transformation can be seen as a means to foster sustainable social development, product innovation, and to improve production processes. As such, we hope to significantly reduce our environmental impact. We're hoping to see greater efficiency in our operational processes, and faster, more precise ways for employees, customers and suppliers to interact, with a consequent reduction in costs and improved transparency, sharing and inclusion among stakeholders.

In terms of social goals, we hope to invest in mobile devices, laptops, hardware and software to assist collaboration, in order to allow employees to connect, communicate and collaborate more effectively, efficiently and quickly than ever before. In order to do so, we have launched the remote working project discussed in the welfare and well-being paragraph of this Statement.

Digital transformation will allow us to standardize innovative product development processes, measure their efficiency more easily and pursue their continuous improvement. Please refer to the research and development paragraph of this Non-Financial Statement for more information on the effects of digital product solutions.

Digitalization is also strongly tied to lean production process transformation. Adopting a lean approach will allow us to ensure that processes are more streamlined and measurable. This will in turn help us to reduce energy consumption, improve employee health and safety, and raise customer service levels.

As is the case for digital transformation, SIT had already decided to follow a five-year lean transformation implementation plan, which was launched in 2019. Although there were some delays due to COVID-19, work has proceeded fairly smoothly, in line with the defined principles. As a company priority, the lean project is now monitored on a weekly basis by the Group COO and quarterly by the management team through a steering committee, during which results and potential deviations from the plan are analyzed and corrective actions are defined if necessary.

Work was carried out in two distinct areas during 2020:

- Creation of a lean culture through definition of the project's content and scope. Classroom and web-based training sessions were provided to demonstrate the concept of a "lean" culture and to promote the creation of a culture of ongoing improvement, thus providing a basis for improvement projects.
- Identification and implementation of projects that will lead to significant savings in excess of Euro 1 million during 2021.

DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

Non-discrimination

The "Code of Non-discrimination and Diversity", drafted and approved in 2017, is a formal policy and a firm commitment by SIT to its employees, the recipients of its products, services and programs and, in general, to any individual coming into contact in any way with the SIT Group.

SIT has, since its inception, been firmly committed to creating an environment free of discrimination, in which:

- *Responsible parties seek to guarantee equal opportunities;*
- Diversity is considered a resource and never an impediment;
- Respect for the dignity, honor and freedom of individuals in their rights to self-determination is a natural logical and ethical prerequisite of daily actions.

Discrimination for the purposes of the Code is given to mean any treatment creating an intimidating, hostile, offensive, less favorable and/or less ideal environment for one party with respect to another based on any discriminatory conduct, whether, by way of non-exhaustive example, active or passive, direct or indirect, internal or external, or emerging as a result of any form of bullying, harassment, retaliation, intimidation or persecution. These behaviors are listed above by way of example and are by no means exhaustive.

SIT's Human Resources department undertakes the responsibility to ensure compliance with such fundamental principles in the SIT Group's activities, and to adequately resolve any cases of discrimination, failure to ensure equal opportunities, bullying, harassment, retaliation or intimidation.

The Group's commitment to diversity can be noted in the significant percentages of women and younger employees in all professional categories.

PERCENTAGE OF GROUP EMPLOYEES BY AGE, GENDER AND PROFESSIONAL CATEGORY AT 31/12/2020⁴⁹

	<30	30-50	>50	Total	Male	Female	Total
Executives	0.0%	37.1%	62.9%	100%	91.4%	8.6%	100%
White-collar	7.5%	62.4%	30.2%	100%	68.9%	31.1%	100%
Blue-collar	22.5%	54.2%	23.3%	100%	29.4%	70.6%	100%
Total	19.1%	55.6%	25.4%	100%	38.6%	61.4%	100%

NUMBER OF GROUP EMPLOYEES BY AGE, GENDER AND PROFESSIONAL CATEGORY AT 31/12/2020

	<30	30-50	>50	Total	Male	Female	Total
Executives	-	13	22	35	32	3	35
White-collar	33	275	133	441	304	137	441
Blue-collar	371	893	385	1,649	484	1,165	1,649
Total	404	1,181	540	2,125	820	1,305	2,125

PERCENTAGE OF GROUP EMPLOYEES BY AGE, GENDER AND PROFESSIONAL CATEGORY AT 31/12/2019

	<30	30-50	>50	Total	Male	Female	Total
Executives	0.0%	36.1%	63.9%	100%	88.9%	11.1%	100%
White-collar	6.6%	65.5%	28.0%	100%	68.4%	31.6%	100%
Blue-collar	18.5%	56.4%	25.1%	100%	30.3%	69.7%	100%
Total	15.6%	58.1%	26.4%	100%	39.7%	60.3%	100%

⁴⁹ The percentages were calculated based on the total number of employees (by category, age group and gender) employed at the end of the reporting period.

