



SUSTAINABILITY REPORT

YEAR 2023

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LETTER TO STAKEHOLDER

GRI 2-22

Dear Stakeholders,

In the past year, the Company has effectively managed a positive and rapid acceleration in production volumes compared to previous years. With the issues of raw material and electronic component shortages that hindered 2022 now resolved, 2023 has demonstrated significant revenue growth and delivered satisfaction in terms of profitability and cash generation. Our commercial positioning has also strengthened over the year, allowing us to look positively towards the future, as evidenced by a book-to-bill ratio of 1.5. The acquired orders are characterized by their multi-year scope, contributing to a solid foundation for future operations.

In this growth phase, the key to Aesys's success lies once again in our capacity for innovation, not only in products but specifically in processes. 2023 was also marked by significant industrial investments aimed at modernizing and enhancing production machinery, in line with our strategic vision of investing in the future to meet the challenges of our operational context. Aesys has established a strong presence in its reference market, allowing it to leverage its competitive advantage, derived from refined know-how aligned with best practices.

In 2023, Aesys continued its commitment to communicating corporate values beyond the company walls through the drafting of this Sustainability Report. This signifies the virtuous path of maturation initiated in previous years, which has now fully integrated ESG sensitivity into our way of being, thinking, and doing business, that is, into our Culture.

The drafting of the sustainability report formalizes and communicates to our stakeholders Aesys's commitment to having a positive impact on the environment and society and to governance inspired by ethical criteria.

Once again, it is our People who have made and will continue to make a difference in our journey. They are both participants and creators of this Culture. We are fully convinced that strengthening the corporate Culture, especially regarding ESG issues, is the key to ensuring long-term value generation for our stakeholders.

Thank you all for your continued contribution and trust in Aesys.

Brusaporto, June 10, 2024

CEO
Marco Biava

METHODOLOGICAL NOTE

GRI 2-3, 3-1

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 2023 (from 1 January to 31 December 2023). 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 2-2, 2-3, 2-14

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 year 2023 represents the third fiscal year in which Aesys approaches the preparation of its Sustainability Report.

Aesys outlined this initiative in a way to capitalize the efforts previously implemented and to launch the Company on a path of continuous improvement that will undoubtedly contribute to the strengthening of the Company's image and reputation. While the effort of achieving product and process excellence is well underway, Aesys is now ever more motivated to tackle “sustainability” as a way of doing business.

This sustainability report was issued by the Aesys Sustainability and Innovation Committee and was formally validated by its Director on June 10, 2024.

CONTACT TO REQUEST INFORMATION ABOUT THE REPORT

GRI 2-3

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AESYS REDESIGNS YOUR WORLD

ELEVATOR PITCH – AESYS IN BRIEF

GRI 2-6

*“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 400 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

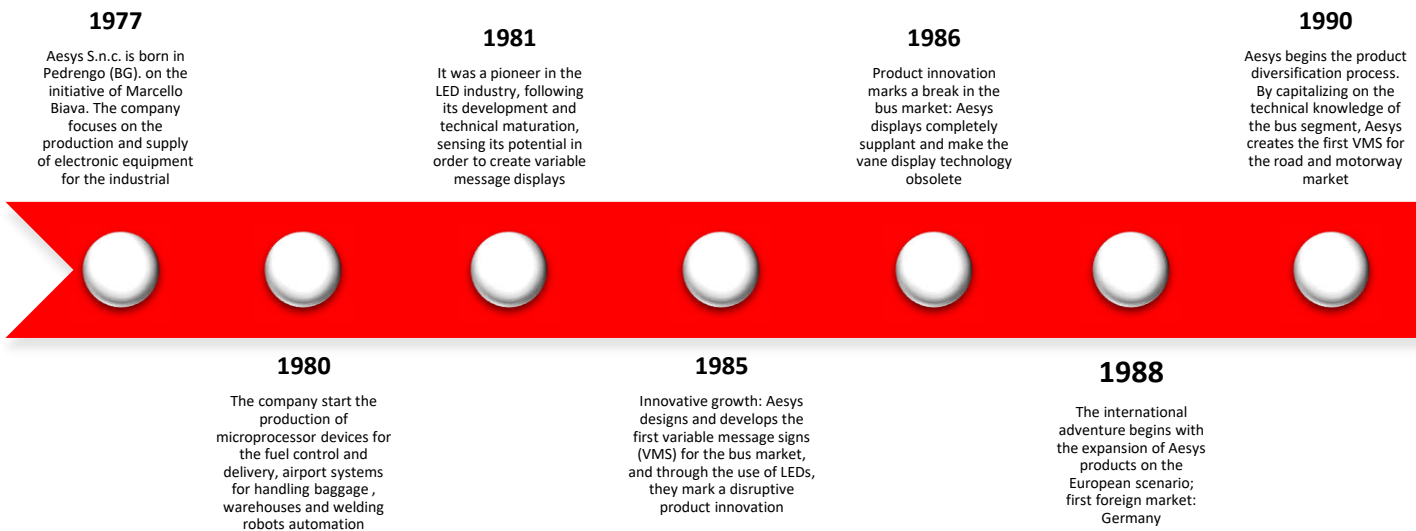
completely assembled in the electronic production plant, where the most modern machines for placing THT and SMT components are used. The mechanical structures of the panels take place in the mechanical workshop where steel, iron and aluminium are processed using robotic cutting and bending machines. 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:



1995

Competitive affirmation in the two market sectors covered both in Italy and abroad: the Aesys brand has now acquired international recognition, both for innovation and for product quality

2002

Aesys S.r.l. becomes Aesys S.p.A., increasing its share capital to Euro 1 million

Increase in production capacity with an increase in employment and the introduction of machinery and systems equipped with a high level of innovation and technology

2004

Establishment of the Aesys Iberica S.L. (Spain)

Expansion of production capacity, in particular the electronic one, with the purchase of automation systems in the handling of electronic circuits and new machines for the production

2012

Share capital increase to Euro 5 million

2001

Important investments aimed to expand production areas for services (including R&D): creation of two industrial complexes in Seriate (BG) for production, offices and processing

2003

Establishment of branches: Aesys Inc. (U.S.A.), Aesys Inc. (Canada), Aesys GmbH (Germany) and Aesys L.T.D.A. (Brazil, transformed into E.I.RE.Li. in 2017) controlled by the Italian parent company with the aim of penetrating their respective markets

2010

Establishment of the branch Aesys TEC. LTD (India), with the aim of attempting to penetrate Asian markets characterized by high growth rates and very high volumes

Extension of the available square meters with the acquisition of an additional shed

2015

In order to establish the partnership with the French distributor that oversees that market, Aesys acquires a stake in Seipra

2019

is the year of records: higher turnover, higher profit, higher number of employees ever recorded in Aesys history

2022

confirms the premises of previous years and gives substance to the planning of important projects also aimed at the continued pursuit and development of our sustainability

2017

In conjunction with the celebration of the Company's 40th anniversary, the overcoming of the occupational parameters decrees the entry of Aesys into the group of large companies

2021

fulfills all the conditions for the following years to break the 2019 records

2023

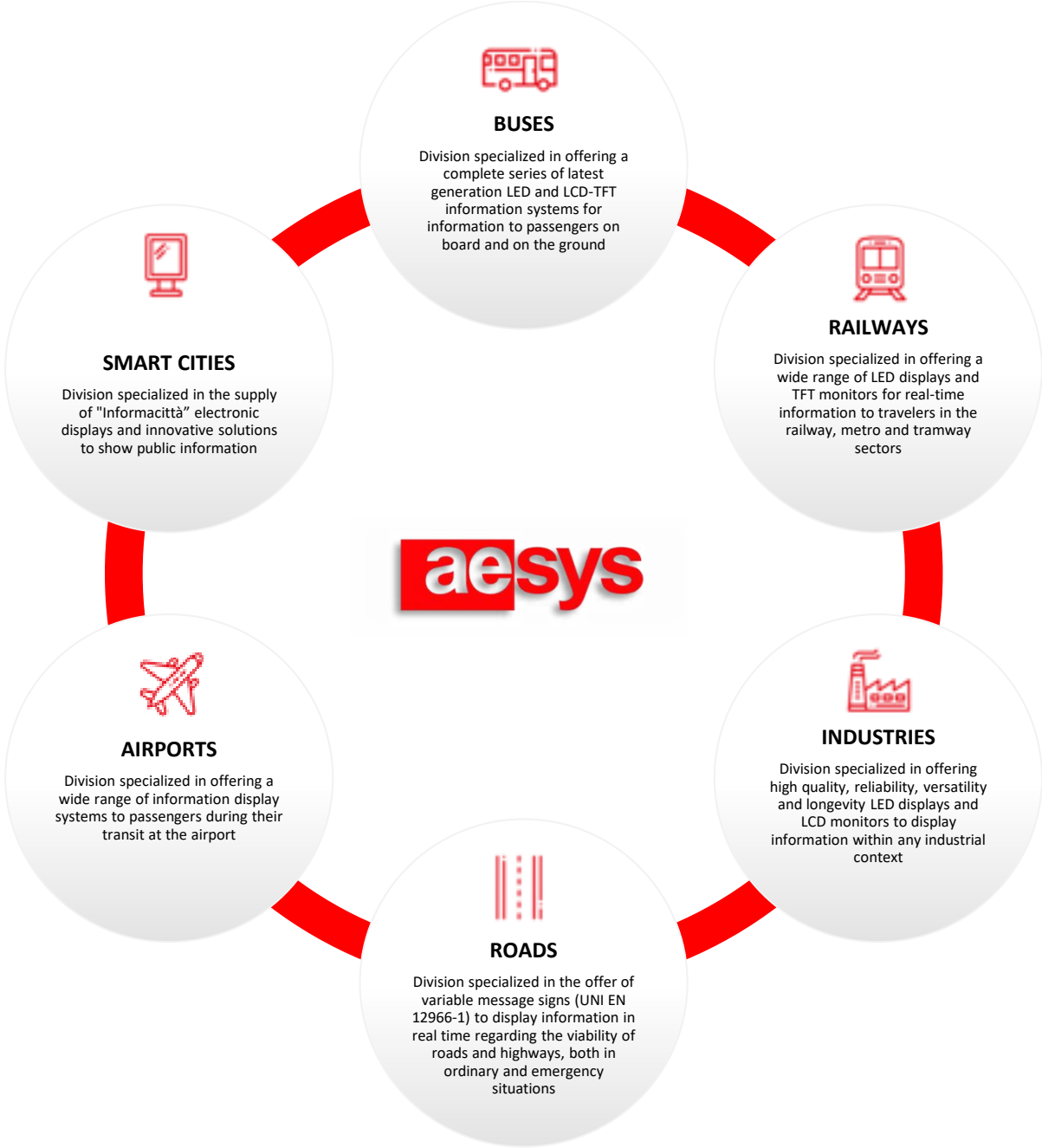
For the first time in the company's history the book to bill ratio stands at 1.5

