

Consolidated Non-Financial Statement



CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 254 OF 30 DECEMBER 2016

FINANCIAL YEAR 2019

The following document is an English translation of the Italian official report. In the event of any discrepancies between the two texts, the Italian text shall prevail.

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Letter to the stakeholders

Dear Stakeholders,

2019 was a highly satisfying year thanks to the excellent results of the consolidated businesses, and a very intense year in terms of the development and growth of the more innovative activities.

Our continued affirmation in the medical market, which has led the medical division to reach results approaching 100 million dollars, and the success of shape memory alloys we have stubbornly pursued for years, also in the market of cameras for mobile phones, are a source of pride. We have always believed in the potential of this alloy in the industrial world and the results recorded this year attest to this; now we must concentrate our efforts on the diffusion of this still little-known material in other areas, both in the field of study and academic research, as well as that of industrial applications. We are also quite proud of the success of the application of chemical compounds in different areas, testifying to the Group's inclination to diversification, and the excellent stability of the company's historical products, getters, a mature technology that still supports the Group's results thanks to its remarkable applicative longevity.

The excellent commercial results were followed by excellent economic and financial results: just consider that the 2019 results are very similar, both in terms of turnover and EBITDA, to those of 2016, the year in which the gas purification business which we sold in the middle of last year had reached over Euro 60 million in sales.

2019 was also an intense year for the Group's diversification and growth, particularly in the packaging and vacuum systems sectors.

In the packaging sector we signed two important strategic partnerships, the first with Novamont, a world leader in the production of bioplastic, and the second with Sacchital, a leader in paper-based packaging with applications beyond the food sector. Innovative packaging structures have been developed thanks to these partnerships, which we presented at one of the most important trade fairs in the sector, Cibus Tec 2019 in Parma, which received great interest from the market. The new structures respond to the increasingly pressing demand to replace the traditional packaging to preserve foods, typically produced combining different materials to obtain the necessary oxygen and water barrier characteristics (the factors that deteriorate food) with eco-sustainable solutions. The most innovative product we presented on the market was compostable packaging with high barrier characteristics; it is currently being tested by many potential customers. The first commercial results are expected in the first half of 2020, with high growth potential in the following years.

In the vacuum systems sector, we launched an expansion project that should mature in 2020.

The year 2020 began with an unexpected and dramatic phenomenon, the coronavirus, whose effects on the world economy and, in particular, also on our activities are still uncertain, and will depend very much on the time required to solve the problem. Regardless, it will be a very significant year for the group, which we hope will mark a new important turning point for SAES.

Massimo della Porta
SAES Group CEO

Methodological note

SAES Getters S.p.A. falls within the scope of application of Italian Legislative Decree no. 254 of 30 December 2016, in implementation of Directive 2014/95/EU, which requires the annual preparation of a Non-Financial Statement aimed at ensuring understanding of the company's business, its performance, results and impact, covering environmental, social, personnel and human rights issues and the fight against active and passive corruption. Therefore, this document represents the Consolidated Non-Financial Statement (also “Non-Financial Statement” or “DNF”) related to the companies belonging to the group consisting of SAES Getters S.p.A. and its subsidiaries (hereinafter also referred to as the “SAES Group” or the “Group”), describing their main results in terms of sustainability performance achieved during 2019 (from 1 January to 31 December). The figures relating to the previous financial year are shown for comparative purposes so as to facilitate the evaluation of the business performance. Restatements of previously published comparative data are clearly indicated. Also, to provide a correct view of the Group’s performance and ensure the reliability of the data, the use of estimates was limited as much as possible. Where estimates were used, they were based on the best available methodologies and suitably indicated. Finally, some totals shown in the tables included in this document may not add up due to rounding.

As envisaged by Article 5 of Italian Legislative Decree No. 254/16, this document constitutes a separate report marked with a specific wording in order to refer it to the Consolidated Non-Financial Statement required by law.

This DNF has been prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” defined in 2016 by the Global Reporting Initiative (GRI), according to the “in accordance - Core” option. As regards the specific standard GRI 403 (Occupational Health and Safety), the more recent version of 2018 was adopted; furthermore, where appropriate, the European Commission Guidelines, “Guidelines on non-financial reporting” were also taken into account.

The content to be reported was selected while taking into account the information considered relevant for the Group and its stakeholders, through a materiality analysis process described in the paragraph “1.3 Stakeholders of the Group and materiality analysis”.

The reporting and drafting activities of this document transversely involved all the functions present in the areas in which the Group operates, which were coordinated centrally by the Consolidated Function.

The reporting of non-financial information and the publication of the Non-Financial Statement is annual.

BOUNDARY

The boundary of the figures and economic and financial information is the same as that of the Group's Consolidated Financial Statements. With regard to qualitative information and quantitative data relating to social and environmental topics, the reporting boundary includes the line-by-line consolidated companies in the Consolidated Financial Statements of the SAES Group¹ except for Memry GmbH and ETC S.r.l that started, respectively at the end of 2016 and at the end of 2017, preparatory activities for the closure of the company and for the transfer of production and commercial activities to other Group companies.

Furthermore, qualitative information and quantitative data on environmental topics include Group companies that manage production sites; on the other hand, companies with only commercial offices are excluded as they are not considered relevant in guaranteeing an understanding of the Group's business and the impact it has.

This Non-Financial Statement was approved by the Board of Directors of SAES Getters S.p.A. on 12 March 2020; it is also subject to limited audit ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by the independent auditors Deloitte & Touche S.p.A. that, at the end of the work carried out, issued a specific report on the conformity of the information provided in the Consolidated Non-Financial Statement prepared by SAES Getters S.p.A. pursuant to Italian Legislative Decree no. 254/16.

As part of the path of continuous improvement in relation to sustainability issues, the following table shows the current progress of the activities that the Group has developed during 2019.

- **Regulation defining the Non-Financial Statement reporting process:**

The SAES Group has defined specific regulations that formalise the roles, responsibilities and timing of the reporting process and definition of the Group's DNF. The procedure was approved by the Risk Control and Sustainability Committee on 6 February 2019 and the Board of Directors on 13 March 2019.

- **Fight against active and passive corruption:**

For some time now, the fight against active and passive corruption has been monitored by the Organisational, Management and Control Model adopted by SAES Getters S.p.A. pursuant to Italian Legislative Decree no. 231/01. During 2019 SAES Getters S.p.A. prepared and adopted, as of 18 April 2019, a Group Anti-Corruption Code and a Code of Business Conduct aimed at strengthening and

¹ For the list of line-by-line consolidated companies, see the paragraph "Scope of Consolidation" in the Explanatory Notes to the Consolidated Financial Statements of SAES Getters S.p.A. for the year ended 31 December 2019.

confirming the commitment undertaken by the same in the prevention of illegal practices and the promotion of a corporate culture based on the reference best practices. In support of this, anti-corruption training activities were carried out which involved the staff of SAES Getters S.p.A. and which were carried out with the support of Transparency International, an association of which SAES has been a member as part of the Business Integrity forum starting from 2018. As for the preparation of the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 for SAES Coated Films S.p.A., the Top Management of the Parent Company SAES Getters S.p.A. has decided, following strategic developments relating to SAES Coated Films S.p.A., to suspend the activity. A new evaluation will be carried out in the next two years, pending further developments.

- **Supplier selection process and respect for Human Rights:**

The Group requires its suppliers to sign the Code of Ethics and suppliers dealing with specific categories of minerals (gold, tin, tantalum and tungsten) to sign the Conflict Minerals Policy.

Thanks to these instruments, the Group is committed to safeguarding human rights along the entire value chain.

During 2019 SAES Getters S.p.A. prepared and adopted a Group Supplier Code of Conduct, effective 18 July 2019. To support the activity, a training course was provided relating to the Supplier Code of Conduct, which involved the Purchasing, HR, Quality, Environment, and Health and Safety offices of the Lainate plant.

It should lastly be noted that on 14 November 2019 a Group HR policy was prepared and adopted with the aim, among other things, to define the principles to follow also with reference to respect for human rights.

- **Sustainability Risk Management:**

The Group has a special ERM (Enterprise Risk Management) process developed on the basis of the COSO ERM framework. Its objectives also include an identification of the main risks associated with material aspects of sustainability for the Group, as represented at the beginning of the chapters of this document. The activity is carried out with the support of the Risk Owners involved in the process, who for their sensitivity and understanding of the processes, business and daily operations can provide feedback to help Management in making corporate decisions. The process began in 2018 and was consolidated in 2019 in order to achieve greater integration of the ESG risks within the corporate ERM.

In line with what was stated in the previous Non-Financial Statement, the Group has started preliminary activities aimed at preparing a sustainability plan, a strategic tool through which medium and long-term objectives will be defined in the economic, social and environmental sphere, in order to generate value for the Group and its stakeholders.

Contacts:

Emanuela Foglia

Investor Relations Manager

Tel. +39 02 93178 273

E-mail: investor_relations@saes-group.com

The SAES Group, a constantly evolving story

THE SAES GROUP AT A GLANCE



182,352 (thousands of Euro) of Consolidated Net Turnover

11,052 (thousands of Euro) used in R&D equal to 6% of turnover



5 ISO 9001 certified companies

1 ISO 14001 certified company

The SAES Group invents, produces and markets new families and new compounds of “functional” materials with unique characteristics, which are used in various sectors, such as:

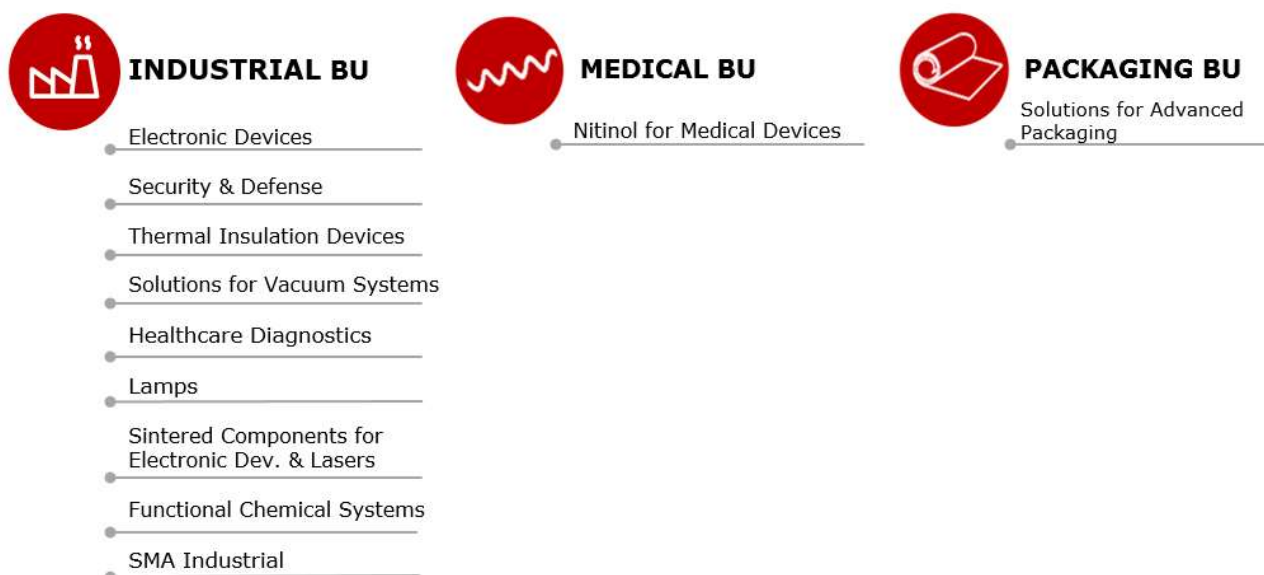
- **consumer electronics;**
- **home automation;**
- **automotive;**
- **medical;**
- **renewable energies and thermal insulation;**
- **particle accelerators;**
- **advanced packaging.**

The Group has consolidated know-how and great experience and knowledge in the field of **Materials science**, which translates into the continuous development of innovative and radical ideas by the R&D department.

WHAT IS MATERIALS SCIENCE?

Materials science is the discipline that studies and invents new molecules and defines new production protocols that can be applied in various supply chains and products. Materials science is a sector that is changing the world around us and will help change it even further in the future.

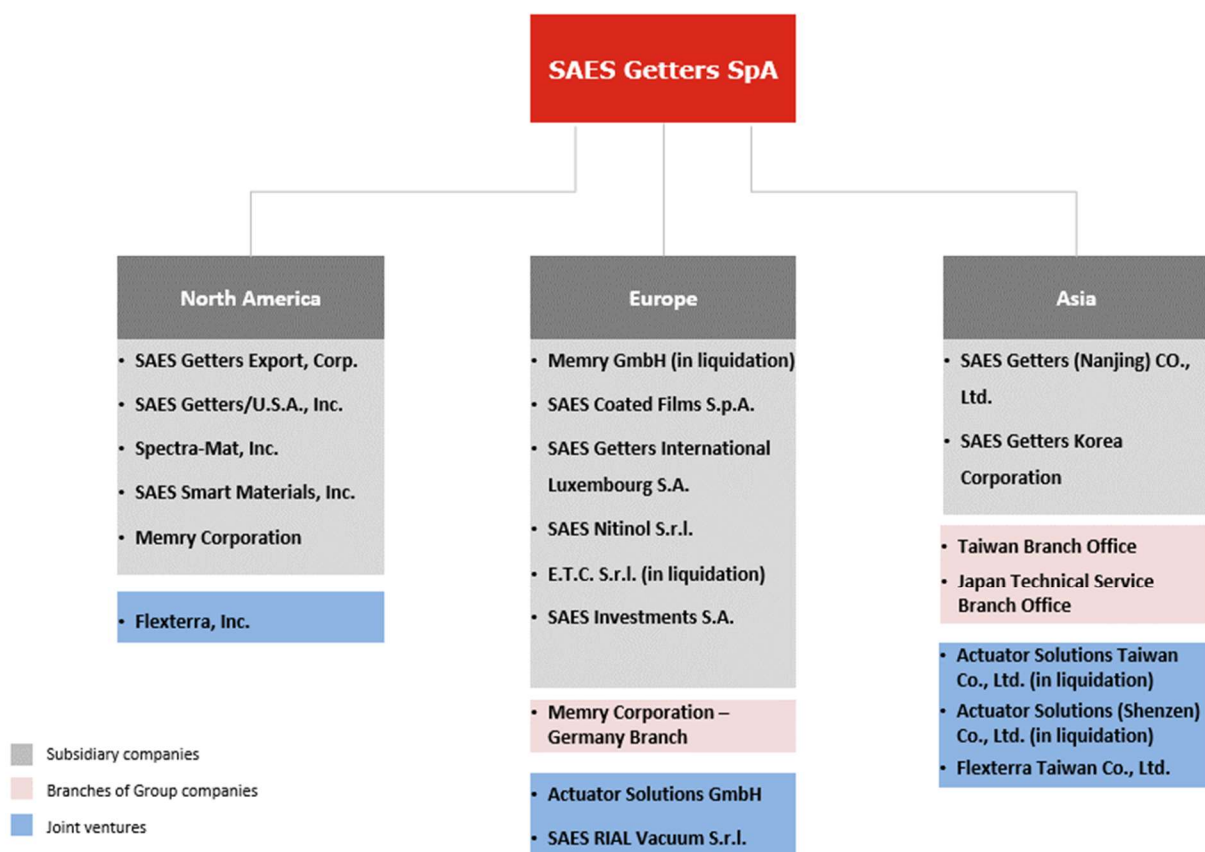
The Group is divided into 3 Business Units that also include basic research projects or those under development, aimed at diversification into innovative businesses². The structure is shown below:



² For a description of the businesses and their economic and financial data, please refer to the 2019 Annual Financial Report of SAES Group.

THE STRUCTURE OF THE SAES GROUP

The following table shows the companies belonging to the Group as at 31/12/2019³



³ For a description of the individual Group companies and the related economic and financial data, please refer to the 2019 Financial Statements of SAES Group. Note that the joint ventures do not fall within the reporting boundaries of information relating to social and environmental aspects of this document.

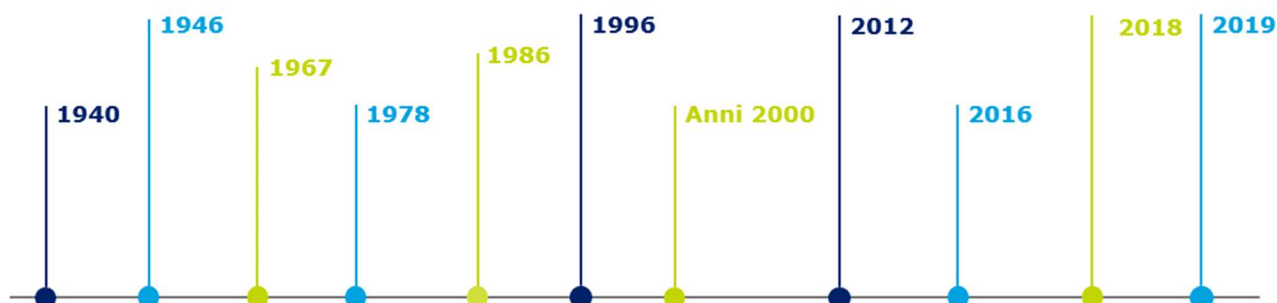
OUR PRESENCE IN THE WORLD

The SAES Group is headquartered in Lainate (Milan), Italy and is present worldwide with both production and commercial subsidiaries in Europe, the US and Asia⁴.



⁴ The geographical offices of Group companies that do not fall within the reporting boundary are excluded for the purposes of this Non-Financial Statement as described in the Methodological Note of this document, to which reference should be made.

HISTORY OF THE SAES GROUP



1940: The company S.A.E.S. (Società Apparecchi Elettrici e Scientifici) was established in Florence at the behest of the Engineer Ernesto Gabrielli.

1946: The della Porta and Canale families joined the company, in which they still currently play a leading role.

1957: S.A.E.S. patented the getter for the cathode-ray tubes of television sets, which started production on an industrial scale.

1967: New getter configurations were presented, a technology that allows the production of new products such as non-evaporable getters (NEGs) and getter pumps.

1978: After redefining the corporate structure, acquiring new companies and reaching 300 employees, S.A.E.S. became SAES Getters.

1986: SAES Getters S.p.A. was listed on the Stock Exchange.

1996: The head office of Lainate was established, currently the headquarters of the Group.

2000s: The Group's current structure was defined thanks to significant acquisitions and the expansion of new markets, which gave the Group its current structure.

2010s

2012: The SAES Group and the German company Alfmeier established a joint venture which produces devices based on SMA technology and won the “German Innovation Award” in the “medium-sized enterprises” category.

2016: SAES Getters S.p.A. created a joint venture with the Rodofil Group, SAES Rial Vacuum S.r.l., to expand its design and production of vacuum chambers.

2018: SAES Getters S.p.A. concluded the acquisition of the company Metalvuoto S.p.A., creating SAES Coated Films S.p.A., a company proposing a comprehensive and innovative offer on the flexible packaging market based on the development of active plastic films with high performance, dedicating extra attention to their biocompatibility and low environmental impact.