NUMBER OF GROUP EMPLOYEES BY AGE, GENDER AND PROFESSIONAL CATEGORY AT 31/12/2019

	<30	30-50	>50	Total	Male	Female	Total
Executives	0	13	23	36	32	4	36
White-collar	29	288	123	440	301	139	440
Blue-collar	284	867	385	1,536	466	1,070	1,536
Total	313	1,168	531	2,012	799	1,213	2,012

Human Rights

Through specific procedures, practices and company policies, SIT guarantees the observance and correct application of its codes of conduct. *The guiding principles behind the Group's codes consist of and derive from the following international standards:*

- The United Nations' Universal Declaration of Human Rights (which we are committed to in its entirety);
- The International Labor Organisation's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy;
- The European Convention on Human Rights, under the jurisprudence of the European Court of Human Rights;
- The Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises.

Reference is also made to applicable national, regional and community legislation on labor law and human rights. These represent the underlying values which the Company upholds and the basis of relations between the employer and its employees.

SIT rejects and actively opposes all actions that may cause any form of physical, psychological or exploitative harm to individuals, such as forced labor, child labor, human trafficking, harassment, discrimination or extortion.

SIT is committed to adopting policies to make every employment relationship at its facilities a positive and eco-sustainable experience that guarantees: health and safety, environmental protection and sustainability, fair working hours and compensation, the right to work, freedom of association, and collective bargaining.

Through its Code of Ethics, SIT is committed to promoting the adoption of policies to guarantee its observance and correct application.

Labor/Management Relations

SIT fully respects and guarantees the right to work and the freedom of association of employees at all its facilities. It should be noted that 94.59% of Group employees are covered by collective bargaining agreements designed to encourage the involvement of workers in the achievement of company-specific objectives at individual plants (e.g., efficiency, waste index, participation index).

In addition, in Italy, monthly meetings are organized with trade union representatives to share information on production trends and any issues or proposals put forward by the Company or union representatives. 2020 saw the company engage in activities to combat and manage the spread of the COVID-19 pandemic. In addition to the above, a COVID-19 Committee was set up at each plant, meeting on a bi-weekly basis and comprising: the Plant, HR, Production, H&S, RSU, and RLS managers. Trade union involvement in these committees is aided by the sharing of actions implemented at the various plants, as well as by identifying further areas for intervention, which are evaluated and implemented as necessary.

SIT'S SUPPORT FOR LOCAL COMMUNITIES

SIT has always been committed to maintaining relations with the local areas and communities in which it operates, in particular, by supporting local companies, sport associations, social assistance, and healthcare research, with a view to making a contribution to the well-being of present and future generations.

SIT fosters initiatives that strengthen ties with the local area, assessing each time their social impact and economic sustainability. Such initiatives are promoted through corporate communications, also in order to engage employees and encourage their participation.

SIT's commitment to local communities allows the Group to:

- strengthen its relationship with cultural, scientific and educational institutions and with young people, contributing to the education of future generations, combatting early school-leaving, and supporting visual arts and music events;
- promote a culture of solidarity by supporting and financing local health care facilities;
- promote a sports culture by financing participation in sporting events and sponsoring local amateur clubs;
- dedicate attention and awareness to the environment by promoting initiatives linked to the development and protection of green spaces in the local area.

Described below are some of 2020's most significant projects, events and initiatives that demonstrate SIT's commitment to local communities and its employees.

Family support initiatives

- Internal distribution of the quadri-lingual corporate magazine SIT&Talk promotes a shared culture and climate of participation across all companies, engaging and informing employees and their families. In October 2018, a new periodic publication was launched featuring in-depth articles on environmental, social and governance issues, with the aim of raising engagement in and awareness of the sustainability initiatives and goals.
- Traditional panettone cakes purchased from local artisan bakeries were delivered to production plant employees during the Christmas holidays. This initiative helped to support small businesses struggling through the COVID-19 pandemic.
- Christmas greetings were exchanged online, involving all of the Group's production sites and offices. Via a live stream from home, Group employees and their families were able to listen to greetings from the President and SIT offices managers around the world, and to enjoy a fascinating presentation on the Macchiaioli painters' exhibition sponsored by SIT.

Youth training initiatives

- SIT Romania directed a portion of its 20% turnover tax to the Bookland Foundation - an organization that builds and equips schools in poor rural areas of Romania and provides free study supplies such as books, exercise books and other educational material and tablets;

Cultural initiatives

- SIT sponsors the I Macchiaioli - Capolavori dell'Italia che risorge exhibition in Padua

Through its sponsorship, SIT sought to support the Bano Foundation and its I Macchiaioli exhibition, confirming the importance of its presence in the Padua area – where SIT was founded in 1953 – and supporting the local cultural and tourism sectors, which were severely affected by the pandemic.

Sports initiatives

- Always inspired by the world of sport due to the values it represents, SIT again supported the Lentigione Calcio football team of Brescello (Reggio Emilia), an amateur team competing in the Reggiana Calcio and Italian Serie D 2019-2020 Championship season.

Support initiatives

- Contribution to the purchase of “cuddle curtains”

SIT decided to join the Christmas fundraising campaign organized by IPAB Mariutto di Mirano to raise money for residential projects.

