

SAFETY21'S
**SUSTAINABILITY
REPORT 2022**



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LETTER TO STAKEHOLDERS

INTRODUCTION

Dear Stakeholders,

2022 has brought forth, in an explicit way, the strengthening of the path out of the pandemic, the consolidation of the economic recovery and everyone's desire to return to normal. For Safety21, just as explicitly, it represents in addition to the reconfirmation of that growth path and the affirmation in the reference market, already undertaken in previous years, also the need to do our utmost in terms of environmental issues, inequalities, as well as the organisation of work, gender issues, and matters of environmental, urban and social ecology.

With these premises, we face the challenges that 2023 poses to us, aware that the scenarios that daily reality imposes on us (Covid-19 initially, the Russia/Ukraine conflict afterward, inflation to be managed now, etc.), require constant attention and resilience whose levels must always be kept high, especially for those who do business.

On the part of the company, having aimed, already last year and in the absence of various obligations and constraints, to assume a commitment to sustainability through the formalisation of the Sustainability Report was an expression of will that is based on our Code of Ethics and the values set out and contained therein.

In fact, this voluntary commitment was conceived by the Company as a fundamental step, the result of a choice, which strengthens its growth, empowers its role and projects it in advance towards a future that will be characterised by a widespread militancy on environmental sustainability and with the commitment to be able to transmit this vision to direct collaborators. Continuing to accompany and support Public Administrations does not mean for Safety21 offering only better services and innovative technological solutions that are capable of supporting them in their daily relationship with citizens and for the achievement of the set institutional objectives, but it also means, and above all, strengthening the relationship of trust, fairness and reliability that must always be the basis of any relational will.

With this spirit and in order to safeguard its reputation, Safety21 is committed to guaranteeing and distinguishing its action by always adopting new organisational models, most recently the ISO 37001 (Anti-Corruption) Certification, which help and enable preventive measures to be effective, thus avoiding deviations from legal obligations, and at the same time providing internal lines of behaviour characterised by transparency.

Safety21 is aware that sustainable economic growth also requires efforts to create new job opportunities, as well as stimulating and dignified working conditions that

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allow its employees to improve their quality of life in general and, of course, in the aspects thereof related to the working environment.

In this perspective, the ISO 45001 certification "Management systems for health and safety at work" must be implemented, which the Company voluntarily intends to achieve and which

will enable the more effective organisation of the interventions related to the obligations of prevention and protection of workers, preserving their health, promoting the culture and the participation of all in the improvement of safety levels in the workplace.

That is why, last July, we moved the Company's headquarters to another building in Rome which, in a decidedly better way, offers the possibility of satisfying the commitment to environmental sustainability as it allows for more efficient savings in energy consumption, an optimisation of spaces, a better organisation of daily activities, a constant sharing of information, and more effective and direct internal communication. In January 2023, the same logistical and organisational strategy also led to the unification of the two offices in the city of Milan into a single working context.

In addition, the managerial sensitivity of Safety21 to those who contribute decisively to the growth and development of the company is further based on the choice to keep work agile, from an emergency measure to a structural organisational solution, with a view to work/life balance and operational efficiency.

Finally, having obtained the SA8000 ethical certification in 2022, which defines the company's Social Responsibility, and having already laid the foundations, for the current year, to obtain the UNI/PdR 125:2022 "Guideline on the management system for gender equality" certification, represents the best way in which attention and gratitude are demonstrated towards all those who, with their daily commitment, offer their contribution to the Company.

In conclusion, we cannot fail to mention the last act of the growth and consolidation of Safety21's leadership on the national market, made in 2022 by acquiring the ownership of the Ge.Fi.L. Group that will allow us to provide Public Administrations with an even wider offer of innovative services, not only focused on sustainable mobility, and thus becoming the largest Italian Group operating in the smart services sector for Public Administrations, especially in the smart mobility field, and to look to the foreign market as a model of development and success.



Roberto Campisi
PRESIDENT

Gianluca Longo
CHIEF EXECUTIVE OFFICER

NOTE ON METHODOLOGY

INTRODUCTION

This document, the second Sustainability Report of Safety21 S.p.A. (also referred to as "Safety21" or the "Company"), has been drawn up to provide information, in a transparent manner, on the sustainability strategies adopted. The Financial Statements show the results achieved by Safety21 S.p.A. in the field of environmental, social, and governance sustainability for the 2022 financial year (from 1 January to 31 December).

The Sustainability Report, which will be published on an annual basis, has been prepared using information from a selection of indicators from the GRI Sustainability Reporting Standards as defined by the Global Reporting Initiative ("GRI"), and as listed in the "GRI Content Index" table attached to this document.

The data reporting scope is relative to Safety21 S.p.A. and, in order to make it possible to compare the data over time and evaluate the progress of the activities, a comparison year has been included, where possible.

In order to provide an accurate picture of the performance of Safety21, directly measurable quantities have been included and the use of estimates has been avoided, as far as possible, and when they are used, their use is indicated as such. In addition, it is specified that the data relating to the economic performance of Safety21 S.p.A. have been subject to restatement following the adaptation to IFRS accounting standards during 2022.

The indicators measured in the report were selected based on an initial investigation carried out by Safety21 during 2022, which identified the material issues for Safety21, as described in the paragraph "The Material Issues of Safety21" in this document.

This document contains data and information related to environmental, economic and staff issues related exclusively to Safety21. Within the paragraph "Safety21 Group", some data relating to the economic performance of the companies belonging to the Safety21 Group are reported. For details and any information on other relevant events, please refer to the Financial Statements, also available on the Safety21 website www.safety21.it.

This document has not been subject to a conformity assessment.

For more information and suggestions regarding Safety21's Sustainability Report, please email info@safety21.it. This document is also available on the company website www.safety21.it.

HIGHLIGHTS 2022

INTRODUCTION

SAFETY21 KEY FIGURES



35 Million €
in revenues



102
Employees



400+
Customers



5 main locations
Roma, Milano, Orvieto,
Benevento e Firenze

CERTIFICATIONS AND QUALIFICATIONS



11 Certifications



2 Qualifications

EMPLOYEES

54 Female employees

10 employees under 30

627 hours of training

ESG STRATEGIC PROJECTS



Fight against **climate change**

Empowering employees



Customer data security

01 SAFETY21

- THE SAFETY21 COMPANY
- THE SAFETY21 STORY
- MISSION AND VALUES
- ACTIVITIES AND PRODUCTS
- BOARD OF DIRECTORS AND BOARD OF AUDITORS
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- ECONOMIC VALUE GENERATED AND DISTRIBUTED BY SAFETY21 S.P.A.



01 THE SAFETY21 COMPANY

SAFETY21

In recent years, our lifestyle has been changing thanks to a growing awareness of environmental issues and the use of different methods of transport for moving around cities and regions.

Safety21 is also contributing to this change. It supplies local authorities with hi-tech solutions to improve road safety standards and to promote Smart Mobility.

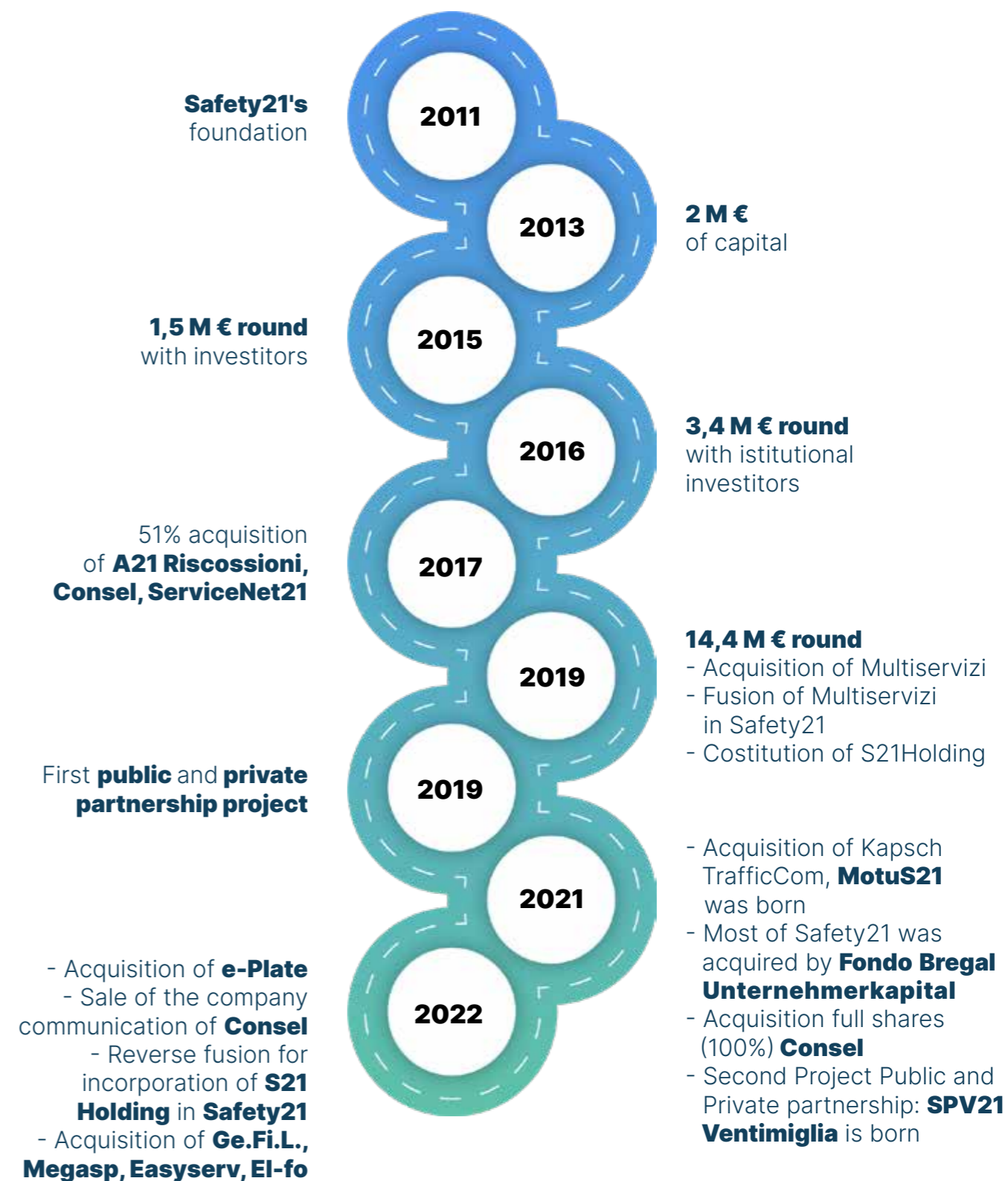
Founded in 2011, Safety21 provides the most advanced technological solutions available to help public institutions implement a policy that moves towards the adoption of Smart Mobility to ensure that the public enjoys sustainable urban mobility while safeguarding the environment.