OUR BUSINESS SECTORS

GRI 2-6

“Millions of people, hundreds of cultures and a single need: clear information in real time”

Aesys information systems help millions of passengers, travelers and citizens who need real-time information every day in these areas:



OUR MARKETS

GRI 2-6

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:



BUSES

- 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



RAILWAYS

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



ROADS

- 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



INDUSTRIES

- 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



AIRPORTS

- Arrival/departure boards and transit visualisation displays
- Transit visualisation display



SMART CITIES

- Electronic alphanumeric display boards
- Electronic graphic display boards

OUR PRODUCTS IN THE WORLD

GRI 2-1, 2-6

“A global vision for a succesful 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:



¹ For 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 2-6

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) | 2023 | | 2022 | | 2021 | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | Revenues | % | Revenues | % | Revenues | % |
| Italy | 25,4 | 48% | 22,2 | 52% | 17,6 | 47% |
| European Union | 20 | 38% | 16,1 | 38% | 16,9 | 45% |
| Rest of the world | 7,5 | 14% | 4,2 | 10% | 3 | 8% |
| Total Revenues | 52,9 | 100% | 42,5 | 100% | 37,5 | 100% |



OUR STAKEHOLDERS: MATERIALITY AND SDGs

GRI 2-29

THE STAKEHOLDER ROLE

In the new GRIs published in January 2024, the term Stakeholder is defined as the individual or group "*who has an interest on whom the company's activities have or could have an impact.*"

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 2-29

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 | <ul style="list-style-type: none"> • 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 |
| Workers' Safety Representatives | <ul style="list-style-type: none"> • Periodic meetings with company management • Periodic meetings with the RSPP (Responsible for the Prevention and Protection Service) • Inspection report of the work environments • Dedicated email account |
| Customers | <ul style="list-style-type: none"> • Institutional website • Social network • Events and trade fairs • Telephone / e-mail contacts • Business meetings and company visits • Evaluation tools and questionnaires² |
| Suppliers | <ul style="list-style-type: none"> • Institutional website • Telephone / e-mail contacts • Business meetings and audit visits • Dedicated portals and platforms |
| Public institutions and the banking system | <ul style="list-style-type: none"> • Financial reports • Information on request • Meetings, sending and exchange of communications for specific obligations or requests |
| Universities and research centres | <ul style="list-style-type: none"> • Institutional website • Conferences and seminars • Scientific communities • Social network • Telephone/e-mail contacts/meetings |
| Local communities | <ul style="list-style-type: none"> • Institutional website • Social network • Meetings with local community representatives |
| Shareholders | <ul style="list-style-type: none"> • Institutional website • Shareholders' meeting • Financial results presentation • Financial reports / budgets |
| Business partner | <ul style="list-style-type: none"> • Institutional website • Social network • Telephone/e-mail contacts • Business meetings and company visits |
| Associations | <ul style="list-style-type: none"> • Institutional website • Telephone/e-mail contacts and meetings • Active participation in events and committees |

² Questionnaires and surveys that customers submitted to Aesys

MATERIALITY ANALYSIS

GRI 3-1, 3-2

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.

With the revision and subsequent publication of the Universal GRI Standards (application from January 1 of the year 2023), adherence to international principles of responsible governance and respect for human rights made even more cross-cutting within all GRIs has been emphasized and improved.

Aesys has adopted a materiality approach that includes due diligence and emphasizes the impact and influence of its actions. This helps them identify the most significant positive or negative, real or potential impacts on the economy, the environment, people, and their human rights.

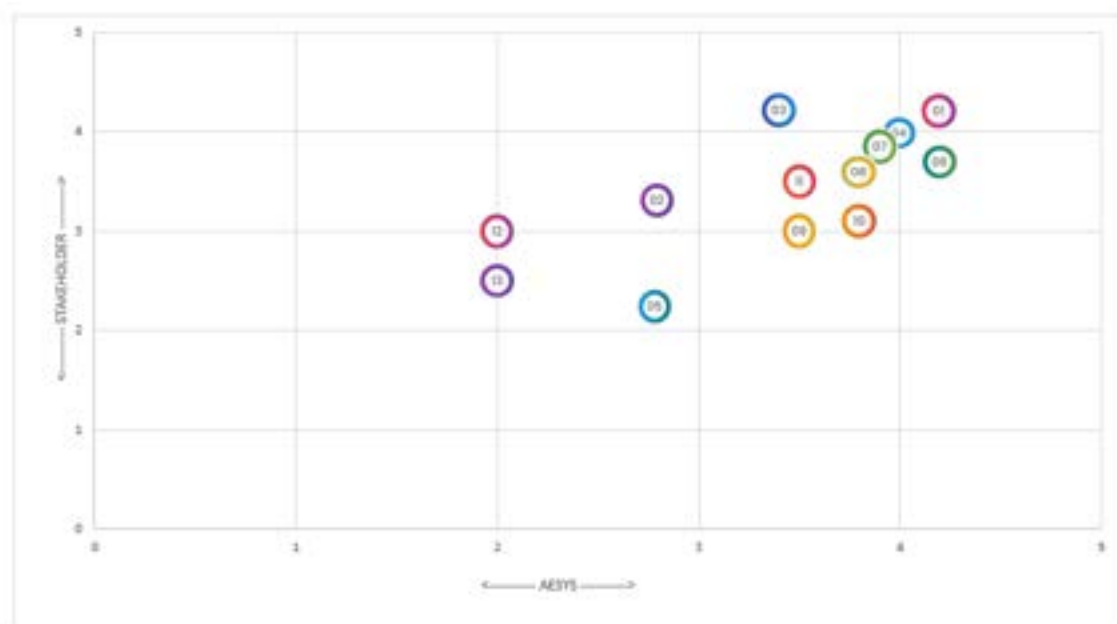
Compared to last year, Aesys has integrated the approach to materiality by including the concept of due diligence and reinforcing that of impact/influence in order to determine its material themes in relation precisely to the most significant impact (positive/negative, actual/potential) on the economy, the environment people and their human rights.

Aesys has therefore initiated the process of determining its material themes based on the identification and analysis of its economic, social and environmental impacts (positive/negative, real/potential), an activity carried out with the direct involvement of Aesys Top Management and the active engagement of the identified stakeholders. The results of this analysis are made explicit within this report in the incipit of each chapter.

The context analysis led to the identification of Aesys's material issues, weighted on the basis of their relevance: each issue was assigned an index of importance according to both Aesys's and the stakeholders' perspectives. Specifically, in order to assess and identify the relevance of material issues to stakeholders, detailed analyses were conducted on questionnaires and surveys that client companies submitted to the organization to infer their expectations jointly with an in-depth study of recurring engagement activities carried out with different categories of stakeholders. The end result is the materiality matrix below and the indexed list of Aesys material issue.

MATERIALITY MATRIX

GRI 3-2 102-47



- 01 Business ethics - corporate values - compliance
- 02 Anti-corruption
- 03 Product safety and quality
- 04 Innovation, R&D and business model
- 05 Brand identity and reputation
- 06 Data security and privacy
- 07 Customer satisfaction
- 08 Diversity and inclusiveness
- 09 Working conditions, health and safety
- 10 Enhancement, involvement and development of its people
- 11 Sustainable supply chain
- 12 Environmental impact and natural resource management (waste etc.)
- 13 Energy, consumption and response to climate change

The 2023 materiality analysis identified 13 material themes, which were also identified last year;

[TM1] Business ethics, corporate values, compliance and [TM2] 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.

[TM3] 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).

[TM4] Innovation, research & development and business model, [TM5] brand identity and reputation, [TM6] 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.

[TM7] 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.

[TM8] 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.

[TM9] Working conditions, health and safety [TM10] Enhancement, engagement, and development of its people

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.

[TM11] 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

[TM12] Environmental impact, management of natural resources, [TM13] 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. Elements that equally contribute to a concrete safeguard and protection of the environment are the high reliability of the Aesys product that allows for the always ready availability of information to travelers, their contribution to Road Safety and road traffic optimization.


