

CONSOLIDATED NON-FINANCIAL STATEMENT 2020

saes
group

2020



Consolidated Non-Financial Statement

PURSUANT TO LEGISLATIVE DECREE NO 254 OF 30 DECEMBER 2016

FY 2020

Rate

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Letter to the Stakeholders

Dear Stakeholders,

2020 was a very difficult year due to the complex situation that arose as a result of the SARS-CoV-2 pandemic.

Through the timely introduction of protocols and individual protection means, the Parent Company was able to guarantee safety in the workplace and ensure production continuity.

As you know, our business model sees us inserted in so-called critical supply chains and therefore the work carried out by dedicated and coordinated teams has been fundamental, thanks to which we have managed to contain the problem to a very limited number of cases and we have not had a single day of downtime throughout the Group.

In spite of this, the effects of the pandemic on the Group's economic and financial results are unfortunately evident; the strong impact on the hospital system and on the so-called elective therapies, i.e. those that are not urgent and can therefore be postponed, had a heavy effect on the medical division.

However, it should be noted that the pandemic due to Covid-19 has negatively impacted the performance of some innovative activities, for which the physical presence of technical staff during testing is of great importance. Several projects have been severely delayed, particularly those supporting the growth of the packaging division.

The slowdown in operating activities has, however, provided an opportunity to rethink some of the Group's strategic processes, including the process of innovation, which has always been the primary driver of growth, and to better focus on the growth strategy of certain sectors.

The pandemic didn't just have negative effects. Thanks to our business model articulated on different market segments, some sectors of the company have benefited from the effects of the pandemic crisis, as for example the getters for thermo scanners that have seen a tripling in turnover and Actuator Solutions that, thanks to the skills developed in micro fluidics has won the order for the construction of machines for rapid tests of Covid-19.

Unfortunately, these growths did not compensate for the declines and Group revenue experienced a downturn that set it back two years. The partly natural cost containment resulting from the almost total elimination of travel and exhibition activities, partly pursued, limited the negative impact of the loss of revenues and the year closed with a good EBITDA level. In addition, careful and prudent cash control has allowed us to maintain a strong net financial position and a solid balance sheet, so we are very confident about the future.

In terms of the increasingly relevant ESG issues, we haven't stopped this year either. In the area of responsible management of human resources, the Group, which has always been very sensitive to the growth and development of its people, has intensified its investment in training activities, supplementing technical training with an offer aimed at covering needs arising from the emergency situation caused by the pandemic; smart working, psycho-physical wellbeing, welfare, diversity and inclusion were some of the priorities pursued through distance learning initiatives.

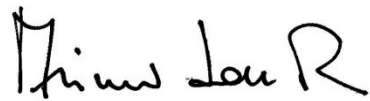
The Company has donated about six hundred thousand euros to research institutes and hospitals engaged in the front line of the fight against Covid-19.

In line with what was reported in the previous DNF, the Group launched a preliminary activity aimed at identifying roles and responsibilities for the preparation of the sustainability plan. The aim is to define medium and long term economic, social and environmental objectives to generate sustainable value for the Group and its stakeholders.

Thank you all, we are grateful for the support you continue to give us.

Mr. Massimo della Porta

Chairman



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 2020 (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 and subsequent versions by the Global Reporting Initiative (GRI), according to the “in accordance - Core” option. 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.

SCOPE

The scope of the figures and economic and financial information is the same as that of the Group's Consolidated Financial Report. With regard to qualitative information and quantitative data relating to social and environmental topics, the reporting scope includes the line-by-line consolidated companies in the Consolidated Financial Statements of the SAES Group¹ except for Memry GmbH that started, at the end of 2016, the preparatory activities for the closure of the company and for the transfer of production and commercial activities to other Group companies. In particular, 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 to ensure the understanding of the Group's business and the impact it has.

With reference to the company E.T.C. S.r.l., it is noted that on 12 July 2020 the revocation of the state of liquidation of the same company, approved by the Shareholders' Meeting on 15 April 2020, took effect and therefore it is included in the reporting scope of this DNF.

This Non-Financial Statement was approved by the Board of Directors of SAES Getters S.p.A. on 11 March 2021; it is also subject to a 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 2020.

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 2020.

- **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. SAES Getters S.p.A. prepared and adopted, as of April 2019, a Group Anti-Corruption Code and a Code of Business Conduct aimed at strengthening and 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. During 2020 SAES Getters S.p.A. defined a training plan on 231 that will be delivered through online platforms in the year 2021. With reference to the subsidiary SAES Coated Films S.p.A., the preparation of the Organisational, management and control model pursuant to Legislative Decree no. 231/2001 is planned for 2021.

- **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.

- **Sustainability Plan**

The Company is called upon to no longer pursue only “the priority objective of creating value for shareholders in the medium to long term”, but also ESG (Environmental, Social and Governance) objectives, which refer to environmental, social and governance factors that contribute to determining the risk and return profile of the Group, seeking to create an integrated approach that benefits corporate responsibility and maximizes shareholder value. To this end, the Group's Top Management met on November 20, 2020 in order to start the preliminary activities aimed at preparing a sustainability plan, including the identification of the main strategic areas, which will form the basis for defining the medium-long term objectives and the related responsibilities. During 2021, the Group will continue this path aimed at integrating sustainability within the corporate strategy and, considering the size of the Group and the available resources, it is expected that this project will be finalized in the next 12-18 months.

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



168,703 (thousands of Euro) of Consolidated Net Turnover

10,421 (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;**
- **flexible packaging.**

The Group's expertise in special metallurgy and **materials science**, resulting in the R&D department's continuous development of innovative and radical ideas, has allowed us, over more than 70 years, to grow in numerous hi-tech business segments and to achieve important milestones, including a corporate culture that enables excellence in R&D and in the production of technological products.

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 and improving the world around us and will help change it even further in the future.

Non-Financial Statement of the SAES Group

The Group is divided into 5 Business Units that also include basic research projects or those under development, aimed at diversification into innovative businesses² while the activities of the Group Research Labs pursue the radical development of new materials and innovative technologies.

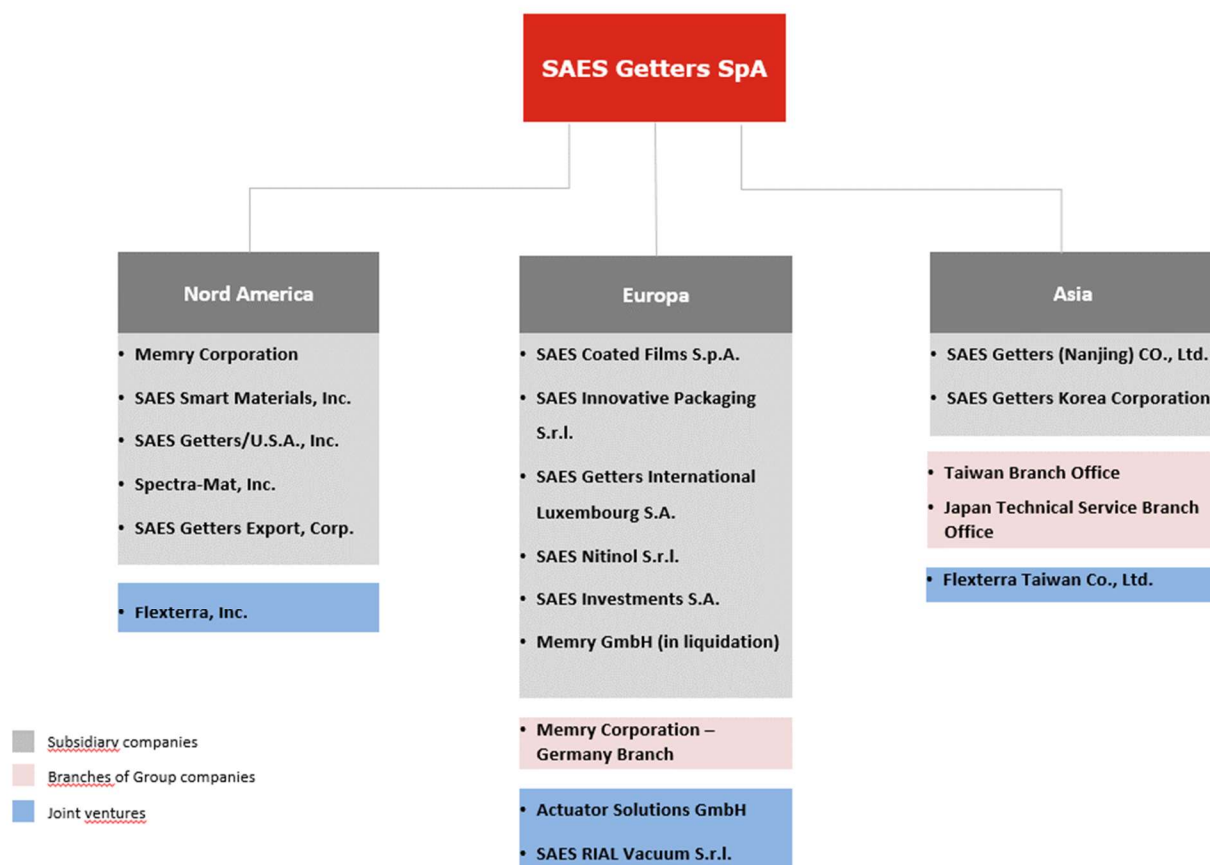
The structure is shown below:



² For a description of the businesses and their economic and financial data, please refer to the other sections of the 2020 Annual Financial Report.

THE STRUCTURE OF THE SAES GROUP

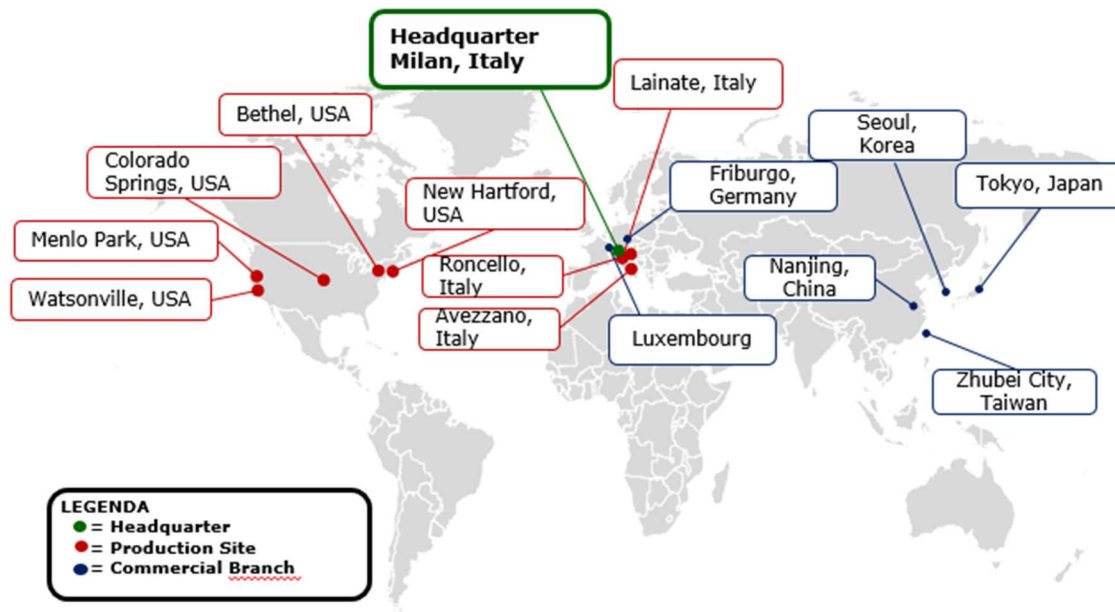
The following table shows the companies belonging to the Group as at 31/12/2020³



³ For a description of the individual Group companies and the related economic and financial data, please refer to the other sections of the 2020 Annual Financial Report.

OUR PRESENCE IN THE WORLD

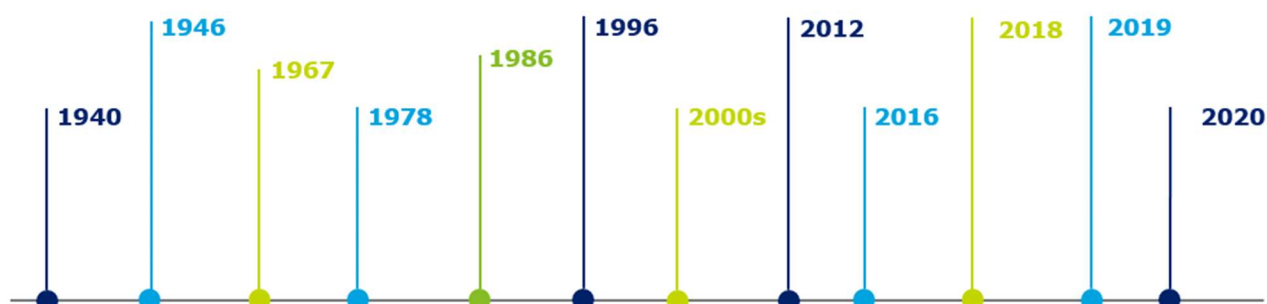
The SAES Group is headquartered in Milan (Italy) and is present worldwide with both production and commercial subsidiaries in Europe, the US and Asia⁴.



On June 22, 2020, the Parent Company signed a seven-year lease, effective from July 1, 2020, and renewable for a further seven years under the same terms, for the use of a property for office use in Milan, at Piazza Castello 13, to house the Corporate and Management functions.

⁴ The geographical offices of Group companies that do not fall within the reporting scope 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.

2012: The SAES Group and the German company Alfmeier established a joint venture, Actuator Solutions GmbH, which produces devices based on SMA technology.

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 the proposal of the Board of Directors, authorized a voluntary takeover bid of 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). As a result of completing the takeover bid, SAES Getters holds 3,900,000 ordinary shares, equal to approximately 26.6% of the ordinary shares and approximately 17.7% of the Company's share capital.

2020: The Group invests in the EUREKA! venture capital fund, specialized and focused exclusively on high-tech investments, with a focus on sustainability principles and ESG (Environment, Governance, Society) criteria.