2018: The SAES Group sold its Californian subsidiary SAES Pure Gas Inc. and the purification business to the American company Entegris.

2019: The Ordinary Shareholders' Meeting of SAES Getters S.p.A., following a proposal by the Board of Directors, authorised a partial, voluntary Public Tender Offer for a maximum of 3,900,000 ordinary shares of SAES Getters (equal to 17.7% of the total shares and 26.6% of the ordinary shares). By the closing of the Tender Offer, SAES Getters held 3,900,000 ordinary shares, equal to about 26.6% of the ordinary shares and about 17.7% of the share capital of the Company.

1. Group business management

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
ANTI-CORRUPTION	Group commitment to combat active and passive corruption through the application of policies, procedures and mechanisms for reporting potential irregularities or unlawful behaviour and specific training activities on the matter; the aspects also include the Group's transparency in relations with Political Organisations.	Correctness and transparency in the management of relations with public and private subjects, in the carrying-on of business activities	The Group also pays attention to monitoring all behaviour and negligence that, if put in place, would create the conditions constituting the risks of crime punished by the aforementioned external regulations and undertakes to provide its employees with targeted training in this area. The Group has adopted an Anti-Corruption Code, a Code of Business Conduct and a Supplier Code of Conduct at Group level in order to comply with the reference best practices and internally promote anti-corruption values.
ETHICS, BUSINESS INTEGRITY AND COMPLIANCE	Integrity and transparency in business activities and compliance with laws and regulations; the issue includes the adoption of an Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/01 for SAES Getters S.p.A., a Code of Ethics, Anti-Corruption Code, Code of Business Conduct, Supplier Code of Conduct and compliance with national and international principles and guidelines, compliance with current regulations and any specific regulations (e.g. anti-trust, monopoly, anti-competitive behaviour) where the Group operates or related to the business activity.	<ul style="list-style-type: none"> - Compliance with regulations and laws of reference - Integrity in running the business activities 	The Group pays attention to principles such as business ethics and integrity thanks to the adoption of the Code of Ethics and of the Organisational, Management and Control Model adopted by SAES Getters S.p.A. (pursuant to Italian Legislative Decree no. 231/2001). The Group adopts transverse codes of conduct for employees, suppliers and customers in order to promote integrity in the conduct of business activities, and adopts and promotes among its stakeholders a healthy, correct and consistent approach with the strategic and operational objectives so as to comply with applicable laws and regulations.

1.1 Governance and Organisation

The Board of Directors (BoD) of the SAES Group consists of 9 members, including six men and three women with an average age of 61 and ranging from 78 for the oldest member to 46 for the youngest member. The composition of the BoD as at 31 December 2019 is shown in the following table:

JOB TITLE	NAME	GENDER	YEAR OF BIRTH	EXECUTIVE (E) – NON-EXECUTIVE (NE)	IND. CODE	IND. CONSOLIDATED FINANCE ACT	AUDIT, RISK AND SUSTAINABILITY COMMITTEE ⁵	REMUNERATION AND APPOINTMENT COMMITTEE ⁶
Chairman	Massimo della Porta	M	1960	E	-	-	-	-
Deputy Chairman, Managing Director and CFO	Giulio Canale	M	1961	E	-	-	-	-
Director	Adriano De Maio	M	1941	NE	-	X	-	M
Director	Alessandra della Porta	F	1963	NE	-	-	-	-
Director	Luigi Lorenzo della Porta	M	1954	NE	-	-	-	-
Director	Andrea Dogliotti	M	1950	NE	-	-	-	-
Director	Gaudiana Giusti	F	1962	NE	X	X	M	C
Director	Stefano Proverbio	M	1956	NE	X	X	M	
Director	Luciana Rovelli	F	1973	NE	X	X	C	M
Average age								
Directors/gender			30-50 years		>50 years		Total	
Men			-		6		67%	
Women			1		2		33%	
Total			11%		89%		100%	

^{5,6} The qualifications of the directors within the Committee are indicated in these columns: “C”: chairman; “M”: member.

THE COMMITTEES OF THE SAES GROUP⁷

AUDIT, RISK AND SUSTAINABILITY COMMITTEE

The Audit, Risk and Sustainability Committee is responsible for outlining the guidelines that can reduce and mitigate risk, providing opinions to the Board of Directors on risk management and identification. The Committee is also responsible for overseeing issues relating to sustainability.

REMUNERATION AND APPOINTMENT COMMITTEE

The Remuneration and Appointment Committee is one of the internal committees of the Board of Directors; it is responsible for preparing the Remuneration Policy pursuant to Article 123-ter of the Consolidated Finance Act; moreover, it is the body that assesses the adequacy and correctness of the Group Policy, identifying any proposals for change or improvement and monitoring its correct application.

COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES

The Committee for transactions with related parties is formed by directors who meet the independence requirements. It is chaired by the Lead Independent Director. The committee meets whenever related party transactions need to be assessed and submitted to the Committee for its opinion.

ETHICS AND INTEGRITY

The SAES Group, aware of the importance of Governance in the planning of objectives and performance of both an economic and financial nature and in terms of sustainability, undertakes to achieve a correct corporate and entrepreneurial management that makes it possible to create value for stakeholders and increase investor confidence and interest. The Corporate Governance system of the Group is in line with the recommendations contained in the Code of Self-Regulation of the Listed Companies, promoted by Borsa Italiana S.p.A. The tools used are the Code of Ethics and the Organisational, Management and Control Model according to the requirements of Italian Legislative Decree 231/2001 (hereinafter also referred to as “Model 231” or “Model”)⁸.

The **Code of Ethics** of SAES Getters S.p.A., with which all the Group companies are required to comply, was updated in 2014 and aims to define a set of rules of behaviour that makes it possible to disseminate among employees a corporate culture aimed at legality, defining the principles of SAES business. The Code defines certain values such as: legality, fairness, transparency, impartiality, diligence and professionalism, information confidentiality, environmental protection and sustainable development and competition. Moreover, if the principles of the Code of Ethics are violated by temporary workers, suppliers, consultants and commercial partners, when required the service contract will be terminated.

⁷ For a more detailed description of the Committees of the SAES Group, please refer to the other sections of the 2019 Financial Statements, the 2019 Report on Corporate Governance and the Ownership Structure, in particular.

⁸ The Code of Ethics of the SAES Group (English and Italian versions) and the Model 231 of SAES Getters S.p.A. are available and can be downloaded on the website www.saesgetters.com

THE CODE OF ETHICS AND RELATIONS WITH STAKEHOLDERS

The Code of Ethics of the SAES Group pays particular attention to the relations that the Group has with some of its key stakeholders, in particular:

- **it requires** relations with **customers, suppliers and temporary workers** to be transparent and non-discriminatory;
- **it commits** the Group to maintain proactive and constant collaboration in compliance with the laws and regulations in force towards the *Public Administration, Supervisory Bodies, Trade Associations and Judicial Authorities*;
- **it protects equal opportunities in the selection of personnel.**

The **Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001** is the document that describes the organisational model of SAES Getters S.p.A. The Model 231, updated in 2019 (version no. 12), expresses the will to:

- determine, in all parties involved, the awareness of being able to incur disciplinary consequences and/or penalties in case of violation of the Model;
- reassert that the unlawful behaviour deriving from any violations of the Model are strongly condemned by SAES Getters S.p.A.;
- allow SAES Getters S.p.A. to prevent unlawful behaviour by monitoring risk areas.

SAES Getters S.p.A., as from 2017, opted for a Model 231 structured by process and no longer by category of offence, as it was originally, and composed of a general part known as descriptive, and a special part which, in turn, consists of 25 protocols. The decision to change the structure of Model 231 was made in response to the need and desire to make the Model increasingly usable and more effective in terms of “risk analysis” and identification of “risk mitigation areas”, as well as control measures.

Thanks to Model 231, SAES Getters S.p.A. condemns all forms of **corruption**, also arranging a special Supervisory Body for this purpose with its own functions indicated in the Model. SAES Getters S.p.A. has a specific “Whistleblowing” reporting procedure and implemented an IT platform for managing reports anonymously and confidentially. It also created a specific email inbox to collect any reports. The inbox is added to the one which already exists for the Supervisory Body.

The platform can be accessed from the company web page “Reports - Whistleblowing” under the “About Us” section. Reports can refer to the scope of offences and risk areas defined in the Organisational Model pursuant to Italian Legislative Decree no. 231/01 as well as to incidents of fraud, corruption, or other violations of the Code of Ethics, legislation and/or all those activities that can cause damage to company assets.

COMMITMENT AGAINST CORRUPTION

The SAES Group is actively engaged in combating corruption, both public and private, as provided for by national legislation. In particular, the Group actively prevents any attempt at corruption, unlawful favours, collusive behaviour and requests for personal benefits as described in the Code of Ethics that, together with Model 231, are the tools for monitoring the occurrence of corruptive phenomena.

As occurred in 2018, also in 2019 the company participated in the Business Integrity Forum of Transparency International, the world's largest organisation that deals with preventing and fighting corruption. The goal is to adhere to the best practices of reference and internally promote values which contrast corruption. During 2019 SAES Getters S.p.A. concluded a process that led to the preparation and adoption of an Anti-Corruption Code, a Code of Business Conduct and a Supplier Code of Conduct at Group level which were published in Italian and English on the website www.saesgetters.com.

Following the adoption of the aforementioned codes, it should be noted that training activities were carried out relating to anti-corruption and sustainability of the supply chain in SAES Getters S.p.A.

The Code of Ethics refers to specific duties of behaviour, also in relation to corruptive practices, potentially present in various areas of company operations. In particular, when carrying out relations with customers and suppliers, it must be considered that gifts, contributions and entertainment expenses are allowed when of modest value and without being interpreted as aimed at obtaining improper advantages. There are also company procedures that govern relations, both institutional and commercial, with national or EU public bodies, Supervisory Authorities, public officials and public servants.

THE INTEGRATED APPROACH OF THE SAES GROUP: QUALITY, ENVIRONMENT, SAFETY & ETHICS

The SAES Group aims to achieve technological excellence in full compliance with economic, social, environmental and ethical sustainability. The Group is constantly committed to improving its production and management processes by adopting responsible management that combines quality and efficiency in business development with attention to its employees and the environment. Currently, there are 5 companies of the Group with **ISO 9001 Certification**⁹, **2 production sites**¹⁰ of the Group with **ISO 14001** certification and **4 production sites**¹¹ with sector-specific certifications.

SAES has adopted a “Group Integrated Policy for quality, environment, safety and ethics” (hereinafter referred to as the “Group Integrated Policy”). Each subsidiary derives its own local policy from the “Group Integrated Policy”.

⁹ The ISO 9001 certified companies of the Group are: SAES Getters S.p.A., SAES Coated Films S.p.A., Memry Corp., SAES Smart Materials, Inc., SAES Getters USA, Inc.

¹⁰ SAES Getters S.p.A. is ISO 14001 certified for the plants of Lainate and Avezzano.

¹¹ SAES Getters S.p.A. is IATF 16949 certified for the plants of Lainate and Avezzano; Memry Corp. is ISO 13485 certified for the plants of Bethel (CT) and Menlo Park (CA); for further details, see Chapter 3, “Technology at the service of innovation”.

The “Group Integrated Policy” is illustrated below:

in order to guarantee continuous progress and maintain its leadership in the field of vacuum technology for scientific and industrial applications, dryers polymer composites, special metallurgy and materials science, as well as reaffirm its total loyalty to its traditional “core values”, the SAES Group is committed to implementing an Integrated Quality, Environment, Safety and Ethics Management System based on compliance with the following principles:

- consider a fundamental element of the Group's global strategy to be the constant commitment to research and development of innovative products with a high technological content, through the adoption of modern and well-structured methods, so as to be able to satisfy and anticipate customer expectations and needs, guaranteeing respect for the environment and safety in use;
- concentrate its efforts on profitable businesses through actions aimed at improving economic results and maximising profits, also through the introduction of diversified products;
- combine the scientific knowledge and technical skills available within the SAES Group with those acquired through collaboration with external customers and centres of excellence, with the aim of developing “enabling” products capable of promptly and effectively meeting the demands of a market in constant development;
- adopt the most advanced international regulations and standards on quality, environment and safety, by simultaneously promoting the application and diffusion among all Group companies of a corporate culture that respects human rights and ethical principles;
- constantly enhance and promote the professional and human growth of all Group employees, involving them, informing them regularly about company objectives and programmes and ensuring safe and peaceful working conditions;
- develop a corporate culture oriented towards continuous improvement, achieved through structured processes, whose performance is constantly monitored by indicators able to measure efficiency and effectiveness in a timely manner.

CORPORATE SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

The Group has the following policies on human rights and corporate social responsibility:

- **Anti-Corruption Code:** this policy promotes compliance with ethical standards and full compliance with national and international regulations on the prevention of corruption in all its forms, as well as the integrity, transparency and fairness in carrying out its work. The Code is applied in all Group companies and effectively integrates the Group's compliance system and, with reference to Italy, the current Organisational, Management and Control Model 231 pursuant to Italian Legislative Decree no. 231 of 8 June 2001 adopted by SAES. The document was approved in 2019.
- **Code of Business Conduct:** this policy regulates the conduct of employees, directors and temporary workers of the Company and Group companies in managing business (relationships with customers,

conflicts of interest, sponsorships, etc.) and outlines the minimum standards that the Group's suppliers must comply with in carrying out negotiations and managing contracts with the Group companies. The document was approved in 2019.

- **HR Global Policy:** this policy defines the fundamental principles to which the Group aspires to favour an optimal workplace and professional growth within all Group companies, in respect of human rights and the enhancement of diversity. In particular, the document sets out the principles to be followed relating to: i) shared responsibilities, ii) child labour, iii) equality and non-discrimination, iv) forced labour, v) workers' health and safety, vi) salaries, vii) rewarding, viii) work hours, ix) education, x) performance monitoring and staff development. The document was approved in 2019.
- **Conflict Minerals:** with this policy, the Group requires suppliers dealing with specific categories of minerals (gold, tin, tantalum, tungsten) to sign the Conflict Minerals policy aimed at ensuring that such materials do not come from areas where there is a high risk of human rights violations and environmental degradation.
- **Supplier Code of Conduct:** this policy has the aim of expressing the values that inspire the Group in the behavioural principles that should guide the action of suppliers themselves in the context of their business, with particular reference to the protection of human rights and respect for the environment. The document was approved in the course of 2019.

Lastly, it should be noted that the principles contained in the policy on Corporate Social Responsibility have been incorporated into the new codes approved by the Group in 2019, as explained, and therefore the aforementioned policy is no longer in force.

1.2 Opportunities and risks

THE CONTEXT OF REFERENCE

Sustainability issues, such as the fight against climate change, environmental protection and the adoption of policies for the development and sustainable management of material resources, have become increasingly interesting for institutions and organisations around the world in recent years. In particular, in 2015 the 21st United Nations Framework Convention on Climate Change (known as COP21) focused on regulating greenhouse gas emissions and was ratified in 2016. The climate agreement will enter into force from 2020 and represents an important step forward in defining a global strategy to combat climate change and the increase in the temperature of the Planet Earth. In 2015, the United Nations adopted a new policy for the dissemination of sustainable development issues: the Sustainable Development Goals (17 SDGs). The 17 goals, valid for the period from 2015 to 2030, involve the public and private sector in ensuring the achievement of common objectives, such as peace, security, justice, social inclusion and environmental responsibility. In 2016, by means of Italian Law Decree no. 256, the Italian legal system adopted European Directive 2014/95 - Barnier on “Non-Financial Statement”, which requires public-interest companies that meet certain criteria to provide, starting from 2017, information on the management of social and environmental issues. Therefore, organisations are increasingly called upon to carefully assess the



development of specific scenarios and the new challenges that these present, in order to be able to seize opportunities and manage the risks involved. The SAES Group operates in a dynamic environment in continuous development, both in terms of market trends and in terms of complexity and high technological content of the sector in which it operates. It is essential for the Group to properly manage and control the risks to which it is exposed during its

business activities so as to ensure stability and balance over time and maintain lasting relations with its stakeholders.

The risk-aware management is carried out through the progressive implementation of a system that makes it possible to identify, assess and, where possible, mitigate and monitor business risks according to a precautionary approach.

In order to correctly define its risk profile, the SAES Group has adopted an Enterprise Risk Assessment process since 2012, defining and updating a risk catalogue; this operation was carried out following the requirements of the COSO Framework international standard.

The method for assessing the identified risks follows the COSO ERM framework and involves all the identified Risk Owners. The Group's objective is to ensure that the ERM strategy becomes an integral part of the assessment of decision-making processes in business planning.

IMPACTS ARISING FROM THE CORONAVIRUS HEALTH EMERGENCY

As known, starting in January 2020 the national and international scenario has been characterised by the spread of the coronavirus and the consequent restrictive measures for its containment, put in place by the public authorities of the countries concerned. These circumstances, extraordinary in nature and extent, will have direct and indirect repercussions on the business, as a context of general uncertainty has arisen, the evolution and relative impact of which are not foreseeable. The potential effects of this phenomenon on the financial statements, as well as in relation to environmental and social aspects, cannot be determined to date and will be subject to constant monitoring in the coming months. However, the Group's development strategy remains unchanged.

In this context, it should be noted that the Group is exposed to the risk that its production planning and scheduling could be delayed, following the freezing and/or postponement of shipments due to the extraordinary (temporary) closure of Chinese companies ordered by the local government and the subsequent (temporary) closure of companies located in other countries operating within the Group's value chain.

It should also be noted that, following the provisions and recommendations issued by the Lombardy Region, as a precautionary containment of the coronavirus epidemic the Lainate plant of the Parent Company and the Roncello plant of SAES Coated Films S.p.A. were closed from the afternoon of 24 February to 28 February 2020. Where possible, remote smart working procedures have been used. The second production plant of the Parent Company located in Avezzano, in the province of L'Aquila, instead operated at full capacity.