ROADMAP SDGs


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 – *Halve the global number of deaths and injuries from road accidents.* Thanks to the information systems designed and marketed, Aesys contributes directly and indirectly to improving road safety through products whose concept, by design and constant innovation, is characterized by reliability and readability, as well as by encouraging counterparts to identify new needs in response to technological developments that 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 women.** 5.5 - Ensure for women full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. Aesys is committed to ensuring equal opportunities without any form of discrimination both in the phases of personnel selection and in the internal promotion process; this principle is established within the company's Code of Ethics and in all documents that emanate from it.

 **Reduce inequality.** 10.2 - Strengthen and promote the social, economic, and political inclusion of all, regardless of age, gender, disability, race, ethnicity, country of origin, religion, and economic status. 10.4 - Adopt fiscal, wage, and social protection policies to progressively achieve greater equality. Aesys is committed to equal opportunity without discrimination of any kind both in the human resources selection stages and in the internal promotion process; this principle is stated within the company's Code of Ethics and in all documents emanating 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, so it has in its DNA a propensity for investing in research and development activities, consequently fueling technical and technological progress within its field of operation. Aesys takes care of its employees from the moment of induction and considers it of great importance to create a work environment that allows their professional and personal growth, supporting their ambition for growth, identifying areas for improvement and strengths through a periodic evaluation process of their performance and skills. Aesys also recognizes and supports the positive value of diversity and is continuously committed to combating any form of discrimination based on gender, ethnicity, minority status, social origin, marital status, family status, and any other personal condition, in all employment relationships. All employees have equal opportunities for access to work and programs regardless of personal characteristics, including performance aspects, skills, and qualifications.



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

| Material theme | Impact | | | | |
|---------------------------|---|------------------------------|---|------------------------------|-----------|
| | Level | Impact | Description | Type | Perimeter |
| Business Ethics [TM1] |  | Ethical business management | Development of fair, transparent, and constructive relationships with stakeholders, with direct effects on continuous improvements in ESG performance | <u>Positive</u> Potential | Aesys |
| |  | Anti-competitive practices | Anti-competitive behavior and monopolistic practices with negative impacts on the economy and markets | <u>Negative</u> Potential | Aesys |
| Corporate values [TM1] |  | Approach to work | Defining the highest corporate values to ensure compliance with the defined codes of ethics and behavior | <u>Positive</u> Effective | Aesys |
| Compliance [TM1] |  | Environmental non-compliance | Non-compliance with applicable laws, regulations, internal and external standards with associated negative environmental impacts | <u>Negative</u> Potential | Aesys |
| |  | Social non-compliance | Non-compliance with applicable laws, regulations, internal and external standards with related negative social impacts | <u>Negative</u> Potential | Aesys |
| Anticorruption [TM2] |  | Anti-corruption practices | Commitment to combating corruption and preventing the risk of malpractice at any level and in any geographic area | <u>Positive</u> Potential | Aesys |

 Low
  Medium
  High

OUR COMPANY SCOPE

GRI 2-1, 2-6

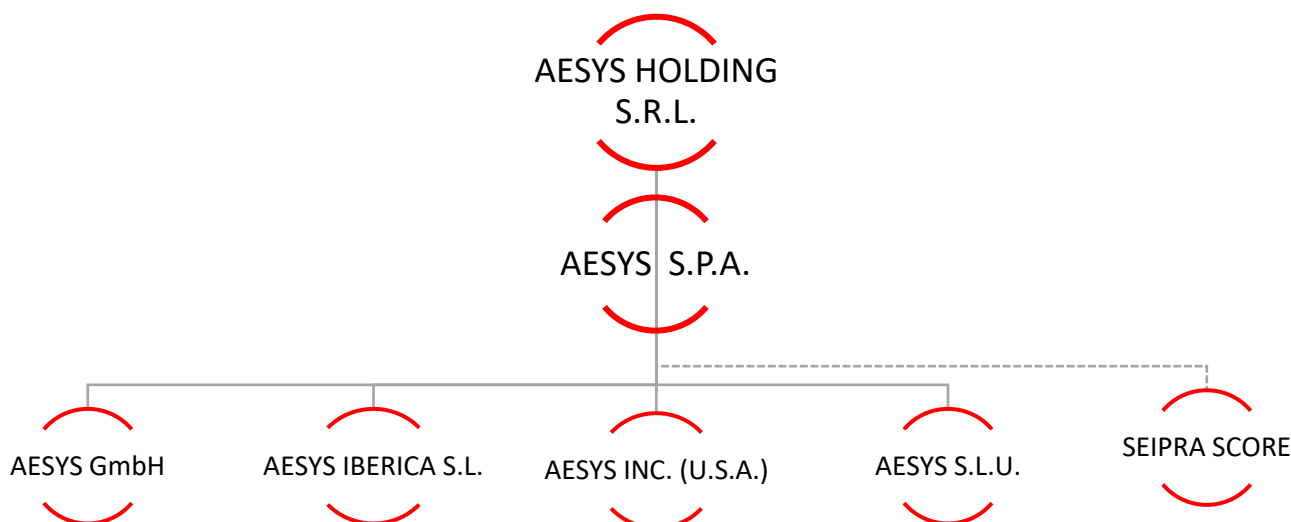


Figure 1 – Group corporate organization chart

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.

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 S.L.U. 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). Aesys initiated its closing process.

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 2-1, 2-9, 2-10, 2-11, 2-12, 2-17, 2-19

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 | NAME | GENDER | YEAR OF BIRTH | EXECUTIVE/NON-EXECUTIVE | Indep. CODE | Indep. TUF | Last charge renewal |
|---------------|-------------|--------|---------------|-------------------------|-------------|------------|---------------------|
| Sole Director | Marco Biava | M | 1983 | Executive | Not Indep. | Not Indep. | 29/06/2022 |

The Sole Administrator is vested with the broadest powers for the day-to-day and extraordinary management of the company and defines strategies consistent with the pursuit of "sustainable success" in order to create long-term value for stakeholders.

With the aim of integrating sustainability into daily operations, the Administrator defines ESG sustainability factors to be taken into account in strategy setting, risk management, and remuneration policy³. He is also oriented toward an ever continuous increase in his knowledge of "sustainable development" issues.

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

| QUALIFICATION | NAME | GENDER | YEAR OF BIRTH | EXECUTIVE/NON-EXECUTIVE | Indep. CODE | Indep. TUF | Last charge renewal |
|-----------------------------------|-------------------|--------|---------------|-------------------------|-------------|------------|---------------------|
| Chairman Of The Board Of Auditors | Maurizio Civardi | M | 1959 | Non Executive | Indep. | Indep. | 20/07/2023 |
| Acting auditor | Antonio Rosina | M | 1962 | Non Executive | Indep. | Indep. | 20/07/2023 |
| Acting auditor | Giovanni Traverso | M | 1952 | Non Executive | Indep. | Indep. | 20/07/2023 |

³ Aesys plans to continue with the implementation of ESG initiatives on a path of continuous improvement: to the definition of ESG objectives, policies may be linked to the management of the variable part of the People called upon to act in this sense.

The Supervisory Body is composed as follows:

| QUALIFICATION | NAME | GENDER | YEAR OF BIRTH | EXECUTIVE/NON-EXECUTIVE | Indep. CODE | Indep. TUF | IN CHARGE FROM |
|---------------|---------------------------|--------|---------------|-------------------------|-------------|------------|----------------|
| SB | Niccolò Bertolini Clerici | M | 1975 | Non Executive | Indep. | Indep. | 21/12/2021 |

The statutory auditing of the accounts has been entrusted to BDO S.p.A. for the three-year period 2022-2024.

For all the above-mentioned positions, the decision-making process leading to their appointment took into consideration personal and professional requirements that screened the candidates' reputation, morality, absence of criminal record, curriculum vitae, and adherence to corporate values and behavior; these requirements were subject to judgment by the respective corporate bodies in charge of the appointment, i.e., the Shareholders' Meeting for the position of sole director, for the board of auditors and for the auditing company, and the sole director with regard to the position of odv.

OUR COMMITTEES

GRI 2-9, 2-13, 2-14, 2-18

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.

Composition of the Audit and Risk Committee: General Manager (COO) and first-line managers.

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. He is also responsible for assessing the sustainability report to illustrate Aesys' business model, strategies, impact of activities, and performance. It also has an executive role, in which case it can make use of focused work teams (e.g., the one for "corporate welfare").

Composition of the Sustainability and Innovation Committee: General Manager (COO), HR Director, Administration Manager and Integrated Management System Manager.

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.

Composition of the Information Security Committee: IT Systems Manager, Integrated Management System Manager and a technical contact for Product Cyber Security.

WELLNESS & EVENTS COMMITTEE

The Wellness & Events Committee was established by the sustainability and innovation committee with the aim of enhancing the well-being of our colleagues within the corporate environment, aiming for a better balance between work and personal life.

Composition of the Wellness & Events Team: Management, HR, Marketing

ETHICS AND INTEGRITY

GRI 2-15, 2-16, 2-26, 205-3

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”)⁴.

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 percentage of employees who underwent training related to the Aesys code of ethics in the year 2023 was 100%.

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.

⁴ Aesys S.p.A. Code of Ethics and 231 Model (English and Italian versions) are available and downloadable on <http://www.aesys.com>

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; as of the date of this report, Aesys has integrated previous measures from past years by adopting an IT reporting channel on a dedicated platform. The management of reported notifications is the responsibility of the Head of the Crime Prevention Commission (a collegial body composed of the Legal Office Manager, HR Manager, and General Manager).

Reports may refer to the perimeter of predicate offenses and risk areas defined in the model and to all those behaviors that may cause damage to the company's assets or reputation.