1. Group business management

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
BUSINESS ETHICS, CORPORATE VALUES AND COMPLIANCE	<p>The Group's commitment to combating active and passive corruption through the application of policies, procedures and mechanisms for reporting potential irregularities or unlawful conduct and specific training activities on the subject; the subject also includes the Group's transparency in its relations with political organizations. The subject also includes the adoption of an Organization, Management and Control Model ex 231/01 for SAES Getters S.p.A, a Code of Ethics, an Anti-Corruption Code, a Code of Business Conduct, a Supplier Code of Conduct and the adherence to national and international principles and guidelines, the compliance with the laws in force and any specific regulations (e.g. anti-trust, monopoly, anti-competitive behaviour) where the Group operates or related to its business activities.</p>	<p>Correctness and transparency in the management of relations with public and private entities, in the conduct of business activities</p> <ul style="list-style-type: none"> - Compliance with regulations and laws of reference - Integrity in running the business activities 	<p>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 the Group level, promoted to its stakeholders in order to comply with applicable laws and regulations and to comply with relevant best practices and promote internally the values of anti-corruption. 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).</p>

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 2020 is shown in the following table:

JOB TITLE	NAME	GENDER	YEAR OF BIRTH	EXECUTIVE (E) – NON-EXECUTIVE (NE)	SELF-EMPLOY ED. CODE	SELF-EMPLOYED (CONSOLIDATED ACT ON FINANCE)	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%	

⁵⁶ 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*. It meets whenever related party transactions submitted to the Committee for its opinion have to be assessed.

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 New Corporate Governance Code: the Code approved on 31 January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, which the Company intends to apply during the year 2021, with disclosure in the Corporate Governance Report to be published in 2022.

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

⁷ For a more detailed description of the Committees of the SAES Group, please refer to the other sections of the 2020 Financial Statements, the 2020 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

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.

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 D. Lgs. 231/2001** is the document that describes the organizational model of SAES Getters S.p.A. The Model 231, updated in 2020 (version n.13), with the latest interventions of the legislator (e.g. tax crimes, smuggling, etc.), 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 2019, also in 2020 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.

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 Group companies 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 dissemination 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) training, x) performance monitoring and staff development. The document was approved in 2019.
- **Conflict Minerals:** Based on the Conflict Minerals and Cobalt procurement policy, updated during 2020, in order to add Cobalt within the perimeter of monitoring the procurement methods of these materials, and that our suppliers, including established ones, are required to periodically provide information on the source of materials supplied to SAES through internationally recognized formats. In case of lack of response, even after reminder, the supply is interrupted.
- **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.

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 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

During 2020, the Group companies implemented various prevention and protection measures to counter and contain the Covid-19 outbreak, thus ensuring SAES employees and collaborators adequate levels of protection from the risk of contagion.

Through the timely introduction of protocols and individual protection means, the Parent Company was able to guarantee safety in the workplace and ensure production continuity, located within "critical" supply chains.

In particular, thanks also to the work carried out by a dedicated team, the Company managed to contain the problem to a very limited number of cases and it was never necessary to stop operations.

The anti-contagious operating procedures, defined according to the logic of maximum precaution, have been described, for the Italian companies, in specific protocols and shared with the site Covid-19 Committees, made up of Company Management, SPP¹², other competent company bodies, the Competent Doctor, and with the participation of RLS¹³ and RSU¹⁴.

Among the most important interventions and procedures, whose implementation continues into 2021, are:

- access procedures, for employees and visitors, and mandatory temperature measurement using thermo-scanners;
- Ensuring that social distancing is maintained through the reorganization of spaces, specific furniture (separators), restricted access to certain areas, and the application of appropriate signage;
- Distribution and use of PPE ¹⁵(surgical masks and FFP2);
- Increased cleaning and sanitizing of rooms (including air conditioners), application of sanitizing gel dispensers in all rooms;
- organizational procedures, such as rostering and staff awareness through informational materials (posters, presentations) and informational meetings;
- where permissible by the role and activities carried out, smart-working in all the companies of the Group, making available the necessary IT means;
- establishment for employees and their families, from March 2020, in the Group's Italian companies, of the Sportello DOC 24 hours, a remote medical advice and assistance service available 24/7, for questions or problems related to Covid-19 and/or any other health reason;

¹² Prevention and protection service

¹³ Workers' Representative

¹⁴ United Trade Union Representatives

¹⁵ personal protective equipment;

- establishment of a psychological support desk Covid-19, usable in total anonymity and addressed to employees who feel the need for a private discussion with a coach to address and manage the critical issues and uncertainties related to the health emergency situation;

The company conducted two voluntary screenings for all employees, in different ways and at different times at different sites.

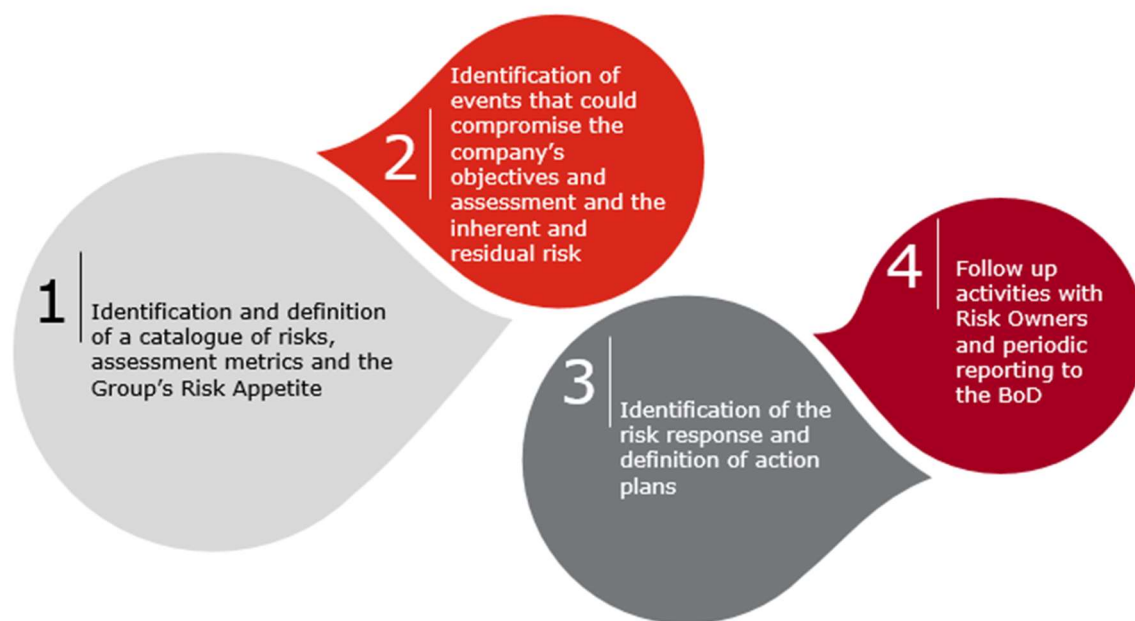
All the rules in place are kept constantly updated on the basis of the evolution of the Regulations and Directives issued by the Ministry of Health and the health situation, in consultation with the competent doctor the Company Management and the Covid-19 Committees.

Group companies have also followed specific protocols in line with the directives of the Parent Company and local governments.

The expenses related to the management of the Covid-19 epidemic in 2020 amount to approximately 640,000 Euros, in addition to donations of approximately 500,000 Euros to the research institutes engaged in the front line to deal with the coronavirus, as well as to the Italian Civil Protection (the donation is specifically addressed to the specialized research institutes Fondazione IRCCS Ca' Granda Ospedale Maggiore Policlinico and Fondazione IRCCS Policlinico San Matteo di Pavia, as well as to the Civil Protection) and of machinery worth approximately 100,000 Euros made to the Avezzano Civil Hospital.

The duration and extent of the future spread of the Covid-19 pandemic and its related economic and financial effects remain difficult to forecast and are subject to constant ongoing monitoring by the Group. However, it should also be noted that SAES' global presence, in terms of both manufacturing and sales, and its positioning in businesses considered essential, most importantly medical devices and food packaging, reduce the risk. In addition, the positive Net Financial Position as at December 31, 2020, along with the availability of unused credit lines, constitute a further guarantee of business continuity. Vice versa, Covid-19 aided the growth in revenues in the segments for electronic devices (sales driven by demand for thermoscanners) and medical diagnostics (increase in demand in the image diagnostics sector), as well as in the Specialty Chemicals Division (increased production of saturation meters in China). For more information on the effects of the pandemic on the company's financial position and performance, as well as the measures taken to ensure business continuity and profitability, please refer to the Group's 2020 financial report.

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.



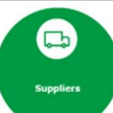





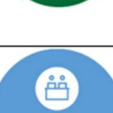
STAKEHOLDER IDENTIFICATION

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 dialog Tools
 Employees	<ul style="list-style-type: none"> • Corporate Intranet • Organizational Communications • Information articles about Values / Products / people ("SAES in touch")
 Customers	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Social network • Industry events and fairs • Online / web advertising, printed in industry magazines, product brochure • Phone / email / meeting / conferences
 Suppliers	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Telephone contacts / via email / meeting / conferences
 Public institutions	<ul style="list-style-type: none"> • Financial reports • on-demand information • compulsory communications
 Universities and Research Centers	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Seminars and Seminars • Scientific Communities • Social networks • Telephone/email contacts / meeting / conferences
 Local communities	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com
 Shareholders	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Press releases • Shareholders' Meeting Of Shareholders • Presentations Financial results • Financial Reports • Meetings with the financial community
 Business partner	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Social networks • Telephone contacts / via email / meeting / conferences
 Associations	<ul style="list-style-type: none"> • Institutional website www.saesgetters.com • Telephone contacts / via email / meeting / conferences

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.

An update of the materiality matrix was made during 2020. This process included an update of the benchmark and sector analysis through which the material issues being evaluated were defined. The Top Management of the SAES Group was involved and expressed its views during a sustainability workshop. The updating process also expanded stakeholder engagement activities, which, this year, involved both national and international universities and research centers.

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 University and Research Centre representatives, were then updated. In addition, the indications provided by the Board of Directors following the assessments made by the Group and the stakeholders were incorporated. Finally, the updated materiality matrix was discussed at the December 22, 2020 Board meeting, which concurrently approved the results below:

THE MATERIALITY ANALYSIS OF THE SAES GROUP



The review of the materiality analysis resulted in changes from the analysis performed in 2019. In particular, four new topics deemed material were included ("Brand Identity and reputation", "Business Continuity", "Circular economy and products with lower environmental impact" and "Data security and cybersecurity"). On the other hand, the topics on "Respect for human rights and working conditions" and "Customer satisfaction" have increased their relevance compared to 2019.

2. Economic performance and business development

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
LONG-TERM VALUE CREATION	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 - Compliance with local laws and regulations - Achievement of growth targets defined by the Management <p>Risks resulting from the effects of climate change which may have a direct or indirect impact on the Company's operations</p> <ul style="list-style-type: none"> - Negative impacts of the Group's operating and commercial strategies and organization on the management of tax burdens: suboptimal geographical distribution of financial results may cause impacts on corporate tax costs 	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. The Group is strongly committed to ensuring transparent business management that complies with the relevant regulations, including taxation. To this end, the Group has adopted specific internal procedures, as well as tools such as the Code of Ethics, the Anti-Corruption Code and the Organisational, Management and Control Model in accordance with the requirements of Legislative Decree 231/2001. 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.
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.
BRAND IDENTITY AND REPUTATION	Promoting the perception of the brand in order to strengthen its reputation among stakeholders also in relation to sustainability issues	<ul style="list-style-type: none"> - Attractiveness in recruiting new staff - Impact on performance, customer/supplier relationships, etc. - Access to funding - Changes in stakeholder perception of the brand and/or excessive brand exposure that may threaten product demand and growth capacity. 	The Group is committed to implementing concrete actions to consolidate its reputation, reporting cyclically on the pursuit of ESG objectives and its ability to innovate to meet customer needs.

RESPECT FOR HUMAN RIGHTS AND WORKING CONDITIONS	<p>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).</p>	<p>- Respect for human rights by employees, suppliers, customers and partners</p>	<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.
BUSINESS CONTINUITY	<p>Promotion of plans, actions, protocols to ensure continuity of core business operations in relation to any crises that may interrupt business activities.</p>	<p>Interruption of production and/or Group activities due to external or internal events and/or inadequate recovery plans</p>	<p>The Group has a business procedure continuity that defines the response actions in case of unavailability of resources, business infrastructure and supply chain. With particular reference to the Covid-19 pandemic and potential limitations arising from the continuation of the same, it should be noted that the Group defines policies for the stocking of warehouses and dual suppliers aimed at guaranteeing continuity of production even in cases of disruption of the supply chain, has set up smart working projects that guarantee staff and sales personnel the continuity of remote activities</p>

HIGHLIGHTS



Revenues equal to Euro 168.7 million, down 7.5% from 182.3 million in FY 2019

Consolidated gross profit of Euro 70.1 million (41.6% on sales) compared to Euro 78.3 million (43% on sales) in FY 2019

Operating income of Euro 16 million, compared to 26.7 in FY 2019



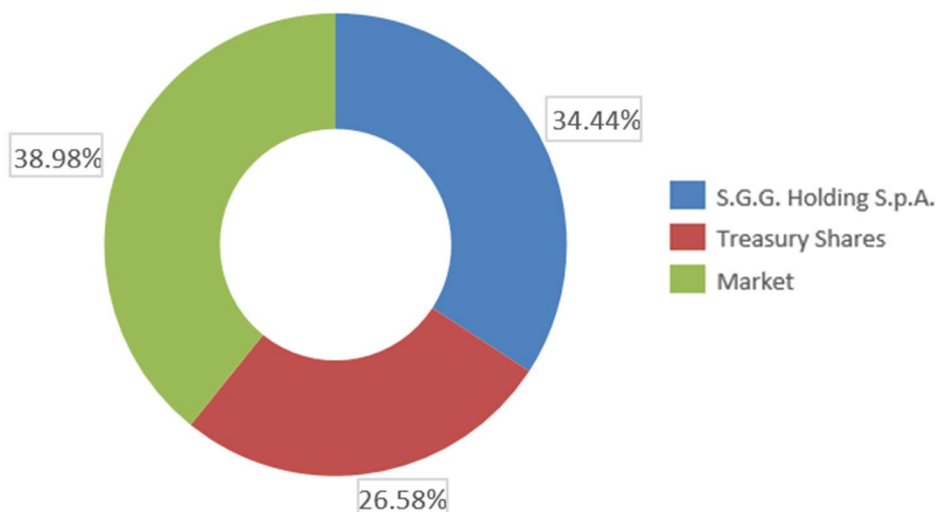
Consolidated EBITDA of Euro 27.2 million (16% on sales) compared to Euro 36.5 million (20% on sales) in FY 2019

The net financial position as of December 31, 2020 amounts to Euro 95.7 million. The Group's financial position is solid, enabling it to continue to operate in its core businesses and pursue its operating strategies.