By providing advanced technology and scalable and innovative outsourcing solutions, the Company can satisfy the many and diverse requirements of public bodies and police forces that need to monitor the environment and reduce the number of road accidents. The company also sponsors road safety campaigns to raise awareness of the issue of road accidents, aimed at the younger generations.

The Company's strategic objective is to support the institutions committed to safeguarding public safety and to reduce the social and economic damage caused by road accidents, by providing them with safety technology, monitoring systems, and systems to enforce the regulations of the Highway Code.

01 THE SAFETY21 STORY

SAFETY21



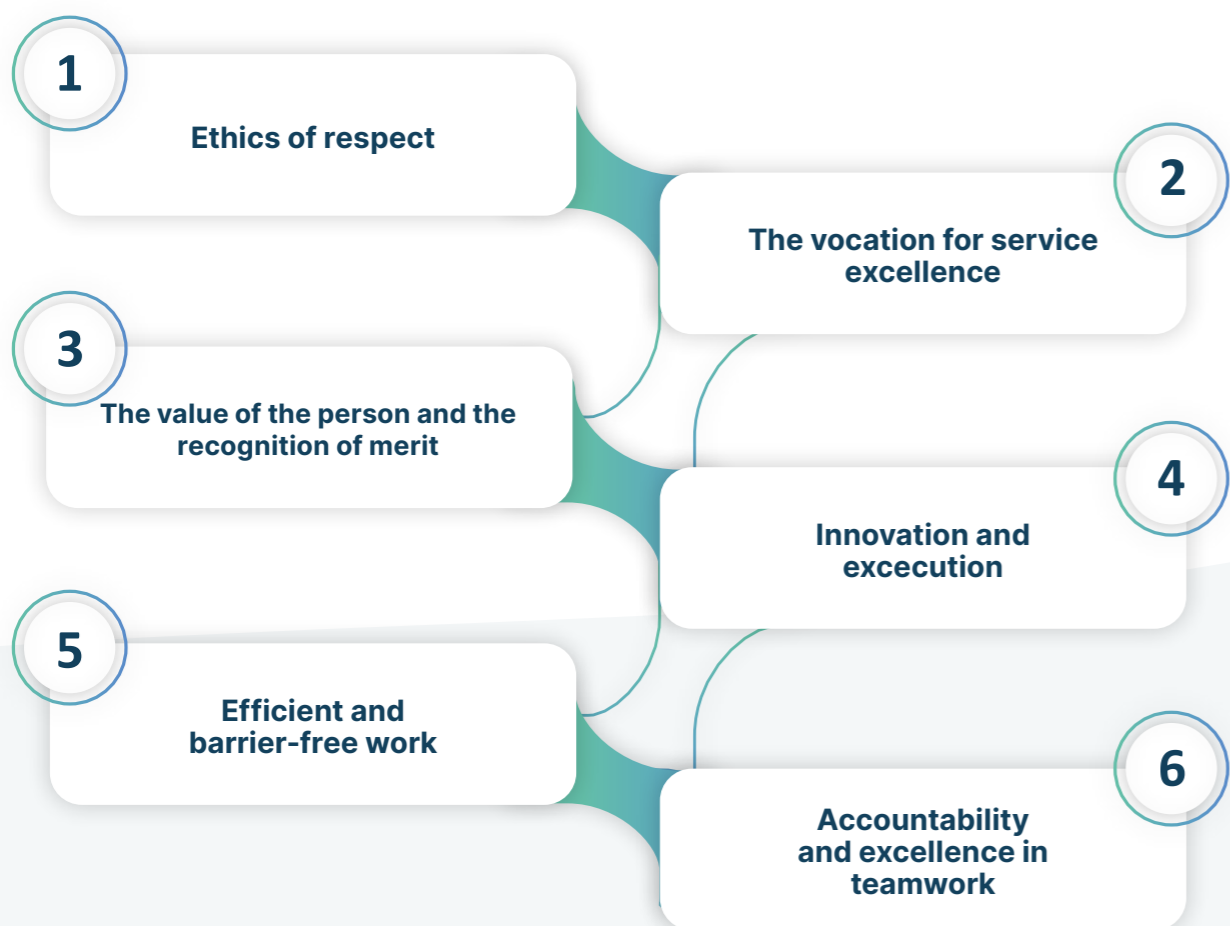
01 MISSION AND VALUES

SAFETY21

Safety21 aims to ensure that its own employees and principle stakeholders are fully aware of its core values, with particular reference to the local authorities and companies with which it collaborates, to achieve a common objective.

"VALUES ARE THE FOUNDATION ON WHICH OUR COMPANY IS BUILT. THEY ARE THE INSPIRATION THAT MOVES OUR STEPS AND THE GUARANTEE THAT WE OFFER. WE ARE COMMITTED TO ALWAYS KEEPING THEM ALIVE, TO CREATE THE RIGHT BALANCE BETWEEN OUR CUSTOMERS' NEEDS AND THE SOLUTIONS WE PROVIDE THEM."

The principle Safety21 values are:



01 ACTIVITIES AND PRODUCTS

SAFETY21

Customers

Today, the Company, with its products, technologies, and services, has a presence in more than 400 of the 8,000 Italian municipalities. These include some of the largest cities in Italy, along with some of the smaller municipalities. The company is also continuing to develop its relationship with other large Italian public bodies and international institutes.

Safety21 currently collaborates with the authorities in the major Italian cities of Milan, Rome, Turin, Florence, and Bologna, and in the future the Company plan is for further expansion and an increasingly widespread presence in the country. As can be seen in the figure below, Safety21 operates in almost every part of Italy (highlighted in shade).

Products

Safety21's flagship product is the TITAN¹ software platform, which it owns. This software makes it possible to remotely manage and monitor the operation of all the surveillance devices currently installed in Italy, used by the local police forces, with which the company works closely.

Thanks to its interconnected modules, this scalable web-based platform handles all aspects of managing violations of the Highway Code, from the detection of the infraction itself to management of the entire administrative process of issuing fines, in full compliance with the deadlines and procedures regulated by current legislation.

The TITAN platform is continuously updated and modifies its IT processes in real time to adapt to changes in the legislation. It is fully compliant with the legislation on the protection of personal data and privacy.

1 For more information, please refer to the "Titan" section on page 46.



● Presence of Safety21 plant on Italian territory



Titan

powered by S21

01 BOARD OF DIRECTORS AND BOARD OF AUDITORS

SAFETY21

The Safety21 Board of Directors is the body entrusted with the management of the company. It authorises the Chief Executive Officer to do whatever they deem necessary, useful, and strategically advantageous to the development of the Company's business, whether these are routine or extraordinary administrative tasks. The Safety21 Board of Directors consists of seven members, six men and one woman, appointed on 30 September 2021 and who will remain in office until 31 December 2023.