"During 2023, a Whistleblowing report was managed and closed within the timeframes prescribed by the regulations through the portal activated in July 2023 in accordance with the provisions of Legislative Decree 24/2023."

OUR ACTIVE COMMITMENT AGAINST CORRUPTION

GRI 2-23, 2-24, 2-25, 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 2023, 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.

There were no cases of corruption or reports to the SB in the reporting year.

OUR CODES OF CONDUCT⁵

GRI 2-15, 2-23, 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 respect for 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 fairness in the performance of work activities, and to enforce compliance with the principle of clarity and transparency, the absence of conflicts of interest, the traceability of activities and the archiving of related documentation. The Code applies to all employees, managers and the Administrative Body of Aesys and, more generally, to all those with whom Aesys comes into contact in the course of its activities. These subjects, in compliance with what is already regulated in the Code of Ethics and the Organisation, Management and Control Model of Aesys, Legislative Decree no. 231/2016, 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 accordance with applicable laws. The purpose of the Code is to set out in an articulate manner a systematic framework of the reference principles of regulatory tools and internal rules on anti-corruption to prevent potential corruption episodes 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

⁵ The codes of conduct are available and downloadable at <http://www.aesys.com>

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.

HR Policy: expresses Aesys's commitment to guaranteeing optimal working environments and professional growth while respecting human rights and valuing diversity. The policy defines the fundamental principles characterizing the People's management process, specifically in relation to sustainability, ethics and integrity, dignity and freedom, meritocracy, gender equality and inclusion, health and safety, confidentiality and privacy.

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 (via the Aesys corporate website and in its general terms and conditions of purchase).

OUR INTEGRATED APPROACH: QUALITY, ENVIRONMENT, SAFETY AND ETHICS

GRI 2-23, 2-24, 2-27, 419-1

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 with additional measures for the ISO27017:2015 + 27018:2019, UNI EN ISO 3834-2:2021, EN 15085-2:2007, UNI EN 1090-1:2009+A1:2011, DIN 6701

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 principles⁶:

- 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;

⁶ For more details, please refer to the institutional website www.aesys.com

- 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.

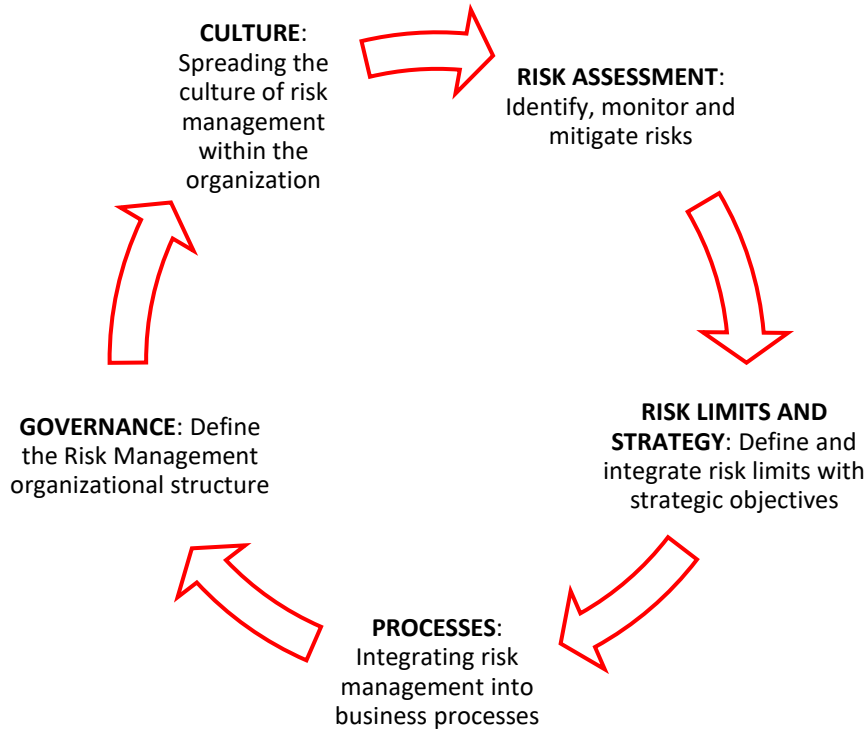
There were no significant cases of non-compliance with laws and regulations during 2023.

RISK MANAGEMENT MODEL

GRI 3-3

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

| Material theme | Level | Impact | | | |
|---|--------|--|--|--------------------|-----------------|
| | | Impact | Description | Type | Perimeter |
| Compliance [TM1] | High | Fiscal non-compliance | Non-compliance with applicable laws, regulations, internal and external standards with associated negative fiscal impacts | Negative Potential | Aesys |
| Responsible supply-chain management [TM11] | Medium | Violation of human rights along the supply chain | Violation of human rights along the value chain (e.g., Right to freedom of association and collective bargaining, child labor, forced or compulsory labor) | Negative Potential | Aesys Suppliers |
| | | Enhancement of local suppliers | Development of industrial relations and enhancement of local suppliers | Positive Potential | |

■ Low ■ Medium ■ High

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GRI 207-1

The Aesys share capital as at December 31, 2023 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 3-3, 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

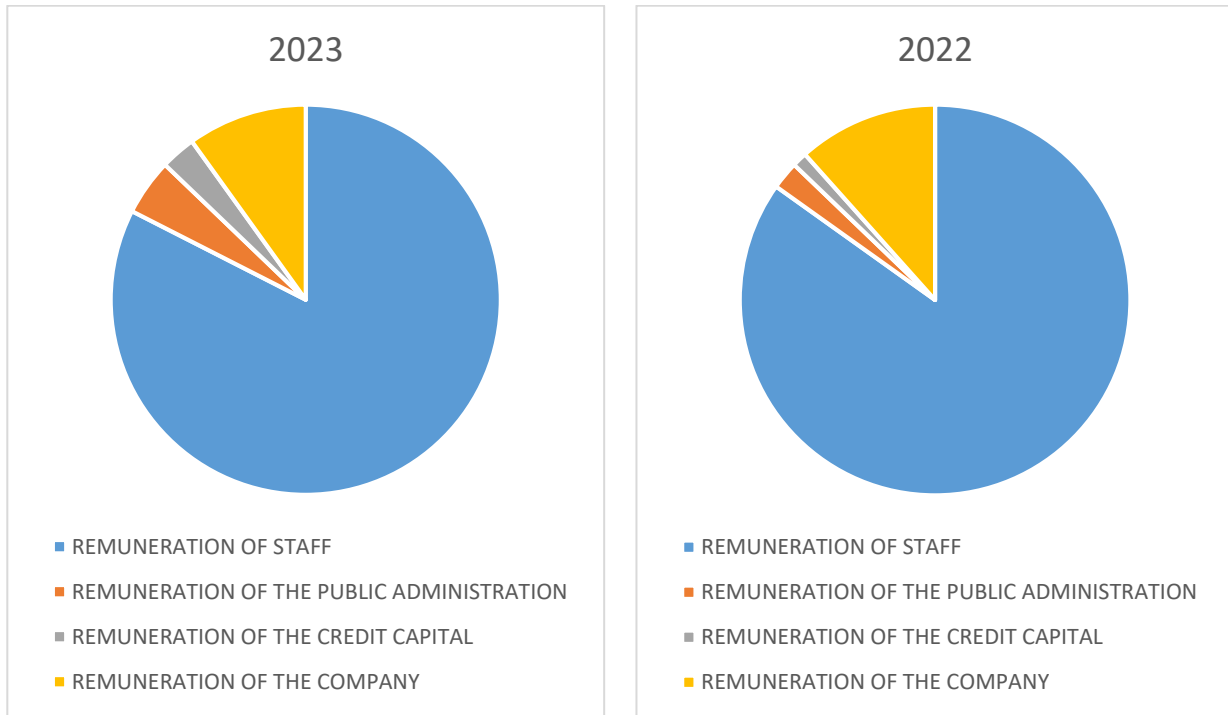
According to GBS Standard (2013)

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:

| | 2023 | 2022 |
|---|---------------|---------------|
| A) Value of production | | |
| 1. Ricavi delle vendite e delle prestazioni | 52.948 | 42.553 |
| 2. Change in work in progress | 812 | 955 |
| 3. Change in contract work in progress | 1.000 | 412 |
| 4. Other revenues and income | 1.274 | 310 |
| Revenues from typical production | 56.034 | 44.230 |
| 5. Revenues from atypical productions (economy productions) | 0 | 0 |
| B) Intermediate costs of production | | |
| 6. Consumption of raw materials, subsidiary materials and goods | -23.250 | -18.429 |
| 7. Costs of services | -6.685 | -5.964 |
| 8. Cost for use of third party assets | -1.277 | -850 |
| 9. Provisions for risks | -591 | -51 |
| 10. Other provisions | -145 | -481 |
| 11. Various management charges | -697 | -339 |
| C) Accessory and extraordinary components | | |
| 12. Accessory management balance | | |
| - Accessory revenues | 52 | 1.805 |
| - Additional costs | -324 | -482 |
| 13. Balance of extraordinary components | | |
| - Extraordinary revenues | 0 | 0 |
| - Extraordinary costs | 0 | 0 |
| GROSS GLOBAL ADDED VALUE | 23.117 | 19.439 |
| Depreciation of operations | -904 | -622 |
| NET GLOBAL ADDED VALUE | 22.213 | 18.817 |

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

| | 2023 | 2022 |
|---|---------------|---------------|
| REMUNERATION OF STAFF | 18.339 | 15.969 |
| REMUNERATION OF THE PUBLIC ADMINISTRATION | 1.038 | 434 |
| REMUNERATION OF THE CREDIT CAPITAL | 647 | 230 |
| REMUNERATION OF THE COMPANY | 2.205 | 2.183 |
| TOTAL ADDED VALUE DISTRIBUTED | 22.229 | 18.816 |



OUR SUPPLY CHAIN

GRI 2-6, 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

The numerical computations reported in this and subsequent paragraphs are based on the findings in the VAT books, the accounting for which may, for reasons of time lag in the entries and accrual, differ from the statutory figure:

| Product category | 2023 | | 2022 | |
|--------------------------------------|------------------|--|------------------|--|
| | 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 | 709 | 23,3 | 658 | 24,5 |
| 2) Services | 461 | 6,8 | 449 | 5,4 |
| 3) Use of third party assets | 36 | 1,2 | 14 | 1,1 |
| 4) Various management charges | 208 | 0,4 | 165 | 0,3 |
| TOTAL | 1414 | 31,7 | 1286 | 31,3 |

The breakdown of these amounts broken down by "suppliers" and "local suppliers" is shown below. As explained more explicitly below, Aesys prefers to purchase from local suppliers, which account for both 2023 and 2022 about 80 percent of spending measured in economic value.