2.1 Communication with the financial community

The share capital of SAES Getters S.p.A. as at 31 December 2020 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 2020



At 31 December 2020, the majority shareholder is S.G.G. Holding S.p.A., which holds a 34.44% share of the ordinary shares while the majority of the ordinary shares (38.98%) 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 2020, 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 7,873,259 votes equal to 45.01% of the voting rights.

TAX COMPLIANCE

The Group is strongly committed to guaranteeing transparent business management that complies with the relevant regulations, including tax regulations, in line with its corporate values. To this end, the Group has adopted specific internal procedures, as well as tools such as the Code of Ethics, the Anti-Corruption Code and the Organisational, Management and Control Model in accordance with the requirements of Legislative Decree 231/2001.

Within the SAES Group, the responsibility for the correct management of local and international taxation lies with the Group CFO, who avails himself of the support of tax consultants, both with regard to the performance of ordinary tax obligations, such as the calculation of taxes for the period and the preparation of tax returns, and with regard to advice on extraordinary tax issues, in order to ensure compliance with all tax obligations and fulfilments required by local and international tax regulations.

The Group CFO also coordinates the activities of the administrative/CFO managers of the subsidiaries, who in turn manage tax-related issues in line with the directives adopted by the Parent Company, and with the support of local specialists involved for this purpose.

The Group's tax management has always been based on principles of honesty and transparency with regard to the Financial Administrations of the countries in which it operates. Therefore, while keeping the tax burden under constant observation, the Group manages its tax planning in a transparent manner and always in compliance with the tax regulations in force. Precisely in compliance with this principle of transparency, should there be any uncertainty regarding the correct tax treatment of certain items in the financial statements, the Group avails itself of the option granted by almost all tax laws to consult the tax authorities in advance, in order to obtain prior confirmation of the correctness of its actions.

Finally, in order to maintain a transparent relationship with its stakeholders, the Group schedules a Q&A session during the shareholders' meeting, which may also cover these issues.

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 Financial Year 2020 (primarily digital, due to the restrictions imposed by the Covid-19 pandemic) for the purpose of providing periodic financial-economic information. Moreover, the Company has participated in the Virtual STAR Conference and Virtual STAR Conference - Fall Edition, both organised by Borsa Italiana S.p.A., respectively on 27 May 2020 and 7 October 2020.

As confirmation of the transparency and importance that the Group gives to external communications, 14 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.

BRAND IDENTITY AND REPUTATION

The perception and activities aimed at strengthening the Brand have and will be increasingly important for the Group.

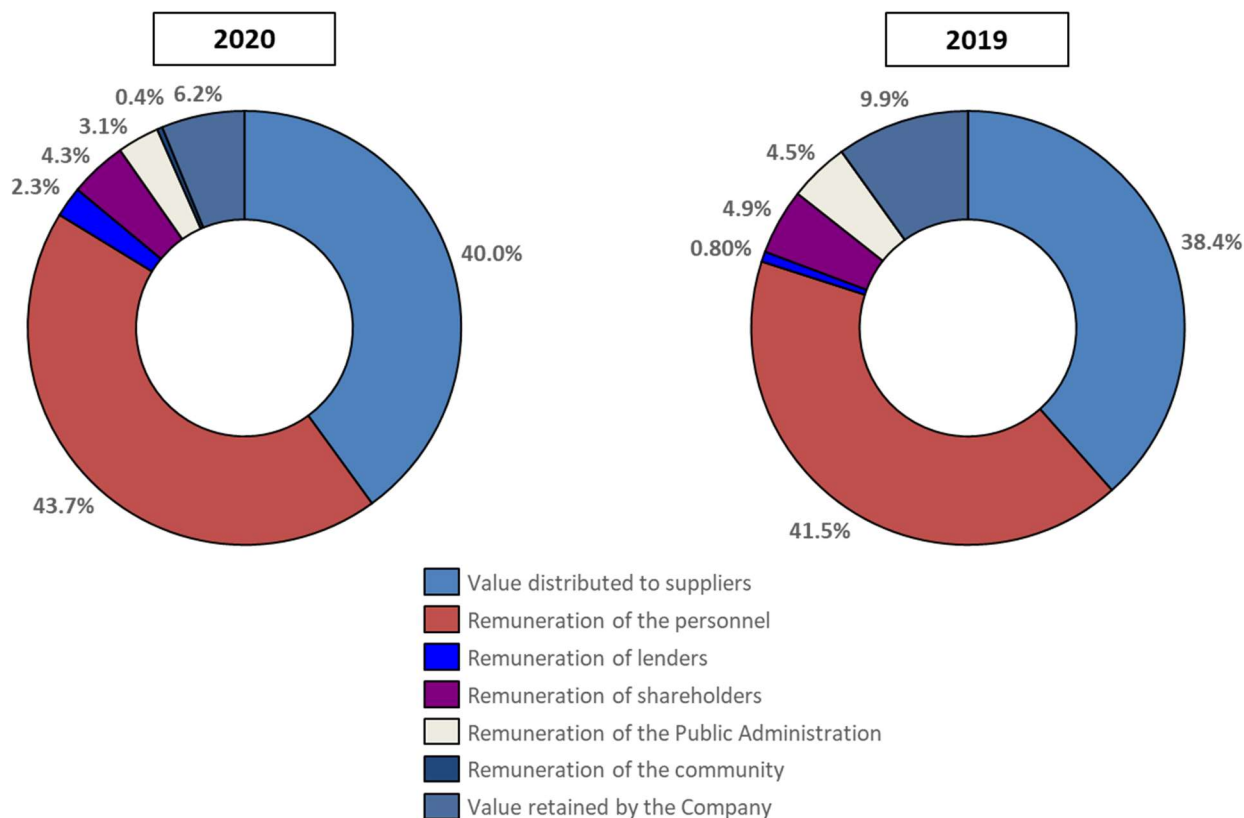
In fact, SAES's focus is growing in terms of resources dedicated to them in order to foster a greater understanding of the role of the Brand and Reputation in current and future terms by its stakeholders. This need also derives from the evolutions imposed by the market and from the necessary and ever-increasing focus on interactions with markets, customers and stakeholders, which consider issues such as sustainability - which have always been at the basis of SAES culture - topics that have and will play an increasingly central role in the Group's image.

To this end, SAES is committed to implementing concrete actions to consolidate its reputation both in the field of quality of the products manufactured and in the field of sustainability, in order to increase the attractiveness in the selection of new highly qualified personnel and to act more and more effectively in the relationships with customers and suppliers.

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 SAES Group** is represented by the result for the year net of the profits distributed to the shareholders.

DISTRIBUTION OF THE VALUE GENERATED BY THE SAES GROUP¹⁶



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 2020. The **economic value generated** by the SAES Group in 2019, net of reclassified costs, amounted to approximately **Euro 175 million**. Most of this value is represented by the **remuneration of personnel** (approximately **Euro 76 million**, compared to approximately Euro 78 million in 2019), followed by the **remuneration of suppliers** (approximately **Euro 70 million**, slightly lower than the figure for 2019, which was around Euro 72 million). The **remuneration of the Public Administration** amounted to approximately **Euro 5 million** (down compared to 2019, equal to approximately Euro 8 million), while the **remuneration of lenders** amounted to approximately **Euro 4 million** (in line with that of 2019). The **value retained by the Company** was approximately **€11 million** (significantly down from the 2019 figure of €18 million). In 2020 the **remuneration of the shareholders** was **approximately Euro 7 million**¹⁷ down from the Euro 9 million of 2019, while the **Community remuneration** was Euro 698 thousand

¹⁶ For the purposes of graphic representation, the non-significance of the value of the Community remuneration implies that in 2019 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.

¹⁷ 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.

versus the 26 thousand Euro of 2019, where the increase is from donations by the Parent Company to communities to fight the Covid-19 pandemic.

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.

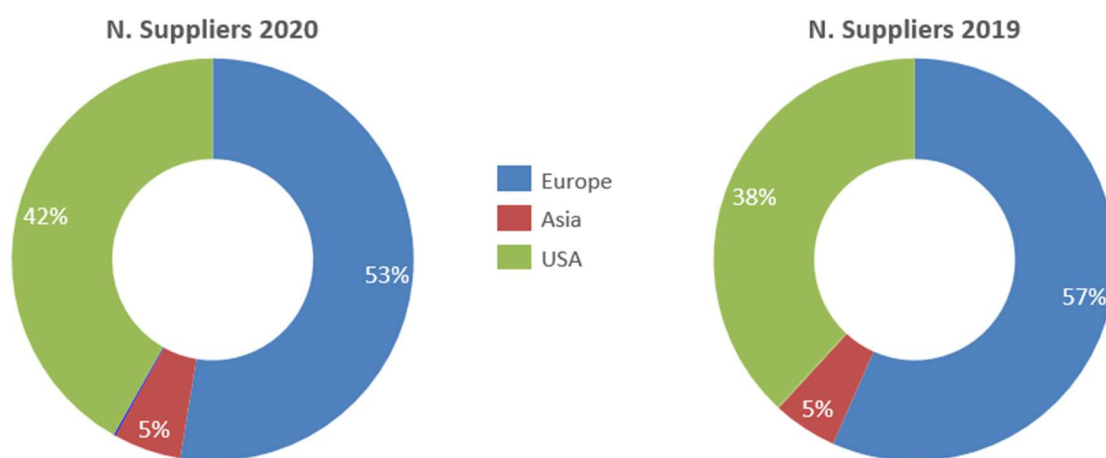
In particular, in the event that the Group interfaces with a potential distributor of products, a Due Diligence process involving reputational surveys and assessment of the counterparty's reliability based on financial, commercial and solvency information is envisaged. Moreover, the Customer Relations Management Office may request/collect and analyse specific documentation according to the type of distributor, such as, for example, to identify whether the countries that the distributor supplies are at risk of terrorism, the UIF reference lists or in the case of Italian distributors, the anti-mafia declaration.

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	2020		2019	
	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	559	27,249,115	594	40,744,179
2) Utilities, facilities, canteen, clothing, services, rentals, fairs, events, marketing, travels, books, printed matter	1,569	28,458,905	1,739	26,805,835
3) Consultancy	220	6,117,010	200	7,449,570
4) Patent expenses	10	768,024	9	296,953
Total	2,358	62,593,054	2,542	75,296,536

DISTRIBUTION OF SUPPLIERS BY GEOGRAPHICAL AREA¹⁸



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, **82.8%** 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, 99.5% of the purchases of USA companies refer to suppliers in the USA and finally, 70.5% of the expenditure in Europe is focused on European suppliers. In particular, 70.4% of purchases in Italy are focused on Italian suppliers.

PERCENTAGE OF EXPENDITURE CARRIED OUT ON LOCAL SUPPLIERS IN 2020 AND 2019

Geographical area	Percentage of expenditure on 2020 local suppliers	Percentage of expenditure on
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¹⁸ 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 attachments.

		2019 local suppliers ¹⁹
Europe	70.5%	64.4%
USA	99.5%	99.7%
Asia	100.0%	100.0%
Group	82.8%	77.2%

COMBATING THE USE OF CONFLICT MINERALS

"Conflict minerals" refers to metals such as gold, coltan, cassiterite, wolframite, and their derivatives such as tantalum, tin, and tungsten from the Democratic Republic of Congo (DRC) or neighboring countries. These minerals are subject to international regulations, including Section 1502 of the Dodd-Frank Act, a 2010 U.S. federal law, and the European Union's Conflict Minerals Regulation, EU 2017/821, which discourage their use because their trade could fund conflicts in Central Africa, where there are serious human rights violations. The SAES Group, promoting the full protection of human rights also in its supply chain, as enshrined in the Group Conflict Mineral and Cobalt Policy, updated in 2020 in order to extend the scope of monitoring also to Cobalt purchases, in the Group Code of Ethics and in the Suppliers' Code of Conduct, does not purchase minerals directly from conflict zones and requires its suppliers to declare, through internationally recognized formats, for supplies destined for the Group, the presence and origin of metals, in order to verify their possible origin from countries at risk.

In case of lack of response, even after reminder, the supply is interrupted also on the part of consolidated suppliers.

SUPPLIERS REQUIRED TO SIGN THE CONFLICT MINERALS POLICY IN 2020 AND 2019

Geographical area	2020			2019		
	Conflict Minerals compliant suppliers	Total suppliers ²⁰	%	Conflict Minerals compliant suppliers	Total suppliers ²¹	%
Italy	4	404	1.0	5	447	1.1
USA	1	154	0.6	7	146	4.8

¹⁹ Note that, as a result of a reporting system improvement process, the 2019 data relating to the percentage of expenditure on local suppliers for the US has been restated. For the previously published data, please refer to the 2019 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

²⁰²¹ It should be noted that the number of total suppliers refers to the category "Raw materials, semi-finished and finished products, external processing".

3. Technology at the service of innovation

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
SAFETY AND QUALITY OF 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, DEVELOPMENT AND INNOVATION ACTIVITIES	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.
CIRCULAR ECONOMY AND PRODUCTS WITH LOWER ENVIRONMENTAL IMPACT	Promotion of principles, practices and processes that minimize or eliminate the negative environmental impacts of products during their life cycle in order to promote the reuse and recycling of materials used.	<ul style="list-style-type: none"> Compliance with guidelines and/or regulations governing the industry - Affirmation of technological alternatives with competitive characteristics - Product innovation - Research and development of new technologies with improved resource utilization performance - Efficient use of resources by giving new life to used materials and resources 	The Group supports and implements research and innovation activities aimed at the introduction of materials and processes in line with the principles of circular economy and with the guidelines of the sector.