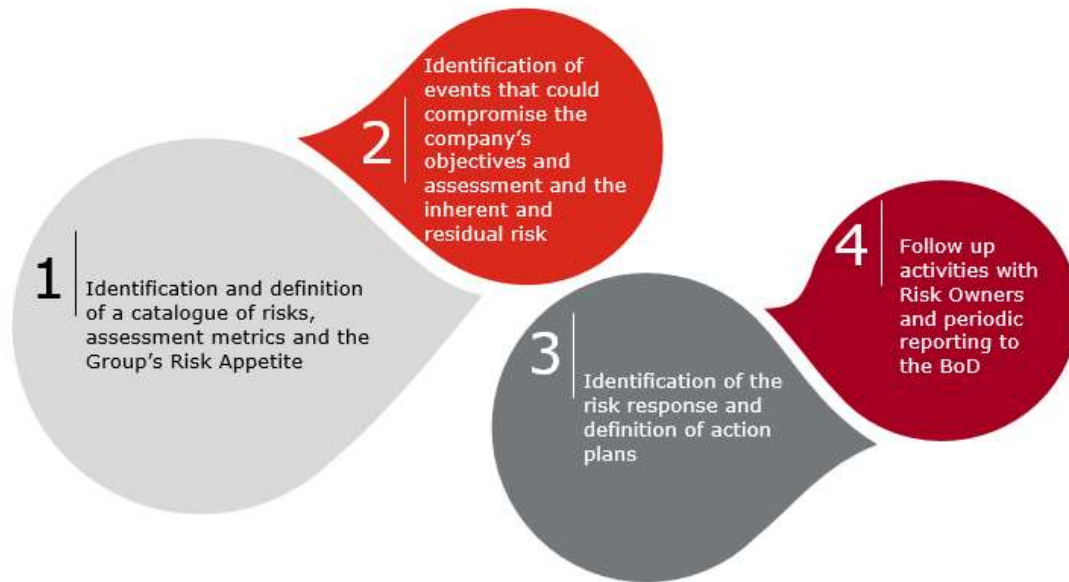
Given the persistence and aggravation of the emergency situation, with the aim of preventing the spread of the infection the company management has agreed with the union representatives to employ up to 70 "controlled" employees at the Lainate plant in order to ensure business continuity, adopting suitable measures to guarantee the protection of their health. All the other employees, in accordance with the emergency measures issued by the Council of Ministers, work under smart working conditions at their residences.

Currently all the Italian plants are in operation, obviously applying the procedures recommended by the experts for the protection of health and that which was imposed by the Italian authorities up to 12 March 2020.

The regular resumption of corporate activities at the Lainate plant will depend on further emergency regulatory measures that will be gradually issued based on the evolution of the current situation.

On 12 March 2020 SAES Group decided to donate Euro 0.5 million to research institutes working on the front lines to deal with coronavirus, as well as to Civil Protection. SAES thus offered its contribution to overcome the emergency that the whole country is facing. The donation will be specifically given to the specialised research institutes of Fondazione IRCCS Ca' Granda Ospedale Maggiore Policlinico and Fondazione IRCCS Policlinico San Matteo di Pavia, as well as to Civil Protection.

THE RISK MANAGEMENT MODEL OF THE SAES GROUP



For further information on the main risk factors for the sustainability of the SAES Group and related management methods, please refer to the tables at the beginning of each chapter of this document.

1.3 Stakeholders of the Group and materiality analysis

The SAES Group recognises the importance and the need to create a transparent, two-way and constructive dialogue concerning sustainability with its customers, suppliers, shareholders, employees and all those involved in the life of the organisation. The correct approach to sustainability is one of the Group's fundamental objectives, both from a strategic point of view and in relation to the subjects with whom it interacts.

The Group pursues its interests with a view to sustainable development and environmental protection, striving for a continuous balance among economic initiatives, safety of operations from a corporate point of view and prevention of environmental risks. With this in mind, the Group decided to undertake a process that integrates into its business the assessment of all positive and negative events, through a constructive dialogue with its stakeholders.

The Group already launched a materiality analysis process in 2016 aimed at identifying the areas of greatest interest also for the purpose of developing the company business and creating value for stakeholders, with a view to long-term sustainability. On the basis of material or relevant aspects, priority indicators through which to monitor and communicate the Group's sustainability performance were identified.







STAKEHOLDER IDENTIFICATION

The Group implemented a process for mapping, identifying and prioritising the main categories of stakeholders, both internal and external, which has made it possible to define the Group's stakeholder map, by also identifying the level of dependence and influence on the Group.

THE MAP OF THE STAKEHOLDERS OF THE SAES GROUP



MAIN TOOLS FOR DIALOGUE WITH THE STAKEHOLDERS OF THE SAES GROUP

Stakeholder	Main instruments of dialogue
	<ul style="list-style-type: none"> • Company Intranet • Organisational communications • Information articles on values/products/people ("SAES In touch")
	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Social network • Events and trade fairs • Online/web advertising, paper advertising in trade magazines, product brochures • Telephone contacts/via email/meetings
	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Telephone contacts/via email/meetings
	<ul style="list-style-type: none"> • Financial Statements • Information on request • Communications to be provided
	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Conferences and seminars • Scientific communities • Social network • Telephone contacts/via email/meetings
	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com
	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Press releases • Shareholders' Meeting • Presentations of financial results • Financial Statements • Meetings with the financial community
	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Social network • Telephone contacts/via email/meetings

MATERIALITY ANALYSIS

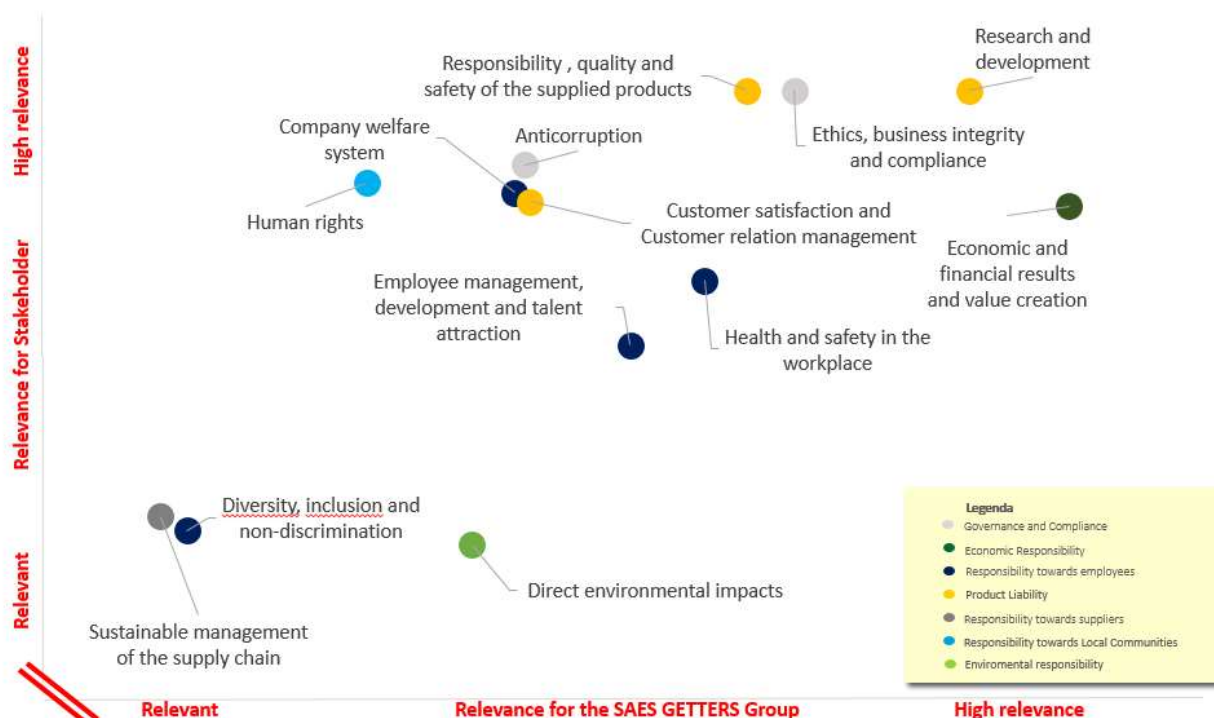
An evaluation process of relevant issues was carried out for the first time in 2017 through a materiality analysis performed internally by the management. This analysis helped to identify the significant aspects in the economic, social and environmental impacts for the Group and its stakeholders. In fact, these issues reflect the main impacts generated by the Group and its activities and are aspects which can potentially influence the feedback of its stakeholders.

Starting in 2018, the Group launched an activity directly involving certain categories of stakeholders (employees and customers) by administering a questionnaire. During 2019, the Group continued this process, in particular the activities envisaged:

- The administration of a questionnaire to 19 members of Top Management, who were asked to express the assessments on the priorities attributed to sustainability issues for the SAES Group;
- The administration of a questionnaire to 15 suppliers located in Europe, Asia and North America, asking them to assign a priority to the issues they considered most significant;

The assessments relating to the relevance of the issues for the Group, expressed by Top Management, and those relating to the stakeholders, inclusive of the assessments expressed by the suppliers, were then updated. These assessments were integrated in a qualitative analysis which led to the updating of the materiality matrix as follows:

THE MATERIALITY ANALYSIS OF THE SAES GROUP



The assessments that emerged from the involvement of Top Management and suppliers largely confirmed the assessments previously expressed.

Compared to the results of the 2018 materiality analysis, however, there was an increase in the relevance for the Group with respect to the topics “diversity, inclusion and non-discrimination” and “Anti-corruption”; from the point of view of the stakeholders, on the other hand, the relevance of the topic “economic and financial results and creation of value” increased.

2. Economic performance and business development

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
ECONOMIC AND FINANCIAL RESULTS AND CREATION OF VALUE	Economic and financial performance of the Group, financial stability, protection of profitability and generated economic value; creation of value in the short, medium and long term also thanks to the efficient management of tangible and intangible assets (e.g. patents, production technologies, specific know-how).	<ul style="list-style-type: none"> - Enhancement of company assets - Achievement of growth targets defined by the Management - Risks resulting from the effects of climate change which may have a direct or indirect impact on the Company's operations 	<p>The Group is committed to managing its business activities responsibly by achieving sustainable profitability and growth targets, in order to generate long-term economic value that can be distributed among all stakeholders.</p> <p>The Group already has business continuity procedures in place which cover the main areas of greatest risk envisaged by climate change, in order to manage any possibility of a significant meteorological event that could potentially lead to a period of unavailability of buildings and assets.</p>
SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN	Responsible management of procurement processes throughout the Group's supply chain; assessment and screening of suppliers on the basis of social and environmental performance, and promotion of behaviour and social responsibilities that encourage suppliers to adopt sustainable behaviour.	<ul style="list-style-type: none"> - Availability of raw materials - Quality of supplies and financial stability of suppliers 	The Group develops correct, clear and transparent relations with all its suppliers based on compliance with principles of quality and cost-effectiveness in choosing them and favouring suppliers belonging to countries and communities in which it operates.
HUMAN RIGHTS	Management of activities, also along the value chain (suppliers and customers), which present significant risks in the field of human rights (forced labour, child labour, freedom of association and collective bargaining, discrimination at work) and any actions undertaken (e.g. training plans on issues related to Human Rights, Codes of Business Conduct and auditing activities).	<ul style="list-style-type: none"> - Respect for human rights by employees, suppliers, customers and partners 	<p>The Group supports universal human principles such as: human rights and labour rights, committing itself to their integration into its business strategy and to their observance throughout the entire value chain. The Group has therefore equipped itself with the following tools:</p> <ul style="list-style-type: none"> - Supplier Code of Conduct, which has the aim of expressing the values that inspire the Group in the behavioural principles that should guide the action of suppliers themselves in the context of their business, with particular reference to the protection of human rights and respect for the environment; - specific policy on the aspect of "Conflict Minerals"; - HR Global Policy, which defines the fundamental principles to which the Group aspires to favour an optimal workplace and professional growth within all Group companies, in respect of human rights and the enhancement of diversity. <p>Lastly, it should be noted that the principles contained in the Corporate Social Responsibility policy have been incorporated into the new codes approved by the Group in 2019, as explained, and therefore the aforementioned policy is no longer in force.</p>

HIGHLIGHTS



Revenues of about Euro 182 million, up by approximately 14% compared to Euro 160 million in FY 2018

Consolidated gross profit up by 12% compared to FY 2018

Operating results of about Euro 27 million, up by approximately 78% compared to FY 2018



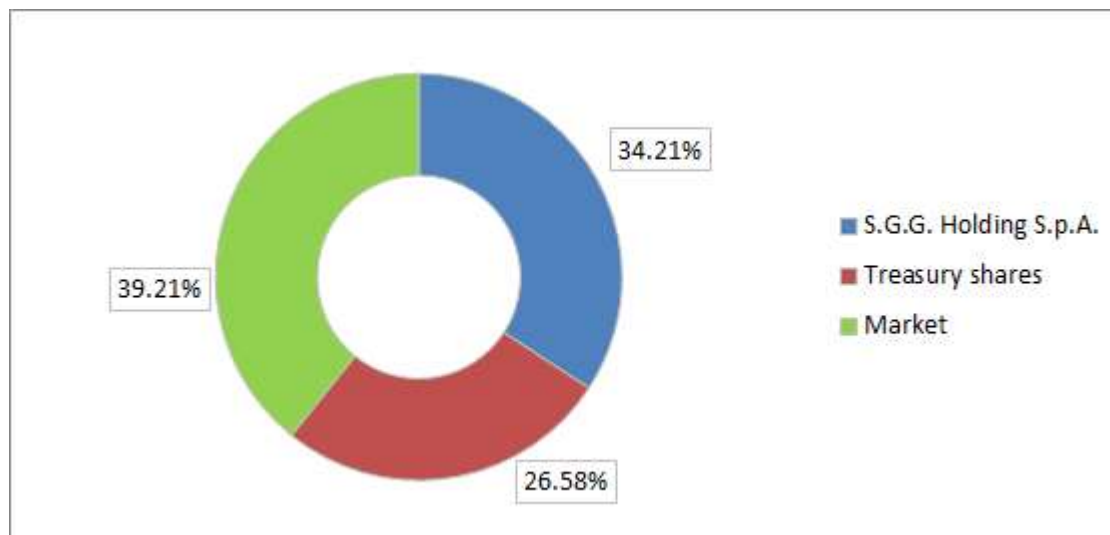
Consolidated EBITDA at Euro 36.5 million (20% of turnover), up sharply (39%) from Euro 26 million of FY 2018

Net financial position decreased sharply from Euro 223 million in 2018 to Euro 115 in 2019. It should be noted that NFP 2018 was affected by the selling of the Gas purification business

2.1 Communication with the financial community

The share capital of SAES Getters S.p.A. as at 31 December 2019 amounted to Euro 12,220,000, consisting of 22,049,969 shares, of which 14,671,350 ordinary shares and 7,378,619 savings shares, with an implicit par value of Euro 0.5542 each. The shareholding structure is represented below, with regard to the ordinary shares with voting power in the shareholders' meeting.

SHAREHOLDING STRUCTURE OF THE SAES GROUP AS AT 31 DECEMBER 2019



At 31 December 2019, the majority shareholder is S.G.G. Holding S.p.A., which holds a 34.21% share of the ordinary shares while the majority of the ordinary shares (39.21%) are free-floating shares on the market. Furthermore, in May 2019, following the completion of the voluntary partial Public Tender Offer, SAES Getters S.p.A. holds 3,900,000 ordinary shares, equal to 26.6% of ordinary shares. At 31 December 2019, the shareholder S.G.G. Holding S.p.A. acquired the right pursuant to art. 11 of the Articles of Association to be able to benefit from the increased vote for a total of 7,838,259 votes equal to 44.81% of the voting rights.

INVESTOR RELATIONS

The creation of value for shareholders also requires transparent and fair relations with the financial community, which for the Group is an important element in the process of business management and development.

Meetings and conference calls were organised during the 2019 financial year with the purpose of providing periodic financial-economic information.

In addition, during 2019 the Company participated in the STAR Conference organised by Borsa Italiana S.p.A. in Milan on 20 and 21 March 2019.

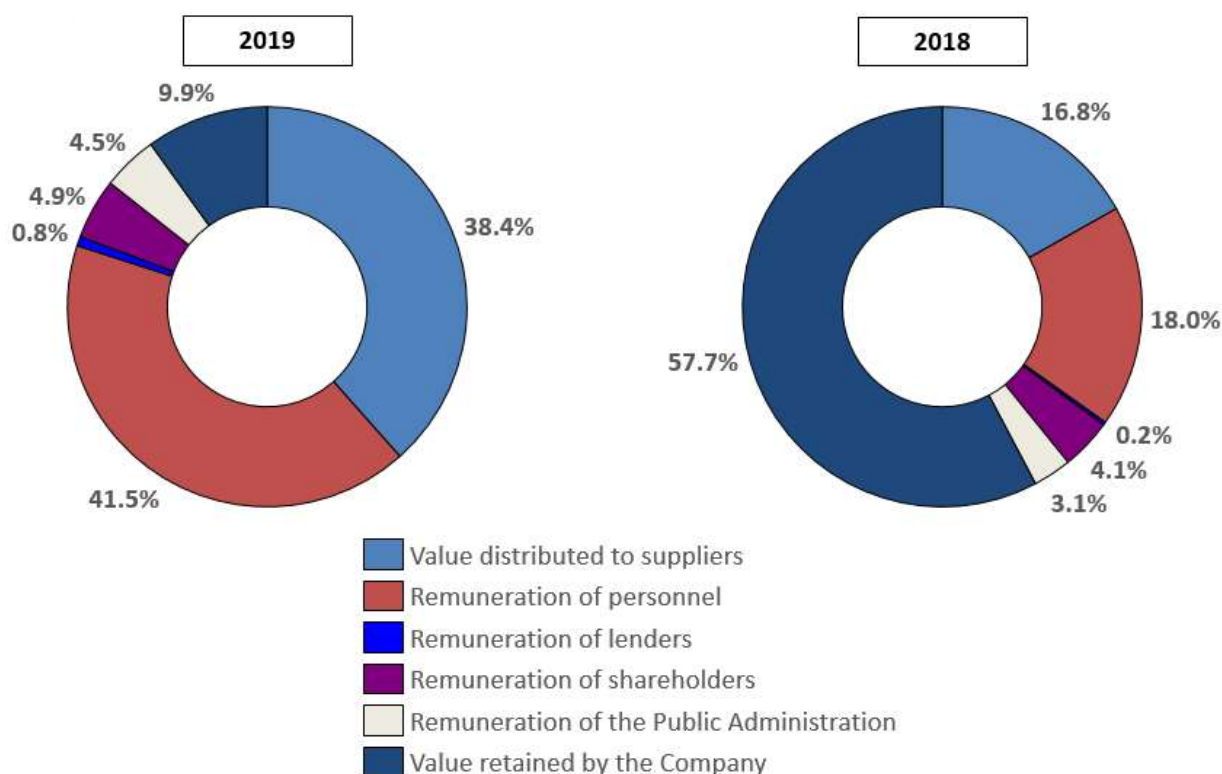
Lastly, on 4 September 2019 the Company participated in the Industrial Day organised by Borsa Italiana S.p.A. in Milan.

As confirmation of the transparency and importance that the Group gives to external communications, 19 press releases were issued during the year in addition to regular financial reporting and presentations. Presentations to the financial community, corporate documents, press releases and all information concerning the Group are available on the Investor Relations section of the website: www.saesgetters.com, both in Italian and English. Shareholders' Meeting documents, the Code of Ethics and the contacts of analysts following the stock are also available.

2.2 Generated and distributed economic value

The creation and distribution of value for its stakeholders is a constant commitment of the SAES Group. The following chart represents the wealth produced by the Group and distributed among stakeholders in the following manner: **value distributed to suppliers** (reclassified operating expenses), **remuneration of personnel** (direct remuneration consisting of wages, salaries, employee severance indemnity and indirect remuneration consisting of social security contributions), **remuneration of lenders** (interest expense), **remuneration of shareholders** (distributed dividends), **remuneration of the Public Administration** (total taxes paid). The **value retained by the Company** is represented by the result for the year net of the profits distributed to the shareholders.