DISTRIBUTION OF OUR SUPPLIERS BY GEOGRAPHICAL AREA

SUPPLIERS

| Geographic Area | 2023 | | 2022 | |
|----------------------|------------------|-------------------------------------|------------------|-------------------------------------|
| | No. of Suppliers | Value of annual expenditure (in K€) | No. of Suppliers | Value of annual expenditure (in K€) |
| Europae | 135 | 3.747 | 119 | 3.962 |
| Asia | 19 | 629 | 26 | 2.152 |
| Africa | 56 | 541 | 49 | 841 |
| North America | 16 | 363 | 20 | 242 |
| South America | 6 | 525 | 6 | 130 |
| Oceania | 3 | 17 | 5 | 31 |
| TOTAL | 235 | 5.822 | 225 | 7.358 |

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 | 2023 | | | 2022 | | |
|---|------------------|-------------------------------------|---------------|------------------|-------------------------------------|---------------|
| | No. of suppliers | Total annual expenditure value (K€) | % di spending | No. of suppliers | Total annual expenditure value (K€) | % di spending |
| Purchases from local suppliers (Bergamo) | 231 | 5.761 | 21% | 218 | 4.586 | 16% |
| Purchases from local suppliers (Lombardy) | 333 | 7.577 | 27% | 301 | 13.602 | 48% |
| Purchases from other suppliers (Italy) | 326 | 14.692 | 52% | 281 | 9.954 | 35% |
| Total | 890 | 28.030 | 100% | 800 | 28.142 | 100% |

THE MANAGEMENT OF MINERALS FROM CONFLICT ZONES

GRI 3-3, 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.

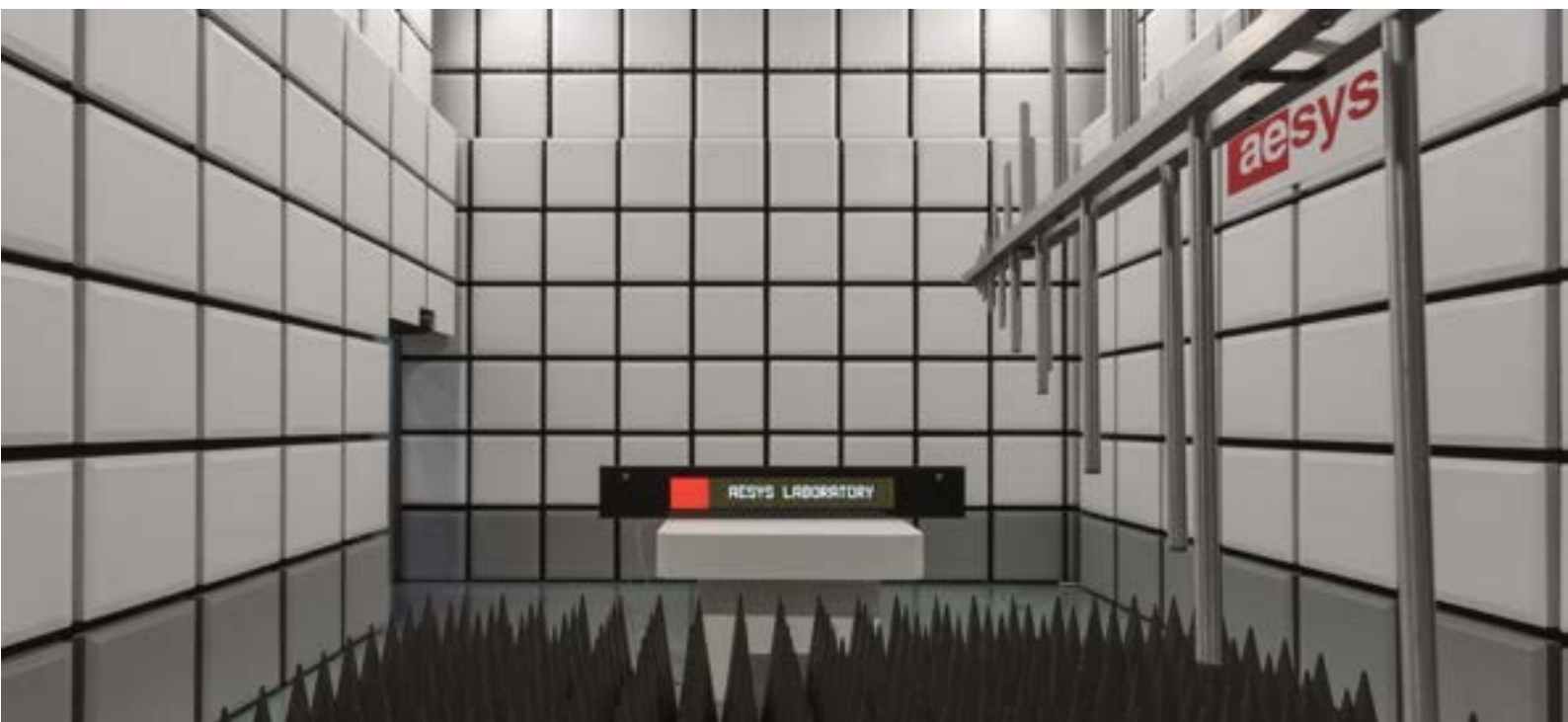
In order to prevent and stem the problem by discouraging the use of minerals from those areas, the international community has intervened with specific regulations. In this regard, it is necessary to refer to 2017/821 EU Regulation, published on May 17, 2017, and section 1502 of the Dodd-Frank Wall Street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




- a. Periodically assess whether there are any negative effects in the frame of Conflict Minerals in its supply chain;
- b. Educate your collaborators in relation to the importance of fulfilling the requirements relating to the management of Conflict Minerals;
- c. Do not intentionally procure "Conflict minerals" without the "Conflict Free" certification;
- d. 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".
- e. 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 during 2023 led Aesys to monitor the purchasing process of tin alloys used in its production process, with the identification of three potentially exposed suppliers: all suppliers have shown documented evidence of full compliance with international regulations.



OUR METHOD IS OUR IDENTITY

| Material theme | Impact | | | | |
|---|--------|--|---|---------------------------|---------------------------------|
| | Level | Impact | Description | Typology | Perimeter |
| Data Security and Privacy [TM3] | ■ | Loss of data of customers/collaborators/Suppliers | Vulnerability of the privacy-related data management system of Aesys customers, suppliers, and staff, impacting the confidentiality, integrity, and availability of information | <u>Negative Potential</u> | Customers/Suppliers/Aesys staff |
| | | Loss of business know-how | Vulnerability of information management system related to business and corporate know-how with impact on its confidentiality, integrity and availability | <u>Negative Potential</u> | Aesys |
| | | Product Vulnerability | Offering products vulnerable to cyber attacks | <u>Negative Potential</u> | Customers |
| Innovation, research & development and business model [TM4] | ■ | Offer innovative and increasingly sustainable products | From the product concept and design stage, apply, as far as possible, principles aimed at reducing environmental impacts throughout the product life cycle | <u>Positive Effettivo</u> | Customers |
| | | High capacity for product customization | The design carried out completely in-house and the ability to customize its products are a concrete competitive advantage guaranteeing the company's solidity | <u>Positive Effettivo</u> | Customers |

| | | | | | |
|--|---|---|---|------------------------------|--------------------|
| Brand identity and reputation [TM5] |  | Active engagement and concrete investment of resources in ESG issues | Customer orientation, attention to needs, continuous process improvement, adoption of best operating practices and continuous technical and technological innovation constitute concrete strengthening of Aesys reputation and affirmation of its brand | <u>Positive</u> Effective | Aesys |
| Product safety and quality [TM6] |  | Safety of installers, maintainers and users of the Aesys product | Presence, in the product, of sources of hazards that may generate risk of accidental events at different stages of the product life cycle | <u>Negative</u> Potential | Customers Aesys |
| | | Dissatisfaction of stakeholders at all stages of the product life cycle | Failure to meet the product specifications contracted with the customer | <u>Negative</u> Potential | |
| Customer satisfaction [TM7] |  | Review of requirements expressed by the customer | Inadequate interpretation of market signals, especially in terms of satisfaction and interpretation of customer needs | <u>Positive</u> Effective | Customers |
| | | Management of problems in the field (customer complaints) | Supply of products that are non-compliant from both safety and functionality perspectives | <u>Negative</u> Effective | Customers |

■ Low ■ Medium ■ High

INNOVATION, RESEARCH AND DEVELOPMENT AND BUSINESS MODEL

GRI 3-3

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 2023 was composed by 64 people, with an investment of € 3.892K, equal to 7% 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 3-3, 416-1, 416-2, 417-1, 417-2

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.