CUSTOMER SATISFACTION	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.
DATA SECURITY AND CYBERSECURITY	Protection of sensitive data processed by the Group and attention to the issue of information security in business activities with particular regard to employees, customers and documents of strategic importance for business development such as: patents, know-how, research, innovative projects.	Failure to comply with security and privacy regulations and related intrusions into information systems that endanger information and data.	<p>The Group takes all the necessary precautions to minimize the risks inherent in the services offered, implementing and adopting the best security standards and also turning its attention to the market in order to identify the appropriate tools to protect the technological structure. At the Italian level, security guidelines are formalized within a documental framework that provides methodologies and management standards aligned with quality and compliance requirements in relation to different operational areas and risk sources:</p> <ul style="list-style-type: none"> - information security (ISO/IEC 2700x); - business continuity (ISO 27031:2011 e ISO 22301:2012); - GDPR – New European Privacy Regulation;

HIGHLIGHTS



2 ISO 13485 certified production facilities

2 IATF 16949 certified production facilities



About 300 inventions over the last 70 years

450 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 1,100 customers in 2020 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 NEED

THE MAIN FUNCTIONS OF OUR PRODUCTS



It should be noted that thanks to the Group's business model articulated on different market segments, some sectors of the company have been able to help in the fight against the pandemic crisis, such as the getters for thermo scanners that thanks to the skills developed in micro fluidics won the order for the construction of machines for rapid tests of Covid-19.



Actuate: moving parts of different mechanical devices and equipment

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

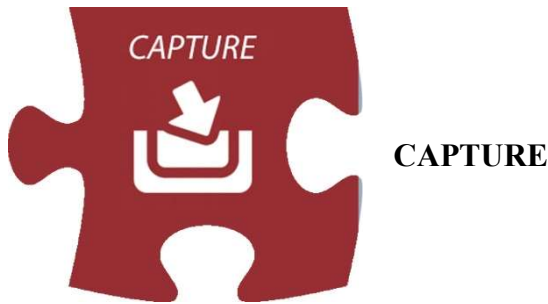
Shape Memory Alloys (SMA) are special materials that by their nature have two very special characteristics:

- 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.

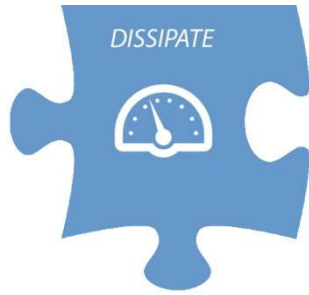


Capture: absorb and capture steam and gaseous elements inside hermetically sealed devices

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

For more than 70 years, the Group's research method has been distinguished by continued success. SAES' method combines a market-pull and a technology-push approach, capturing all market needs and continuously creating value through research, thanks to the deep knowledge about customers' needs and to the important relationships with research institutes and other key players such as customers, partners and suppliers.

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, 110 Group employees and temporary workers (over **11%** of the total), in line with 2019, 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 2020 the Group dedicated Euro 10,421 thousand to R&D activities, equal in percentage terms to approximately 6.2% 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 -2020)

Geographical area	Number of registered patents
Europe	101
China	95
Japan	78
Korea	69
USA	107
Total	450

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 and, more recently, innovative pumps for Ultra High Vacuum systems.

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.

However, it should be noted that the pandemic due to Covid-19 has negatively impacted the performance of some innovative activities, for which the physical presence of technical staff during testing is of great importance. Several projects have been severely delayed, particularly those supporting the growth of the packaging division.

The slowdown in operating activities has, however, provided an opportunity to rethink some of the Group's strategic processes, including the process of innovation, which has always been the primary driver of growth, and to better focus on the growth strategy of certain sectors.

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. 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.

CUSTOMER CARE: MANAGING COMPLAINTS

Customer care and complaint handling are areas that the SAES Group supervises and manages on a daily basis with care. The marketing department directly manages the reports that are subsequently included 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 department manages the reports, carrying out analyses and issuing any technical report in case of need. During 2020, **333 complaints** were managed, with a reduction of more than 10% compared with the 372 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.

CIRCULAR ECONOMY AND PRODUCTS WITH LOWER ENVIRONMENTAL IMPACT

The circular economy aims to minimize waste generation and keep the value of products, materials and resources circulating. The management of materials is now responsible for more than 50% of greenhouse gas emissions²² and a proposed mitigation strategy at European level is the innovation and design of materials according to eco-design criteria, which take into account their entire life cycle.

In alignment with the European Strategy for Plastics in the Circular Economy, SAES Coated Films manufactures and promotes recyclable or compostable flexible packaging solutions that can replace, with equal performance, applications that, due to their inherent structural limitations, cannot be recycled with today's technologies.

Flexible packaging is inherently advantageous in terms of efficiency and light weight and can generate 45-55% less waste²³ than rigid packaging. However, 20% of flexible packaging²⁴ in Europe today is not recyclable, because it consists of a heterogeneous and inseparable combination of different plastics, which is necessary to ensure certain mechanical and barrier properties. SAES Coated Films offers on the market innovative packaging films, which concentrate high barrier properties in very limited thicknesses, thus enabling simple and functional flexible packaging structures designed for recyclability or compostability. Thanks to the proprietary Coathink® technology, a water-based lacquer deposition system, SAES films are functionalized to protect the shelf life of food products, preserving quality and freshness and contributing to the prevention of food waste. SAES lacquers, obtained with patented and proprietary formulations, are deposited on the surface of plastics or biomaterials in very thin surface layers that, due to their nature and quantity, do not interfere with the film recycling process. Coathink® enables the possibility to redesign the packaging taking into consideration the objective to guarantee, after the end of its life cycle, the regeneration and the quality of new second raw material (intended as the result of material obtained from the recycling process): recycled plastic to be used for a second life, or compost, to be used as agricultural fertilizer.

²² Implementing Circular Economy Globally Makes Paris Targets Achievable” | Report by Ecofys and Circle Economy (2016)

²³ Flexible Packaging Market in Europe 2018-2022” | Technavio (2018)

²⁴ Flexible Packaging Market Global Outlook and Forecast 2019-2024” | Arizton (2019)

DATA SECURITY AND CYBERSECURITY

IT security is of paramount importance for the proper delivery of services. The Group takes all the necessary precautions to minimize the risks inherent in the services offered, implementing and adopting the best security standards and also turning its attention to the market in order to identify the appropriate tools to protect the technological structure. At the Italian level, security guidelines are formalized within a documental framework that provides methodologies and management standards aligned with quality and compliance requirements in relation to different operational areas and risk sources:

- information security (ISO/IEC 2700x);
- business continuity (ISO 27031:2011 and ISO 22301:2012);
- GDPR – New European Privacy Regulation;

Thanks to the organisational, procedural and technological measures taken, the following was achieved:

- strengthening of IT information governance through the activation of monitoring mechanisms;
- implementation of actions to strengthen the technological infrastructure and increase the overall security and resilience of information systems;
- focus on staff awareness programs.

The IT security objectives aimed at mitigating the risks inherent in the confidentiality, integrity and availability of information are defined internally by the Information System department, which has the objective of continuing to build an even more solid defensive model to better face the evolution of threats and safeguard the confidentiality, integrity and availability of the company's information assets, thus raising the company's security levels.

In particular, measures have been established to ensure maximum compliance with current privacy regulations, with reference in particular to the processing of collected data and information, the effectiveness of which represents an important factor of competitive advantage today.

In order to protect personal data, further security and control measures are ensured which, also in implementation of the regulatory provisions dictated by the Privacy Guarantor, allow the tracing of logs coming from network systems and equipment for the identification of anomalies and malicious events in a rapid and effective manner, allowing these to be managed before they can materialize into real security attacks that could lead to a data breach.

It should be noted that there were no substantiated privacy breach and data loss complaints during 2020, where a substantiated complaint is defined as a written notice from the Authorities or a similar public oversight body to the organization identifying privacy violations or a complaint made to the organization that has been found to be legitimate by the organization.

Governance relating to the protection of privacy and information security provides for further initiatives during the year, aimed at protecting the Company's information assets and complying with international standards of data security, confidentiality, integrity and availability. In this regard, Vulnerability Assessments and Penetration Tests have already been carried out in order to increase the level of resilience of IT systems.

4. The people of the SAES Group

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
HUMAN CAPITAL MANAGEMENT AND EMPLOYEE DEVELOPMENT	<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 <i>recruitment</i> process - <i>Retention</i> 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>
EMPLOYEE WELFARE	<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	<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



995 Group employees as at 31 December 2020

7 average hours of training per capita



L'86% of senior manager are employed in their country of origin

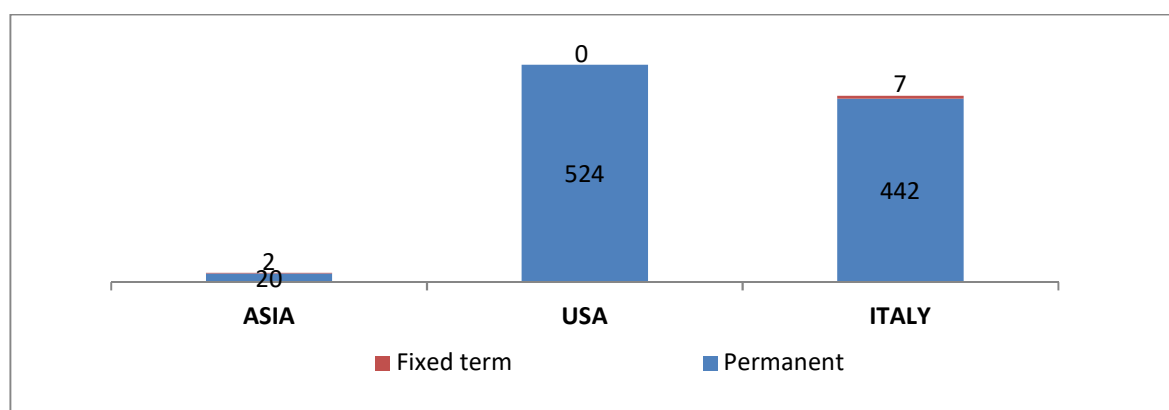
4.1 Our people

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 2020, the Group's total workforce amounted to **995** people.

The Group headcount is largely concentrated in the USA (**53%**) and Italy (**45%**). 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 2020²⁵



²⁵ 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 2020, **99.1% of the total workforce** consisted of employees with **permanent**²⁶ contracts.

As at 31 December 2020, the Group employed **58 temporary workers** (mainly contract workers), down from the 82 temporary workers of the previous year. Moreover, supporting the commitment to develop new talents during the reporting year, **11 internship opportunities/school-work alternation projects were offered**.

Compared to the professional categories, **most employees** (582) 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 **32%** of employees and, finally, the category of managers, which includes key executives and managers, corresponds to approximately **10%** of the total.

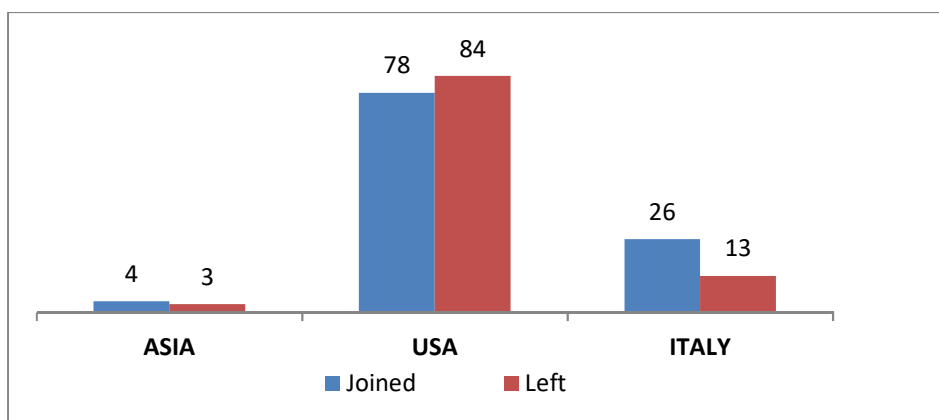
DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Managers	81	14	95	79	13	92
White Collars	211	107	318	207	103	310
Blue collars	403	179	582	408	177	585
Total	695	300	995	694	293	987

With regard to turnover within the Group, 108 new employees were recruited in 2020, compared to 100 who left the Group.

²⁶ Employees hired in the USA 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 2020



As a result of the recruits made in 2020, the recruit rate, i.e. the ratio between the number of recruits and the total number of employees as at 31 December, was equal to 11%, as can be seen in the following table.

HIRES AND HIRES RATE

	2020					2019				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	38	25	16	79	11%	40	42	23	105	15%
Women	7	18	4	29	10%	11	33	6	50	17%
Total	45	43	20	108	11%	51	75	29	155	16%
Rate	40%	9%	5%	11%		44%	16%	7%	16%	

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 2020 was 10%.

OUTGOING AND TURNOVER RATE

	2020					2019				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	21	31	24	76	11%	24	22	28	74	11%
Women	3	13	8	24	8%	9	8	10	27	9%
Total	24	44	32	100	10%	33	30	38	101	10%
Rate	21%	9%	8%	10%		29%	6%	10%	10%	

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 6,618 hours in 2020 (10,967 in 2019), with a per capita average of approximately 7 hours, up compared to the 11 average hours in 2019. The decrease was primarily caused by the global health emergency that affected the reporting year and impacted the training process, requiring the use of remote training wherever possible.

AVERAGE HOURS OF TRAINING PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY (2020)²⁷

	Men		Women		Total	
	No. of hours	Average hours	No. of hours	Average hours	No. of hours	Average hours
Managers	1,582	20	290	21	1,871	20

²⁷ Note that in reference to Memry Corporation and SAES Smart Materials, the training hours were estimated considering the average training for each employee.

White Collars	1,808	9	924	9	2,732	9
Blue collars	1,434	4	581	3	2,015	3
Total	4,823	7	1,794	6	6,618	7

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.

Each department head annually identifies the specific training needs of staff on staff to achieve, maintain and improve adequate skills in the performance of assigned duties, taking into account any changes to business processes, the level of staff development, and the needs and expectations of internal and external customers.

Precisely because of this objective, despite the global health emergency that affected the reporting year, the Group sought to give continuity to previous years in terms of training, reshaping the training offer with alternative methods, such as remote training via webinars or e-learning.

The training interventions have covered issues arising from technical and professional needs and needs arising from the emergency situation of pandemic created.