The pandemic upended everyone's lives, and the elderly suffered greatly after being forced to keep a distance from loved ones. Some of the worst effects of the pandemic have involved a lack of affection and lost connections with the outside world.

The social distancing restrictions have been excruciating for those struggling from loneliness, and those with no means of communicating except through physical contact, resulting in sadness, depression and withdrawal.

This is the experience of a great number of residents at our care clinics (RSAs), who are not only the most vulnerable to contracting the virus, but are also only able to communicate through contact. Contact with loved ones is their lifeblood. “Cuddle curtains” allow people to embrace loved ones after many months spent apart.

In Romania, where companies are allowed to redirect 20% of turnover tax to local foundations, funds were donated to the Hospice Hope association, which provides palliative care to terminal cancer patients, including children.

Initiatives to support medical research

- The Padua branch of SIT has made a Euro 70,000 donation to Padua Hospital to support research into the genetic basis of susceptibility to SARS-Covid19 infection, led by Professor Andrea Crisanti from the Department of Molecular Medicine.

Environmental initiatives

Taking advantage of the option to redirect 20% of its tax on profits to local foundations, SIT Romania donated funds to the Carpathia Foundation, which oversees nature conservation and forest restoration, and the Carpathian mountains in particular, by planting trees.

The aforementioned community engagement programs and initiatives were developed and promoted in approximately 18% of the countries in which Group companies operate⁵⁰.

50) The countries in which Group companies operate are defined as those in which the Group has a direct production and commercial presence: Italy, the Netherlands, Romania, Mexico, China, Australia, the Czech Republic, Germany, Argentina, Canada, the USA.

Sustainability objectives

The "Local Community Initiative" sustainability objectives are set out below. These objectives have been updated depending on their achievement during 2020. Some sustainability objectives had to be extended due to COVID-19. Finally, objectives achieved in previous years are not listed. Please refer to the 2019 Non-Financial Statement for more information.

AREA: SOCIAL SUSTAINABILITY

TOPIC: INITIATIVES IN SUPPORT OF LOCAL COMMUNITIES

OBJECTIVE

Organization and promotion of activities involving the families of SIT Group employees.

DEADLINE

2020-2022

Deadline extended to 2022 to allow the Group to pursue renewed commitments to local communities.

PROJECT PROGRESS

Due to restrictions resulting from the COVID-19 pandemic, it was unfortunately not possible to organize the traditional Christmas parties and participation in the Padua marathon in 2020.

In place of a Christmas party, a "Worldwide Christmas Greetings" event was organized (involving the entire Group for the first time) and streamed from Padua, allowing all SIT offices to tune in, and employees and their families to connect remotely from home. During the event, a virtual tour of the I Macchiaioli exhibition sponsored by SIT was broadcast to allow international employees the opportunity to see the exhibition.

In addition, all employees and their families were offered free tickets to the I Macchiaioli exhibition at Palazzo Zabarella.

The SIT&Talk digital company magazine, which is available online, provides monthly news and updates on the Company and its employees, including new hires, new assignments, work projects, success stories, achievements, company results, and the birth of "SIT babies". The magazine also provides well-wishes to retiring colleagues and information on recommended reading, interesting new apps, and the latest scientific developments.

In 2021 and the years to follow, SIT is committed to pursuing better communication with workers' families through initiatives aimed at promoting their involvement in the corporate community.

OBJECTIVE

Promote initiatives throughout the SIT Group in support of non-profit and sports associations.

DEADLINE

2020-2022

Deadline extended to 2022 to allow the Group to pursue renewed commitments to local communities.

PROJECT PROGRESS

In 2020, SIT supported associations such as the Bano Foundation and its I Macchiaioli exhibition, the Luigi Mariutto di Mirano IPAB (Public Aid and Charity Institution) with a donation to "Cuddle Curtains", the Bookland Foundation to help build schools and purchase supplies, the Carpathia Foundation to help plant trees, Hospice Hope to assist terminal cancer patients, the Department of Molecular Medicine at the University of Padua to fund research into the genetic basis of susceptibility to SARS-Cov19 infection, Telethon, Azione Cattolica, and Assindustria Veneto Centro to help purchase ventilators during the initial wave of the pandemic.

SIT also sponsored the Lentigione Calcio and Reggiana Calcio football teams.

Our commitment for 2021 and the years to follow is to continue supporting these associations and others in the non-profit and sports sectors, and in the cultural and scientific worlds.

OBJECTIVE

Support communication with local communities through the use of social networks.

DEADLINE

2020-2022

Deadline extended to 2022 to allow the Group to pursue renewed commitments to local communities.

PROJECT PROGRESS

This activity is carried out through the publication of content on various company topics on LinkedIn, Twitter and Facebook, including community initiatives, news, events, press releases, and topics promoted by the Company, such as sustainability, green developments in the world of heating and metering, decarbonization objectives, and the reduction of CO2 emissions through the development of products that improve the efficiency of appliances or use green fuels, such as bio-methane or hydrogen.

We are committed to continuing these activities in 2021.