It should be noted that no incidents of non-compliance occurred during the reporting period of this report:

- to regulations and/or self-regulatory codes
- regarding information and labeling of products and services

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.

All internal and external (outsourced) special processes undergo timely qualification and monitoring in accordance with applicable standards or technical-quality specifications issued by Aesys.

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 2-25, 3-3

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.

Aesys's strong customer focus prompts the Company to monitor the trend of complaints received over time; in the year 2023, the number of customer complaints notified was 34, compared to 48 received in the previous 2022. Aesys has set a concrete goal to reduce this number annually over time, in a process of continuous improvement.

DATA SECURITY AND CYBERSECURITY

GRI 3-3, 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).

Aesys felt the need in this regard to achieve UNI ISO/IEC 27001:2013 certification with the additional measures required by ISO/IEC 27017:2015 and ISO/IEC 27018:2019, in relation to cloud service delivery.

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 3-3

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.



OUR PEOPLE

| Material theme | Impact | | | | |
|--|--------|---|---|------------------------------|-------------|
| | Level | Impact | Description | Typology | Perimeter |
| Data Security and Privacy [TM3] | ■ | Lack of security in the management of personal data | Vulnerability of privacy-related data management system impacting confidentiality, integrity, and availability | <u>Negative</u> Potential | Aesys staff |
| Diversity and inclusion [TM8] | ■ | Incidents of discrimination/abuse | Negative impacts on employee satisfaction and motivation due to discrimination (e.g., related to gender, age, ethnicity, etc.) or other non-inclusive practices | <u>Negative</u> Potential | Aesys staff |
| Working conditions, health and safety [TM9] | ■ | Occupational injury | Accidents or other incidents in the workplace that adversely affect the health of direct employees or contractors | <u>Negative</u> Potential | Aesys staff |
| Employee well-being and employee engagement [TM10] | ■ | Contribution to employees' work-life balance | Implementation of initiatives to ensure work-life balance by enabling greater employee well-being | <u>Positive</u> Potential | Aesys staff |

■ Low ■ Medium ■ High

THE ENHANCEMENT OF HUMAN CAPITAL

GRI 2-7, 2-8, 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 2023, Aesys payroll staff numbered 319, up by 2% compared to 2022 (313). 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, 12 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 99,6% (98 by 2022) of its staff.

As of December 31, 2023, Aesys employed 77 external employees from staffing companies, a figure that was up from 2022 (56 people). As anticipated, 2023 saw a significant restart of production volumes, objectively shown by the growth in turnover, so Aesys reacted adaptively to the increase in production orders by raising the workforce capable of fulfilling them. The decision to employ external employees was dictated by the need for flexibility with which Aesys historically faces moments of growth.

In addition, with the objective of growing new talents, 45 trainees were employed in internships and school projects as of December 31, 2021.

With respect to the professional categories, 54% (55% in 2022) 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 33% (35% in 2022) of the workforce; 7% (4% in 2022) is represented by apprentices and the remaining 6% (6% in 2022) by managers, middle managers and executives.

DISTRIBUTION OF EMPLOYEES AND TEMPORARY STAFF BY PROFESSIONAL CATEGORY AND GENDER

GRI 405-1

| | As of December, 31 2023 | | | As of December, 31 2022 | | |
|-----------------------|-------------------------|-----------|------------|-------------------------|-----------|------------|
| | Men | Women | Total | Men | Women | Total |
| Managers | 25 | 0 | 25 | 24 | 0 | 24 |
| Office workers | 97 | 32 | 129 | 98 | 31 | 129 |
| Labourers | 170 | 45 | 215 | 167 | 35 | 202 |
| Apprentices | 23 | 4 | 27 | 12 | 2 | 14 |
| TOTALE | 315 | 81 | 396 | 301 | 68 | 369 |

NEW ENTRIES AND ENTRY RATE

GRI 401-1

Regarding turnover within the Company, during 2023 and with mere reference to direct-payroll staff, 39 new employees (43 in 2021) joined the team, representing 12% of the workforce.

NEW ENTRIES AND ENTRY RATE

| | 2023 | | | | |
|--------------|-----------|----------|----------|-------------|-------------|
| | <30 | 30-50 | >50 | Total | Rate |
| Men | 27 | 6 | 2 | 35 | 11 % |
| Women | 4 | 0 | 0 | 4 | 1 % |
| Total | 31 | 6 | 2 | 39 | 11 % |
| Rate | 10 % | 2 % | 0,6% | 12 % | |

USCIEXPENSES AND TURNOVER RATE

GRI 401-1, 402-1

During 2023, 34 people left the company, compared to 34 in 2022.

Exit turnover, or the ratio of the number of exits to total employees as of Dec. 31, was around 11,5% (1% - 2022).

EXPENSES AND TURNOVER RATE

| | 2023 | | | | |
|--------------|----------|-----------|----------|---------------|---------------|
| | <30 | 30-50 | >50 | Total | Rate |
| Men | 7 | 18 | 7 | 32 | 10 % |
| Women | 0 | 3 | 1 | 4 | 1 % |
| Total | 7 | 21 | 8 | 36 | 11,5 % |
| Rate | 2 % | 7 % | 2,5% % | 11,5 % | |

Aesys during 2023 has not implemented plans to reduce its collective workforce; turnover, although up from last year, is considered physiological when framed in the historical post-pandemic context and in relation to the overall labor market trends of 2022.

Aesys fully implements the regulatory and collective agreement provisions applied, whereby, in detail, it respects and demands that minimum notice periods be fully complied, in order to respect people's needs for individual freedom while balancing them with organizational needs.

GENERAL INFORMATION ABOUT EMPLOYEES

GRI 2-7, 2-8

Number of employees divided by type of contract and gender

| Type of employment contract | As of December 31, 2023 | | | As of December 31, 2022 | | |
|-----------------------------|-------------------------|-----------|------------|-------------------------|-----------|------------|
| | Men | Women | Total | Total | Women | Total |
| Permanent contract | 230 | 61 | 291 | 236 | 61 | 297 |
| Temporary contract | 1 | 0 | 1 | 4 | 2 | 6 |
| Apprenticeship | 23 | 4 | 27 | 8 | 2 | 10 |
| Total | 254 | 65 | 319 | 248 | 65 | 313 |

Number of employees divided into part-time and full-time

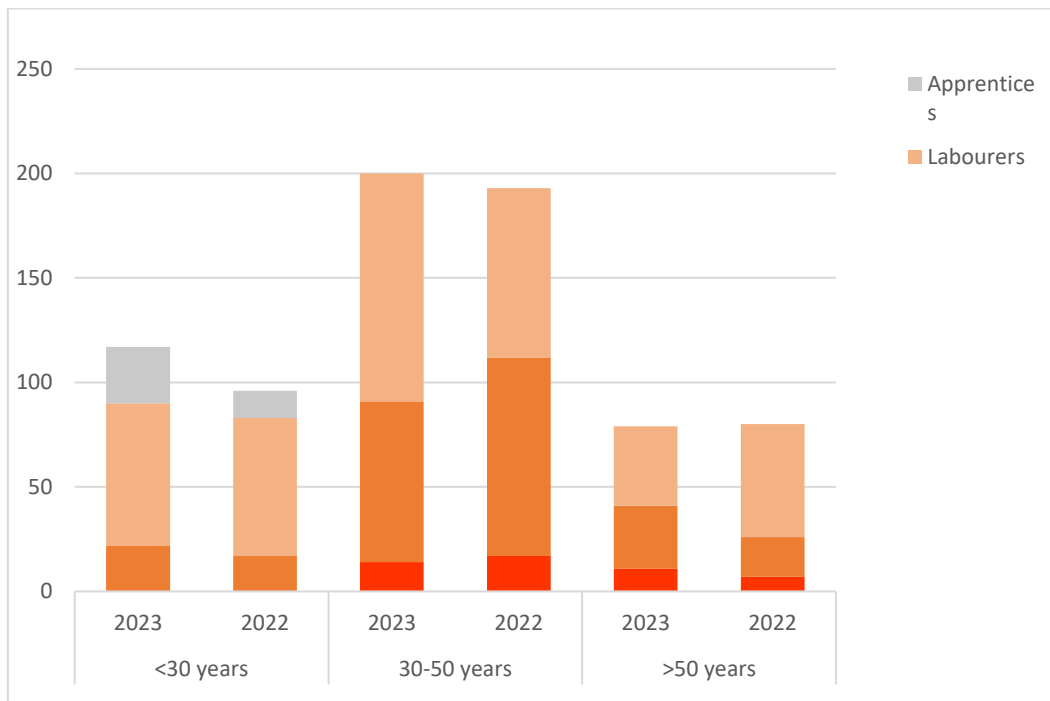
| Full-Time / Part-Time | As of December 31, 2023 | | | As of December 31, 2022 | | |
|-----------------------|-------------------------|-----------|------------|-------------------------|-----------|------------|
| | Men | Women | Total | Total | Women | Total |
| Full-Time | 250 | 51 | 301 | 245 | 48 | 293 |
| Part-Time | 4 | 14 | 18 | 3 | 17 | 20 |
| Total | 254 | 65 | 319 | 248 | 65 | 313 |

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

DISTRIBUTION OF EMPLOYEES BY AGE

GRI 2-30, 202-2, 405-1

| | 2023 | | | | 2022 | | | |
|-----------------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|
| | <30 | 30-50 | >50 | Total | <30 | 30-50 | >50 | Total |
| Managers | / | 14 | 11 | 25 | / | 17 | 7 | 24 |
| Office workers | 22 | 77 | 30 | 129 | 17 | 95 | 19 | 131 |
| Labourers | 68 | 109 | 38 | 215 | 66 | 81 | 54 | 201 |
| Apprenrices | 27 | / | / | 27 | 13 | / | / | 13 |
| Total | 117 | 200 | 79 | 396 | 96 | 193 | 80 | 369 |



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 2023, a Whistleblowing report was managed and closed within the timeframes prescribed by the regulations through the portal activated in July 2023 in accordance with the provisions of Legislative Decree 24/2023."