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

- **Technical training:** IATA and AEO updates, maintenance and technical department updates, paper technology and related coatings, EP Law, corporate law, privacy, code of business conduct, anti-corruption, HR global policy, project management.
- **Health and safety, quality and environmental training:** training in relation to the COVID-19 pandemic, safety in agile work, firefighting, first aid, forklifts, OSHA, ATEX, chemical risk, energy upgrading, ISO.
- **Language training:** English (in the Group's Italian offices).
- **Master:** Executive MBA, master of Innovation Management for resources belonging to the Research and Development area and the Vacuum Technology Division.
- **"Value, Price and Negotiation" course** that involved the commercial roles of the headquarter and the General Managers of the different Business Units.
- **"Diversity and Inclusion" project** organized by the *Valore D* association, which initially involved the Board of Directors in a training and awareness-raising meeting on the subject, and subsequently involved the Parent Company's front line in a training course that touched on the themes of inclusive responsibility, unconscious bias, authentic leadership and organization and flexibility.
- **"Digital Booster" project:** a training path started in 2020 and evolving also in 2021, which involved the resources with managerial qualification of the Parent Company adhering to the experimental project of agile work, articulated in three specific temporal moments: D-Master, mini master on digital jobs (digital business, digital marketing, advanced analytics, digital development, industry 4.0, new

ways of working); D-Tour, benchmarking visit in target companies; D-Mentoring, reverse mentoring of couples.

In addition to the activities outlined above, in continuity with previous years, incoming training for new recruits was organized in all Group companies and each department took an active part, in compliance with national and corporate anti-Covid-19 provisions, in organizing **on-the-job training**, which took the form of information, coaching or training. The objective is also sharing company know-how with the company's youngest resources.

Moreover, in order to respond to the distancing requirements imposed by the global pandemic and to align with the increasingly predominant theme of digitalization in the company, the **"Digital Academy" Project** is being launched at the Group's Italian offices. This is an experimental project for the training area that consists in the activation of a platform of digital content in e-learning mode. The aim is to guarantee an innovative training service and generate an impact on company performance, also thanks to the easy scalability and updating of the platform itself.

For the next reporting year, training activities relating to safety, prevention and quality, as well as technical, fiscal, legal, administrative and labor law updates, as well as training sessions for new recruits and continuous updating, are confirmed.

The year 2021 will also be characterized by actions dedicated to consolidating the professional skills and managerial abilities required by the role and therefore aimed at:

- forming a common vision on the theme of Open Innovation and on the new work procedures
- ensuring the development of technical and managerial skills, with a specific focus on issues emerging as priorities within the Divisions and in the CTIO and R&D Labs areas
- developing transversal and managerial skills through the definition and implementation of training courses on Economics, Communication, Price, Negotiation, Project Management, Team and Collaboration
- ensuring the updating of knowledge on legal issues, Intellectual Property, Economics, Automotive, Environment
- 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*.
- implementing, enriching and diversifying the Digital Academy platform, through both internal and external initiatives.

In addition to training initiatives, **professional development initiatives** were fielded in 2020, specifically:

- a support desk as a support service for the corporate population, with the aim of giving an opportunity to employees to reflect on their emotions and moods, their personal goals and their professional growth, with the collaboration of a dedicated consulting company

- a support desk as a support service for the management population, with the aim of creating professional comparison and individual coaching regarding specific professional development situations, both their own and those of the team of employees managed, with the collaboration of a work psychology studio
- Individual coaching for certain executives and leadership roles.

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.

As in 2019, **96%** of the 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.

EMPLOYEES RECEIVING A REGULAR PERFORMANCE AND CAREER EVALUATION (2020)

	Men	Men %	Women	Women %	Total	Total %
Managers	80	99%	14	100%	94	99%
White Collars	200	95%	97	91%	297	93%
Blue collars	387	96%	177	99%	564	97%
Total	667	96%	288	96%	955	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.

This scheme has been 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 **15 people** in 2020, 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.
- **gift cards** to spend on groceries or fuel.

In addition, in 2020 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.

In relation to the emergency pandemic situation that affected the reporting year, the Group acted promptly to ensure support, support and closeness to all employees. Below are the initiatives that have been put in place:

- where permissible by the role and activities carried out, smart-working in all the companies of the Group, making available the necessary IT means;
- Establishment for employees and their families, from March 2020, in the Group's Italian companies, of the Sportello DOC 24 hours, a remote medical advice and assistance service available 24/7, for questions or problems related to Covid-19 and/or any other health reason;

- Establishment of a psychological support desk Covid-19, usable in total anonymity and addressed to employees who feel the need for a private discussion with a coach to address and manage the critical issues and uncertainties related to the health emergency situation;
- employees were given the opportunity to undergo in-house serological testing;
- in the Group's US companies, the "Ask me" chat service has been set up, through which employees can ask questions directly to the HR Department and obtain and transmit updated and timely information on the pandemic situation, both personal and work-related;
- it was deemed appropriate to give greater space to internal intercompany communication via the *SAESinTouch* tool, so as to strengthen the involvement and integration of Group company employees.

Finally, following the context created by the pandemic, the organization considered it important to anticipate the launch and implementation of the **Agile Work** pilot project in the Parent Company, already scheduled for 2020, activating experiments, compatibly with the role and the organizational unit involved, aimed at identifying the actual benefits and the areas of application and extension.

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

The competent doctor carries out, on the basis of risk assessment, medical examinations and diagnostic tests aimed at verifying the state of health of workers and express the opinion of suitability for the specific task.

In addition to health surveillance, the physician periodically conducts workplace inspections.

Based on local regulations and existing contracts, it is possible for workers to join supplemental health care funds.

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.

Finally, with regard to the prevention and mitigation of occupational health and safety impacts within business relationships, SAES asks its suppliers to commit to comply with the requirements contained in the Suppliers' Code of Conduct, which also includes a specific point on "Occupational health and safety".

In 2020, 18 workplace accidents were recorded in the Group, all classifiable as minor, of which 17 related to direct employees; the accidents were mostly mechanical (cuts, crushing). No cases of occupational diseases were recorded.

The employee injury rate is slightly higher than that of 2019, 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 ²⁸	
Number of accidents	2020	2019	2020	2019
Fatal accidents	-	-	-	-
Accidents with serious consequences (excluding deaths)	-	-	-	-
Recordable accidents	17	18	1	1
Type of accident	2020	2019	2020	2019
Mechanical	16	16	-	1
Chemical	1	2	-	-
Hours	2020	2019	2020	2019

²⁸ 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.

Hours worked	1,696,187	1,675,044	118,868	189,995
Multiplier	1,000,000	1,000,000	1,000,000	1,000,000
Rate	2020	2019	2020	2019
Death rate resulting from work-related accidents	-	-	-	-
Rate of accidents with serious consequences (excluding deaths)	-	-	-	-
Rate of recordable accidents	10.02	10.75	8.41	5.26

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 2019 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.

There were no instances of discrimination during the reporting year.

The commitment promoted by the Group is also based on the decision to employ 300 women in its business activities, equal to 30% of the total. The figure, in line with 2019, 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 continuity with 2019, in the year of reporting, the Parent Company demonstrated its interest in the topic of Diversity & Inclusion by renewing its membership in the associations Valore D (association of companies that for 10 years has been committed to gender balance and an inclusive culture in Italian organizations, and Parks Liberi e Uguali (an association of companies created to help companies understand and maximize the business potential linked to the development of strategies and best practices that respect diversity linked to sexual orientation and gender identity).

A number of training initiatives were put in place in 2020 in collaboration with the Valore D association, through two paths:

- the first one saw the involvement of the Board of Directors in a training and awareness-raising meeting on the subject of diversity and inclusion
- the second involved the first line of the Parent Company and touched on the themes of inclusive responsibility, unconscious bias, authentic leadership and organization and flexibility.

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

As regards the distribution of employees by age group, the personnel of the Group is also more concentrated in the age group that includes employees aged between 30 and 50 (48%). The other age brackets contain 41% (over 50 years old) and 11% (under 30 years old), respectively.

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

	2020				2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers	1	39	55	95	3	36	53	92
White Collars	27	179	112	318	20	184	106	310
Blue collars	84	258	240	582	92	255	238	585
Total	112	476	407	995	115	475	397	987

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, **86% of managers are employed in their country of origin.**²⁹

²⁹ Locally hired managers is intended as the employee's national origin.

5. Our commitment to the environment³⁰

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
MANAGEMENT OF ENERGY CONSUMPTION, CO2 EMISSIONS AND CLIMATE CHANGE	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. 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"> - Adequacy of plants and of energy production and management technologies - Compliance with local laws and regulations - Maintenance and upgrading of plants at production sites <p>Risks resulting from the effects of climate change which may have a direct or indirect impact on the Company's operations</p>	<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> <p>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.</p>
WASTE AND WATER RESOURCE MANAGEMENT	<p>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.</p> <p>Responsible management of hazardous and non-hazardous waste associated with the</p>	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Adequacy of periodic checks on wastewater discharges - Adequacy of the waste delivery, transport and disposal service 	<p>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. 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).</p>

³⁰ The environmental figures include all the Companies of the Group included in the reporting scope where the production sites are located. On the other hand, companies with only commercial offices are excluded as they are not considered relevant. It should be noted that the environmental data relating to the management office located in Piazza Castello 13, Milan, for which a seven-year lease agreement was signed by the Parent Company, with effect from July 1, 2020, refer only to electricity consumption, although this is negligible compared with the Group's environmental impact.



	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.		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).
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HIGHLIGHTS



22 ton of CO₂ saved in Lainate and Avezzano sites thanks to interventions of partial relamping and localized monitoring of consumption

About 60 tons of CO₂ saved on the Lainate site thanks to smart working

Starting from 2021 the CO₂ related to the electricity used by Italian companies is neutralized through white certificates



About 40% of waste produced by the Group is recycled (80% in Lainate site)

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 sites³¹, 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.

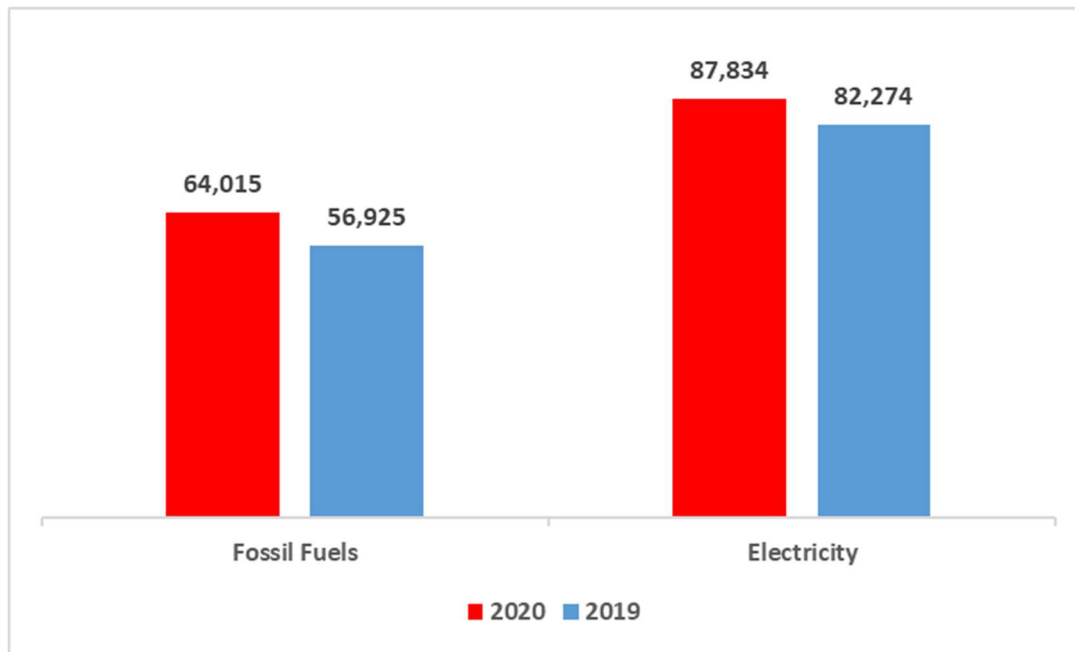
³¹ The ISO 9001 certified Group companies are: SAES Getters S.p.A., Memry Corp., SAES Smart Materials, Inc., SAES Getters USA, Inc., SAES Coated Films S.p.A.

5.2 Energy consumption

At the end of 2020, the Group's total energy consumption amounted to **151,849 GJ**, an increase of 9% compared to the previous year for which a figure of **139,199 GJ**³² was recorded. 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 (less than 0.3%).

Electricity consumption grew by 7%, natural gas by 8%. The increase in natural gas consumption is mainly concentrated at the Avezzano site, and in particular the need to maintain continuous thermal conditioning to better manage air changes, following the COVID emergency, which has similarly impacted electricity consumption at the same site. New production lines were also activated at the Memry Bethel site with significant electricity consumption. Consumption at the other sites did not change significantly.

ENERGY CONSUMPTION BY TYPE OF SOURCE (IN GJ)



³² Note that, as a result of a reporting system improvement process, the 2019 data relating to the consumption of fossil fuels and electricity has been restated. For the previously published data, please refer to the 2019 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

The energy intensity value resulting from direct consumption³³ for the year 2020 equals 1.48, an increase compared to the value of 2019, equal to 1.18³⁴ and represents the organisation's energy efficiency. The increase is due to the combined effect of a decrease in the cost of goods sold (down 13%) and an increase in consumption, especially of electricity, due to the factors mentioned above. With regard to the Group's commitment to reducing its energy consumption, in 2020 the organisation **saved 168 GJ (22 tons of CO₂)**³⁵ through the implementation of various programmes and initiatives to reduce consumption and/or improve efficiency. For example, partial relamping processes have been carried out at the Lainate, Avezzano, and SpectraMat sites. Although not included in the scope of this analysis, it should also be noted the estimated saving of around 60 tons of CO₂ achieved through the implementation of smart working in the Lainate office.

5.3 Emissions into the atmosphere

During 2020, the SAES Group produced **12,116 tons of CO₂eq**³⁶, **up 3%** compared to 2019.

In reference to **direct emissions** (Scope 1), i.e. the emissions resulting from consumption relating to the use of fossil fuels, the 2020 data is equal to **3,272 tons of CO₂eq**, **an increase of about 7%** compared to 2019.³⁷ 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 2% compared to 2019³⁸, and in 2020 amounted to **8,844 tons of CO₂**.

³³The **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.

³⁴ Note that, as a result of a reporting system improvement process, the 2019 data relating to the consumption of fossil fuels and electricity has been restated. For the previously published data, please refer to the 2019 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

³⁵The CO₂ savings were calculated with the Market-based method.

³⁶ 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.