DISTRIBUTION OF THE VALUE GENERATED BY THE SAES GROUP¹²



The generation and distribution of the economic value created by the SAES Group are calculated on the basis of the results of the year closed at 31 December 2019. The **economic value generated** by the SAES Group in 2019, net of reclassified costs, amounted to approximately **Euro 187 million**. Most of this value is represented

¹² For the purposes of graphic representation, the non-significance of the value of the Community remuneration implies that in both annuities this item has a percentage weight equal to zero. For details, please refer to the table “201-1 Table of distribution of the economic value generated by the SAES Group” in the attachments section.

by the **remuneration of personnel (approximately Euro 78 million)**, compared to approximately Euro 72 million in 2018), followed by the **remuneration of suppliers (approximately Euro 72 million)**, slightly higher than the figure for 2018, which was around Euro 68 million). The **remuneration of the Public Administration** amounted to approximately **Euro 8 million** (down compared to 2018, equal to approximately Euro 13 million), while the **remuneration of lenders** amounted to approximately **Euro 1 million** (in line with that of 2018). The **value retained by the Company** was approximately **Euro 18 million** (significantly decreased compared to 2018, influenced however by the sale of the gas purification business). In 2019 the **remuneration of Communities** was Euro 26 thousand compared with Euro 15 thousand of 2018, while the **shareholder remuneration** was **approximately Euro 9 million**¹³, a decrease compared to 2018 when the value was approximately Euro 17 million.

¹³ The share of the shareholder remuneration corresponds to the allocation of net profit for the year as a dividend that the Parent Company's Board of Directors will propose to the Shareholders' Meeting.

2.3 The supply chain of the SAES Group

All procurement and distribution activities for the SAES product portfolio are based on the essential research and development activities that characterise the Group's technological offer.

Only after defining the specific technological solution for its customers does the Group procure the raw materials, semi-finished products and finished products to make the requested product and distribute it to its customers.

FROM PRODUCT RESEARCH AND DEVELOPMENT TO DELIVERY TO GROUP CUSTOMERS



To carry out its activities, the SAES Group collaborates with its suppliers to obtain the best products and essential services for maintaining high standards of excellence.

In fact, on 18 July 2019 the Board of Directors approved the SAES Group Supplier Code of Conduct.

The Group Supplier Code of Conduct has the aim of expressing the values that inspire the Group in the behavioural principles that should guide the action of the suppliers themselves in the context of their business, with particular reference to the protection of human rights and respect for the environment. This Code is intended for all the direct suppliers of the SAES Group, who, in turn, are encouraged to share it and encourage its application by their suppliers, promoting the overall sustainability of their supply chain. The aim is therefore to generate long-term economic, social and environmental value for all the stakeholders involved.

RESPONSIBLE SALES MANAGEMENT

In order to prevent and manage possible situations of risk, the Group has implemented specific rules regarding the sale of its own products with new business partners.

When acquiring a new customer, the Group has special procedures both in case of calls for tenders with Public Administration Bodies and with private individuals.

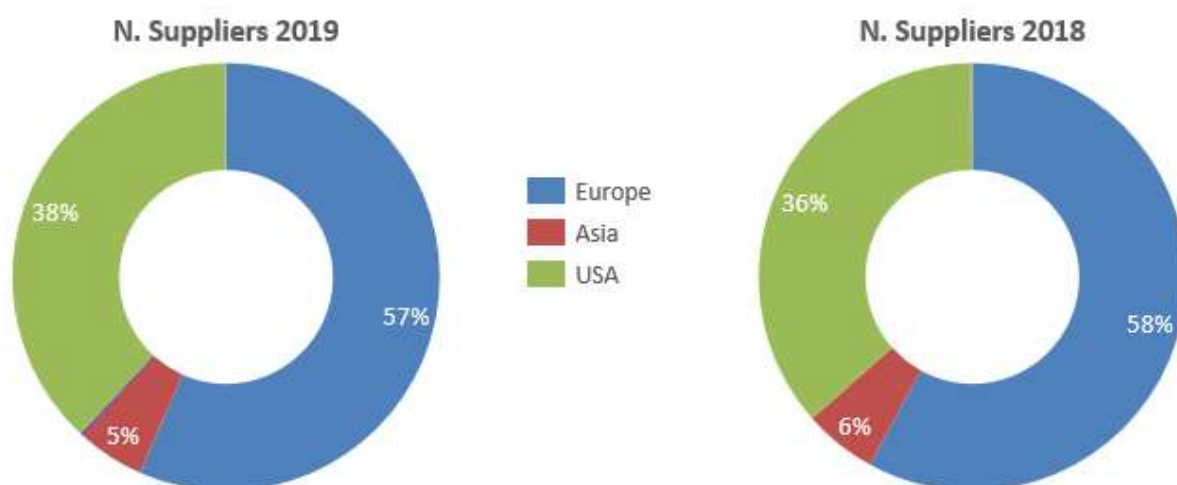
The Group's four main categories of purchases range from raw materials and semi-finished products to support services for business activities. In particular, to confirm the strong drive for innovation, the expenditure for the protection of intellectual property - a decisive asset of the SAES Group - is significant.

NUMBER OF SUPPLIERS AND TOTAL EXPENDITURE BY CATEGORY OF PURCHASES

Product segment	2019		2018	
	No. of Suppliers	Value of total annual expenditure [€]	No. of Suppliers	Value of total annual expenditure [€]
1) Raw materials, semi-finished and finished products, outsourced work	594	40,744,179	531	30,067,225
2) Utilities, facilities, canteen, clothing, services, rentals, fairs, events, marketing, travels, books, printed matter	1,739	26,805,835	1,693	32,709,495
3) Consultancy ¹⁴	200	7,449,570	191	10,168,946
4) Patent expenses	9	296,953	12	926,312
Total	2,542	75,296,536	2,427	73,871,978

¹⁴ For the purposes of data comparability, it should be noted that the values for 2018 have been restated, not considering the contribution of E.T.C. as a company in liquidation as set out in the Methodological Note. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published on the site www.saes-getters.it.

DISTRIBUTION OF SUPPLIERS BY GEOGRAPHICAL AREA¹⁵



In order to contribute to the creation of value in the local communities where the Group operates, SAES Getters focuses on the purchase of goods and services from local suppliers. In particular, **73.9%** of the Group's total **purchases are made locally**.

In particular, the entire expenditure made by the companies present in Asia is related to Asian suppliers, 90.4% of the purchases of USA companies refer to suppliers in the USA and finally, 64.4% of the expenditure in Europe is focused on European suppliers. In particular, 64.2% of purchases in Italy are focused on Italian suppliers.

PERCENTAGE OF EXPENDITURE CARRIED OUT ON LOCAL SUPPLIERS IN 2019 AND 2018

Geographical area	Percentage of expenditure on 2019 local suppliers	Percentage of expenditure on 2018 local suppliers
Europe	64.4%	60.8%
USA	90.4%	89.6%
Asia	100.0%	100.0%
Group	73.9%	69.8%

¹⁵ For the purposes of graphic representation, the small number of suppliers from North Africa, Australia and the Middle East implies that these geographical areas have a percentage weight of zero and are therefore not represented herein. For details, see the table on page 77.

3. Technology at the service of innovation

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
RESPONSIBILITY, QUALITY AND SAFETY OF THE SUPPLIED PRODUCTS	Production and sale of high quality products through actions aimed at improving the performance, durability and safety of the products manufactured.	<ul style="list-style-type: none"> - Compliance with specific product standards and/or standards requested by the Customer and with law regulations. 	The Group pursues the objective of continuously improving the quality and safety of its products by adopting the most advanced technological solutions.
RESEARCH AND DEVELOPMENT	Research and Development activities aimed at designing products with high technological content with a special attention to innovative solutions and sustainable applications capable of generating positive externalities for the environment, society and customers; the theme includes the implementation of eco-design criteria and the use of cutting-edge technologies, patents and know-how.	<ul style="list-style-type: none"> - Adequacy of the product research and development process - Retention and attraction of talents and highly qualified personnel - Product innovation - Investments in research, development 	The Group continuously supports and implements research and innovation initiatives, paying particular attention to the hiring of highly qualified personnel.
CUSTOMER SATISFACTION, CUSTOMER RELATION MANAGEMENT	Monitoring of the level of customer satisfaction and implementation of a customer relation management system capable of providing indications for the development and improvement of the design, implementation and marketing of products.	<ul style="list-style-type: none"> - Adequate structure of the process for obtaining customer feedback - Adoption of adequate data collection tools 	The innovation in production processes is closely related to the supply of cutting-edge products. The Group monitors and collects complaints relating to any problems found by its customers, paying full attention in listening to and promptly resolving any problems.

HIGHLIGHTS



2 ISO 13485 certified production facilities
2 IATF 16949 certified production facility



300 inventions over the last 70 years
442 registered patents in Europe, Asia and U.S.A.
More than 200 scientific articles published in conference papers

3.1 Customers and markets served

Over time, the SAES Group has become a world leader in hi-tech solutions for scientific and industrial applications requiring vacuum conditions, shape memory products and functional polymeric compounds. The Group has developed a high level of know-how in the engineering of components and systems by offering a vast amount of innovative solutions to approximately 1,200 customers in 2019 in approximately 55 different countries. The Group develops and customises the functions of the materials according to the requests of its customers, such as: blue chips, start-ups, universities and research centres, using a vertical approach in production: from raw materials to the finished product, capable of meeting the specific requirements of each customer.

THE MAIN MARKETS SERVED BY THE SAES GROUP



Healthcare



Automotive



Consumer Electronics



Scientific research areas



Advanced Packaging



Other industrial



Security e defense

TECHNOLOGY IS OUR PRODUCT: SOLUTIONS FOR EVERY REQUIREMENT

THE MAIN FUNCTIONS OF OUR PRODUCTS





Actuate: moving parts of different mechanical devices and equipment

Recover: return to the stored shape of a device, recovering it even after large deformations

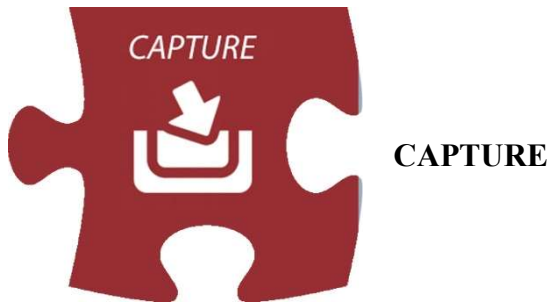
Shape Memory Alloys (SMA) are special materials that by their nature have two very special characteristics:

- the ability to return to their original shape even after considerable deformation (shape memory);
- considerable resistance to breakage under stress (super-elasticity).

Nitinol is one of the materials that presents these two characteristics and the SAES Group has been engaged for years in the development and production of this innovative alloy and the products made with it, ensuring internal control of the entire production chain: from alloy casting to finished components.

The exploitation of Nitinol's super elasticity property, together with its proven biocompatibility, is primarily used in medical applications, minimally invasive surgery and self-expanding medical devices such as aortic stents or heart valves, while shape memory is primarily used in actuators in industrial applications.

The latter can be used where closing, opening or regulating actions are required, such as in thermo valves, thermostatic actuators or dosing systems. Thanks to their compactness, silent movement and light weight, they are particularly appreciated in sectors such as automotive, home automation and consumer electronics.



Capture: absorb and capture steam and gaseous elements inside hermetically sealed devices

The getter materials of the SAES Group are able, through a chemical reaction, to capture molecules of active gases such as oxygen, carbon dioxide, nitrogen, etc. in hermetically sealed devices, thus making it possible to improve and maintain the vacuum level required inside them.

The main families of metallic getters are shown below:

- **Getter Film** – application of getter technology in small devices due to their reduced thickness and customised mouldability on different substrates. For example, the main uses are image intensifiers and photomultipliers, gyroscopes and other micro devices (MEMS -Micro Electro-Mechanical Systems).
- **Hydrogen Getter** – solutions applicable to cryogenic tanks for storage of liquid gases, vacuum insulated cryogenic tubes, small-volume dewars and hermetic storage containers for hydrogen-sensitive products.
- **Non evaporable getters (NEG)** – the dimensional constraints of the devices that need to maintain the vacuum, the special process temperature conditions, the need for capacity or rate of gas absorption at different temperatures etc. have led to the development of a variety of getter alloys and components, with different sizes and configurations, used in devices ranging from lamps, X-ray tubes, solar collectors, sensors, insulated panels and much more.



DISSIPATE

Dissipate: managing heat transfer and dissipation

Components in sintered materials allow good heat dissipation, a factor of great importance in small or very sophisticated devices. These components (cathode bases and special filaments) are used in the production of gas lasers, high brightness LEDs, microwave power amplifiers for radar transmitters, medical X-ray therapy, photovoltaics, etc.



PROTECT & SEAL

Protect and seal: apply highly innovative materials to absorb gas or seal

The SAES Group provides innovative materials and solutions for the flexible packaging of products and devices in which the management of the composition of the atmosphere in contact with the product is essential for durability and correct operation. Through a solid technological base, the Group provides advanced functional chemical composites that enable it to capture water vapour, oxygen and other harmful gases and contaminants at the right time.

These materials are used in sectors ranging from food packaging, to home & personal care, nutraceuticals, the pharmaceutical industry up to consumer electronics.



RELEASE

Release: emit, weigh out and deposit controlled quantities and qualities of metallic vapours, gases

The Group produces components and devices capable of releasing small doses of metallic vapours for specific applications. The products of this division include certain types of **getters** and **dispensers** capable of emitting, distributing and depositing precise quantities of metal or gas vapour, such as mercury, alkaline metals and oxygen.

Some products are also designed to ensure the emission of a stable, constant and controlled electron current necessary for the operation of some electronic devices.

The main applications for these products are in electronic and photonic devices, sensors and fluorescent lamps.



VACUUM

Vacuum: Obtain and maintain vacuum, high or ultra-high vacuum in a specific volume or chamber

The SAES Group pumps, based on getter materials, are able to create very high **vacuum** conditions in particle accelerators and advanced analytical equipment, where space constraints limit the adoption of vacuum technologies other than getter technologies. The most important fields of use concern analytical instrumentation, vacuum systems and particle accelerators.

Other less sophisticated products are also used in vacuum thermal insulation solutions.

3.2 Innovation, research and development

The identity of the SAES Group has always been oriented towards a natural propensity to research, development and innovation of new solutions that can have commercial, technological and global value for the Group and its main stakeholders. The technological diversification that the Group proposes, both from a production point of view and in the different sectors served, is the result of a precise strategic choice, aimed at consolidating its leadership position in the high-tech products market. In fact, **104 Group employees and temporary workers (over 11% of the total)**, in line with 2018, are employed in R&D activities. In this context, the Group protects:

- the intellectual property of strategic importance;
- the selection of qualified personnel with the necessary know-how;
- the updating of design and production technologies.

The Corporate Research & Development area, in synergy with the other Companies of the Group, invests in the development of the most functional and specific technical aspects for the various subsidiaries, constantly involving the partners present at a global level. To support the strong drive for innovation, in 2019 the Group dedicated Euro 11,052 thousand to R&D activities, equal in percentage terms to approximately 6.1% of consolidated net turnover.

The results of this approach have allowed the Group to achieve significant results with more than **300 inventions** developed in about **70 years** of activity, and the average in the last period is about **8-10 inventions** per year protected by the registration of patent applications.

The SAES Group's ability to innovate is also demonstrated by the number of patents that the Group has filed:

NUMBER OF PATENTS REGISTERED BY THE SAES GROUP BY GEOGRAPHICAL AREA (1999 -2019)

Geographical Area	Number of registered patents
Europe	98
China	95
Japan	76
Korea	66
USA	107
Total	442

Since the fifties, the Group has linked its commercial success to the ability to continuously innovate, developing its products according to customer requirements and courageously entering cutting-edge sectors. During its history, the SAES Group perfected a series of patents that have become real milestones for the development and identity that the Group still holds today. These include patents that contributed to the development of gas purification applications in the eighties and metal alloys dedicated to advanced applications in the nineties.

Today, the SAES Group can count on a broad technological portfolio, developed over decades of research and know-how transfers, which actively supports a large number of high-tech applications and new products.

SAFETY AND QUALITY OF PRODUCTS

The Group carries out analyses and provides health and safety assessments of its products. All the products manufactured are labelled in accordance with current regulations.¹⁶ These are then in accordance with the Safety Data Sheets (SDS) issued at the head office in the language of the country of use, in compliance with the local laws of the areas of use and production, and in particular with the REACH regulation in EU. The Group also adopts a restrictive policy regarding the use of hazardous substances in its products and production processes and promotes green design (Design for Environment methodology). A careful analysis of possible safety impacts on designed and manufactured products is also carried out.

QUALITY MANAGEMENT OF PRODUCTION PROCESSES

The presence of certifications attesting the Group's commitment to implementing a quality management system is considered a fundamental element in the SAES Group strategy. With regard to the quality of its production processes, in addition to ISO 9001 certification, the Group can boast:

- **IATF 16949 Certification** for products based on shape memory alloys for the automotive sector, in the Lainate and Avezzano plants;
- **ISO 13485 Certification** for Nitinol-based products for use in medical devices at the factories of Memry Corp.

¹⁶ In particular, the products of the SAES Group are subject to regulation CLP 1272/2008 for the Italian and European markets, and to Hazcom 2012 for the US markets on finished and intermediate products.

CUSTOMER CARE: COMPLAINT HANDLING

Customer care and complaint handling are areas that the SAES Group supervises and manages on a daily basis with care. The commercial function directly manages the reports that are subsequently included, for the parent company SAES Getters S.p.A., in the online platform Customer Support Application: this tool makes it possible to manage all the steps of the process for checking and solving complaints. The Quality function manages the reports, carrying out analyses and issuing any technical report in case of need. During 2019, **372 complaints** were managed, higher than the 302 of the previous year. There were no complaints relating to mandatory or legislative product requirements and there were no reports from customers of returns from the field due to SAES products.