The commitment to foster diversity in the company is concretized in the female participation in the company (20% percentage of women employed in the entire organization), 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 21% (17% in 2022) of the workforce.

Regarding the distribution of employees by age group, Aesys' workforce is most concentrated between the ages of 30 and 50 (50% in 2023, 52% in 2022). The other brackets contain, respectively, 20% older than 50 (22% in 2022) and 30% younger than 30 (26% in 2022). Aesys believes in the innovative and creative capacity that the younger generation can bring, combined with the experience of people in the older age group.

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 2023, the training hours developed in Aesys were equal to 7.139 (4.578 in 2022), with a per capita average of about 22 hours, up from the year 2022.

The significant increase in training hours is attributable to: an increase in staff, the start of work shifts that required the training of operators and shift supervisors, training for skill adjustments not available on the market, new certifications, the structure of an onboarding and training process related to skills. Additionally, it is noted that the five-year expiration of the high-risk and low-risk training course (specific to workers) fell for most workers during the year 2023, representing 12% of the training hours carried out during the year.

AVERAGE HOURS OF TRAINING PER EMPLOYEE, DIVIDED BY GENDER AND PROFESSIONAL CATEGORY (2023)

GRI 404-1

| | Men | | Women | | Total | |
|-----------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | no. of hours | average hours | no. of hours | average hours | no. of hours | average hours |
| Managers | 457 | 18 | 0 | 0 | 457 | 18 |
| Office workers | 1842 | 19 | 549 | 17 | 2391 | 19 |
| Labourers | 2541 | 23 | 509 | 18 | 3050 | 22 |
| Apprentices | 115 | 48 | 126 | 32 | 1241 | 46 |
| Total | 5955 | 23 | 1184 | 18 | 7139 | 22 |

EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER ASSESSMENT (2023)

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 BENEFIT

GRI 2-19, 2-20, 2-21, 401-2

In order to attract, motivate and retain resources with the professional qualities and skills (both technical and managerial) needed to pursue the company's objectives, the Chief Executive Officer monitors and approves the procedure for determining remuneration that aims to assess the adequacy of attractiveness in the labor market, both in terms of retention, for the company's best resources, and 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 puts in place plans and initiatives aimed at improving the quality of working life for its employees. Specifically, Aesys aims to combine organizational and production needs with the demands for flexibility that come from employees. The first flexibility measure that Aesys had historically conceded was the introduction of part-time contracts, from which 18 people (5% of the company's population) benefited in 2023, an increase over the previous year. In addition, for all indirect functions not immediately linked to production departments, Aesys has for years adopted flexible hours in and out. Additionally, in the wake of what was positively experienced in the face of the pandemic event, Aesys has adopted home-office where possible. For this, Aesys has formalized individual agreements with each person involved. 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.

Ratio of total annual remuneration ⁷

| | As of December 31, 2023 |
|---|----------------------------|
| Ratio of the annual total pay of the person receiving the highest pay to the median annual total pay of all employees (excluding the above person) | 4,88 |

EMPLOYEES WELFARE

401-2

Aesys has structured a welfare plan aimed at improving the quality of professional, personal, and family life of workers and, in this way, contributing to the growth and improvement of competitiveness, productivity, efficiency, and corporate quality.

In addition to the solutions already provided in previous years, such as the possibility of performing work in agile mode (smartworking), flexible morning entry hours, and the granting of part-time hours in accordance with technical-organizational needs, Aesys has adopted other welfare solutions during 2023. These include the allocation, in light of the positive business performance, of a corporate welfare plan that provided each worker with the right to benefit from a “welfare credit” in the form of goods and services.

Below are other corporate welfare solutions implemented:

Metasalute: Following the renewal of the National Collective Labor Agreement (CCNL) for the Metalworking Industry, from October 1, 2017, all employees of AESYS SPA are automatically enrolled in the MetaSalute Supplementary Health Assistance Fund;

Welfare HUB: The company has equipped itself with a platform for the provision of welfare goods and services called “Welfare HUB”.

HEALTH AND SAFETY OF EMPLOYEES

GRI 3-3, 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.

⁷ Il rapporto fra l'aumento percentuale della retribuzione totale annuale della persona che riceve la massima retribuzione e l'aumento percentuale mediano della retribuzione totale annuale di tutti i dipendenti (esclusa la suddetta persona) non è disponibile per l'anno 2023.

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 | | Administered | |
|---|-------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Number of injuries | | | | |
| Fatal injuries | - | - | - | - |
| Accidents with serious consequences (excluding deaths) | - | - | - | - |
| Recordable injuries | 3 | 2 | 0 | 2 |
| Types of injury | 2023 | 2022 | 2023 | 2022 |
| Mechanical Injury | 2 | 1 | - | 2 |
| Manual material handling | 1 | 1 | - | - |
| Total days of absence | 2023 | 2022 | 2023 | 2022 |
| Number of days lost due to injury | 15 | 109 | - | 45 |
| Hours | 2023 | 2022 | 2023 | 2022 |
| Hours worked | 544.163 | 503.493 | 106.710 | 98.721 |
| Multiplier | 1.000.000 | 1.000.000 | 1.000.000 | 1.000.000 |
| Index | 2023 | 2022 | 2023 | 2022 |
| Mortality rate for accidents at work | - | - | - | - |
| Accidents rate with serious consequences (excluding deaths) | - | - | - | - |
| Index of recordable injuries | 5,51 | 3,97 | 0 | 20,26 |

During 2023, three workplace injuries were recorded, of which two related to employees and two related to temporary staff. The main types of workplace injuries are related to the use of work equipment and material handling.

The employee injury rate, which has increased compared to 2022, remains within more than acceptable levels and is determined by non-serious events (15 days of total absence in 2023 compared to 109 days in 2022). It should also be noted that, during 2023, there was an increase in employee working hours (+8% compared to 2022).

IMPROVEMENTS IMPLEMENTED AND PLANNED

The year 2023 saw the implementation of a series of improvements impacting the health and safety conditions of its collaborators. Specifically, the following were installed and made operational in the mechanical production department:

- A combined punch-laser machine that, based on laser cutting technology, allows a significant reduction in environmental noise and a decrease in manual load handling operations, thanks to the provision of automatic material loading and unloading stations.
- A semi-automatic paneling machine that allows sheet metal bending with high standards of precision and efficiency. The machine, equipped with automatic tool change, minimizes operator interaction, thus reducing the risk of injury from impact with moving parts of the machine, unlike traditional press brakes.

In the electronic production department, the following was set up:

- A silicone coating (tropicalization) system for electronic boards, characterized by a closed-cycle deposition and drying process that has eliminated airborne particles in the work environment.

Below is a series of activities planned for 2024 that will help reduce the dangers characteristic of certain specific work environments and make them more comfortable:

- Installation of a filtering system for the aluminum work center. The CNC work center filtering system will be implemented to completely eliminate the oily mists produced.
- Periodic (annual) inspection of all warehouse shelving carried out by an external company. The periodic inspection of the shelving will be assigned to a qualified external company to ensure constant compliance with the latest regulatory provisions.
- Replacement of the extraction system for the acrylic tropicalization lines of the electronic boards with a new one of greater capacity.



OUR COMMITMENT TO THE ENVIRONMENT

| Material theme | Impact | | | | |
|--|--------|---|--|--------------------|-----------|
| | Level | Impact | Description | Typology | Perimeter |
| Environmental impact, natural resource management, consumption, and response to climate change [TM12 + TM13] | ■ | Generation of climate-changing emissions | Negative environmental impacts in terms of climate-altering emissions produced through the consumption of nonrenewable energy (nonrenewable fuels and electricity) | Negative Effettive | Aesys |
| | | Generation of waste in the production process | Environmental impacts related to the generation of hazardous and nonhazardous waste at the production stage (e.g., transportation, packaging, post-consumer) | Negative Effettive | Aesys |

■ Low ■ Medium ■ High

THE MANAGEMENT OF NATURAL RESOURCES IN INDUSTRIAL PROCESSES

GRI 3-3

“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

In 2023, there has been a noticeable and consistent increase in requests from stakeholders for information about the environmental impacts of our products and processes. Our customers, in particular, are increasingly focused on sustainable management of their supply chains. These new demands present both risks and opportunities for our company. We recognize the need to continually improve our processes and products to integrate and offer the best sustainable technology available on the market. This evolving context requires us to be well-structured to meet the growing and specific demands, such as Environmental Product Declarations (EPD), Life Cycle Assessments (LCA) of products, and carbon footprints of both products and the company. Our goal for 2024 is to acquire the necessary skills and dedicate resources to address these issues. This will be done in collaboration with the sustainability and innovation committee.