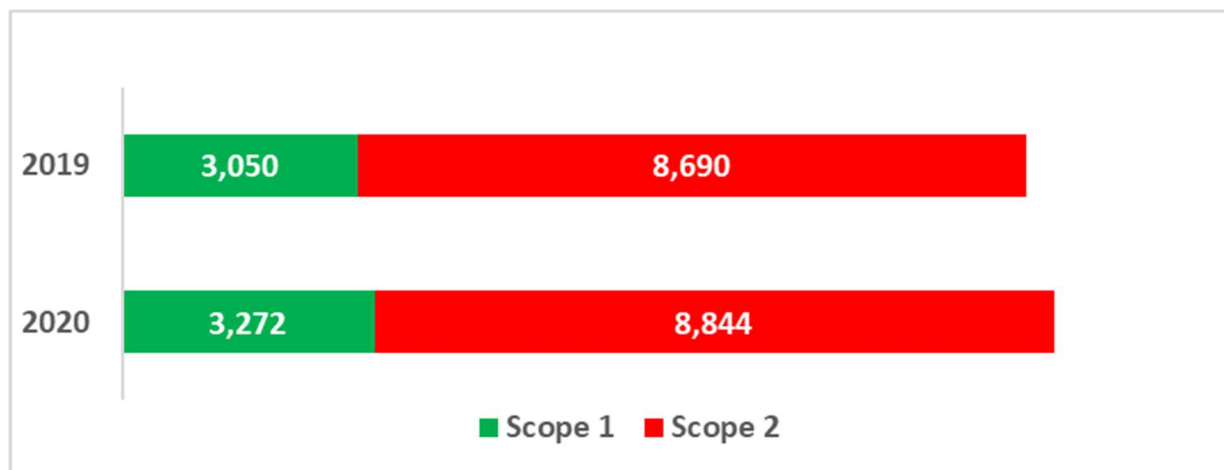
For the conversion factors used to calculate greenhouse gas emissions, see the table in the attachments.

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.

³⁷It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2019 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 2019 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

³⁸It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2019 Scope 2 emissions have been restated compared to those published in the previous Non-Financial Statement. For the previously published data, please refer to the 2019 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)




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 (2020)³⁹

Pollutant	Quantity (ton/year)	percentage
VOC	3.046	54.2%
Ethanol	1.009	18.0%
NO _x	0.731	13.0%
CO	0.033	0.6%
Total Dust	0.466	8.3%
SO _x	0.330	5.9%
Phosphoric Acid	0.00022	0.004%
Total	5.616	100%

³⁹ The perimeter refers only to those companies that provide for the monitoring of atmospheric emissions as required by current local regulations, and these are: SAES Getters S.p.A. - Lainate and Avezzano plants, SAES Smart Materials, Inc., SAES Coated Films SpA, SpectraMat inc. which are therefore considered relevant for the purpose of ensuring 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.



There were no significant changes compared to 2019.

THE RISK OF CLIMATE CHANGE

The importance of the issue relating to climate change calls for reflection on the possible consequences of the physical damage that meteorological events - extraordinary or otherwise - could have on the Group's infrastructures and assets. The potential for a major weather event to occur could potentially result in a period of unavailability of buildings and assets. The Group already has business continuity procedures in place that cover the main areas of greatest risk from climate change.

From another perspective, it is necessary to analyze which are the activities that the company carries out on a daily basis and that could contribute negatively to climate change (e.g., emissions) and also impact legal liability for non-compliance with local and international environmental regulations (stringent and uncertain in some contexts). 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.

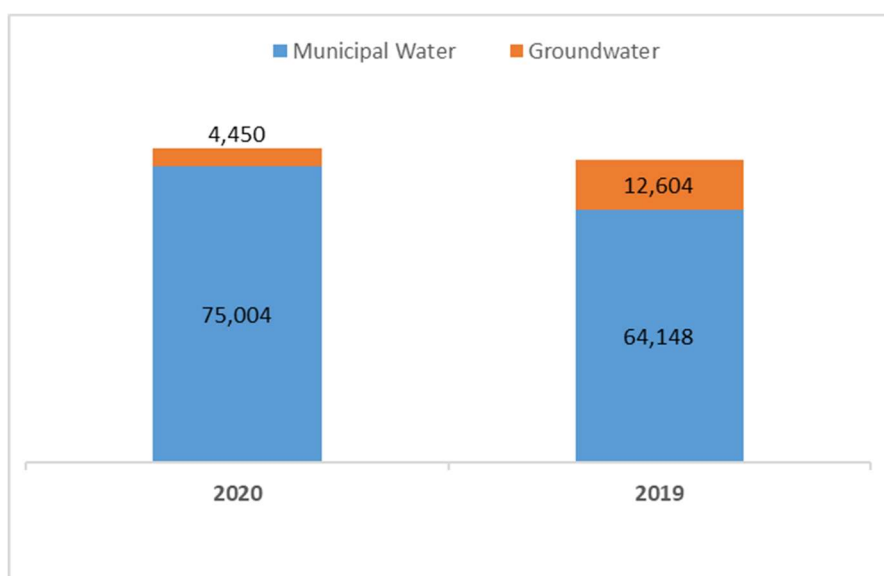
With regard to issues concerning climate change, the Group is committed to defining a strategic plan that includes activities aimed at mitigating the areas of risk identified with concrete actions, which allow to contribute, among other things, to the reduction of emissions and the definition and implementation of products that contribute to the promotion of a circular economy.

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 2020, the SAES Group consumed **79,454 m³⁴⁰** (79.5 ML) of water supplied by municipal water and groundwater.

COMPARISON OF 2020 AND 2019 WATER CONSUMPTION



In particular, it should be noted that the main water withdrawals are attributable to the withdrawal from municipal water (aqueduct 94%) and the remaining part from groundwater (water well 6%).

All water used by the SAES Group is classified as fresh water.

The Avezzano and Colorado Springs locations (SAES Getters USA) are located in areas of high risk for water stress⁴¹, and contribute 49,049 m³ (49 ML) or 61.7% of the total water consumption.

The water resource at the SAES group sites is mainly used for civil purposes (toilets, air conditioning systems, cooking food in company canteens). As far as industrial uses are concerned, the water used in the cooling circuits of some plants on the various sites is always recirculated, so as to minimize its consumption. Only a few production processes, however, require the presence of water as a raw material or auxiliary product.

⁴⁰ Given the location of the production sites, it is assumed that the water withdrawn and discharged in 2020 belongs to the freshwater category ($\leq 1,000$ mg/l total dissolved solids);

⁴¹ Defined as "Ability or inability to meet human and environmental demand for water." CEO Water Mandate, Corporate Water Disclosure Guidelines, 2014.

Consistent with the civilian nature of most uses, wastewater is primarily discharged to local sewers, and from there sent to local treatment plants. The Avezzano site, which until mid-2020 discharged its wastewater into surface water, now discharges into the sewer system, following the commissioning of local sewers. Where required, chemical quality analysis of discharges is performed to confirm compatibility with local regulatory requirements. In contrast, water used as a process auxiliary is disposed of as special waste.

5.5 Management of waste and water discharges

The waste produced by the Group amounted to **2,020 tons, up 3%** 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 46 to 40%. 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 (56%) and, following this, the other portions are those for recycling (40%), a residual portion for incineration (2.8%) and landfill (2%). With regard to the division between hazardous and non-hazardous waste, the former amounts to 340 tons (17% of the total), while the non-hazardous waste amounts to 1,680 tons, or 83% of the total.

WASTE DISPOSED BY TYPE (TONS)

Method	2020				2019			
	Hazardous	Non-hazardous	Total	Total %	Hazardous	Non-hazardous	Total	Total %
Disposal	269	852	1,121	55.5%	312	615	927	47.5%
Recycling	21	782	803	39.7%	8	894	902	46.2%
Incineration	35	21	56	2.8%	40	50	90	4.6%
Other (landfill)	15	25	40	2.0%	18	15	33	1.7%
Total %	340	1,680	2,020	100.0%	378	1,574	1,952	100%

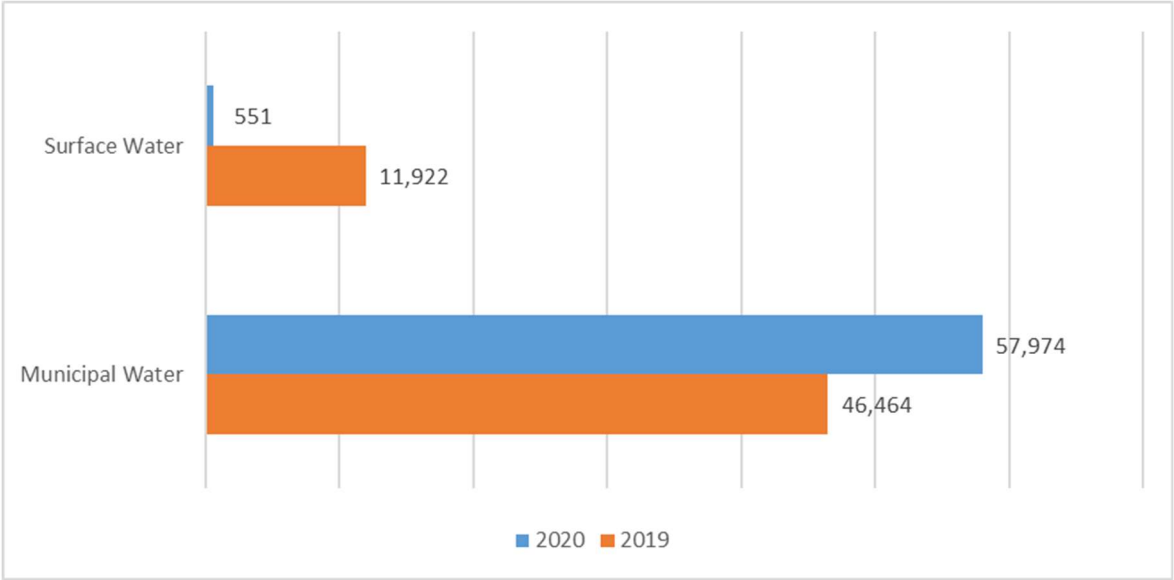
Also with regard to wastewater discharge practices, the Group applies the most advanced management practices, respecting the environment and the territory. Where wastewater treatment plants are present, the SAES Group ensures continuous maintenance of the plants and internal and external periodic analysis 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 2020 the Group discharged **58,525 m³ of water** (58,5 ML). The main destination of the Group's water discharge is sewerage and purification (99%) followed by surface water (e.g. rivers and lakes) to which 1% of

discharged water is destined. Compared to the previous situation, the Avezzano site delivers water to the sewer and no longer to surface water.

WATER DISCHARGE BY DESTINATION (m³)



The Avezzano and Colorado Springs locations (SAES Getters USA) are located in high water stress areas and contribute 28,398 m³ (28.4 ML) or 49% of the total water consumption.

Attachments

CHAPTER 1: Management of the Group's businesses

MATERIALITY ANALYSIS – DEFINITION OF MATERIAL ASPECTS

Material aspect	Area	Scope		GRI Topic Reconciliation
		Where the impact occurs	Involvement of the SAES Group	
Business ethics, values and compliance	Governance and Compliance	Group	Generated by the Group	Environmental compliance; socio-economic compliance; anti-corruption
Long-term value creation	Economic responsibility	Group	Generated by the Group	Economic performance, Market presence, Tax
Diversity & Inclusion	Responsibility towards employees	Group	Generated by the Group	Diversity and equal opportunity
Human capital management and employee development	Responsibility towards employees	Group	Generated by the Group	Employment; labor/management relations; training and education
Occupational Health and Safety	Responsibility towards employees	Employees and temporary workers ⁴² of the Group Companies that manage production sites	Generated by the Group and to which the Group contributes	Occupational Health and Safety;
Employee wellbeing	Responsibility towards employees	Group employees	Generated by the Group	Employment
Safety and quality of products	Product liability	Group	Generated by the Group	Customer health and safety; marketing and labelling;
Research, Development and Innovation	Product liability	Group production sites	Generated by the Group	N.A.

⁴² 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	Scope		GRI Topic Reconciliation
		Where the impact occurs	Involvement of the SAES Group	
Customer satisfaction	Product liability	Group	Generated by the Group	N.A.
Sustainable management of the supply chain	Liability in the supply chain	Group, suppliers and business partners	Generated by the Group and to which the Group contributes	Procurement practices; supplier environmental assessment; supplier social assessment;
Respect for human rights and working conditions	Responsibility towards employees	Group, suppliers and business partners	Generated by the Group and to which the Group contributes	Non-discrimination; Child labor; Forced or compulsory labor;
Management of energy consumption, CO ₂ emissions and climate change	Environmental responsibility	Group production sites and electricity suppliers	Generated by the Group and related to the Group through its commercial relations	Energy; Emissions
Waste and water resource management	Environmental responsibility	Group production sites	Generated by the Group and related to the Group through its commercial relations	Effluents and Waste; Water and effluents
Business continuity	Economic responsibility	Group, suppliers and business partners	Generated by the Group and to which the Group contributes	N.A.
Brand Identity and reputation	Economic responsibility	Group	Generated by the Group	N.A.
Circular economy and products with lower environmental impact	Environmental responsibility	Group, suppliers and business partners	Generated by the Group and to which the Group contributes	N.A.
Data security and cybersecurity	Product liability	Group	Generated by the Group	Customer privacy

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	2020	2019
	<i>thousands of euro</i>	<i>thousands of euro</i>
Directly generated economic value	174,567	187,044
Distribution of the Generated Value	2020	2019
	<i>thousands of euro</i>	<i>thousands of euro</i>
Value distributed to suppliers	69,809	71,892
Remuneration of personnel	76,352	77,638
Remuneration of lenders	3,979	1,429
Remuneration of shareholders	7,440	9,198
Remuneration of the Public Administration	5,465	8,381
Remuneration of the community	698	26
Value retained by the Company	10,824	18,480

GRI 408-1: Operations and suppliers at significant risk for incidents of child labour⁴³ and GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour⁴⁴

Transactions for which the Conflict Minerals Policy has been requested to be signed						
	2020			2019		
Geographical area	Conflict Minerals compliant suppliers	Total suppliers	%	Conflict Minerals compliant transactions	Total Suppliers	%
Italy	4	404	1.0	5	447	1.1
USA	1	154	0.6	7	146	4.8

⁴³ and ³⁷ The total number of transactions indicated relates only to suppliers of raw materials, semi-finished and finished products, external processing