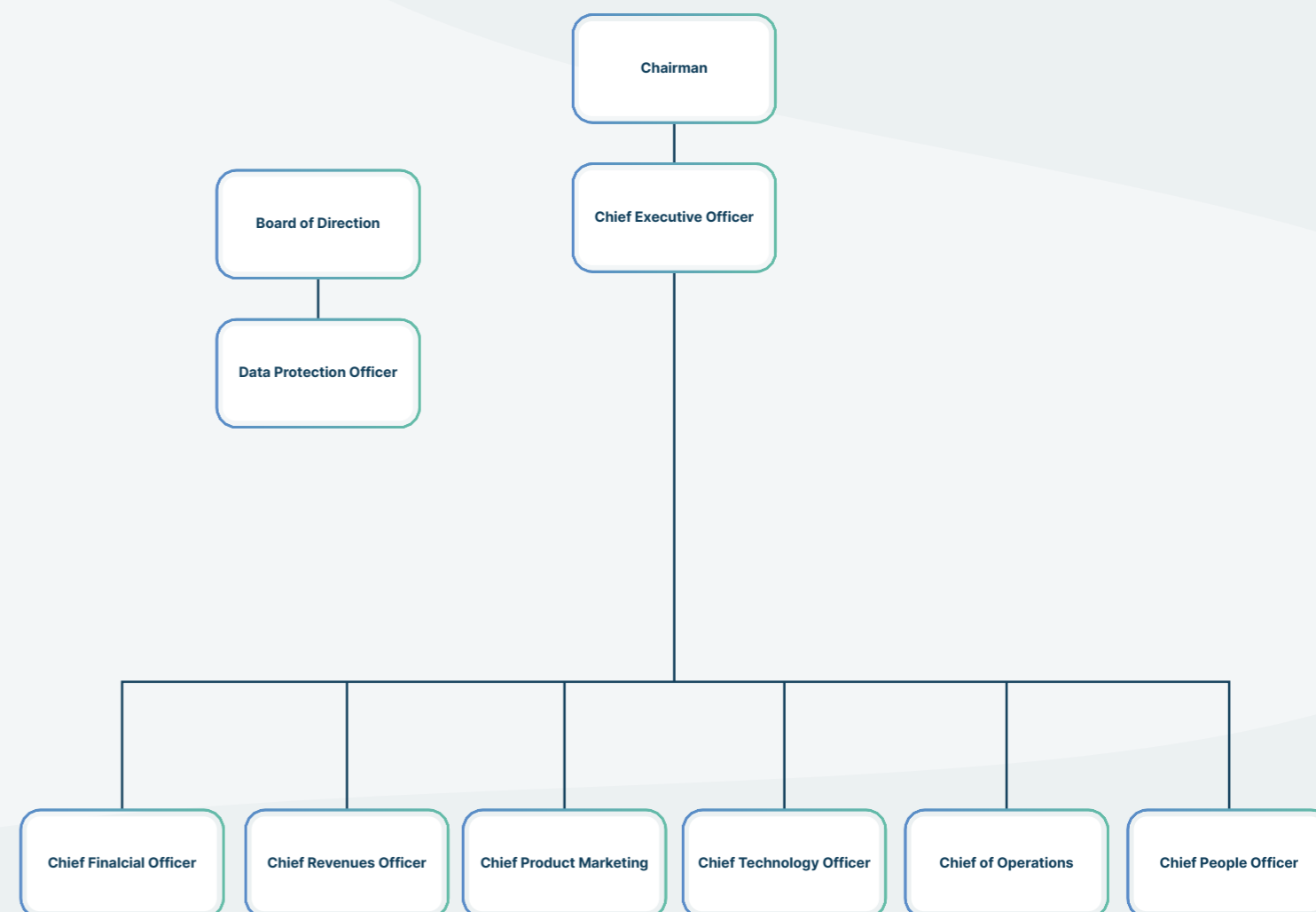
| NAME | ROLE |
|--------------------------------------|-------------------------|
| Roberto Campisi | Chairman |
| Gianluca Longo | Chief Executive Officer |
| Laurent Benjamin Asscher | Director |
| Ignazio Castiglioni | Director |
| Germano Fanelli | Director |
| Valentina Pippolo | Director |
| Edoardo Francesco Maria Romeo | Director |

In addition to identifying and defining the Company's business strategy, the Board of Directors, acting as the main corporate body, monitors compliance with it and the other organisational procedures the company has adopted.

The Board of Statutory Auditors consists of three acting auditors and two deputy auditors.

Below is the company's organisational chart, updated on 6 December 2022, showing Gianluca Longo as the current CEO of Safety21.

SAFETY21 ORGANISATIONAL CHART





01 MODEL 231/2001

SAFETY21

To ensure the proper and transparent management of the company and to protect its position and image, the expectations of its shareholders, and the work of its employees, Safety21 has adopted its own management, organisational, and control model, pursuant to Italian Legislative Decree 231/01, updated in December 2021.

Safety21's adoption of an Organisational Model, in accordance with the provisions of the Legislative Decree, together with the publication of its Code of Ethics, was a choice made in the belief that this initiative could be used to raise awareness among all parties involved, so that they would carry out their duties with integrity and transparency, and avoid the risk of committing offences that could damage the Company's reputation.

More specifically, the Model aims to:

- prepare a structured and organic system of prevention and control, aimed at reducing the risk of offences being committed related to the company's business and preventing or bringing to light any illegal behaviour;
- make all those who work in, or on behalf of, the Company, especially in the "areas of the business at risk", aware that violating any of the provisions reported therein may make them liable to sanctions, possibly even criminal proceedings, and that this may also result in the Company being penalised;
- inform all recipients that the violation of the rules contained in the Model, with which they are required to comply, will lead to the application of sanctions and, in the most serious cases, the termination of their employment contract;
- reiterate that the Company will not tolerate unlawful conduct of any kind, regardless of the motivation for such illegal activity, even if the Company were in a position to benefit from it. Such unlawful illegal activity would be contrary to the company's ethical principles.

The Organisational Model adopted by the Company is aimed at defining a system to monitor compliance. This is primarily intended to develop the formation and implementation of the Company's approach to the risks and potential offences to be avoided and consists of:

- the Code of Ethics, which sets out the core values that the Company intends to base its business on and establishes the general guidelines for the Company's business;

01 SUPERVISORY BOARD

SAFETY21

- an up-to-date, formalised, and transparent organisational system, which ensures a cohesive allocation of tasks and a workable division of duties;
- protocols with the purpose of regulating the performance of activities, in particular with regard to processes at risk, providing for appropriate control points, as well as the separation of tasks between those who carry out crucial phases or activities within these processes;
- an unambiguous assignment of powers to those authorised to act on behalf of, and sign on behalf of, the company, consistent with their organisational and managerial responsibilities;
- controls, relating, in the first place, to the potential commission of crimes presupposed, that are able to provide timely reporting of the existence and occurrence of situations of general and/or particular criticality.

The Safety21 Board of Directors, implementing the provisions of Italian Legislative Decree 231/01, has set up the Supervisory and Control Body, which is entrusted with the task of supervising the business and its compliance with the Organisational Model, as well as ensuring that the Model is kept up to date.

Therefore, the Supervisory Body of Safety21 is responsible, sitting as a board, for the supervisory and monitoring activities provided for by the Model itself.

From time to time, the Supervisory Body, together with the managers of the company departments concerned, checks the effectiveness and suitability of the Organisational Model in preventing the offences referred to in the Legislative Decree.

The Model also requires that any reports of alleged irregularities are sent directly to the Supervisory Body, using their exclusive email address.



01 CODE OF ETHICS

SAFETY21

As of 2013, Safety21 has adopted its own Code of Ethics, which was last updated on 23 December 2021.

The Code of Ethics is an integral and substantial part of the Organisational Model, which summarises the principles, directives, and fundamental rules of conduct that all those who establish a working relationship with the Group, whether directly or indirectly, permanently or temporarily, and for any reason, must adhere to when conducting business and managing company activities. Safety21's suppliers, brokers, and business partners will receive copies of the Code and, in sharing its values, can feel involved and work in compliance with it. The principles and provisions of the Code set out the obligations of integrity, loyalty, and diligence, which must be observed in the working relationship with Stakeholders and in the workplace.

Below are the Ethical Principles adopted by Safety21²:



2 For more information, please refer to the Code of Ethics at the following address: <https://www.safety21.it/wp-content/uploads/2022/01/Codice-Etico-23-dicembre-2021.pdf>

01 REMUNERATION COMMITTEE

SAFETY21

At the beginning of 2022, the Board of Directors of Safety21 sought to establish the Comitato di Remunerazione (Remuneration Committee), to define the principles and guidelines of the company's pay and incentive policy. The Remuneration Committee now has three members: the Chief Executive Officer and two members of the Board of Directors.

In addition to formulating proposals relating to pay and the incentive policy, and notifying the Board of Directors of them in advance, the Corporate Body has the task of identifying, attracting, and keeping the best professionals and strategic employees, and drawing up the annual and long-term incentive plans.



01 CERTIFICATIONS AND QUALIFICATIONS

SAFETY21

Safety21 has always pursued excellence in its services and business by obtaining qualifications and certifications that ensure the compliance of all its systems, processes, and services. These qualifications and certifications act as a guarantee to the public bodies that Safety21 supplies that the company's processes and services are in compliance with the highest standards.

AgiD (Agency for Digital Italy) certification

The AgiD certification obtained for the Titan® proprietary platform guarantees compliance with the organizational requirements for Public Administrations, including:

- Provision of a structured customer support service capable of covering the operational needs that may arise when providing the proposed services
- Guarantee of a proven and reliable process that can ensure software is continuously updated for the solutions provided in SaaS mode-
- Adoption of industry 'best practices' in developing, configuring and maintaining software to implement the services provided
- Service levels guaranteed at 99.9%



Rating of Legality

The Italian Competition Authority has awarded Safety21 a Legality Rating of three stars, the highest score a company can achieve.