Aspects, on the other hand, constituting a risk for climate change relate to the impacts that can result from failure to control energy consumption and failure to comply with regulations (e.g., inherent to emissions into the atmosphere). In order to prevent and mitigate these risks, Aesys:

- Employs an internal team that constantly monitors regulatory developments applicable to its activities and products. If regulatory changes intervene, the team ensures timely communication to the highest corporate level and updates the change in the corporate governance system. It finally initiates any necessary project to maintain state of compliance.
- Adopts a supplier code of conduct geared toward environmental protection and environmental impact.
- Periodically monitors its performance and critical processes in compliance with the provisions of its Environmental Management System compliant with and certified in accordance with ISO 14001.

THE CONSUMPTION OF ENERGY

GRI 302-1

At the end of 2023, Aesys total energy consumption amounted to 3.722 MWh, corresponding to 13.399 GJ, a slight increase compared to the previous year for which a figure of 3.630 MWh was recorded, corresponding to 13.068 GJ. 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 12% of the total energy consumption (8% in 2022).

| SUMMARY OF ENERGY CONSUMPTION, IN MWh | 2023 | 2022 | % change over previous year | % on total consumption |
|---|--------------|--------------|--------------------------------|---------------------------|
| Electric Energy | 1.857 | 1.629 | 14% | 50% |
| of which from renewable energy and self produced | 439 | 282 | 55% | 12% |
| Methane gas | 1.050 | 1.157 | -9% | 28% |
| Transport fuels | 815 | 844 | -3% | 22% |
| TOTAL | 3.722 | 3.630 | 2,5% | |

Compared to the previous year, there was a 55% growth in the auto-consumption of electricity generated by Aesys' photovoltaic plants.

The increase in self-consumption of self-produced electricity is the result of the investment made in 2022, aimed at increasing the production of electricity through photovoltaic systems installed on the roofs of 3 out of 4 company buildings. As expected, this has allowed for a higher contribution to the production of "green energy" and a reduction in CO2 emissions.

In 2023, the project to replace all company lighting fixtures with LED technology, both indoor and outdoor, was completed.

In 2023, the company also initiated a project to migrate printing technology from laser to inkjet, which, thanks to "cold" printing, reduces energy consumption by up to 90%.

EMISSIONS IN THE ATMOSPHERE

GRI 305-1, 305-2

During 2023, Aesys produced 876,31⁸ tons of CO₂eq, up (2%) from 2022 due to more hours worked (precisely about 8%) due to the introduction of shifts in different departments.

Regarding direct emissions (Scope 1), which are emissions from the use of fossil fuels, the 2023 data shows 429.64 tons of CO₂eq, a 1% decrease compared to 2022. This reduction is attributable to both milder average winter temperatures in 2023 compared to 2022 (an uncontrollable parameter) and the contribution from replacing part of the company car fleet with new-generation and electric vehicles characterized by lower CO₂ emissions. Indirect emissions (Scope 2) from the purchase of electricity are 446.67 tons of CO₂ for 2023 (compared to 424.3 tons of CO₂ in 2022) according to the Location-Based approach⁹. The location-based and market-based measurement methodologies coincide.

In ragione della tipologia di lavorazioni che Aesys pone in essere, si ritiene che l'immissione in atmosfera di altre sostanze sia trascurabile.

WATER CONSUMPTION

GRI 303-1, 303-3

The use of water resources is managed with the utmost responsibility. It should be noted that Aesys's production cycles do not require massive use of water, which is used only in some weathering testing phases on prototypes and, where applicable, in serial production; In any case, the most significant area of consumption is related to the hygienic/sanitary use by employees, for which the company's commitment to reducing consumption involves raising awareness among individual employees about responsible use.

During 2023, Aesys consumed approximately 3.36 million liters of water, with a decrease of about 4% in water usage compared to 2022. The reduction in water consumption was certainly contributed by the optimization of the water recycling system used in IP tests of large devices in the traffic division (an improvement made operational at the end of 2022).

⁸ The CO₂ emission figure given in this section "Atmospheric Emissions" refers to total Scope 1 and Scope 2 emissions, the latter calculated by the Location-based method.

⁹ For the location-based calculation of emissions from electricity consumption, the emission factor provided by Terna (including data updated to 2019) was used.

Consistent with the civil use of water in the company, 100% of the water is drawn from the aqueduct, without resorting to alternative sources. Similarly, wastewater is discharged into local sewers and then sent to local treatment plants.

WASTE AND WATER DISCHARGE MANAGEMENT

GRI 306-1, 306-2, 306-3, 306-4, 306-5, 307-1

The waste destined for recovery produced by Aesys amounted to 367 tons in 2023, a decrease compared to 2022, which recorded 382 tons. The increase in waste destined for disposal, and the consequent reduction in waste destined for recovery, is the result of the introduction of new production processes that create waste that by their nature cannot be recycled, thus going to disposal (sandblasting dust, pickling acids, dust from the fume treatment of the combined punching-laser cutting machine).

Here are the main categories of waste sent for recovery and the related comparison with the previous year:

| DESCRIZIONE | 2023 | 2022 | 2021 |
|--|----------------|---------|---------|
| IRON AND STEEL | 103,960 | 118,000 | 87,760 |
| ALUMINIUM | 97,790 | 98,450 | 113,660 |
| MIXED MATERIALS PACKAGING | 58,980 | 51,560 | 43,700 |
| WOODEN PACKAGING | 40,480 | 40,270 | 36,800 |
| PAPER OR PAPERBOARD PACKAGING | 41,960 | 39,240 | 42,820 |
| POLYCARBONATE AND METHACRYLATE WASTE | 3,620 | 8,880 | 2,620 |
| COMPONENTS REMOVED FROM END-OF-LIFE EQUIPMENT | 3,466 | 8,172 | 3,101 |
| PLASTIC PACKAGING | 3,850 | 5,010 | 5,160 |
| NON-FERROUS MATERIALS FILINGS AND SHAVINGS | 2,959 | 2,268 | 2,230 |
| CABLES OTHER THAN 170410 | 1,920 | 1,900 | 1,840 |
| END-OF-LIFE EQUIPMENT CONTAINING HAZARDOUS COMPONENTS | 0,739 | 1,549 | 1,107 |
| END-OF-LIFE EQUIPMENT | 1,660 | 1,273 | 4,031 |
| NON-FERROUS MATERIALS POWDERS AND PARTICULATES | 1,524 | 1,215 | 0,571 |

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 2023 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)

| | 2023 | | | | 2022 | | | |
|-----------------------|-----------|---------------|---------------|---------|-------------|---------------|---------------|---------|
| | Dangerous | Not dangerous | Total | % Total | Dangerous | Not dangerous | Total | % Total |
| Recovery (R13) | 2,86 | 364,88 | 367,74 | 99% | 3,73 | 377,92 | 381,65 | 99,4% |
| Recovery (R13) | 2,20 | 1,54 | 3,74 | 1% | 1,85 | 0,3 | 2,15 | 0,6% |
| TOTAL | 5,06 | 366,42 | 371,48 | 100% | 5,58 | 378,22 | 383,80 | 100% |

The non-recyclable waste produced increased by 1.59 tons in 2023, an increase due, as explained above, to the introduction of new production processes that create non-recoverable waste.

No significant waste-related impacts occurred during the reporting period, and no fines and/or penalties for violations of laws and regulations in specific areas were reported.

During 2023, Aesys established the possibility for its employees to purchase at a symbolic price IT equipment such as notebooks, desktop PCs, and monitors that would otherwise become waste. This initiative, although not significantly contributing, allows at least partially reducing electronic waste and implementing a first action in the perspective of a circular economy.

GRI CONTENTS INDEX

Statement of Use: Aesys has prepared a report in accordance with GRI Standards for the period January 01 - December 31, 2023.

Used GRI 1 Core Principles, version 2021.

Relevant GRI Industry Standards: N/A.

Below is the table of GRI content index prepared by Aesys.

| GRI Standard | Information/Description | Page number | Omissions | Note |
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| GRI 2 – GENERAL INFORMATION (2021) | | | | |
| GRI 2-1 | Organization details | 12; 22; 23 | | |
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| GRI 2-4 | Review of information | - | | |
| GRI 2-5 | External Assurance | - | | This report is not subject to external Assurance |
| GRI 2-6 | Activities, value chain and other business relationships | 6; 9; 10; 12; 13; 22; 34 | | |
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| GRI 2-26 | Mechanisms for requesting clarification and raising concerns | 25 | | |
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| GRI 3 – MATERIAL THEMES (2021) | | | | |
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| GRI 205-1 | Operations assessed to determine corruption-related risks | 26 | | |

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| GRI 205-2 | Communication and training on anti-corruption regulations and procedures | 26 | | |
| GRI 205-3 | Confirmed incidents of corruption and measures taken | 25 | | |
| GRI 308-1 | New suppliers that have been selected using environmental criteria | 27; 34; 36 | | |
| GRI 414-1 | New suppliers that have been selected using social criteria | 27; 34 | | |
| [TM1] Corporate values | | | | |
| GRI 3-3 | Management of material issues | 21 | | |
| GRI 205-1 | Operations assessed to determine corruption-related risks | 26 | | |
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| [TM1] Compliance | | | | |
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| GRI 207-3 | Stakeholder engagement and management of tax concerns | 32 | | |
| GRI 207-4 | Country-by-country reporting | 32 | | Consistent with the general approach of the reporting boundary, the analysis was limited to the territory of Italy |
| GRI 419-1 | Non-compliance with laws and regulations in social and economic matters | 28 | | |
| [TM2] Anticorruption | | | | |
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| [TM3] Data security e Privacy | | | | |
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| GRI 418-1 | Management of material issues | 41 | | |
| [TM4] Innovation, research & development and business model | | | | |
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