Non-Financial Statement of the SAES Group

GRI 204-1 Proportion of spending on local suppliers⁴⁵

SAES GROUP						
Type of purchases	2020			2019		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	2,100	51,836,397	82.8%	2,235	58,164,230	77.2%
Purchases from other suppliers	258	10,756,657	17.2%	307	17,132,306	22.8%
Total	2,358	62,593,054	100.0%	2,542	75,296,536	100.0%

EUROPE						
Type of purchases	2020			2019		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	1,055	25,400,225	70.5%	1,216	30,838,008	64.4%
Purchases from other suppliers	248	10,614,176	29.5%	299	17,050,270	35.6%
Total	1,303	36,014,401	100.0%	1,515	47,888,278	100.0%

USA ⁴⁶						
Type of purchases	2020			2019		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure
Purchases from local suppliers	942	25,918,934	99.5%	923	26,735,067	99.7%
Purchases from other suppliers	10	142,481	0.5%	8	82,035	0.3%
Total	952	26,061,415	100.0%	931	26,817,102	100.0%

Asia						
Type of purchases	2020			2019		
	No. of suppliers	Value of total annual expenditure [€]	% expenditure	No. of suppliers	Value of total annual expenditure [€]	% expenditure

⁴⁶ It should be noted that as a result of a process to improve the reporting system, the 2019 figure for the percentage of local supplier expenditure relative to the U.S. has been restated. For the previously published data, please refer to the 2019 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

Non-Financial Statement of the SAES Group

Purchases from local suppliers	103	517,239	100.0%	96	591,156	100.0%
Total	103	517,239	100.0%	96	591,156	100.0%

Distribution of suppliers by geographical area (SAES Group)

Suppliers				
Product segment	2020		2019	
	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	1,240	33,134,791	1,439	40,268,054
Asia	129	1,954,158	131	1,817,412
Middle East	3	339,000	3	948,173
America	986	27,165,105	967	31,788,125
North Africa	-	-	1	474,000
Australia	-	-	1	771
Total	2,358	62,593,054	2,542	75,296,536

Country by country reporting (GRI 207-4)⁴⁷ (Euro thousands)

	Tax jurisdictions in which the Group operates							
	South Korea	Germany	Japan	Italy	Luxembourg	P.R. of China	USA	Taiwan
Names of resident entities	SAES Getters Korea Corporation	Memry Corporation Zweigniederlassung Deutschland (Memry Branch) Memry GmbH in liquidation	SAES Getters S.p.A. - Japan (Branch)	SAES Innovative Packaging S.r.l. SAES Coated Films S.p.A. SAES Getters S.p.A. SAES Nitinol S.r.l.	SAES Getters International Luxembourg SAES Investments S.A.	SAES Getters (Nanjing) Co., Ltd.	Memry Corporation SAES Getters Export, Corp. SAES Getters USA, Inc.: SAES Smart Materials, Inc.	SAES Getters S.p.A. - Taiwan (Branch)
Main activities of the organization	Local distribution of products of other Group companies	Production and marketing	Local distribution of products of other Group companies	Holding functions Production and marketing	Cash management Centralised treasury and provision of services to Group companies	Local distribution of products of other Group companies	Production and marketing	Local distribution of products of other Group companies
Number of employees	4	1	8	448	1	7	523	3

⁴⁷ Income statement figures refer to the financial year from January 1 to December 31, 2020; the number of employees and total tangible assets other than cash and cash equivalents refer to December 31, 2020.

Non-Financial Statement of the SAES Group

Revenues from sales to third parties	1,640	-	-	60,505	-	5,736	100,244	84
Revenues from intercompany transactions with other tax jurisdictions	16	-	-	22,442	8,541	362	9,973	33
Pre-tax profit/loss	- 189	- 41	- 23	931	1,727	1,101	25,766	- 311
Tangible assets other than cash and cash equivalents	2	1	6	41,226	-	10	32,306	-
Corporate income taxes paid on a cash basis	-	-	26	711	1,151	268	4,341	-
Corporate income taxes accrued on profits/losses	-	- 10	41	936	615	278	3,712	-

CHAPTER 3: Technology at the service of innovation

Number of Complaints by product type

Complaints		
	2020	2019
Getters	23	25
Shape Memory Alloy	187	209
Vacuum Pump	40	41
Dispensers	2	2
Dryers	0	0
Coated films	30	46
Cathodes	51	49
Total	333	372

Number of complaints by type

Complaints		
	2020	2019
Non-compliant product (products with functional or dimensional problems)	234	260
Logistics (problems related to transport, invoicing, shipping documentation)	93	92
Packaging (problems related to primary or secondary packaging)	6	20
Total	333	372

CHAPTER 4: The people of the SAES Group⁴⁸

GRI 102-8 Information on employees

SAES GROUP						
Total number of employees by type of contract and gender						
Type of employment contract	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Permanent	689	297	986	688	292	980
Fixed term	6	3	9	6	1	7
Total	695	300	995	694	293	987

ITALY						
Total number of employees by type of contract and gender						
Type of employment contract	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Permanent	322	120	442	317	114	431
Fixed term	5	2	7	5	0	5
Total	327	122	449	322	114	436

ASIA						
Total number of employees by type of contract and gender						
Type of employment contract	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Permanent	13	7	20	12	7	19
Fixed term	1	1	2	1	1	2
Total	14	8	22	13	8	21

USA						
Total number of employees by type of contract and gender						
Type of employment contract	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Permanent	354	170	524	359	171	530
Fixed term	0	0	0	0	0	0
Total	354	170	524	359	171	530

⁴⁸ 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.

Non-Financial Statement of the SAES Group

SAES GROUP						
Total number of employees broken down by full-time and part-time employees						
Full-time/Part-time	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Full-Time	694	286	980	692	279	971
Part-time	1	14	15	2	14	16
Total	695	296	995	694	293	987

GRI 102-41 Collective bargaining agreements

Percentage of the total number of employees covered by collective bargaining agreements		
	As of December 31, 2020	As of December 31, 2019
Group percentage	45%	44%
Group percentage excluding USA and Asia data ⁴⁹	100%	100%

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

Percentage of senior management hired from the local community						
	As of December 31, 2020			As of December 31, 2019		
	Men	Women	Total	Men	Women	Total
Group	86%	86%	86%	86%	92%	87%
Percentage of senior management hired from the local community, by most significant operating premises						
Italy	100%	100%	100%	100%	100%	100%
USA	69%	75%	70%	68%	86%	71%
Asia	100%	100%	100%	100%	100%	100%

GRI 401-1 New employee hires and employee turnover

SAES GROUP										
Entries										
Number of persons	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	38	25	16	79	11%	40	42	23	105	15%
Women	7	18	4	29	10%	11	33	6	50	17%

⁴⁹ Excluding USA and Asia since there are no national collective bargaining agreements.

Non-Financial Statement of the SAES Group

Total	45	43	20	108	11%	51	75	29	155	16%
Rate	40%	9%	5%	11%		44%	16%	7%	16%	
OUT										
Number of persons	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	21	31	24	76	11%	24	22	28	74	11%
Women	3	13	8	24	8%	9	8	10	27	9%
Total	24	44	32	100	10%	33	30	38	101	10%
Rate	21%	9%	8%	10%		29%	6%	10%	10%	

ITALY										
ENTRIES										
Number of persons	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	13	3	1	17	5%	3	4	0	7	2%
Women	2	6	1	9	7%	0	1	0	1	1%
Total	15	9	2	26	6%	3	5	0	8	2%
Rate	60%	4%	1%	6%		21%	2%	0%	2%	
OUT										
Number of persons	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	2	2	8	12	4%	1	7	12	20	6%
Women	0	1	0	1	1%	0	1	2	3	3%
Total	2	3	8	13	3%	1	8	14	23	5%
Rate	8%	1%	4%	3%		7%	3%	7%	5%	

ASIA										
Entries										
	From 1 January to 31 December 2020					From 1 January to 31 December 2020				

Non-Financial Statement of the SAES Group

Number of persons	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	1	1	1	3	21%	0	0	0	0	0%
Women	0	1	0	1	13%	0	1	0	1	13%
Total	1	2	1	4	18%	0	1	0	1	5%
Rate	100%	14%	14%	18%		0%	7%	0%	5%	
Out										
Number of persons	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	0	0	2	2	14%	1	1	0	2	15%
Women	0	1	0	1	13%	0	0	2	2	25%
Total	0	1	2	3	14%	1	1	2	4	19%
Rate	0%	7%	29%	14%		100%	7%	29%	19%	

USA										
Entries										
	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	24	21	14	59	17%	37	38	23	98	27%
Women	5	11	3	19	11%	11	31	6	48	28%
Total	29	32	17	78	15%	48	69	29	146	28%
Rate	34%	14%	8%	15%		48%	30%	15%	28%	
Out										
	From 1 January to 31 December 2020					From 1 January to 31 December 2020				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	19	29	14	62	18%	22	14	16	52	14%
Women	3	11	8	22	13%	9	7	6	22	13%
Total	22	40	22	84	16%	31	21	22	74	14%
Rate	26%	17%	11%	16%		31%	9%	11%	14%	

GRI 403-9 Accidents in the workplace

SAES GROUP				
	Employees		Temporary workers ⁵⁰	
Number of accidents	2020	2019	2020	2019
Fatal accidents	-	-	-	-
Accidents with serious consequences (excluding deaths)	-	-	-	-
Recordable accidents	17	18	1	1
Type of accident	2020	2019	2020	2019
Mechanical	16	16	1	1
Chemical	1	2	-	-
Hours	2020	2019	2020	2019
Hours worked	1,696,187	1,675,044	118,868	189,995
Multiplier	1,000,000	1,000,000	1,000,000	1,000,000
Rate	2020	2019	2020	2019
Death rate as a result of work-related accidents	-	-	-	-
Rate of accidents with serious consequences (excluding deaths)	-	-	-	-
Rate of recordable accidents	10.02	10.75	8.41	5.26

ITALY				
	Employees		Temporary workers	
Number of accidents	2020	2019	2020	2019
Fatal accidents	-	-	-	-
Accidents with serious consequences (excluding deaths)	-	-	-	-
Recordable accidents	4	4	1	-
Type of accident	2020	2019	2020	2019
Mechanical	4	4	1	-
Chemical	-	-	-	-

⁵⁰ 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.

Non-Financial Statement of the SAES Group

Hours	2020	2019	2020	2019
Hours worked	699,822	705,073	59,392	64,336
Multiplier	1,000,000	1,000,000	1,000,000	1,000,000
Rate	2020	2019	2020	2019
Death rate as a result of work-related accidents	-	-	-	-
Rate of accident with serious consequences (excluding deaths)	-	-		-
Rate of recordable accidents	5.72	5.67	16.84	0.00

USA				
	Employees		Temporary workers	
Number of accidents	2020	2019	2020	2019
Fatal accidents	-	-	-	-
Accidents with serious consequences (excluding deaths)	-	-	-	-
Recordable accidents	13	14	0	1
Type of accident	2020	2019	202	2019
Mechanical	12	12	-	1
Chemical	1	2	-	-
Hours	2020	2019	2020	2019
Hours worked	996,365	969,971	59,476	125,659
Multiplier	1,000,000	1,000,000	1,000,000	1,000,000
Rate	2020	2019	2020	2019
Death rate as a result of work-related accidents	-	-	-	-
Rate of accident with serious consequences (excluding deaths)	-	-	-	-
Rate of recordable injuries	13.05	14.43	0.00	7.96

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

Hours of training						
	2020 ⁵¹					
	Hours Men	Average hours/men	Hours Women	Average hours/women	Total Hours	Average hours/category
Managers	1,582	20	290	21	1,871	20
White Collars	1,808	9	924	9	2,732	9
Blue collars	1,434	4	581	3	2,015	3
Total	4,823	7	1,794	6	6,618	27

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

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 of December 31, 2020 ⁵²					
	Men	Men %	Women	Women %	Total	Total %
Managers	80	99%	14	100%	94	99%
White Collars	200	95%	97	91%	297	93%
Blue collars	387	96%	177	99%	564	97%
Total	667	96%	288	96%	955	96%
Number of persons	As of December 31, 2019					
	Men	Men %	Women	Women %	Total	Total %
Managers	77	97%	13	100%	90	98%

⁵¹ 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

White Collars	199	96%	92	89%	291	94%
Blue collars	390	96%	175	99%	565	97%
Total	666	96%	280	96%	946	96%

GRI 405-1 Diversity of governance bodies and employees

SAES GROUP								
Personnel of the Group by professional category and gender								
	As of December 31, 2020			As of December 31, 2019				
	Men	Women	Total	Men	Women	Total		
Managers	81	14	95	79	13	92		
White Collars	211	107	318	207	103	310		
Blue collars	403	179	582	408	177	585		
Total	695	300	995	694	293	987		
SAES GROUP								
Personnel of the Group by professional category and age								
Number of persons	As of December 31, 2020				As of December 31, 2019			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Managers	1	39	55	95	3	36	53	92
White Collars	27	179	112	318	20	184	106	310
Blue collars	84	258	240	582	92	255	238	585
Total	112	476	407	995	115	475	397	987

SAES GROUP				
Personnel of the Group by professional category and gender				
	As of December 31, 2020		As of December 31, 2019	
	Men	Women	Men	Women
Managers	85%	15%	86%	14%
White Collars	66%	34%	67%	33%
Blue collars	69%	31%	70%	30%
Total	70%	30%	70%	30%

SAES GROUP		
Personnel of the Group by professional category and age		
	As of December 31, 2020	As of December 31, 2019

	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Managers	1%	41%	58%	3%	39%	58%
White Collars	8%	56%	35%	6%	59%	34%
Blue collars	14%	44%	41%	16%	44%	41%
Total	11%	48%	41%	12%	48%	40%

CHAPTER 5: Our commitment to the environment⁵³

GRI 302-1 Energy consumption within the organisation⁵⁴

Energy consumption					
Type	Unit of measurement	2020		2019	
		Total	Total GJ	Total	Total GJ
Fossil fuels					
Natural Gas	m³	1,607,056	63,682	1,481,327	56,290
Propane	m³	1,143	38	1,464	74
Petrol for vehicle engines	l	4,476	152	6,184	210
Automotive diesel	l	3,740	143	9,203	350
Electricity					
Purchased electricity	kWh	24,398,456	87,834	22,854,009	82,274

Total energy consumption			
Energy consumption	Unit of measurement	2020	2019
		Total	Total
Fossil fuels	GJ	64,015	56,925
Purchased electricity	GJ	87,834	82,274
Total	GJ	151,849	139,199

⁵³ The environmental figures include all the Companies of the Group included in the reporting scope where the production sites are located. On the other hand, companies with only commercial offices are excluded as they are not considered relevant. It should be noted that the environmental data relating to the management office located in Piazza Castello 13, Milan, for which a seven-year lease agreement was signed by the Parent Company, with effect from July 1, 2020, refer only to electricity consumption, although this is negligible compared with the Group's environmental impact.