Safety21 has acquired numerous certifications over the years:



With a view to its continuous improvement, in 2022, the Company has also obtained the following certifications:

- ISO 37001 - Anti-bribery Management System;
- ISO 22301 – Business Continuity Management System;
- ISO 45001 – Occupational Health and Safety Management System.

SA 8000 Ethical Certification

To confirm its commitment to developing an increasingly socially responsible business, and in compliance with the international and national regulatory framework, Safety21 has obtained certification of their management system pursuant to the SA8000:2014 Standard.

Quality Management Systems

To demonstrate its ability to consistently provide products and services that satisfy customers and satisfy all legal and regulatory requirements, Safety21 has obtained ISO 9001:2015 certification.

Environmental Management Systems Certification ISO 14001:2015

Safety21 is committed to maintaining an environmental management system aimed at improving its environmental performance, fulfilling its compliance obligations, and achieving environmental objectives, which complies with the ISO 14001:2015 standard, thereby demonstrating its commitment to sustainability.

IT Services Certification

Safety21 holds ISO 20000-1:2018 certification that certifies the quality of the company's IT services management systems and their ability to meet the demands and expectations of customers.

Information Security Management System (ISMS)

By adopting UNI CEI ISO/IEC 27001:2017, Safety21 is able to systematically and continuously monitor the processes that concern the security of all company information assets, not only from an IT point of view but above all from a management and organisational point of view. In addition, it guarantees security controls for its Cloud services through the implementation of a Cloud computing information security management system, certified by the ISO/IEC 27017:2015 Standard. To demonstrate that Safety21 is able to manage the security of its data, employee data, and information entered to it by third parties, it has also obtained ISO/IEC 27018:2019 certification.

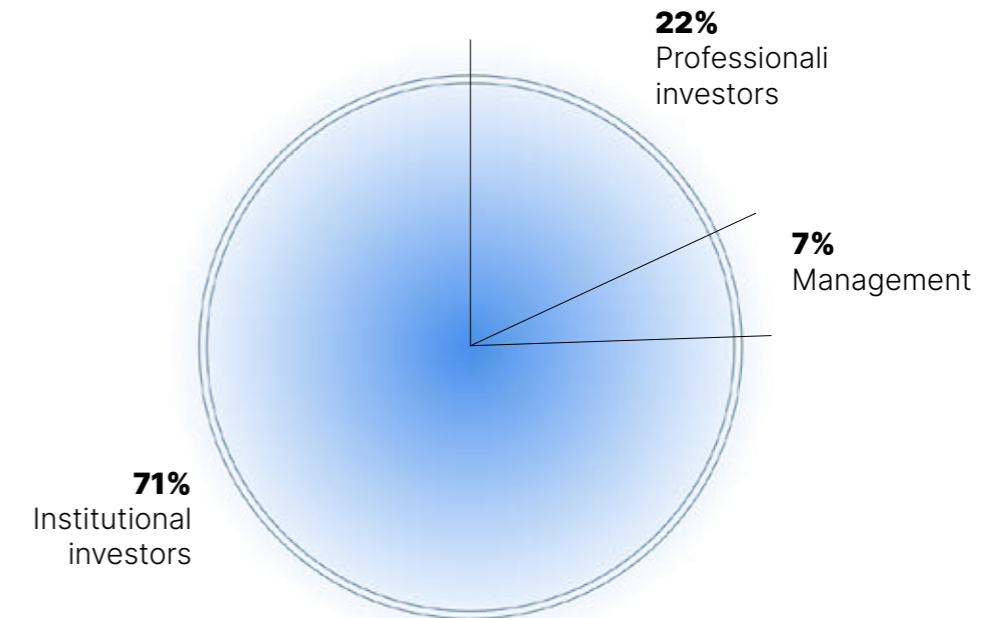
GDPR Compliance Management System

To confirm its commitment to reducing the risk to an organisation's and individual's right to privacy through the implementation of effective systems to support compliance with the GDPR and other privacy regulations, Safety21 has obtained ISO/IEC 27701:2019 certification.

01 RELATIONS WITH SHAREHOLDERS

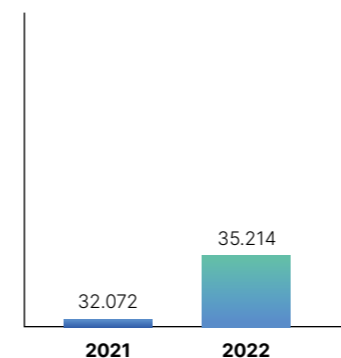
SAFETY21

Safety21 S.p.A. has a single shareholder, the company Enceladus, whose shareholding structure includes institutional investors, professional investors and management:

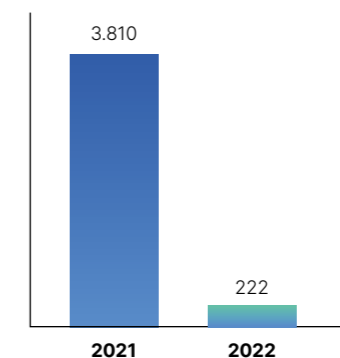


It should be noted that the data relating to economic performance 2021 have been subject to restatement, following the adaptation to IFRS accounting standards. The following charts show the main financial highlights of Safety21 S.p.A. For further information, please refer to the Consolidated Financial Statements.

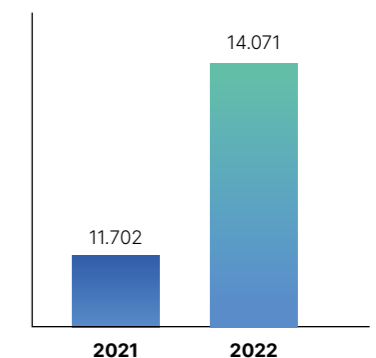
Revenue 2021 - 2022 (k€)



Profit 2021 - 2022



EBITDA 2021 - 2022



Safety21 Group

The Safety21 group includes, in addition to Safety21 S.p.A., the subsidiaries A21 Riscossioni S.r.l., ServiceNet21 S.r.l., MotuS21 S.r.l., Consel S.r.l. Pubblico & Privato, SPV21 Ventimiglia S.r.l., G21 Holding S.p.A., Ge.Fi.L S.p.A, Megasp S.r.l., El-fo S.p.A. and Easyserv S.r.l.

Below are the main financial highlights of the Safety21 Group. For more information, please refer to the Group's Consolidated Financial Statements.

SAFETY21 GROUP FIGURES



40 Million €
in revenues



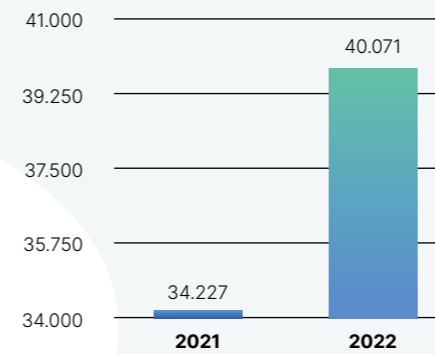
262
Employees



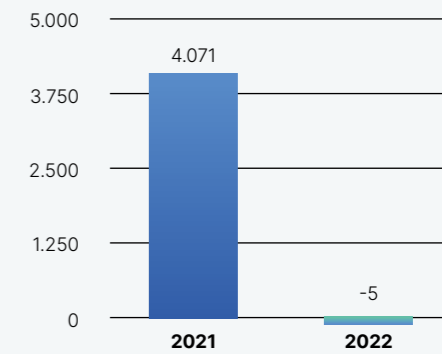
9 Main locations

Roma, Milano, Orvieto, Benevento,
Venezia, Padova, Castel Maggiore,
Beinasco, La Spezia

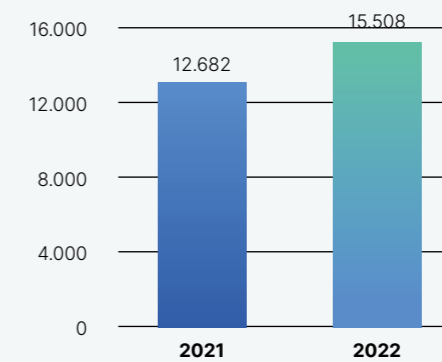
Revenue 2021 - 2022



Profit 2021 - 2022



EDIBTA 2021 - 2022



Economic value generated and distributed by Safety21 S.p.A.³

In order to clearly show the economic value that its business has generated and that has been distributed to some of the more important categories of stakeholder, Safety21 uses the parameter of direct economic value generated and distributed.

This value represents the wealth produced by the Company and redistributed among its stakeholders. In its creation and distribution, through a reclassification of the income statement, information is provided on how Safety21 has created wealth for its stakeholders, highlighting the economic effect that business management has had on the main categories of stakeholders.

Over the course of 2022, the economic value generated by the Company was about 37.7 million euros, compared to about 33 million euros in 2021. Over the same period, the economic value distributed increased from about 26.6 million to about 27.8 million euros in 2022.