4. The people of the SAES Group

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
EMPLOYEE MANAGEMENT AND DEVELOPMENT AND TALENT MANAGEMENT	<p>Professional growth and retention of talents; development and training activities aimed at strengthening the technical, managerial and organisational skills of employees and consolidating the professionalism required by the covered role.</p> <p>Plans and actions aimed at attracting qualified and specialised personnel with specific technical skills related to the Group's business activities.</p> <p>Development of a constructive dialogue with the trade unions.</p>	<ul style="list-style-type: none"> - Adequacy of the recruitment process - Retention and attraction of talents - Adequacy of personnel development and training plans - Adequacy of agreements and relations with trade union representatives and other labour organisations 	<p>The SAES Group is committed to defining professional growth objectives for all its employees, recognising the achieved merits and goals. The Group supports and encourages the carrying out of training and growth activities for all employees by encouraging the involvement and sharing of the Group's growth objectives among all employees.</p> <p>The Group is committed to establishing constructive and responsible relations with trade unions in order to develop a positive dialogue.</p> <p>The Group has adopted an HR Global Policy by which it defines the fundamental principles to which the Group aspires for the promotion of an optimal workplace and professional growth within all Group companies, in compliance with human rights and the promotion of diversity.</p>
COMPANY WELFARE SYSTEMS	<p>Policies, benefits (economic and non-economic), actions to improve the well-being of employees and to create a comfortable working environment that meets the requirements and expectations of employees.</p>	<ul style="list-style-type: none"> - Adequacy of welfare policies and convergence with regard to the personnel requirements and expectations 	<p>The Group is committed to reconciling the working and personal lives of its employees. The SAES Group encourages the development of policies, projects and benefits that can contribute to meeting the expectations and requirements of employees.</p>
OCCUPATIONAL HEALTH AND SAFETY	<p>Development of practices and programmes to promote safety in the workplace; promotion of specific training on health and safety of employees, monitoring and prevention of workplace injuries in order to reduce their number.</p>	<ul style="list-style-type: none"> - Compliance with regulations on health and safety at work - Protection of workers' health - Adequacy of investments and training plans in health and safety matters 	<p>The Group is committed to reducing the number of injuries by engaging itself in improving the working environment and reducing the personnel absences.</p>
DIVERSITY, INCLUSION AND NON-DISCRIMINATION	<p>Policies and programmes that aim to protect and ensure the promotion of diversity, inclusion and equal treatment within the Group.</p>	<ul style="list-style-type: none"> - Respect and promotion of diversity - Pay equity between men and women at the same professional level - The occurrence of cases of discrimination 	<p>The Group condemns all forms of discrimination, both internal and external, and is committed to ensuring that all decisions relating to its employees are considered while taking into account the skills, knowledge and work performance of each, without any differentiation based on age, gender, sexual orientation, health, race, nationality, religious beliefs and political opinions.</p>

HIGHLIGHTS



987 Group employees as at 31 December 2019

11 average hours of training per capita



87% of senior managers are employed in their country of origin

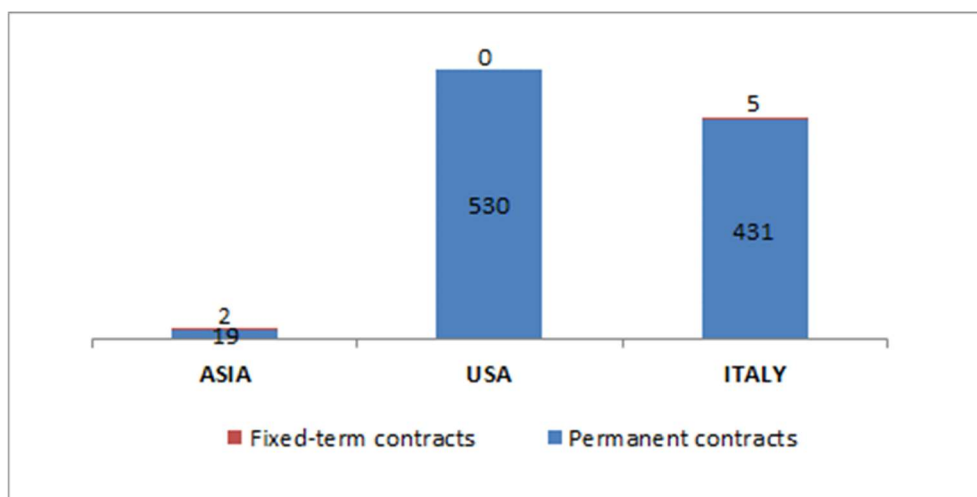
4.1 Our people

The SAES Group considers the management of its human resources to be of paramount importance as a key factor for the company's success. For this reason, the Group is active in the implementation of policies that can enhance the contribution provided by employees, developing their potential and, at the same time, the skills that can bring added value to the organisation.

At 31 December 2019, the Group's total workforce amounted to **987** people.

The Group headcount is largely concentrated in the USA (**54%**) and Italy (**44%**). The remaining portion (**2%**) is employed in the offices located in Korea, China, Taiwan and Japan, hereinafter referred to as “Asia”.

DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA AS AT 31 DECEMBER 2019¹⁷



¹⁷ It should be noted that the employees of the geographical area Italy also include the employee of SAES Getters International Luxembourg and therefore coincide with the employees of the geographical area Europe. Note also that the employees of the geographical area USA also include the employee of Memry Corporation-Germany Branch.

The SAES Group strongly believes in the professionalism of its employees. As a demonstration of the Group's desire to create strong and long-lasting professional relations, in 2019, **99.3% of the total workforce** consisted of employees with **permanent contracts**¹⁸.

As at 31 December 2019, the Group employed **82 temporary workers** (mainly contract workers) in continuity with the 87 temporary workers of the previous year. Moreover, supporting the commitment to develop new talents during the reporting year, **17 internship opportunities/school-work alternation projects were offered**.

Compared to the professional categories, **most employees** (585) fall under the **blue collar** category, one of the key roles for achieving the high quality standards of the SAES Group's products. **White collars** (including middle managers), on the other hand, represent approximately **31%** of employees and, finally, the category of managers, which includes key executives and managers, corresponds to approximately **9%** of the total.

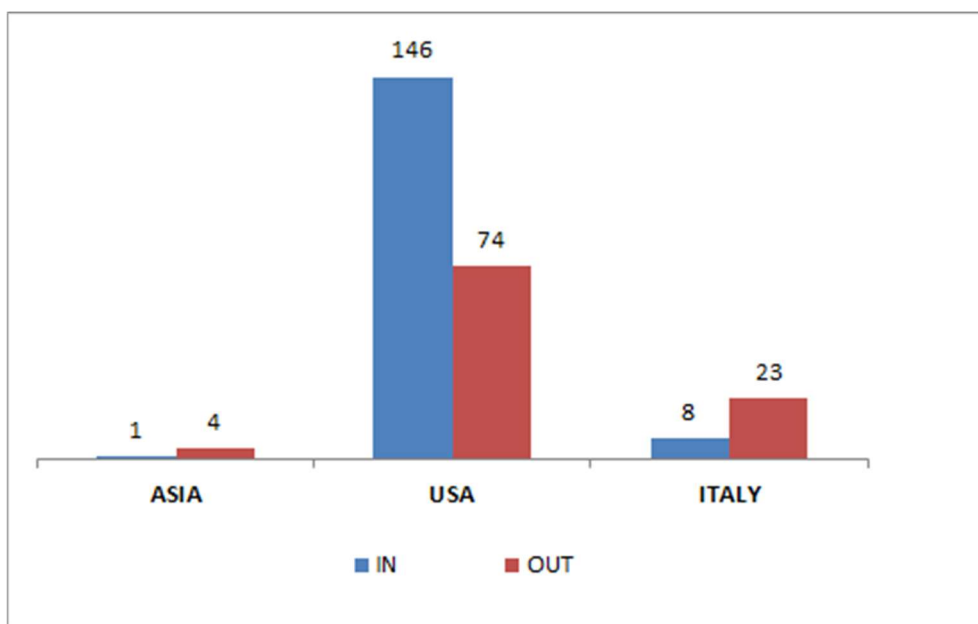
DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	As at 31 December 2019			As at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Managers	79	13	92	78	13	91
White Collars	207	103	310	213	102	315
Blue collars	408	177	585	372	155	527
Total	694	293	987	663	270	933

With regard to turnover within the Group, **155** new employees were **recruited** in 2019, compared to **101** who **left** the Group.

¹⁸ Employees hired by SAES Getters USA, Inc. signed an at-will contract that, in the representation of the Group data, was classified as “permanent” because the contractual agreement does not establish a time limit for the employment relationship.

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES WHO JOINED AND LEFT THE GROUP IN 2019



As a result of the hires made in 2019, the **hires rate**, i.e. the ratio between the number of hires and the total number of employees as at 31 December, was equal to **16%**, as can be seen in the following table.

HIRES AND HIRES RATE

	2019					2018				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	40	42	23	105	15%	27	34	16	77	12%
Women	11	33	6	50	17%	15	14	10	39	14%
Total	51	75	29	155	16%	42	48	26	116	12%
Rate	44%	16%	7%	16%		39%	11%	7%	12%	

Referring to the **outgoing turnover rate**, i.e. the ratio between the number of outgoing employees and the total number of employees as at 31 December, the value recorded in 2019 was **10%**.

OUTGOING AND TURNOVER RATE

	2019					2018				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	24	22	28	74	11%	15	30	16	61	9%
Women	9	8	10	27	9%	8	12	6	26	10%
Total	33	30	38	101	10%	23	42	22	87	9%
Rate	29%	6%	10%	10%		21%	9%	6%	9%	

In all Group companies, minimum notice periods for significant operational changes in business, which could potentially have an impact on employees, comply with current laws and regulations and/or collective bargaining agreements, where applicable. As far as possible, the communications are in any case made within the envisaged times, also with better times than that which is laid down by the law, in line with the complexity of the changes to be made, in order to avoid jeopardising employee satisfaction and motivation.

4.2 Resource development and talent management

The SAES Group recognises the importance of developing and training its own resources so that they become the added value necessary to achieve a leadership position in the markets in which the Group operates. Since it is present in dynamic markets influenced by rapid technological changes, the SAES Group invests a lot of funds in research activities, which could not be carried out without the presence of highly qualified and constantly trained personnel.

The management and retention of human capital by management is therefore also guaranteed by the training activities provided for personnel development, which amounted to approximately **10,967 hours** in 2019 (6,981 in 2018), with a **per capita average** of approximately **11 hours**, up compared to the 7 average hours in 2018.

AVERAGE HOURS OF TRAINING PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY (2019)¹⁹

	Men		Women		Total	
	No. of hours	Average hours	No. of hours	Average hours	No. of hours	Average hours
Managers	2,098	27	221	17	2,319	25
White Collars	3,605	17	1,412	14	5,016	16
Blue collars	2,997	7	636	4	3,632	6

¹⁹ Note that in reference to Memry Corporation and SAES Smart Materials, the training hours were estimated considering the average training for each employee.

Total	8,699	13	2,268	8	10,967	11
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The importance of personnel training is certainly a milestone for the Group, in order to achieve excellence in the development and marketing of its products. In particular, **technical training** within the R&D Department is considered a **strategic asset**, because of the peculiarities and the innovation that characterise the products of the SAES Group. Also at a more general level, the Group objective is **ensuring that all employees are qualified** to perform their duties in order to guarantee the economic efficiency of processes, the product quality and to keep the relevant environmental and safety impacts under control.

Every year, each function manager identifies the specific training needs of his own staff in order to reach, maintain and improve adequate skills in the performance of the assigned tasks.

When identifying training needs, each manager takes into account any changes made to company processes, the level of development of the personnel, the requirements and expectations of internal and external customers.

Continuing along the same lines as the previous years, 2019 was also mainly characterised by the adoption of a methodological approach, always attentive to resources, with a particular focus on external training, economic investment in managerial roles through tools such as MBA experience, training courses organised ad hoc, as well as interventions to consolidate soft skills in line with the company strategy and the long-term business needs.

The most significant initiatives undertaken during the year of reporting are the following:

- **Research & Development:** MBA; short courses on marketing and innovation at the Milan Polytechnic Institute (such as Open Collaborative Innovation, Entrepreneurship & Business Plan, Advanced strategy, Designing & Innovating New Business Models, Brand Management, Business Models & Social Innovations, Corporate Entrepreneurship & Start-ups, Business to Business Marketing, Innovation & Design Gym); in-depth analysis on specialist topics for research and development activities (such as, for example, Metallurgy for non-metallurgists, Microcalorimeter, Theoretical and applicative principles of physi- and chemisorption); internal training for new hires. In addition to these training interventions, an in-depth information event was organised for the resources of the Parent Company's R&D area and Laboratories, in collaboration with the Intellectual Property Department, on the issue of generating inventions and managing the invention patenting process, according to national and international regulations.
- **Health and safety, quality and environment:** Corporate safety and risks; fire prevention; first aid; defibrillator resuscitation course; specific risks related to the activities carried out and the use of dangerous substances; environmental emergencies; information and training for new hires.
- **Legal training:** training provided by the Legal Department to the resources of the Italian offices for updating on Privacy (following the entry into force of the European Regulation 2016/679 GDPR and Italian Legislative Decree 101/2018); 7 training sessions at the Lainate and Avezzano sites on the subject of Anti-corruption, provided by the Compliance & Internal Audit Function of the Legal Department, in collaboration with the association Transparency International Italia, with the aim of raising awareness of SAES personnel on the phenomenon of corruption and knowledge and

compliance with internal procedures and tools to prevent and combat conduct which is illegal and/or not in line with company procedures. A total of 198 people attended these sessions, including SAES Getters S.p.A. employees, middle managers and managers.

- **Technical updating training** in the field of industrial property/patent preparation, Operations, Taxes, Administrative, Legal and Labour law.
- **Managerial training:** A series of ad hoc paths and courses were created based on needs and business strategies: the “Train the manager for growing complexity” path for key managerial figures belonging to the various organisational units and aimed at strengthening managerial skills (in particular those related to reading and analysing the market, defining strategic choices, analysing numbers, the B2B sales process and cross-functional work) alongside existing technical and professional skills; the “Communication and organisational systems” path, which involved junior and middle figures belonging to the various organisational units and aimed at strengthening skills related to relational and organisational communication and cross-functional relationships; the courses “Shake the tree” and “Managing the boss”, which involved the entire company workforce, aimed at generating proactivity in situations of change and innovation, as well as supporting superiors and self-responsibility; the course “Difficult leadership” for resource managers, aimed at strengthening their ability to guide their collaborators in moments of uncertainty, as well as providing constructive feedback. Alongside these, in-depth courses were held at centres and business schools focusing on subjects such as, for example, negotiation and influence, organisational efficiency, transactional analyses, individual coaching. Finally, three employees participated in a pilot project focusing on initiatives proposed by the association Valore D on issues of diversity and inclusion in the company.
- **Training on the Supplier Code of Conduct:** About two hours of training were provided on the Supplier Code of Conduct, which involved the Purchasing, HR, Quality, Environment, and Health and Safety offices of the Lainate plant.

In addition to the activities outlined in the training plan, in continuity with the activities of the previous years, each function took an active part in the organisation of **on-the-job training**, in terms of instruction or coaching. The objective is also sharing company know-how with the company's youngest resources.

In the training area, the planning of activities concerning health and safety, prevention and quality is confirmed for the next reporting year, as are updates on tax, legal, administrative and labour law issues and training sessions for new employees.

Alongside the above activities, actions are envisaged which are aimed at:

- forming a common vision on the theme of Open Innovation
- ensuring the development of technical and managerial skills, with a specific focus on issues emerging as priorities within the Divisions and in the CTIO area
- developing transversal and managerial skills through the definition and implementation of training courses on Economics, Price, Negotiation, Project Management, Team and Collaboration
- providing ongoing training in the field of Assertive communication and Team working
- raising awareness and creating culture through Diversity & Inclusion initiatives, with the support of the associations Valore D and Parks Liberi e Uguali.

Furthermore, actions will be put in place to implement new forms of work, such as Smart working, through an initial test pilot phase in the Parent Company, to verify their effectiveness.

The Group is committed to creating a merit-based and non-discriminatory working environment that is appropriate for the development and well-being of its employees.

96% (74% in 2018) of workers **receive regular evaluations of their performance** and are given **career development** opportunities. The continuous dialogue among the resources of the SAES Group contributes to the continuous improvement of the organisation. The increase compared to 2018 is due to the reintroduction of the PDR (performance bonus) for the Avezzano plant.

EMPLOYEES RECEIVING A REGULAR PERFORMANCE AND CAREER EVALUATION (2019)

	Men	Men %	Women	Women %	Total	Total %
Managers	77	97%	13	100%	90	98%
White Collars	199	96%	92	89%	291	94%
Blue collars	390	96%	175	99%	565	97%
Total	666	96%	280	96%	946	96%

INCENTIVES AND REMUNERATION

In order to attract, motivate and retain the resources having the qualities and professional skills (technical and managerial) necessary to achieve its objectives, the SAES Group annually approves the “Remuneration Policy” which is defined in order to align the interests of top management with those of shareholders, which, by creating a strong identification with the company, pursue the challenging goal of creating sustainable value in the medium to long term.

For the reporting year, the remuneration package of executive directors and key management (meaning those resources that cover organisational roles relating to the planning, direction and control of the Group), is composed as follows:

- a **gross annual fixed component** (RAL), defined taking into account different factors, such as: labour market trends, the specific nature of the business in which the SAES Group works, the benchmarks of comparable companies, the role and relative responsibilities, length of service, competences, potential and career growth prospects of individual managers.
- a **variable component** divided into:
 - **MBO** (Management by Objectives) for the executive directors, which allows evaluating the recipient's performance on an annual basis, subject to the achievement of the “adjusted EBITDA” parameter; **PfS** (Partnership for Success) for managers and certain employees considered strategic, with annual disbursement, achievable based on the achievement of pre-defined business/role objectives.

- **LTI Plan** (Long Term Incentive Plan), a deferred disbursement designed to retain and motivate key corporate resources and consequently allow the Company to enjoy greater organisational stability over the medium/long-term (3 years), linked to specific objectives contained in the three-year strategic plan.

During 2018, this scheme was supplemented by a **Strategic Remuneration Plan** based on a plan linked to the Transfer of Assets and a Phantom Shares plan, aimed at remunerating management based on the value created for the shareholders, while at the same time constituting a sort of career bonus, linked to the generation of value.

Furthermore, the so-called **Assets Plan** has the purpose of paying the beneficiaries (executive directors, officers with strategic responsibilities, members of the Corporate Management Committee and employees participating in the Partnership for Success project) in relation to extraordinary transactions, such as the transfer of shareholding assets (patents, fixed assets, assets) of the company or a business unit if value and economic benefits are created for the Company through such transactions.

The above incentive plan seeks to retain the beneficiaries and align their performance with corporate interests. The Plan is therefore a standalone incentive mechanism that considers the skills, seniority and experience of each recipient as added values in guiding and supporting the achievement of excellent strategic results.

The **Phantom Shares Plan** is instead proposed to incentivise managers (executive directors and members of the Corporate Management Committee) who are able to influence company results and increase the Company's capitalisation.

The Plan provides for the bonus issue of a certain number of phantom shares to each beneficiary, which give him the right to receive a cash incentive payment which is parametrised in relation to the increase in the market share price on the date on which certain predetermined events occurred (such as, for example, change of control of the Company, resignation for just cause, reaching retirement age, death, delisting), with respect to the allocation value.

Also in this case, the principle objectives are the retention of the beneficiaries and better alignment of their performance with the interests of the shareholders and the Company.

4.3 Company welfare

With the aim of guaranteeing its employees a high degree of flexibility and the possibility of balancing work requirements with private life, the SAES Group offers its personnel various concrete initiatives to ensure good company welfare, such as **part-time** contracts, which benefited **16 people** in 2019, in continuity with the previous year.