⁵⁴ Note that, as a result of a reporting system improvement process, the 2019 data relating to the consumption of fossil fuels and electricity 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.

GRI 302-4 Reduction of energy consumption

SAES Getters S.p.A. – Unit of Lainate

Initiatives to reduce energy consumption			
Initiative	Unit of measurement	Year of reference	Estimate of savings achieved
Relamping in Milano Offices	kWh	2020	15,000
Relamping Lainate external	kWh	2020	7,300
Printing center replacements- Lainate	kWh	2020	1,300
Relamping 2nd floor ob1-Lainate	kWh	2020	17,000
Total energy savings			40,600 kWh

SAES Getters S.p.A. – Unit of Avezzano

Initiatives to reduce energy consumption			
Initiative	Unit of measurement	Year of reference	Estimate of savings achieved
Replacement of 268 50W halogen type lamps with 268 5.5W class A+ LED type lamps.	kWh	2020	5,928
Total energy savings			5,928 kWh

Spectra-Mat, Inc.

Initiatives to reduce energy consumption			
Initiative	Unit of measurement	Year of reference	Estimate of savings achieved
Partial relamping	kWh	2020	52
Total energy savings			52 kWh

GRI 303-3 Water collection⁵⁵

Total water collection by source							
		2020			2019		
Source	Unit of measurement	Volume	Of which from areas at risk of water stress		Volume	Of which from areas at risk of water stress	
Water from third parties	m ³	75,004	49,049	65.4%	64,148	38,634	60.2%
Groundwater	m ³	4,450	0	0.0%	12,604	0	0.0%
Total	m ³	79,454	49,049	61.7%	76,753	38,634	50.3%
Total withdrawal of third-party water resources by collection source (m ³)	Surface water	N/A	3,654	N/A	N/A	3,689	N/A
	Groundwater	N/A	45,396	N/A	N/A	34,946	N/A

GRI 303-4 Water discharge

Wastewater discharges							
	2020				2019		
	Unit of measurement	Total	Of which from areas at risk of water stress		Total	Of which from areas at risk of water stress	
Water from third parties	[m ³]	57,974	27,847	48%	46,464	7,155	15%
Surface waters	[m ³]	551	551	100%	11,922	11,922	100%
Total	[m ³]	58,525	28,398	53%	58,386	19,077	33%

305-1 / 305-2 Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions⁵⁶

Scope	Unit of measurement	2020	2019
Scope 1	Tons CO ₂ eq	3,272	3,050

⁵⁵ Given the location of the production sites, it is assumed that the water collected and discharged in 2020 belongs to the freshwater category (≤1,000 mg/l total dissolved solids);

⁵⁶ It should be noted that following an improvement process of the CO₂ emissions reporting system, the data relating to 2019 Scope 1 and Scope 2 emissions have been restated compared to those published in the previous Non-Financial Statement. For the previously published data, please refer to the 2019 Consolidated Non-Financial Statement, published in the Sustainability section of the site www.saesgetters.com.

Non-Financial Statement of the SAES Group

Scope 2 (Location-based)	Tons CO ₂ ⁵⁷	8,844	8,690
Total	Tons CO₂eq⁵⁸	12,075	11,456

Emissions Scope 2 (2020)	
Location-based method	Market-based method
Tons CO ₂	Tons CO ₂
8,884	10,683

Emissions Scope 2 (2019)	
Location-based method	Market-based method
Tons CO ₂	Tons CO ₂
8,690	10,366

“Location-based” electricity emission factors					
Country	Unit of measurement	2020		2019	
		Factor	Source	Factor	Source
USA	kg CO ₂ /kWh	0.399	Terna International Comparisons 2018	0.411	Terna International Comparisons 2017
Italy	kg CO ₂ /kWh	0.336	Terna International Comparisons 2018	0.359	Terna International Comparisons 2017
Market based electricity emission factors					
Country	Unit of measurement	2020		2019	
		Factor	Source	Factor	Source
USA	kg CO ₂ /kWh	0.399	Terna International Comparisons 2018	0.411	Terna International Comparisons 2017
Italy	kg CO ₂ /kWh	0.466	AIB - European Residual Mixes 2019	0.483	AIB - European Residual Mixes 2018
Natural gas emission factors					
Country	Unit of measurement	2020		2019	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/m ³	2.02266	Defra 2020	2.03053	Defra 2019

⁵⁷ 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.

⁵⁸ 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.

Italy	kg CO ₂ eq/m ³	2.02266	Defra 2020	2.03053	Defra 2019
Propane emission factors					
Country	Unit of measurement	2020		2019	
		Source	Factor	Source	
USA	kg CO ₂ eq/GJ	59.6	Defra 2020	59.6	Defra 2019
Italy	kg CO ₂ eq/GJ	59.6	Defra 2020	59.6	Defra 2019
Diesel emission factors					
Country	Unit of measurement	2020		2019	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/GJ	66.8	Defra 2020	68.8	Defra 2019
Italy	kg CO ₂ eq/GJ	66.8	Defra 2020	68.8	Defra 2019
Gasoline emission factors					
Country	Unit of measurement	2020		2019	
		Factor	Source	Factor	Source
USA	kg CO ₂ eq/GJ	63.7	Defra 2020	64.9	Defra 2019
Italy	kg CO ₂ eq/GJ	63.7	Defra 2020	64.9	Defra 2019

305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions⁵⁹

Other gas emissions				
	2020		2019	
	Unit of measurement	Global mass balance	Unit of measurement	Global mass balance
NO _x	Ton/year	0.73	Ton/year	12.65
Particulate (PM)	Ton/year	0.47	Ton/year	0.46
SO _x	Ton/year	0.33	Ton/year	0.33
VOC	Ton/year	3.05	Ton/year	3.03
Ethanol	Ton/year	1.01	Ton/year	1.01
CO	Ton/year	0.033	Ton/year	8.01

⁵⁹ The perimeter refers only to those companies that provide for the monitoring of atmospheric emissions as required by current local regulations, and these are: SAES Getters S.p.A. - Lainate and Avezzano plants, SAES Smart Materials, Inc., SAES Coated Films SpA, SpectraMat inc. which are therefore considered relevant for the purpose of ensuring 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.

GRI 306-2 Waste by type and disposal method

Waste by type and disposal method									
Method of disposal	2020					2019			
	Unit of measurement	Hazardous	Non-hazardous	Total	%	Hazardous	Non-hazardous	Total	%
Disposal	Ton	268.8	852.4	1121	55.5%	311.9	615.1	927	47.5%
Recycling	Ton	20.7	782.4	803	39.7%	8.4	894.0	902	46.2%
Incineration	Ton	35.4	20.6	56	2.8%	39.6	50.3	90	4.6%
Landfill	Ton	14.9	25.1	40	2.0%	17.9	14.7	33	1.7%
Total	Ton	340	1,680	2,020	100.0%	378	1,574	1,952	100.0%

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option.

GRI Standards indexes	Description	Pages	Omission
GRI 101: Reporting standards 2016			
GRI 102: General Information (2016)			
Organisational profile (2016)			
102-1	Name of the organisation	13	
102-2	Activities, brands, products, and services	12	
102-3	Location of headquarters	14	
102-4	Location of operations	14	
102-5	Ownership and legal form	35	
102-6	Markets served	45	
102-7	Scale of the organisation	11-14; 57 Market cap of Euro 373 million at 30/12/2020	
102-8	Information on employees and other workers	57-58; 65 87-88	
102-9	Supply chain	39-42	

Organisational profile (continued)			
102-10	Significant changes to the organisation and its supply chain	7-8; 35	
102-11	Precautionary Principle or approach	24-27; 70-71	
102-12	External initiatives	7-9; 21	
102-13	Membership of associations	21; 36-37	
Strategy (2016)			
102-14	Statement from senior decision-maker	5-6	
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of behaviour	19-23	
Governance (2016)			
102-18	Governance structure	18-19	
Stakeholder engagement (2016)			
102-40	List of stakeholder groups	29	
102-41	Collective bargaining agreements	88	
102-42	Identifying and selecting stakeholders	29	
102-43	Approach to stakeholder engagement	30	
102-44	Key topics and concerns raised	31-32	

Reporting practice (2016)			
102-45	Entities included in the consolidated financial statements	8	
102-46	Defining report content and topic Boundaries	7-8; 31-32	
102-47	List of material topics	31; 80-81	
102-48	Restatements of information	7; 41; 73-74	
102-49	Changes in reporting	8; 31-32; 80-81	
102-50	Reporting period	7	
102-51	Date of most recent report	March 2020	
102-52	Reporting cycle	7	
102-53	Contact point for questions regarding the report	10	
102-54	Claims of reporting in accordance with the GRI Standards	7	
102-55	GRI content index	101-113	
102-56	External assurance	116	
TOPIC-SPECIFIC STANDARD			
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	

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Economic performance (2016)			
201-1	Direct economic value generated and distributed	37-39; 82	
MARKET PRESENCE			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
Market Presence (2016)			
202-2	Proportion of senior management hired from the local community	69; 88	
PROCUREMENT PRACTICES			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	
Procurement practices (2016)			
204-1	Proportion of spending on local suppliers	41; 83-84	
ANTI-CORRUPTION			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
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	
TAXES			
Management approach (2019)			
207-1	Approach to tax	33; 36	
207-2	Tax governance, control, and risk management	33; 36	
207-3	Stakeholder engagement and management of concerns related to tax	33; 36	
Tax (2019)			
207-4	Country-by-country reporting	84-85	

CATEGORY: ENVIRONMENTAL			
ENERGY			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	70	
103-3	Evaluation of the management approach	70	
Energy (2016)			
302-1	Energy consumption within the organization	73; 95	
302-3	Energy intensity	74	
302-4	Reduction of energy consumption	74; 96	
WATER AND WATER DISCHARGE			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80; 81	
103-2	The management approach and its components	70; 71	
103-3	Evaluation of the management approach	70; 71	
Water and Effluents (2018)			
303-1	Interactions with water as a shared resource	77-79	
303-2	Management of water discharge-related impacts	77-79	
303-3	Water withdrawal	77; 97	
303-4	Water discharge	79; 97	
EMISSIONS			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	

Non-Financial Statement of the SAES Group

103-2	The management approach and its components	70	
103-3	Evaluation of the management approach	70	
Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	74-75; 97-99	
305-2	Energy indirect (Scope 2) GHG emissions	74-75; 97-99	
305-5	Reduction of GHG emissions	74	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	75; 99	
EFFLUENTS AND WASTE			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	70-71	
103-3	Evaluation of the management approach	70-71	
Effluents and Waste (2016)			
306-2	Waste by type and disposal method	78-100	
ENVIRONMENTAL COMPLIANCE			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
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 scope	80-81	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	
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 scope	80-81	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
Employment (2016)			
401-1	New employee hires and employee turnover	59-60; 88-90	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65	
LABOUR/MANAGEMENT RELATIONS			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
Labour/Management Relations (2016)			
402-1	Minimum notice periods regarding operational changes	60	

OCCUPATIONAL HEALTH AND SAFETY			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	66-67	
403-2	Hazard identification, risk assessment, and incident investigation	66-67	
403-3	Occupational health services	66-67	
403-4	Worker participation, consultation, and communication on occupational health and safety	66-67	
403-5	Worker training on occupational health and safety	66-67	
403-6	Promotion of worker health	66-67	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66-67	
403-9	Work-related injuries	67-68; 91-92	

TRAINING AND EDUCATION			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
Training and Education (2016)			
404-1	Average hours of training per year per employee	60-61; 93	
404-3	Percentage of employees receiving regular performance and career development reviews	63; 93-94	
DIVERSITY AND EQUAL OPPORTUNITY			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	18; 69; 94-95	

CHILD LABOUR			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	34	
103-3	Evaluation of the management approach	34	
Child Labour (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labour	42; 82	
FORCED OR COMPULSORY LABOUR			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	34	
103-3	Evaluation of the management approach	34	
Forced or Compulsory Labour (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	41; 82	
SUPPLIER SOCIAL ASSESSMENT			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	
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	

CUSTOMER HEALTH AND SAFETY			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	43	
103-3	Evaluation of the management approach	43	
Customer Health and Safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories	52	
MARKETING AND LABELLING			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	43	
103-3	Evaluation of the management approach	43	
Marketing and Labelling (2016)			
417-1	Requirements for product and service information and labelling	52	
Customer privacy			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	44	
103-3	Evaluation of the management approach	44	
Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54-55	

SOCIOECONOMIC COMPLIANCE			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
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	As a result of administrative sanction proceedings initiated by Consob against SAES Getters S.p.A. for violation of current regulations on public disclosure of inside information ("MAR") with reference to the press release regarding the agreement to sell the gas purification business, finalized in mid-year 2018. The penalty was paid in 2021, but SAES Getters S.p.A. decided to challenge it in court.	

RESEARCH, DEVELOPMENT AND INNOVATION			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	43; 51	
103-3	Evaluation of the management approach	43; 51	
CUSTOMER SATISFACTION			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	44	

103-3	Evaluation of the management approach	44	
BRAND IDENTITY AND REPUTATION			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	33; 37	
103-3	Evaluation of the management approach	33; 37	
BUSINESS CONTINUITY			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	25-26; 34	
103-3	Evaluation of the management approach	25-26; 34	
CIRCULAR ECONOMY AND PRODUCTS WITH LOWER ENVIRONMENTAL IMPACT			
Management approach (2016)			
103-1	Explanation of the material topic and its scope	80-81	
103-2	The management approach and its components	43; 53	
103-3	Evaluation of the management approach	43; 53	

**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 OF JANUARY 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 "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, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 11, 2021 (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 by GRI - *Global Reporting Initiative* (hereinafter "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 with 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 and Menlo Park (California, USA) production site 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 remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and 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, 2020 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 26, 2021

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