Below is information on how the economic value created was distributed by Safety21:

| STATEMENT OF DISTRIBUTION OF ECONOMIC VALUE (€) 4 | 2021 | 2022 |
|---|--------------------|--------------------|
| Production costs | 18.963,18 € | 19.412,44 € |
| Remuneration of employees and contractors | 4.940,80 € | 5.725,57 € |
| Public Administration remuneration ⁵ | 1.427,08 € | -1.406,16 € |
| Remuneration of shareholders | 0 € | 0 € |
| Remuneration of community ⁶ | 60,29 € | 28,63 € |
| Remuneration of lenders ⁷ | 1.212,83 € | 4.049,21 € |
| TOTAL ECONOMIC VALUE DISTRIBUTED | 26.604,18 € | 27.809,70 € |
| TOTAL RETAINED VALUE | 7.268,69 € | 9.932,54 € |

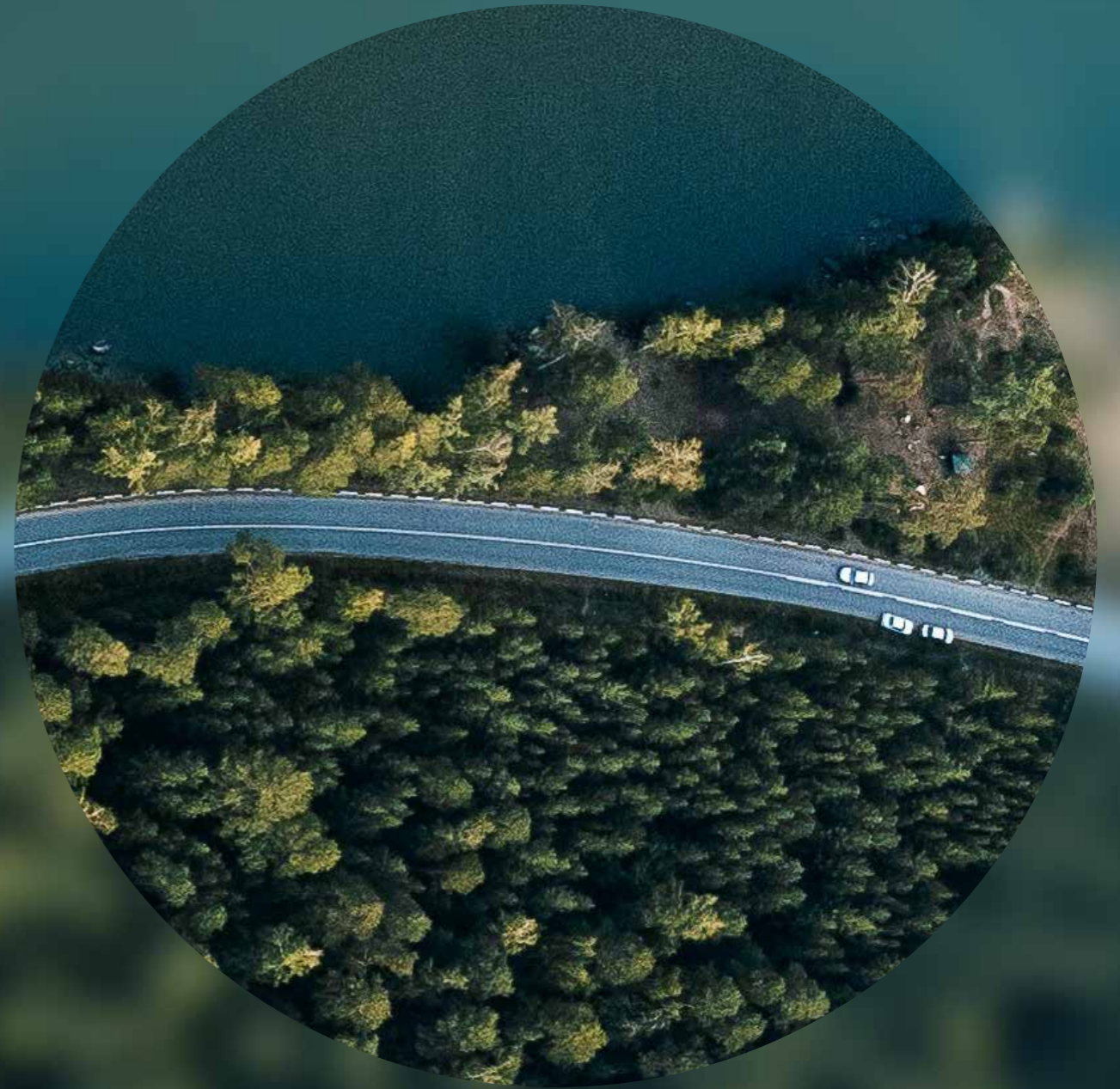
3 It is specified that the data relating to the economic value refer exclusively to the company Safety21 S.p.A. and not to the Group in its entirety.
 4 Data in millions of euros.
 5 Item consisting of current taxes.
 6 Item relating to membership fees and contributions to public bodies and associations.
 7 Item relating to interest and other financial charges.

The analysis of the economic value generated and distributed by Safety21 in 2022 shows that:

- 01 Over 19 million euro were distributed to production costs, or 69% of the economic value generated by the company in 2021, in line with the type of Business operated by Safety21. Production costs include all operating costs, including those for the supply of raw materials and services.
- 02 The proportion allocated to employees and non-employees is 5.7 million euros, or 20.6%.
- 03 The share contributed to the local authorities was approximately -1.4 million euros, or approximately -3.7%.
- 04 Banks and other lenders received €4.0 million, or about 14.6%.
- 05 The share allocated to membership fees and contributions to bodies and associations was approximately 28,000 euros, approximately 0.1% of the total.

02 SUSTAINABILITY FOR SAFETY21

- THE MATERIAL ISSUES



02 INTRODUCTION

SUSTAINABILITY FOR SAFETY21



Working transparently and in full compliance with regulations, and offering solutions and services aimed at road safety and smart mobility are the basis of Safety21's work.

For this reason, Safety21 carries out its business in full compliance with the three ESG (Environmental, Social, Governance) factors of value creation for everyone involved with the company, whether they are customers, employees, shareholders, partners, or suppliers.

Safety21 contributes to the 2030 Global Agenda, a programme launched in 2015, in which 17 Sustainable Development Goals (SDGs) were identified, with 169 specific targets to be achieved by 2030 by countries, organisations, and individuals through targeted strategies and initiatives.

Safety21, fully aware of its responsibilities to the local community, has committed itself to operating according to the principles of social responsibility by:



valuing its human capital, **respect** for rights and pursuit of workers' **welfare**



promoting **health** and **safety** in the workplace, professional **growth** and staff **satisfaction**



consistency between values, strategies and behaviour



promoting the protection of **human rights**



transparency in its **dealings** with institutions



fairness, transparency, and **respect** for the law in all its relationships with suppliers and all other stakeholders.

In this regard, management has drafted and adopted the "Social Responsibility Policy", the primary expression of the principles of the SA8000 Standard, a reference model for the adoption of a company management system aimed at ensuring the development and consolidation of the principles of social responsibility in the company.

Safety21 has devised a series of innovative projects to support the digitisation of the public bodies to help them protect the community, take care of the environment, and help in the fight against crimes such as the dumping of waste, especially in parking spaces, and to improve road safety. All these measures will be explained in this document.

To publicise the company's commitment to sustainability, an ESG section has been included on the Safety21[®] website. This gives details about the sustainable approach taken by the company, including projects and business initiatives on the topic.

An ESG policy is being prepared that formalises the quality indicators and Strategic Sustainability Objectives of Safety21.

8 Please refer to: <https://www.safety21.it/it/esg/>.

02 THE MATERIAL ISSUES

SUSTAINABILITY FOR SAFETY21

line with the requirements of the new edition of the "GRI Standards 2021" reporting standard, has updated its materiality analysis to identify the aspects to be reported within the 2022 Sustainability Report, identifying the material issues that reflect the significant economic, environmental and social impacts of the company and that influence the assessments and decisions of its stakeholders.

The concept of materiality is closely related to the concept of impact: material issues are those that represent the most significant impacts of the organisation on the economy, the environment and people, including impacts on human rights.






In detail, the update of the materiality analysis was carried out based on a context analysis, thanks to which the potentially relevant aspects for the Company were identified in consideration of the material issues identified last year, the activities carried out, the sustainability context in which it operates, and by conducting a benchmark analysis through the main peers.

Following a study of the main industry benchmarks and a comparison with businesses in other European countries, it emerged that the issues of greatest interest in the field of transport infrastructure and IT services are: the environmental impact of the products and services offered (in terms of energy use, greenhouse gas emissions, public health risks, supply chain management, and customer satisfaction) and the management of human resources, with particular attention being paid to the involvement and satisfaction of employees and their safety, including the creation of a safe and inclusive working environment. Safety21 fully adheres to these principles, which it includes among its material issues.

At the conclusion of the analysis, Safety21 found itself to be in line with its peers, if not at the forefront of attention to safety and sustainability.