To confirm the support to employees in managing the work-life balance, the Group also offers, in some of its premises, the possibility of flexible working hours, both in and out.

The Group's constant commitment to guaranteeing cutting-edge policies, in terms of working conditions, made it possible to achieve a favourable internal climate and low levels of work-related stress, thus guaranteeing Group employees a quiet place to work.

Moreover, for both full-time workers and part-time or temporary workers, the SAES Group envisages a series of benefits that vary according to the specific requirements of employees working in the various countries where the Group operates. Some of the company welfare solutions proposed by the various companies are shown below:

- **life/injury insurance;**
- **company health insurance** that envisages different levels of coverage based on the role in the company and the contract applied;
- **parental leave** guaranteed on the basis of local legislation;
- **social security system to support employees:** in Italy in particular, white collars, blue collars and executives are covered both by the INPS social security system and by the supplementary scheme - COMETA (for white collars and blue collars) and PREVINDAI (for executives) - whose registration is optional;
- **medical examinations**, such as annual check-ups for key executives and regular check-ups at the company, including annual gynaecologist visits, eye tests and flu vaccines;
- **internal gym** to support the physical well-being of employees.

In addition, in 2019 the well-established **Flexible Benefits** programme continued, which provides beneficiaries with a certain amount of money to purchase a wide range of educational, welfare and/or recreation services.

Finally, during 2020 the organisation is committed to evaluating the introduction of additional forms of flexibility for employees, such as **Smart Working**, through experiments (pilot projects of the Parent Company) aimed at identifying the actual benefits and areas of application and extension within the company.

The goal is to promote the creation of a flexible and dynamic work environment, attentive to the balance between personal and business needs, reducing costs and environmental impact and being immediately more competitive on the market.

To this end, therefore, the organisation is committed to implementing the simplification, efficiency and digitalisation of processes based on a new way of working which focuses on the trust and empowerment of people.

4.4 Health and safety of employees

The SAES Group considers safeguarding the safety and health of its workers of primary importance and has the objective of complying not only with all the specific regulations on the matter but also of implementing an effective action aimed at prevention and continuous improvement of working conditions.

The focus of this objective is on assessing the health and safety risks associated with company activities in order to implement an effective risk prevention and management programme. These activities are carried out throughout the Group in accordance with the requirements and peculiarities of applicable local regulations.

In particular for the Italian companies, the “Risk Assessment Document” identified the appropriate prevention and protection measures and planned their implementation with the support of specialised figures.

The risk assessment was translated into a document containing:

- a report on risk assessment for safety and health at work that specifies the assessing methods used;
- identification of protection and prevention measures;
- personal protective equipment;
- the programme of the measures considered appropriate to ensure that safety levels are improved over time.

In addition to the “Risk Assessment Document”, a detailed environmental and safety emergency management plan, which establishes and explains the rules of behaviour to be used in the event of fire, injury, spill of hazardous substances, natural disasters and machinery/plant malfunctions, was prepared.

A key aspect in prevention is providing the workforce with training and information. For this reason, within the scope of their specific duties and competences, each worker will receive continuous and adequate information and training on the procedures concerning first aid, fire-fighting, evacuation of workplaces and on the names of the workers responsible for applying first aid and fire prevention measures.

To encourage the sharing of problems and ideas for improvement, periodic meetings are held with Workers' Safety Representatives (RLS) related to the results of the risk assessment.

During 2019, the Group recorded 19 workplace injuries, all classifiable as minor. 18 of these injuries refer to direct employees, while one concerns non-employee personnel. The injuries were largely mechanical (cuts, crushing). No cases of occupational diseases were recorded.

The employee injury rate is slightly higher than that of 2018, but remains substantially low and connected to events with limited consequences; no serious injuries were recorded, and the rate is particularly low in the Italian companies.

DATA RELATING TO INJURIES

	Employees		Temporary workers ²⁰	
Number of injuries ²¹	2019	2018	2019	2018
Fatalities	-	-	-	-
High-consequence injuries (excluding fatalities)	-	-	-	-
Recordable injuries	18	16	1	4
Type of injury	2019	2018	2019	2018
Mechanical	16	16	1	4
Chemical	2	-	-	-
Hours	2019	2018	2019	2018
Hours worked	1,675,044	1,625,126	189,995	N.A.
Multiplier	1,000,000	1,000,000	1,000,000	N.A.
Rate	2019	2018	2019	2018
Rate of fatalities as a result of work-related injury	-	-	-	-
Rate of high-consequence injuries (excluding fatalities)	-	-	-	-
Rate of recordable injuries	10.75	9.85	5.26	N.A.

4.5 Diversity and non-discrimination

As can be found in all the adopted policies and codes, the SAES Group condemns all forms of discrimination, both internal and external, and is committed to ensuring that all decisions relating to its employees are considered while taking into account the skills, knowledge and work performance of each, without any differentiation based on age, gender, sexual orientation, health, race, nationality, religious beliefs and political opinions. In particular, the HR Global Policy approved in the reporting year made the commitment of all Group companies official in relation to not implementing any kind of discriminatory behaviour towards potential employees and/or employees and facilitating the presence of employees with disabilities in the workplace and flexibility in respecting religious observances.

²⁰ The data relating to the Health and Safety of temporary workers only includes the categories of Contract Workers and Trainees (of SAES Getters S.p.A.) and not other types of non-employed workers who work at the Group's sites and/or under the Group's control, in consideration of their significance and the availability of such data over which the Group does not exercise direct control.

²¹ In 2019 we decided to proceed with reporting of injury data using the new Standard GRI 403, published by the Global Reporting Initiative (GRI) in 2018 to replace the version used thus far which was published in 2016. For comparative purposes, the 2018 data have therefore been restated compared to those published in the previous DNF, excluding any injuries which occurred during travel from home to work and vice versa which was not organised by the Group, as required by the new Standard 403. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published on the site www.saes-getters.it.

The commitment promoted by the Group is also based on the decision to employ **293 women** in its business activities, equal to 30% of the total. The figure, upward compared to 2018, shows the willingness of management to invest in a process of diversity, despite the characteristics of the industrial sector that has always been characterised by an accentuated male presence.

In the reporting year, the Parent Company demonstrated its interest in the topic of **Diversity & Inclusion** by joining the associations *Valore D* (association of companies that has been committed to gender balance and an inclusive culture in Italian organisations for 10 years, providing companies with effective tools and intercompany and institutional dialogue) and *Parks Liberi e Uguali* (association of companies created to help companies understand and maximise the business potential related to the development of strategies and good practices which are respectful of the diversity linked to sexual orientation and gender identity).

In 2019 some training initiatives were already implemented in collaboration with the association *Valore D* through two paths aimed at women between 24 and 40 years old, which involved three employees as a pilot project:

- Young talent: a path designed to create self-awareness in the organisational context, develop entrepreneurial spirit to foster a career, encourage cross-company networking and create a network of talented young women;
- Middle manager: a path designed to strengthen confidence in oneself and in one's own skills, to help understand the company organisation, promote career advancement, encourage cross-company networking and create a network of talented women.

In 2020, the training courses and meetings promoted by the association *Valore D* will continue and a general awareness-raising activity will be developed.

From the point of view of remuneration, the Group is also committed to providing fair remuneration for all its employees.

The gross minimum entry wage paid to new employees (blue collars) is higher than the local minimum wage envisaged by national law both for men and for women. In particular with reference to SAES Getters S.p.A., in line with the previous year, the ratio stands at **1.01**, which means the minimum starting wage is on average 1% higher than the minimum legal requirement²². With regard to Memry Corporation, the value instead reached **1.27** in 2019²³.

The personnel of the Group is also more concentrated in the age group that includes employees aged between 30 and 50 (48%). The other brackets contain 40% (more than 50 years old) and 12% (less than 30 years old), respectively.

²² The minimum wage refers to the current minimum of the metalworking sector national collective bargaining agreement.

²³ The minimum wage refers to the local minimum wage of the state of Connecticut.

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

	2019				2018			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers	3	36	53	92	0	37	54	91
White Collars	20	184	106	310	24	184	107	315
Blue collars	92	255	238	585	83	228	216	527
Total	115	475	397	987	107	449	377	933

Although it invests in the promotion of diversity and internationalisation as a strategy for cultural growth, the Group recognises the importance of a management class that is able to guarantee proper business management in line with local needs. For this reason, **87% of managers are employed in their country of origin.**²⁴

²⁴ Locally hired managers is intended as the employee's national origin.

5. Our commitment to the environment²⁵

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
DIRECT ENVIRONMENTAL IMPACTS	Efficient energy management through actions, programmes and management systems; decrease in energy consumption from fossil fuels and promotion of the production and purchase of energy from renewable sources.	<ul style="list-style-type: none"> - Adequacy of plants and of energy production and management technologies - Compliance with local laws and regulations 	<p>The Group is committed to complying with the current national and international environmental and product regulations in force by promoting the monitoring and reduction of energy consumption of production processes through initiatives such as assessment of life cycle cost and environmental impact of civil and industrial plants.</p> <p>The Group constantly monitors the reference environmental and product regulations, within its research projects it verifies the environmental impact of the product, adopts a Supplier Code of Conduct at Group level that also has relevance on environmental issues, measures its performance and monitors any critical areas also through compliance with the standards set out in the ISO 14001 certification, where implemented.</p>
	Monitoring, prevention and reduction of greenhouse gas (GHG) emissions from production, logistics and business travel activities; other pollutant emissions such as: NOx, SOx and VOC.	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Maintenance and upgrading of plants at production sites 	The atmospheric emissions generated by the activities of the Group are monitored and limited in compliance with the relevant environmental regulations. The Group is committed to monitoring micropollutants emitted into the atmosphere and defines actions and measures to reduce greenhouse gas emissions.
	Responsible and efficient management of water resources; definition of strategies to increase efficiency in the use of water with particular attention to possible specific uses; monitoring the quality of wastewater discharges and implementing actions to improve the chemical, physical and biological quality of discharges.	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Adequacy of periodic checks on wastewater discharges 	The Group develops projects and initiatives to optimise water consumption, also through initiatives that facilitate the reuse and recovery of water within production processes. Particular attention is paid to monitoring the chemical and biological quality of wastewater discharges and, where necessary, the adoption of special wastewater treatment systems in line with law provisions.

²⁵ The environmental figures include all the Companies of the Group included in the reporting boundary where the production sites are located. On the other hand, companies with only commercial offices are excluded as they are not considered relevant.

	<p>Responsible management of hazardous and non-hazardous waste associated with the business of the Group; dissemination of a corporate culture aimed at maximising the efficiency of waste management by promoting responsible management methods and practices such as: reuse, differentiation and recycling of produced waste.</p>	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Adequacy of the waste delivery, transport and disposal service 	<p>The Group responsibly manages waste in full compliance with environmental laws and regulations, making all its employees aware of the proper delivery of waste in order to promote its recycling and recovery (e.g. waste classification and collection). Particular attention is paid to the proper management of waste from industrial processes (e.g. guidelines for the use of safer chemicals in SAES Group product and processes).</p>
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HIGHLIGHTS



57 ton of CO₂ saved through specific energy saving projects with localized monitoring of consumption at the Lainate site



About 50% of waste produced by the Group is recycled (60% in 2018)

The units of Lainate and Avezzano are ISO14001:2015 certified

5.1 Management of environmental impacts

“Technological innovation to build the future and environmental sustainability to preserve it”: this is the motto that characterises the strategy and actions of the SAES Group in relation to its business activities. In fact, the Group implemented the vertical integration of its production processes, allowing it to focus on technological excellence and on the inflexible responsibility for environmental sustainability.

Therefore, the **eco-friendly strategy** is guaranteed by the control of the entire life cycle of the products of the SAES Group and by the systematic approach adopted for the pursuit of environmental protection. This method of action, in line with the best practices of the **UNI EN ISO 9001 quality management system** certification obtained for the Group's main production sites²⁶, is based on the following points:

- **measurement tools** of business performance to correctly assess the impact of the organisation's production on environmental resources;
- **long-term planning** to define and implement work processes with low environmental impact, deeply innovative and based on the results of the analysis;
- **compliance** with the most important **international regulations**;
- development of advanced products, which have safe and **environmentally-friendly** features and limit the use of environmentally hazardous substances.

In order to strengthen its commitment to environmental issues, the SAES Group implemented an environmental management system capable of including the protection of the environment and the safety of future generations in the company's objectives. The Group's commitment is expressed through the **ISO 14001 environmental management system certification** obtained for the production plants of Lainate and Avezzano.

SAES Coated Films S.p.A. is particularly involved in the development of food packaging with eco-sustainable characteristics.

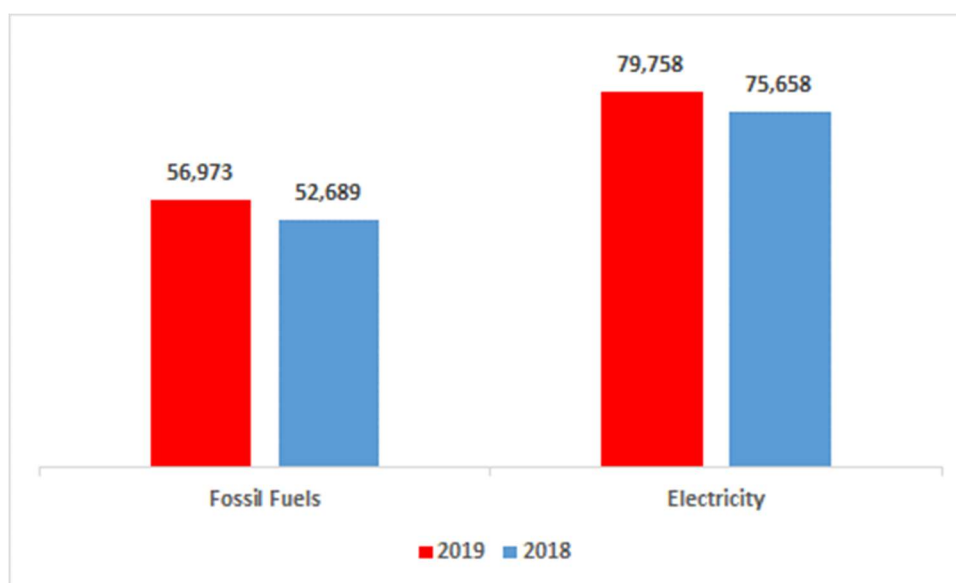
²⁶ The ISO 9001 certified companies of the Group are: SAES Getters S.p.A., Memry Corp., SAES Smart Materials, Inc., SAES Getters USA, Inc., SAES Coated Films S.p.A.

5.2 Energy consumption

At the end of 2019, the Group's total energy consumption amounted to **136,731 GJ**, an increase of 7% compared to the previous year for which a figure of 128,347 GJ was recorded²⁷. The main consumption derives from the use of non-renewable fuel for heating (mainly natural gas) and electricity purchased for production and air-conditioning purposes. Automotive fuels represent a negligible percentage of consumption (0.5%).

Electricity consumption grew by 5%, natural gas by 8%.

ENERGY CONSUMPTION BY TYPE OF SOURCE (IN GJ)



The **energy intensity value resulting from direct consumption**²⁸ for the year 2019 equals **1.16**, a significant increase compared to the value of 2018, equal to 1.27²⁹ and represents the organisation's energy efficiency. The decrease is mainly due to a 16% increase in the cost of sales, against a 7% increase in consumption. This misalignment is due both to the variation of the product mix and to the fact that some types of consumption (mainly those for heating) are not directly linked to the quantities produced. With regard to the Group's

²⁷ Note that, as a result of a reporting system improvement process, the 2018 data relating to the consumption of fossil fuels has been restated. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

Conversion factors used for the calculation of energy consumption: Source: DEFRA 2019

²⁸ The **energy intensity resulting from direct consumption** was obtained from the ratio between the value of energy consumption of fossil fuels and electricity by the organisation (in GJ) and the cost of goods sold (€), multiplied by one thousand.

²⁹ Note that, as a result of a reporting system improvement process, the 2018 data relating to the consumption of fossil fuels has been restated. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

Conversion factors used for the calculation of energy consumption: Source: DEFRA 2019

commitment to reducing its energy consumption, in 2019 the organisation **saved 422 GJ (57 tons of CO₂³⁰)** through the implementation of various programmes and initiatives to reduce consumption and/or improve efficiency. For example, at the Lainate plant a dryer for the compressed air generation system was replaced with a new-generation dryer and the company spaces were reorganised to prepare for the start of new production activities, also involving the temporary closure of one of the buildings of the Lainate plants.

5.3 Emissions into the atmosphere

During 2019, the SAES Group produced **11,456 tons of CO₂eq³¹**, **up 5%** compared to 2018.³²

In reference to **direct emissions** (Scope 1), i.e. the emissions resulting from consumption relating to the use of fossil fuels, the 2019 data is equal to **3,053 tons of CO₂eq**, **an increase of about 7%** compared to 2018³³. The increase is due to a greater use of natural gas.

The **indirect emissions** (Scope 2 Location-based), deriving from the purchase of electricity, grew by 5% compared to 2018, and in 2019 amounted to **8,403 tons of CO₂**.

³⁰ The CO₂ savings were calculated with the Market-based method.

³¹ The figure for CO₂ emissions of the Group reported in this section "Emissions into the atmosphere" refers to emissions calculated using the location-based method.

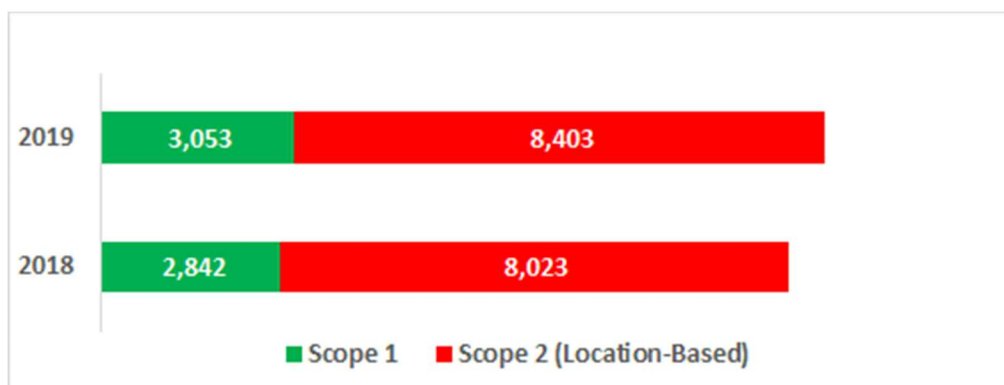
For the conversion factors used to calculate greenhouse gas emissions, see the table in the attachments.

Scope 2 emissions are expressed in tons of CO₂. However, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂equivalent), as can be deduced from the relevant technical literature.