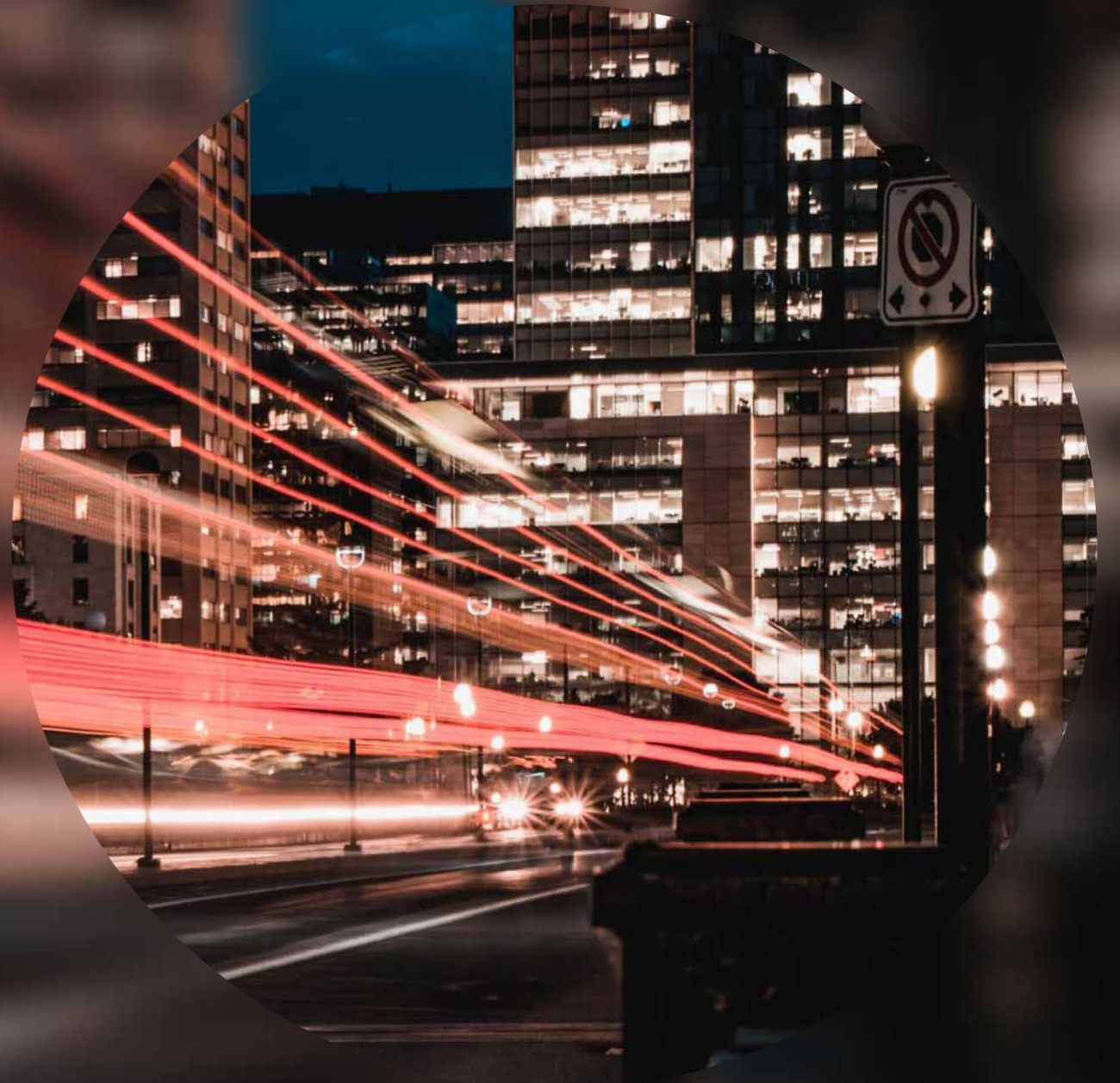
One or more positive and negative, current and potential impacts generated by the company's activities have been associated with each material issue, defining a mapping of significant issues and impacts for the Company.

Below is a description of the issues that came to light and the positive and negative impacts related to them, which will guide the definition of the Safety21 sustainability strategy.

| ISSUE | POSITIVE IMPACTS | NEGATIVE IMPACTS | INVOLVEMENT OF THE SOCIETY |
|--|---|---|---|
| Management of environmental issues  | <ul style="list-style-type: none"> -Contribution to the development of a climate-neutral economy and the achievement of climate goals; - Reduction of litter in lay-bys through a specific monitoring system; | <ul style="list-style-type: none"> - Increased energy consumption and increased level of emissions generated; - Increased procurement costs; | Directly and indirectly related to the Company's activities. |
| Employee development and management  | <ul style="list-style-type: none"> - Improved employee well-being in terms of work-life balance; -Stimulating and inclusive work environment that ensures the growth of company know-how; | <ul style="list-style-type: none"> - Inefficiency of workers' health and safety management system and consequent increase in occupational injuries and/or illnesses; - Inefficiencies and critical operational issues related to low skills and low staff motivation; | Directly related to the activities of the Society |
| Quality of services and products  | <ul style="list-style-type: none"> - Increased customer satisfaction; - Increased security of the proposed product and service; | <ul style="list-style-type: none"> - Misalignment of product supply with customer demand and needs; - Non-compliance with regulatory updates that are reflected in the quality of the service/product offered; | Directly related to the activities of the business |
| Customer data security  | <ul style="list-style-type: none"> -Increased security in the management and preservation of personal data; - Implementation of cutting-edge technologies that efficiently respond to market demands; | <ul style="list-style-type: none"> - Risk of data-breach and leakage, loss or theft of customers' personal data; - Operational inefficiencies leading to increased customer complaints ; | Directly and indirectly related to the activities of the business |
| Integration of sustainability principles  | <ul style="list-style-type: none"> - Efficient sharing of the group's ESG values; - Reputational improvement of the Group; | <ul style="list-style-type: none"> - Increased inefficiencies throughout the value chain; -Increasing number of suppliers with little attention to compliance with ESG principles; | Directly related to the activities of the business |

03 SAFETY21 PRODUCTS AND SERVICES

- THE ROLE OF THE SAFETY21 BUSINESS IN SOCIETY
- MAIN SERVICES OFFERED
- THE TITAN ECOSYSTEM
- THE QUALITY OF SERVICES PROVIDED
- CYBERSECURITY AND IT SERVICES



03 THE ROLE OF THE SAFETY21 BUSINESS IN SOCIETY

SAFETY21 PRODUCTS AND SERVICES

SAFETY21 PROPOSES INNOVATIVE AND HIGHLY TECHNOLOGICAL PRODUCTS TO ENSURE ROAD SAFETY, RESPECT FOR LEGALITY AND ENVIRONMENTAL PROTECTION.

Safety21 is classified as a service provider of excellence, specialised in producing technological services and advanced platforms for local authorities to assist them in improving road safety and adopting Smart Mobility systems.

Safety21 has a very significant impact on road safety with the products and services it provides to local authorities and the community. It contributes to reducing the number of road accidents through the use of innovative technology and awareness-raising initiatives, aimed especially at young people.

Safety21 products and services help local authorities to streamline their administrative process through digitisation, increasing the efficiency and quality of public services, as required by the Piano Nazionale di Ripresa e Resilienza (National Recovery and Resilience Plan - PNNR).

In this way, Safety21 is helping to meet the Sustainable Development Goals (SDGs) of the UN's 2030 Agenda for Sustainable Development, helping to make the infrastructure and the production system more sustainable, through the promotion of greater efficiency of the resources used and the adoption of clean and environmentally friendly technologies that support development and innovation.

The products and services offered by Safety21 respond to the need to contribute to three of the UN SDG-related sustainable development macro-objectives, listed below.



THE COMPANY HAS ALWAYS BEEN ENGAGED IN CONSTANT TECHNOLOGICAL RESEARCH TO MAKE A CONCRETE CONTRIBUTION TO THE REALIZATION OF INCREASINGLY SAFE, MONITORED, INTERCONNECTED AND GREEN INFRASTRUCTURE. SAFETY21 BELIEVES THAT IN SUCH A CRUCIAL AREA AS ROAD TRAFFIC, THE INTERVENTION OF PRIVATE COMPANIES, IN CLOSE COORDINATION WITH THE PUBLIC ADMINISTRATION, CAN REALLY MAKE A DIFFERENCE.

● Digitisation of the public infrastructure

The solutions provided by Safety21 are in line with the objectives of the PNNR (The Italian National Recovery and Resilience Plan): they improve the digital infrastructure of the local authorities, promote the use of Cloud services, and improve the access to services by the public over the Internet.

● Preventing environmental damage

The services offered by Safety21 aim at lowering CO2 emissions, reducing downtime, and improving traffic flow, as well as reducing impact on the local environment.

These are solutions that make it possible for local authorities to optimally manage road traffic, which results in a reduction in noise pollution, CO2 emissions, and less damage to the environment.

In addition, the solutions we offer allow municipalities to detect and counter illegal dumping by the roadside, contributing to a reduction in air, water, and soil pollution.

● Improving road safety

The technological solutions of Safety21 and the installation of an extensive network of IoT devices helps to raise awareness and educate road users on how to develop good driving habits. Those who follow the Highway Code drive at a speed that reduces the risk of serious or fatal accidents, noise pollution, and damage to the environment. Moreover, to protect the most vulnerable road users (pedestrians), Safety21 recommends other preventive measures, including the installation of innovative pedestrian crossing monitoring devices.

Great care is taken in the choice of qualified suppliers and the use of innovative products and

components. In this regard, the installation of these detection systems includes the option of mounting them on passively safe, shock-absorbing poles that can absorb the kinetic energy of the vehicles in the event of an impact, without the need for guard rails to protect the poles themselves.

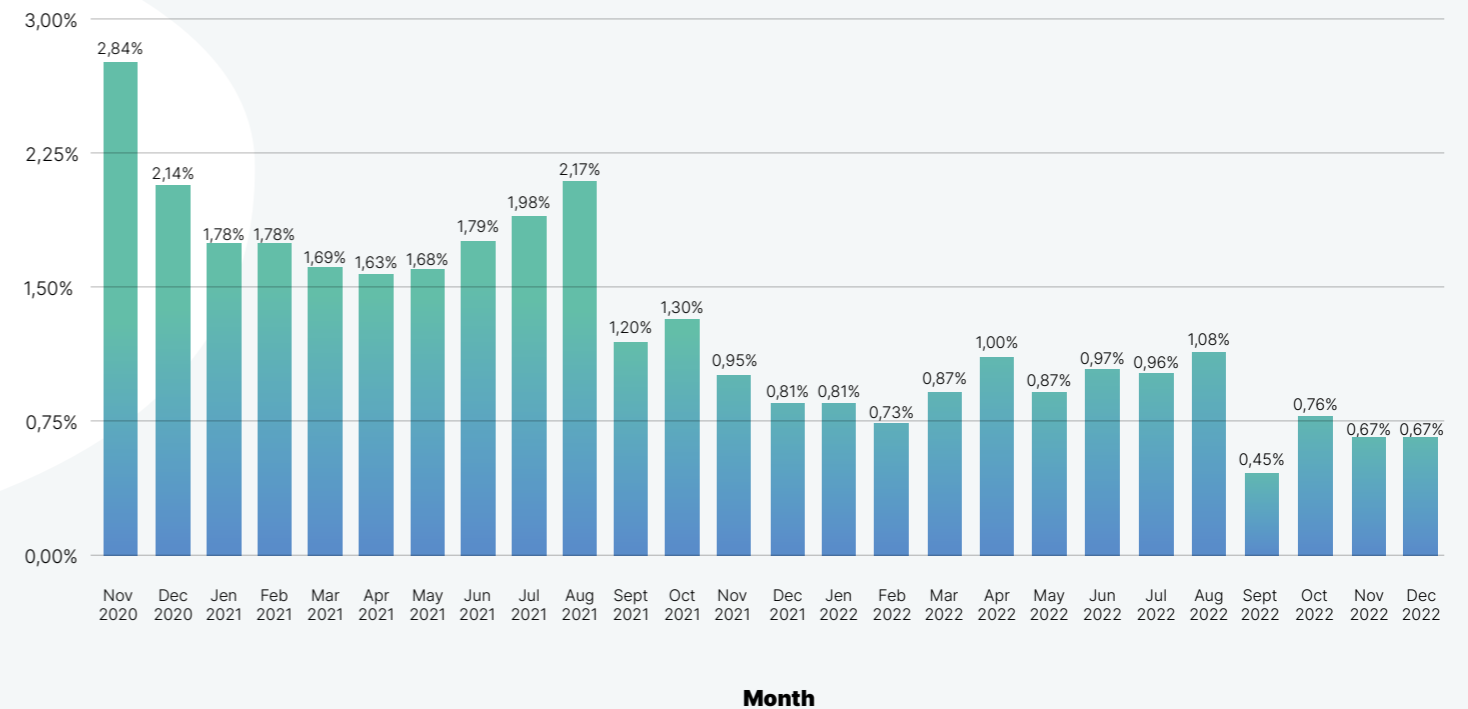
Safety21's commitment is not limited to the solutions and products it offers, but it also helps public bodies to run awareness and education campaigns to increase the public's awareness of the risks related to road accidents and to promote compliance with road safety regulations.



Virtuous Example

From an analysis carried out (sample - S.P. EX SS 412 of Val Tidone Dir. Landriano) it becomes clear that downstream of the introduction of Safety21's monitoring systems, the % of infringement drastically decreased in the first 6 months-from 2.84% to 0.87%. The downward trend was maintained throughout 2022 until it reached 0.67% by the end of 2022-meaning that vehicle drivers shared what was established by reducing speed. This virtuous behavior affects air and noise pollution and, in the event of an accident, the amount of damage to people and property is less leading consequently to greater savings in terms of health.

% Observations on steps



ACCIDENTALITY IS A PROBLEM THAT TOUCHES EVERYONE CLOSELY, IN FACT, EVERY DAY TRAFFIC ACCIDENTS ARE THE NINTH LEADING CAUSE OF DEATH IN THE WORLD AMONG ADULTS, THE FIRST AMONG YOUNG PEOPLE BETWEEN THE AGES OF 5 AND 29. ALONG WITH THE HUMAN FACTOR, THE SOCIAL COSTS OF ROAD ACCIDENTS MUST BE CONSIDERED, WHICH INCLUDE BOTH HEALTH CARE COSTS, PROPERTY DAMAGE, LOST PRODUCTIVITY, AND LEGAL COSTS: IN ITALY THE COSTS ARE ESTIMATED TO BE AROUND 16.4 BILLION EUROS

03 MAIN SERVICES OFFERED

SAFETY21 PRODUCTS AND SERVICES

The services offered by Safety21 are divided into three main categories:



01 Highway Code

The Titan® Safety21 Ecosystem assists the police in carrying out and simplifying the administrative procedures required to manage infringements of the Highway Code, freeing up resources for other local policing duties. In particular, Titan guarantees the complete coverage of the entire process of management of violations to the Highway Code and a management modality that guarantees safety and optimisation of the operating times.

The end-to-end management process of the penalty cycle includes:



02 Smart Mobility Solutions

Safety21 has been running an innovative "Smart Mobility" integrated road safety project for a few years that is based on a range of activities that involve the entire community. The aim is to instil a road safety culture that takes the relevant social, environmental, and economic risks into account.

The project consists of a "Security Infrastructure" that includes IoT tools that can be managed through the Titan® Ecosystem. Using the Internet of Things, it is possible to design cities that are more technologically advanced, more efficient, more inclusive, and more environmentally friendly. A Smart City is dotted with sensors generating large amounts of data that can feed more advanced real-time services and enable authorities to manage them more efficiently.

The Project, financed by a public-private partnership, is aimed at helping local authorities protect their citizens and to encourage people, especially young people, to pay more attention to road-use education and promotes good behaviour in all road users.

03 Services for Local Authorities 2.0

Safety21 also offers administrative management services to help local authorities digitise their procedures, improving efficiency and the relationship with the public, including:

- Back-up storage of administrative documents for Public Bodies;
- A service to help local authorities collect unpaid fines;
- A Portal has been set up for the public that allows users to view the details of the infringement they have committed. On the portal, you can find answers to the most frequently asked questions, contact the police for information on how to pay your fine, check the surveillance device locations, have access to the current regulations and check the system compliance, download all the forms you need to send messages or draft appeals, and more.



03 THE TITAN ECOSYSTEM

SAFETY21 PRODUCTS AND SERVICES

Titan® is the proprietary software platform through which Safety21 provides public bodies and police forces with all scalable outsourcing services in the area of Smart Mobility and IoT management, managing the entire sanctioning cycle of traffic violations.

Below are the main features of Titan®:

- **Innovative platform SaaS, qualified AgiD**
- **Services offered pay-per-use**
- **Compatible with assessment tools already in place at the Institution**
- **Innovative technology developed in Microsoft environment**
- **No investment required**
- **Advanced and scalable IoT management system and processes related to traffic detection and management and scalable video surveillance systems**
- **Powerful business intelligence promoter through the power app BI**

In Titan® every step is traced and for each activity the system produces a validated certificate with digital signature. Titan® Ecosystem also allows to activate, deactivate, schedule remotely all the detection devices in order to program their use.

The Titan® Ecosystem has three different modules:



Titan VDS® is the Titan® Ecosystem module designed for video surveillance and control of Smart City devices

In order to increase road safety, the Titan® Ecosystem has a specially-designed video surveillance module, Titan VDS®, which is active 24 hours a day and connected to the control centre via a 4G/5G network connection. Using smart scene analysis software, it is now possible to identify and punish those who break the law and endanger public health and the urban environment, such as by dumping of waste at lay-bys.



Titan UP®, the mobile application for detecting and reporting traffic offences. Titan UP® is fully integrated with the Titan® ecosystem, which makes it easy for the police to detect and report traffic offences. It is now also available in web version for the offices of the authorities.

The "Titan UP®" automated compilation tools minimize the amount of data that has been entered and allow the officer to carry out comprehensive checks by connecting to the MCTC vehicle database.