³² It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2018 Scope 1 emissions have been restated compared to those published in the previous Consolidated Non-Financial Statement. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

³³ It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2018 Scope 1 emissions have been restated compared to those published in the previous Consolidated Non-Financial Statement. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

DIRECT EMISSIONS, SCOPE 1, AND INDIRECT EMISSIONS, SCOPE 2 (IN TONS OF CO₂eq)³⁴



Further types of emissions released into the atmosphere by the SAES Group are mainly NO_x and CO derived from the combustion of methane gas for heating, volatile organic compounds (VOC), and in particular Ethanol, mainly derived from a specific process at SAES Coated Films S.p.A., and particulates, as shown in the following table.

OTHER EMISSIONS INTO THE ATMOSPHERE (2019)³⁵

Pollutant	quantity (ton/year)	percentage
VOC	3.03	11.9%
Ethanol	1.01	4.0%
NO _x	12.65	49.6%
CO	8.01	31.4%
Total Dust	0.46	1.8%
SO _x	0.33	1.3%
Total	25.482	100%

³⁴ It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2018 Scope 1 emissions have been restated compared to those published in the previous Consolidated Non-Financial Statement. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

³⁵ The boundary refers only to those companies that envisage monitoring emissions into the atmosphere as required by current regulations and are: SAES Getters S.p.A. - Lainate and Avezzano Plants, SAES Smart Materials, Inc., SAES Coated Films SpA, SpectraMat Inc. considered relevant to ensure an understanding of the impacts of the Group's activities. Starting from 2019, the data relating to pollution not previously monitored, such as VOCs, at SAES Coated Films and Spectra-Mat Inc., CO and NO_x at the Avezzano plant have been reported. With regard to the 2018 data published in the Consolidated Non-Financial Statement, see the "Attachments" section.

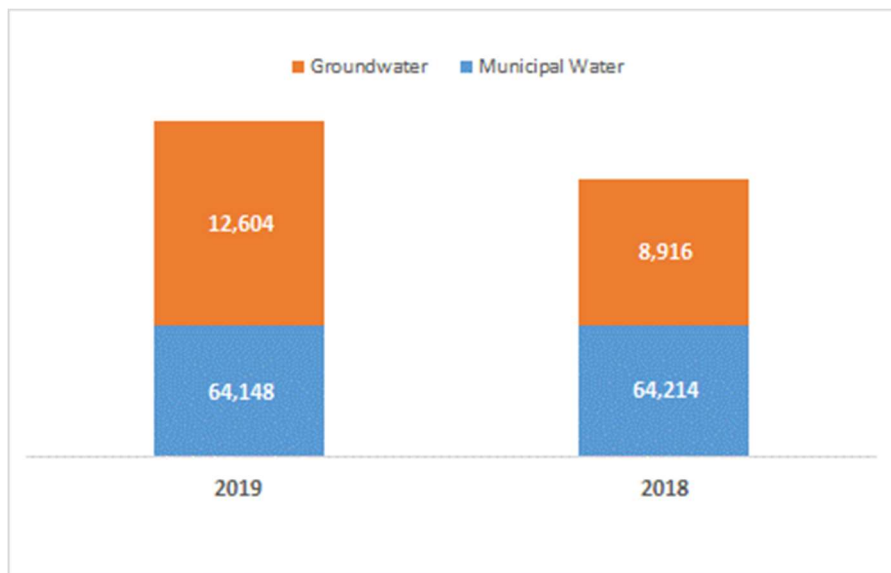
The presence of new pollutants is due to better monitoring, especially at SAES Coated Films S.p.A., on the basis of updated environmental requirements. On a like-for-like basis, there were no significant changes compared to 2018.

5.4 Water consumption

The use of water resources is managed with the utmost responsibility, also through the development of policies to reduce consumption and, where possible, recirculate the water already used.

During 2019, the SAES Group consumed **76,753 m³** of water supplied by municipal water and groundwater.

COMPARISON OF 2019 AND 2018 WATER CONSUMPTION



In particular, it should be noted that the main water withdrawals are attributable to the withdrawal from municipal water (84%) and the remaining part from groundwater (16%).

5.5 Management of waste and water discharges

The waste produced by the Group amounted to **1,952 tons, up 14%** compared to the previous year, an increase largely due to non-hazardous waste destined for disposal, caused by the occasional disposal of warehouse waste at SAES Smart Materials and by specific waste linked to a variation of a process at the Avezzano plant. These events also resulted in a decrease in the percentage of recycled waste from 58 to 46%. The waste was divided by family, assigning each a specific hazard according to the classification in this regard, regardless of the country of origin. In line with Group policy, waste is recycled whenever possible; if recycling or re-use is not possible, it is disposed of according to the type of waste. The responsible management of hazardous and non-hazardous waste is one of the most important points of the Group's environmental protection policies.

The largest portion of waste produced is for disposal (47%) and, following this, the other portions are those for recycling (46%), a residual portion for incineration (5%) and landfill (2%). With regard to the division between hazardous and non-hazardous waste, the former amounts to 378 tons (19% of the total), while the non-hazardous waste amounts to 1,574 tons, or 81% of the total.

WASTE DISPOSED BY TYPE (TONS)

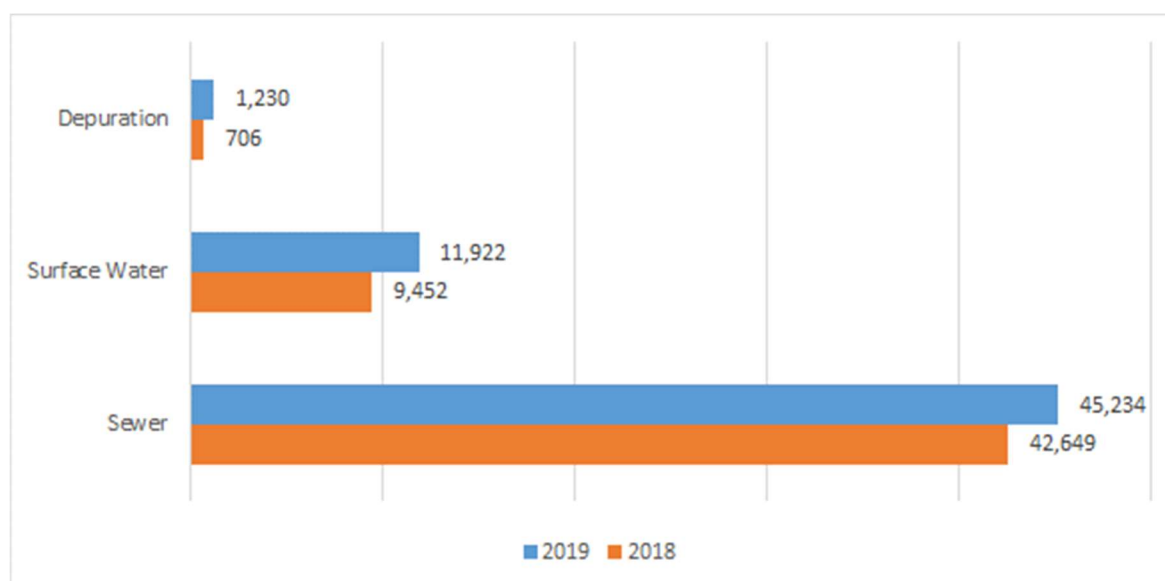
	2019			2018		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Disposal	311.9	615.1	927	263.8	359.1	623
Recycling	8.4	894.0	902	15.2	980.5	996
Incineration	39.6	50.3	90	47.9	30.4	78
Landfill	17.9	14.7	33	2.9	12.5	15
Total	378	1,574	1,952	330	1,382	1,712

Also with regard to wastewater discharge practices, the Group applies the most advanced management practices, respecting the environment and the territory. Where wastewater treatment plants are present, the SAES Group ensures continuous maintenance of the plants and internal and external periodic analysis to check the quality of wastewater, which therefore does not present a risk to the environment.

Many factories are equipped with a closed cooling circuit which allows considerable savings in the use of water.

During 2019, the Group discharged **58,386 m³ of water**. The main destination of the Group's water discharge is sewerage (77%) followed by surface water (e.g. rivers and lakes) to which 20% of discharged water is destined, followed by water treatment plants (2%).

WATER DISCHARGE BY DESTINATION (m³)



Attachments

CHAPTER 1: Group business management

MATERIALITY ANALYSIS – DEFINITION OF MATERIAL ASPECTS

Material aspect	Area	Boundary		GRI Topic Reconciliation
		Where the impact occurs	Involvement of the SAES Group	
Ethics, business and integrity compliance	Governance and Compliance	Group	Generated by the Group	Environmental compliance; socio-economic compliance.
Anti-corruption	Governance and Compliance	Group	Generated by the Group	Anti-corruption
Economic and financial results and creation of value	Economic responsibility	Group	Generated by the Group	Economic performance, Market presence
Diversity, inclusion, non-discrimination	Responsibilities towards local communities	Group	Generated by the Group	Diversity and equal opportunity
Employee management and development and talent attraction	Responsibility towards employees	Group	Generated by the Group	Employment; labour/management relations; training and education; diversity and equal opportunities;
Occupational health and safety	Responsibility towards employees	Employees and temporary workers ³⁶ of the Group Companies that manage production sites	Generated by the Group	Occupational health and safety;
Company welfare systems	Responsibility towards employees	Group employees	Generated by the Group	Employment
Responsibility, quality and safety of the supplied products	Product liability	Group	Generated by the Group	Customer health and safety; marketing and labelling;
Research and development	Product liability	Group production sites	Generated by the Group	N.A.

³⁶ The data relating to the Health and Safety of temporary workers only includes the categories of Contract Workers and Trainees (of SAES Getters SpA) and not other types of non-employed workers who work at the Group's sites and/or under the Group's control, in consideration of their significance and the availability of such data over which the Group does not exercise direct control.

Material aspect	Area	Boundary		GRI Topic Reconciliation
		Where the impact occurs	Involvement of the SAES Group	
Customer satisfaction, customer relation management	Product liability	Group	Generated by the Group	N.A.
Sustainable management of the supply chain	Responsibility towards suppliers	Group, suppliers and business partners	Generated by the Group and to which the Group contributes	Procurement practices; supplier environmental assessment; supplier social assessment;
Human rights	Responsibilities towards local communities	Group, suppliers and business partners	Generated by the Group and to which the Group contributes	Child labour; forced or compulsory labour;
Direct environmental impacts	Environmental responsibility	Group production sites and electricity suppliers	Generated by the Group and related to the Group through its commercial relations	Effluents and waste; water; emissions; energy

CHAPTER 2: Economic performance and business development

GRI 201 – 1 Table of distribution of the economic value generated by the SAES Group

<i>Table of the Generated Value</i>		
Determination of the Generated Value	2019	2018
	<i>thousands of euro</i>	<i>thousands of euro</i>
Directly generated economic value	187,044	402,740
Distribution of the Generated Value	2019	2018
	<i>thousands of euro</i>	<i>thousands of euro</i>
Value distributed to suppliers	71,892	67,774
Remuneration of personnel	77,638	72,348
Remuneration of lenders	1,429	987
Remuneration of shareholders	9,198	16,580
Remuneration of the Public Administration	8,381	12,545
Remuneration of the community	26	15
Value retained by the Company	18,480	232,491

GRI 408-1: Operations and suppliers at significant risk for incidents of child labour³⁷ and GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour³⁸

Transactions for which the Conflict Minerals Policy has been requested to be signed						
	2019			2018		
Geographical area	Conflict Minerals compliant transactions	Total transactions	%	Conflict Minerals compliant transactions	Total transactions	%
Italy	5	447	1.1	2	401	0.5
USA	7	146	4.8	3	139	2.2

³⁷ and ³⁸ The total number of transactions indicated relates only to suppliers of raw materials, semi-finished and finished products, external processing

GRI 204-1 Proportion of spending on local suppliers³⁹

SAES GROUP						
Type of purchases	2019			2018		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	2,136	55,669,242	73.9%	2,046	51,538,146	69.8%
Purchases from other suppliers	406	19,627,293	26.1%	381	22,333,832	30.2%
Total	2,542	75,296,536	100.0%	2,427	73,871,978	100.0%

EUROPE						
Type of purchases	2019			2018		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	1,216	30,838,008	64.4%	1,176	30,984,881	60.8%
Purchases from other suppliers	299	17,050,270	35.6%	306	20,015,978	39.2%
Total	1,515	47,888,278	100.0%	1,482	51,000,859	100.0%

USA						
Type of purchases	2019			2018		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	824	24,240,079	90.4%	774	19,938,550	89.6%
Purchases from other suppliers	107	2,577,023	9.6%	75	2,317,855	10.4%
Total	931	26,817,102	100.0%	849	22,256,404	100.0%

ASIA						
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³⁹ Purchases from local suppliers refer to purchases made from suppliers belonging to the geographical area of reference (Europe, USA or Asia). For the purposes of comparing the data, it should be noted that the values for 2018 have been restated, not considering the contribution of E.T.C. as a company in liquidation as set out in the Methodological Note. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published on the site www.saes-getters.it.

Non-Financial Statement of the SAES Group

Type of purchases	2019			2018		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	96	591,156	100.0%	96	614,714	100.0%
Total	96	591,156	100.0%	96	614,714	100.0%

Distribution of suppliers by geographical area (SAES Group)

Suppliers				
Product segment	2019		2018	
	No. of suppliers by category	Value of total annual expenditure by category [€]	No. of suppliers by category	Value of total annual expenditure by category [€]
Europe ⁴⁰	1,439	40,268,054	1,407	37,470,180
Asia	131	1,817,412	134	2,349,464
Middle East	3	948,173	-	-
America	967	31,788,125	883	31,647,142
North Africa	1	474,000	1	2,400,000
Australia	1	771	2	5,192
Total	2,542	75,296,536	2,427	73,871,978

CHAPTER 3: Technology at the service of innovation

Number of Complaints by product type⁴¹

Complaints		
	2019	2018
Getters	25	26
Shape Memory Alloy	209	158
Vacuum Pump	41	30
Dispenser	2	3
Dryers	0	1
Coated films	46	54
Cathodes	49	30
Total	372	302

⁴⁰ For the purposes of data comparability, it should be noted that the values for 2018 have been restated, not considering the contribution of E.T.C. as a company in liquidation as set out in the Methodological Note. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published on the site www.saes-getters.it.

⁴¹ For the purposes of data comparability, recall that the number of complaints relating to 2017 only refers to SAES Getters S.p.A.

Number of complaints by type

Complaints		
	2019	2018
Non-compliant product (products with functional or dimensional problems)	260	220
Logistics (problems related to transport, invoicing, shipping documentation)	92	34
Packaging (problems related to primary or secondary packaging)	20	48
Total	372	302

CHAPTER 4: The people of the SAES Group⁴²

GRI 102-8 Information on employees

SAES GROUP						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2019			as at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Permanent	688	292	980	656	267	923
Fixed term	6	1	7	7	3	10
Total	694	293	987	663	270	933

ITALY						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2019			as at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Permanent	317	114	431	332	116	448
Fixed term	5	0	5	3	0	3
Total	322	114	436	335	116	451

ASIA						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2019			as at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Permanent	12	7	19	14	7	21
Fixed term	1	1	2	1	2	3
Total	13	8	21	15	9	24

USA						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2019			as at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Permanent	359	171	530	310	144	454
Fixed term	0	0	0	3	1	4
Total	359	171	530	313	145	458

⁴² It should be noted that the employees of the geographical area Italy also include the employee of SAES Getters International Luxembourg and therefore coincide with the employees of the geographical area Europe. Note also that the employees of the geographical area USA also include the employee of Memry Corporation-Germany Branch.

SAES GROUP						
Total number of employees broken down by full-time and part-time employees						
Full-time/Part-time	as at 31 December 2019			as at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Full-Time	692	279	971	660	257	917
Part-time	2	14	16	3	13	16
Total	694	293	987	663	270	933

GRI 102-41 Collective bargaining agreements

Percentage of the total number of employees covered by collective bargaining agreements		
	As at 31 December 2019	As at 31 December 2018
Group percentage	44%	48%
Group percentage excluding USA and Asia data ⁴³	100%	100%

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

ITALY ⁴⁴				
New employees	as at 31 December 2019		as at 31 December 2018	
	Men	Women	Men	Women
Ratio of standard entry level wage compared to local minimum wage, by gender	1.01	1.01	1.01	1.01

USA ⁴⁵				
New employees	as at 31 December 2019		as at 31 December 2018	
	Men	Women	Men	Women
Ratio of standard entry level wage compared to local minimum wage, by gender	1.27	1.27	1.19	1.19

⁴³ Excluding USA and Asia since there are no national collective bargaining agreements.

⁴⁴ The figure only refers to the company SAES Getters S.p.A. The minimum wage refers to the current minimum of the metalworking sector national collective bargaining agreement.

⁴⁵ The data only refers to the company Memry Corporation. The minimum wage refers to the local minimum wage of the state of Connecticut.

GRI 202-2 Proportion of senior management hired from the local community

Percentage of senior management hired from the local community						
	as at 31 December 2019			as at 31 December 2018		
	Men	Women	Total	Men	Women	Total
Group	86%	92%	87%	87%	100%	89%
Percentage of senior management hired from the local community, by most significant operating premises						
Italy	100%	100%	100%	100%	100%	100%
USA	68%	86%	71%	67%	100%	71%
Asia	100%	100%	100%	100%	100%	100%

GRI 401-1 New employee hires and employee turnover

SAES GROUP										
IN										
Number of persons	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	40	42	23	105	15%	27	34	16	77	12%
Women	11	33	6	50	17%	15	14	10	39	14%
Total	51	75	29	155	16%	42	48	26	116	12%
Rate	44%	16%	7%	16%		39%	11%	7%	12%	
OUT										
Number of persons	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	24	22	28	74	11%	15	30	16	61	9%
Women	9	8	10	27	9%	8	12	6	26	10%
Total	33	30	38	101	10%	23	42	22	87	9%
Rate	29%	6%	10%	10%		21%	9%	6%	9%	

ITALY		
IN		
Number of persons	From 1 January to 31 December 2019	From 1 January to 31 December 2018

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	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	3	4	0	7	2%	1	0	3	4	1%
Women	0	1	0	1	1%	0	6	0	6	5%
Total	3	5	0	8	2%	1	6	3	10	2%
Rate	21%	2%	0%	2%		7%	2%	2%	2%	
OUT										
Number of persons	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	1	7	12	20	6%	1	5	6	12	4%
Women	0	1	2	3	3%	0	5	2	7	6%
Total	1	8	14	23	5%	1	10	8	19	4%
Rate	7%	3%	7%	5%		7%	4%	4%	4%	

ASIA										
IN										
Number of persons	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	0	0	0	0	0%	0	0	0	0	0%
Women	0	1	0	1	13%	0	1	1	2	22%
Total	0	1	0	1	5%	0	1	1	2	8%
Rate	0%	7%	0%	5%		0%	7%	13%	8%	
OUT										
Number of persons	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	1	1	0	2	15%	0	1	0	1	7%
Women	0	0	2	2	25%	2	0	0	2	22%
Total	1	1	2	4	19%	2	1	0	3	13%
Rate	100%	7%	29%	19%		200%	7%	0%	13%	

USA										
IN										
	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	37	38	23	98	27%	26	34	13	73	23%
Women	11	31	6	48	28%	15	7	9	31	21%
Total	48	69	29	146	28%	41	41	22	104	23%
Rate	48%	30%	15%	28%		45%	22%	12%	23%	
OUT										
	From 1 January to 31 December 2019					From 1 January to 31 December 2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	22	14	16	52	14%	14	24	10	49	15%
Women	9	7	6	22	13%	6	7	4	16	12%
Total	31	21	22	74	14%	20	31	14	65	14%
Rate	31%	9%	11%	14%		22%	17%	8%	14%	

GRI 403-9 Work-related injuries

SAES GROUP				
	Employees		Temporary workers ⁴⁶	
Number of injuries	2019	2018	2019	2018
Fatalities	-	-	-	-
High-consequence injuries (excluding fatalities)	-	-	-	-
Recordable injuries	18	16 ⁴⁷	1	4
Type of injury	2019	2018	2019	2018

⁴⁶ The data relating to the Health and Safety of temporary workers only includes the categories of Contract Workers and Trainees (of SAES Getters SpA) and not other types of non-employed workers who work at the Group's sites and/or under the Group's control, in consideration of their significance and the availability of such data over which the Group does not exercise direct control.

⁴⁷ In 2019 we decided to proceed with reporting of injury data using the new Standard GRI 403, published by the Global Reporting Initiative (GRI) in 2018 to replace the version used thus far which was published in 2016. For comparative purposes, the 2018 data have therefore been restated compared to those published in the previous DNF, excluding any injuries which occurred during travel from home to work and vice versa which was not organised by the Group, as required by the new Standard 403. For the previously published data, please refer to the 2018 Non-Financial Statement, published on the website www.saes-getters.it.

Mechanical	16	16	1	4
Chemical	2	-	-	-
Hours	2019	2018	2019	2018
Hours worked	1,675,044	1,625,126	189,995	N.A.
Multiplier	1,000,000	1,000,000	1,000,000	N.A.
Rate	2019	2018	2019	2018
Rate of fatalities as a result of work-related injury	0	0	0	0
Rate of high-consequence injuries (excluding fatalities)	0	0	0	0
Rate of recordable injuries	10.75	9.85	5.26	N.A.

ITALY				
	Employees		Temporary workers	
Number of injuries	2019	2018	2019	2018
Fatalities	-	-	-	-
High-consequence injuries (excluding fatalities)	-	-	-	-
Recordable injuries	4	5 ⁴⁸	-	-
Type of injury	2019	2018	2019	2018
Mechanical	4	5	-	-
Chemical	-	-	-	-
Hours	2019	2018	2019	2018
Hours worked	705,073	744,841	64,336	N.A.
Multiplier	1,000,000	1,000,000	1,000,000	N.A.
Rate	2019	2018	2019	2018
Rate of fatalities as a result of work-related injury	-	-	-	-

⁴⁸ In 2019 we decided to proceed with reporting of injury data using the new Standard GRI 403, published by the Global Reporting Initiative (GRI) in 2018 to replace the version used thus far which was published in 2016. For comparative purposes, the 2018 data have therefore been restated compared to those published in the previous DNF, excluding any injuries which occurred during travel from home to work and vice versa which was not organised by the Group, as required by the new Standard 403. For the previously published data, please refer to the 2018 Non-Financial Statement, published on the website www.saes-getters.it.

Non-Financial Statement of the SAES Group

Rate of injuries with serious consequences (excluding deaths)	-	-	-	-
Rate of recordable injuries	5.67	6.71	0.00	N.A.

USA				
	Employees		Temporary workers	
Number of injuries	2019	2018	2019	2018
Fatalities	-	-	-	-
High-consequence injuries (excluding fatalities)	-	-	-	-
Recordable injuries	14	11	1	4
Type of injury	2019	2018	2019	2018
Mechanical	12	11	1	-
Chemical	2	-	-	-
Hours	2019	2018	2019	2018
Hours worked	969,971	880,275	125,659	N.A.
Multiplier	1,000,000	1,000,000	1,000,000	N.A.
Rate	2019	2018	2019	2018
Rate of fatalities as a result of work-related injury	-	-	-	-
Rate of injuries with serious consequences (excluding deaths)	-	-	-	-
Rate of recordable injuries	14.43	12.50	7.96	N.A.

GRI 404-1 Average hours of training per year per employee

Hours of training						
	2019 ⁴⁹					
	Hours per Men	Average hours/men	Hours per Women	Average hours/women	Total Hours	Average hours/category

⁴⁹ Note that in reference to Memry Corporation and SAES Smart Materials, the training hours were estimated considering the average training for each employee.

Non-Financial Statement of the SAES Group

Managers	2,098	27	221	17	2,319	25
White Collars	3,605	17	1,412	14	5,016	16
Blue collars	2,997	7	636	4	3,632	6
Total	8,699	13	2,268	8	10,967	11

Hours of training						
	2018					
	Hours per Men	Average hours/men	Hours per Women	Average hours/women	Total Hours	Average hours/category
Managers	1,628	21	150	12	1,778	20
White Collars	2,546	12	955	9	3,501	11
Blue collars	1,248	3	455	3	1,703	3
Total	5,421	8	1,560	6	6,981	7

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

SAES GROUP						
Employees receiving regular performance and career development reviews						
Number of persons	as at 31 December 2019 ⁵⁰					
	Men	Men %	Women	Women %	Total	Total %
Managers	77	97%	13	100%	90	98%
White Collars	199	96%	92	89%	291	94%
Blue collars	390	96%	175	99%	565	97%
Total	666	96%	280	96%	946	96%
Number of persons	as at 31 December 2018					
	Men	Men %	Women	Women %	Total	Total %
Managers	76	97%	13	100%	89	98%
White Collars	173	81%	75	74%	248	79%
Blue collars	236	63%	120	77%	356	68%
Total	485	73%	208	77%	693	74%

⁵⁰ It should be noted that the deviation from the year 2018 is due to the fact that the PDR (performance bonus) was reintroduced in the reporting year for the Avezzano plant.

GRI 405-1 Diversity of governance bodies and employees

SAES GROUP								
Personnel of the Group by professional category and gender								
	as at 31 December 2019			as at 31 December 2018				
	Men	Women	Total	Men	Women	Total		
Managers	79	13	92	78	13	91		
White Collars	207	103	310	213	102	315		
Blue collars	408	177	585	372	155	527		
Total	694	293	987	663	270	933		
SAES GROUP								
Personnel of the Group by professional category and age								
Number of persons	as at 31 December 2019				as at 31 December 2018			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Managers	3	36	53	92	0	37	54	91
White Collars	20	184	106	310	24	184	107	315
Blue collars	92	255	238	585	83	228	216	527
Total	115	475	397	987	107	449	377	933

SAES GROUP				
Personnel of the Group by professional category and gender				
	as at 31 December 2019		as at 31 December 2018	
	Men	Women	Men	Women
Managers	86%	14%	86%	14%
White Collars	67%	33%	68%	32%
Blue collars	70%	30%	71%	29%
Total	70%	30%	71%	29%

SAES GROUP						
Personnel of the Group by professional category and age						
	as at 31 December 2019			as at 31 December 2018		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Managers	3%	39%	58%	0%	41%	59%
White Collars	6%	59%	34%	8%	58%	34%
Blue collars	16%	44%	41%	16%	43%	41%
Total	12%	48%	40%	11%	48%	40%

CHAPTER 5: Our commitment to the environment⁵¹

GRI 302-1 Energy consumption within the organisation

Energy consumption					
Type	Unit of measurement	2019		2018	
		Total	Total GJ	Total	Total GJ ⁵²
<i>Fossil fuels</i>					
Natural Gas	m³	1,481,327	56,290	1,369,619	52,046
Propane	m³	1,411	123	832	77
Petrol for vehicle engines	l	6,184	210	2,664	91
Automotive diesel	l	9,203	350	12,508	475
<i>Electricity</i>					
Purchased electricity	kWh	22,155,009	79,758	21,016,103	75,658

Total energy consumption				
Energy consumption	Unit of measurement	2019		2018
		Total		Total
Fossil fuels	GJ	56,973		52,689
Purchased electricity	GJ	79,758		75,658
Total	GJ	136,731		128,347

GRI 302-4 Reduction of energy consumption

SAES Getters S.p.A. – Unit of Lainate

⁵¹ The environmental figures include all the Companies of the Group included in the reporting boundary where the production sites are located. On the other hand, companies with only commercial offices are excluded as they are not considered relevant.

⁵² Note that, as a result of a reporting system improvement process, the 2018 data relating to the consumption of fossil fuels has been restated. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

Initiatives to reduce energy consumption			
Initiative	Unit of measurement	Year of reference	Estimate of savings achieved
Closure of Lainate building D	kWh	2019	83,272
Replacement of compressed air dryer - Lainate	kWh	2019	34,000
Total energy savings			117,272 kWh

GRI 303-1 Water withdrawal by source

Water withdrawal			
Source	Unit of measurement	2019	2018
		Volume	
Municipal water	m ³	64,148	64,214
Groundwater	m ³	12,604	8,916
Total	m³	76,753	73,130

305-1 / 305-2 Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions⁵³

Scope	Unit of measurement	2019	2018
Scope 1	Tons CO ₂ eq	3,053	2,842
Scope 2 (Location-based)	Tons CO ₂ ⁵⁴	8,403	8,023
Total	Tons CO₂eq⁵⁵	11,456	10,865

Emissions Scope 2 (2019)	
Location-based method	Market-based method
Tons CO ₂	Tons CO ₂
8,403	10,079

Emissions Scope 2 (2018)	
Location-based method	Market-based method
Tons CO ₂	Tons CO ₂
8,023	9,605

⁵³ It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2018 Scope 1 emissions have been restated compared to those published in the previous Non-Financial Statement. For the previously published data, please refer to the 2018 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

⁵⁴ Scope 2 emissions are expressed in tons of CO₂. However, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as can be deduced from the relevant technical literature.

⁵⁵ Scope 2 emissions are expressed in tons of CO₂. However, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂eq), as can be deduced from the relevant technical literature.

“Location-based” electricity emission factors					
Country	Unit of measurement	2019		2018	
		Factor	Source	Factor	Source
USA	kg CO ₂ /kWh	0.411	<u>Terna International Comparisons 2017</u>	<u>0.421</u>	<u>Terna International Comparisons 2016</u>
Italy	kg CO ₂ /kWh	0.359	<u>Terna International Comparisons 2017</u>	<u>0.36</u>	<u>Terna International Comparisons 2016</u>
Market based electricity emission factors					
Country	Unit of measurement	2019		2018	
		Factor	Source	Factor	Source
USA	kg CO ₂ /kWh	0.411	<u>Terna International Comparisons 2017</u>	0.421	<u>Terna International Comparisons 2016</u>
Italy	kg CO ₂ /kWh	0.483	<u>AIB - European Residual Mixes 2018</u>	<u>0.477</u>	<u>AIB - European Residual Mixes 2017</u>
Natural gas emission factors					
Country	Unit of measurement	2019		2018	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/m ³	2.03053	<u>Defra 2019</u>	2.04275	<u>Defra 2018</u>
Italy	kg CO ₂ eq/m ³	2.03053	<u>Defra 2019</u>	2.04275	<u>Defra 2018</u>
Propane emission factors					
Country	Unit of measurement	2019		2018	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/GJ	59.6	<u>Defra 2019</u>	59.6	<u>Defra 2018</u>
Italy	kg CO ₂ eq/GJ	59.6	<u>Defra 2019</u>	59.6	<u>Defra 2018</u>
Diesel emission factors					
Country	Unit of measurement	2019		2018	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/GJ	68	<u>Defra 2019</u>	68.8	<u>Defra 2018</u>
Italy	kg CO ₂ eq/GJ	68	<u>Defra 2019</u>	68.8	<u>Defra 2018</u>
Gasoline emission factors					
Country	Unit of measurement	2019		2018	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/GJ	64.9	<u>Defra 2019</u>	64.9	<u>Defra 2018</u>
Italy	kg CO ₂ eq/GJ	64.9	<u>Defra 2019</u>	64.9	<u>Defra 2018</u>

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions⁵⁶

Other gas emissions				
	2019		2018	
	Unit of measurement	Global mass balance	Unit of measurement	Global mass balance
NOx	Ton/year	12.65	Ton/year	1.07
Particulate (PM)	Ton/year	0.46	Ton/year	0.43
SOx	Ton/year	0.33	Ton/year	0.33
VOC	Ton/year	3.03	Ton/year	N.A.
Ethanol	Ton/year	1.01	Ton/year	N.A.
CO	Ton/year	8.01	Ton/year	N.A.

GRI 306-1 Water discharge by quality and destination

Wastewater discharges			
	Unit of measurement	2019	2018
		Total	Total
Sewerage	m ³	45,234	42,649
Surface waters	m ³	11,922	9,452
Water treatment	m ³	1,230	706
Total	m³	58,386	52,807

⁵⁶ The boundary refers only to those companies that envisage monitoring emissions into the atmosphere as required by current regulations and are: SAES Getters S.p.A. - Lainate and Avezzano Plants, SAES Smart Materials, Inc., SAES Coated Films SpA, SpectraMat Inc. considered relevant to ensure an understanding of the impacts of the Group's activities. Starting from 2019, the data relating to pollution not previously monitored, such as VOCs, at SAES Coated Films and Spectra-Mat Inc., CO and NOX at the Avezzano plant have been reported. With regard to the 2018 data published in the Consolidated Non-Financial Statement, see the "Attachments" section.

GRI 306-2 Waste by type and disposal method

Waste by type and disposal method									
Method of disposal	2019					2018			
	Unit of measurement	Hazardous	Non-hazardous	Total	%	Hazardous	Non-hazardous	Total	%
Disposal	ton	311.9	615.1	927	47.5%	263.8	359.1	623	36.4%
Recycling	Ton	8.4	894.0	902	46.2%	15.2	980.5	996	58.1%
Incineration	Ton	39.6	50.3	90	4.6%	47.9	30.4	78	4.6%
Landfill	Ton	17.9	14.7	33	1.7%	2.9	12.5	15	0.9%
Total	ton	378	1,574	1,952	100.0%	330	1,382	1,712	100.0%

GRI Content Index

GRI Standards indexes	Description	Pages	Omission
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102-4	Location of operations	14	
102-5	Ownership and legal form	33	
102-6	Markets served	41	
102-7	Scale of the organisation	11-14; 51 Market cap of Euro 469 million at 30/12/2019	
102-8	Information on employees and other workers	51-52; 79-80	
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102-16	Values, principles, standards, and norms of behaviour	19-23	
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102-18	Governance structure	18-19	
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102-40	List of stakeholder groups	28	
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102-50	Reporting period	7	
102-51	Date of most recent report	March 2019	
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ECONOMIC PERFORMANCE			
Management approach (2016)			
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103-2	The management approach and its components	32	
103-3	Evaluation of the management approach	32	

Economic performance (2016)			
201-1	Direct economic value generated and distributed	35-36; 75	
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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	50	
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Market Presence (2016)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	62; 80	
202-2	Proportion of senior management hired from the local community	63; 81	
PROCUREMENT PRACTICES			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	32	
103-3	Evaluation of the management approach	32	
Procurement practices (2016)			
204-1	Proportion of spending on local suppliers	39; 76-77	
ANTI-CORRUPTION			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
Anti-corruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	There were no cases of active or passive corruption during the reporting year	

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103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	64-65	
103-3	Evaluation of the management approach	64-65	
Energy (2016)			
302-1	Energy consumption within the organisation	67; 88	
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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	64-65	
103-3	Evaluation of the management approach	64-65	
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303-1	Water withdrawal by source	70; 89	
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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	64-65	
103-3	Evaluation of the management approach	64-65	

Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	68-69; 89-90	
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103-2	The management approach and its components	64-65	
103-3	Evaluation of the management approach	64-65	
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306-1	Water discharge by quality and destination	71-72; 91	
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103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	No fines and/or sanctions are reported for violations of laws and regulations on the matter during the reporting year	

SUPPLIER ENVIRONMENTAL ASSESSMENT			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	32	
103-3	Evaluation of the management approach	32	
Supplier Environmental Assessment (2016)			
308-1	New suppliers that were screened using environmental criteria	The group does not adopt policies for screening suppliers using environmental criteria	
CATEGORY: SOCIAL			
EMPLOYMENT			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	50	
103-3	Evaluation of the management approach	50	
Employment (2016)			
401-1	New employee hires and employee turnover	53-54; 81-83	
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103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	50	
103-3	Evaluation of the management approach	50	
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402-1	Minimum notice periods regarding operational changes	54	

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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	50	
103-3	Evaluation of the management approach	50	
Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	60-61	
403-2	Hazard identification, risk assessment, and incident investigation	60-61	
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TRAINING AND EDUCATION			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	50	
103-3	Evaluation of the management approach	50	
Training and Education (2016)			
404-1	Average hours of training per year per employee	54-55; 85-86	
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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	50	
103-3	Evaluation of the management approach	50	
Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	18; 62-63; 87-88	

CHILD LABOUR			
Management approach (2016)			
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103-2	The management approach and its components	32	
103-3	Evaluation of the management approach	32	
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408-1	Operations and suppliers at significant risk for incidents of child labour	75	
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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	32	
103-3	Evaluation of the management approach	32	
Forced or Compulsory Labour (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	75	
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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	32	
103-3	Evaluation of the management approach	32	
Supplier Social Assessment (2016)			
414-1	New suppliers that were screened using social criteria	The Group does not adopt policies for assessing suppliers on the basis of social criteria	

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Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	40	
103-3	Evaluation of the management approach	40	
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Management approach (2016)			
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103-2	The management approach and its components	40	
103-3	Evaluation of the management approach	40	
Marketing and Labelling (2016)			
417-1	Requirements for product and service information and labelling	48	
SOCIOECONOMIC COMPLIANCE			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
Socioeconomic Compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	No fines and/or sanctions are reported for violations of laws and regulations on the matter during the reporting year	

RESEARCH AND DEVELOPMENT			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	40	
103-3	Evaluation of the management approach	40	
CUSTOMER SATISFACTION, CUSTOMER RELATION MANAGEMENT			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	73-74	
103-2	The management approach and its components	40	
103-3	Evaluation of the management approach	40	

**Independent Auditors' Report
on the Consolidated Non-Financial Statement**

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
Saes Getters S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter the "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Saes Getters S.p.A. and its subsidiaries (hereinafter "Saes Getters Group" or "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 12, 2020 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established in 2016 by GRI – Global Reporting Initiative ("GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.
3. Comparison between the financial data and information included in the NFS and those included in the consolidated financial statements of the Saes Getters Group.
4. Understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Saes Getters S.p.A. and with the employees of Memry Corporation, and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following companies and sites, Lainate headquarters and Avezzano production site for Saes Getters S.p.A. and Bethel (Connecticut, USA) headquarters for Memry Corporation, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out visits on site, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and to the calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Saes Getters Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Milan, Italy
March 27, 2020

This report has been translated into the English language solely for the convenience of international readers.