Titan-E® is the Titan Ecosystem module designed to manage sanctions imposed on offenders living abroad. Its main features are:

- Flexibility
- Security
- Compatibility
- Transparency
- Stability
- Expandability
- Clarity

03 THE QUALITY OF SERVICES PROVIDED

PRODOTTI E SERVIZI DI SAFETY21

The quality and reliability of products and services depend directly on the ability of Safety21 to adopt the technologies and processes required to build the innovative solutions they provide to customers. As evidence of the primary importance that Safety21 attaches to quality within company development strategies, all the production processes that contribute to the design, development, and implementation of a product or service are mapped onto the quality management systems, that all comply with the ISO 9001:2015 standard.

These systems, documented and updated, make sure that the company's products and services meet the expectations of their customers and the mandatory legal requirements, as well as allowing continuous improvements in performance, increasing the company's competitiveness in the market.

The systems are an essential tool for defining the regulations and constraints that are applicable to quality control at all levels. The main operations are regulated by procedures and practices that implement standards and rules to maximise the quality of each product and process.

03 CYBERSECURITY AND IT SERVICES

PRODOTTI E SERVIZI DI SAFETY21

As described in the previous paragraphs, data and information management is one of the core issues for Safety21. For this reason, strategies have been adopted to ensure the security and privacy of the public's data, and a procedural system has been adopted, aimed at ensuring the necessary IT security measures are in place.

In particular, Safety21 has obtained numerous certifications aimed precisely at guaranteeing the security and privacy of its stakeholders.

SAFETY21 ACHIEVED ISO 27001 CERTIFICATION IN 2021 AND CERTIFIED ITS EXISTING IT MANAGEMENT SYSTEM ACCORDING TO ISO 20000, THE CLOUD SECURITY MANAGEMENT SYSTEM ACCORDING TO ISO 27017, AND PERSONAL INFORMATION IN THE CLOUD ACCORDING TO ISO 27018.



● Data processing and privacy

In the current climate of growing business globalisation, there has been a proliferation of channels and methods of access to information, as well as an increase in the volume and types of data that have to be managed. Safety21 is addressing the issues related to data management, ranging from adapting to recent industry regulations and defending against potential threats, to the confidentiality, integrity, and availability of information. In addition, the European General Data Protection Regulation (GDPR), which came into force in May 2018, has become one of the main references for companies wishing to make a renewed commitment to data protection, with a particular focus on safeguarding personal data.

In the exercise of its business, Safety21 processes data that is required to bring charges against drivers who are in violation of the Highway Code, guaranteeing its customers' compliance with its regulations.

In addition, in compliance with the rules on privacy and data security, when they start working for us, every employee receives a copy of the document "Instructions for the processing of personal data" and is simultaneously authorised to process such data.

Safety21 controls access to its IT platforms using various security systems, to prevent the loss or misdelivery of sensitive information. The control systems concern:

- The use of personal passwords, using an encrypted system and a high-performance IT infrastructure;
- Storage of sensitive data in the Cloud;
- Use and installation of antivirus software on every device;
- Management of PC workstations through password, as each employee has a reference password for their workstation;
- Cloud backup of data and periodic audits and assessments are carried out by Data Controllers, that have already been appointed, pursuant to Article 28 of the GDP.

The main risks that Safety21 is exposed to are as follows:



To mitigate the risks to which Safety21 is exposed, a strong system of controls of logical accesses based on the auditing and assessment of external data controllers is in place. This also ensures the long-term and secure storage of the company's data and information.

● **Prevention of and protection against cyberattacks**

Safety21 uses external consultants to test the strength and resilience of the company's IT systems and infrastructure. For example, in the first few months of 2022, a penetration test was carried out on the Titan system. The test report identified 15 vulnerabilities in the system. However, only one of these was considered to be a high-level risk. Following the analysis, the Company promptly drew up a plan to remedy the problems identified by the report.

● **Centralising servers and using Cloud systems**

Safety21 has always run its processes in the Cloud, saving energy and ensuring a high level of security for the information and data in its possession.

Safety21 servers run on a centralised operating logic that reduces the amount of storage required, with the consequent energy savings and cost reduction.



04 RELATIONSHIPS WITH LOCAL AREAS AND THE COMMUNITY

- INITIATIVES AND PARTNERSHIPS
WITH THE LOCAL AUTHORITIES AND
THE COMMUNITY



04 INITIATIVES AND PARTNERSHIPS WITH THE LOCAL AUTHORITIES AND THE COMMUNITY

RELATIONSHIPS WITH LOCAL AREAS AND THE COMMUNITY

Safety21 has a very close relationship with the regions in which it operates. It maintains a close relationship with all its stakeholders based on trust, quality, ethics, competitiveness, professionalism, and respect for the regulations.

Safety21 is careful to establish working relationships only with those who enjoy a good reputation, who are engaged in lawful activities, and whose corporate ethics are in line with those of the Company, carefully checking the information available on the potential partners in advance.

To add further value to its relationship with the local communities in Italy, Safety21 promotes a range of initiatives and sponsorships aimed at raising stakeholders' awareness of its operation.

Safety21 has devised a series of innovative projects to help protect local inhabitants, protect the environment, and prevent environmental crimes, such as the dumping of waste in car parks and lay-bys, and improving road safety.

Below are some of the campaigns Safety21 has supported over the last few years.

● The Metropolitan Milan Safety Project

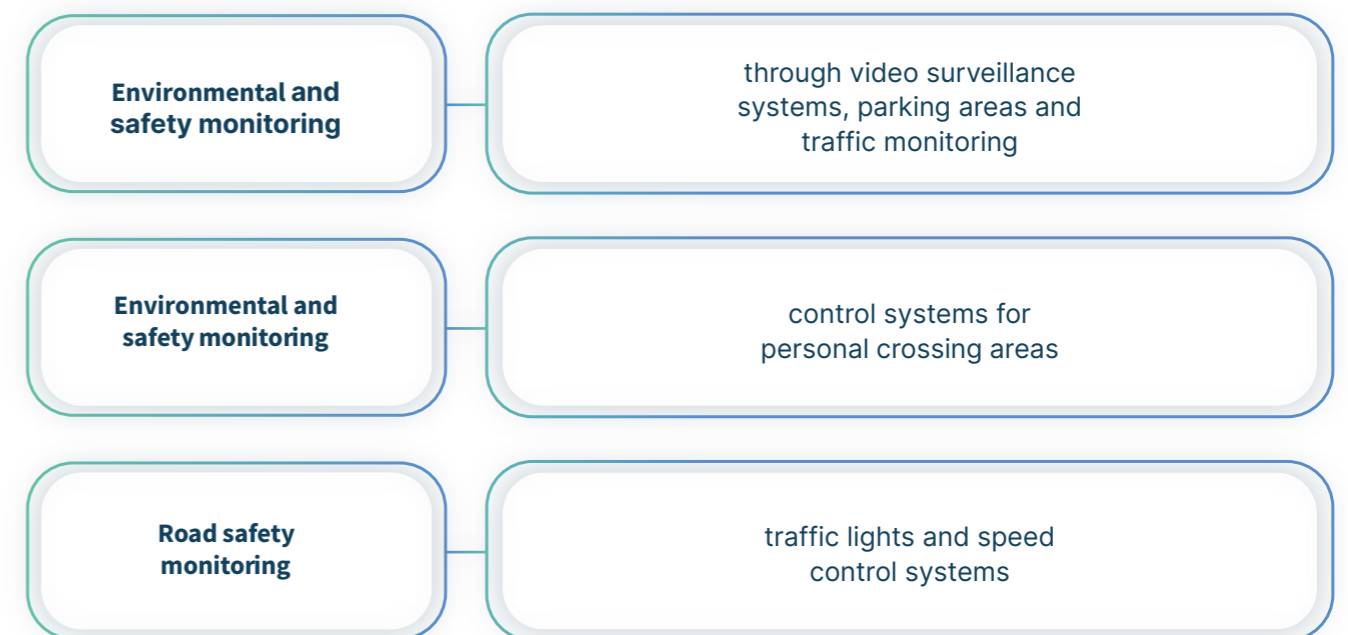
Safety21 is a major contributor to "Smart City", one of the largest public-private partnerships in Europe. This is an initiative aimed at reducing road accidents and making roads safer for pedestrians and cyclists.

Among the main objectives of the Smart City project is the conservation and protection of the environment and the fight against environmental crimes, such as the dumping of waste. These ambitious objectives for the protection of the city's environment are achieved through the use of innovative video surveillance systems and smart applications.

A key role was played by the personnel of the local police force, who offered their experience on the dynamics and problems of the urban and extra-urban road networks within their jurisdiction.



The project is based on three main pillars:



With a view to safeguarding the most vulnerable road users, the project involves the installation of 90 systems on pedestrian crossings by the Metropolitan City of Milan on the road network within its jurisdiction. Specifically, these innovative devices monitor pedestrian crossings without traffic lights. They have four high-visibility flashing LEDs installed next to the pedestrian crossing and two more external sensors, which are activated when the pedestrian starts to cross, alerting vehicles approaching the crossing and solving the problem of poor visibility either during the day or at night. The system is equipped with cameras that record an area of 360°. They capture everything that happens in the area of the pedestrian crossing and upload it to the Cloud 24 hours a day, ensuring that the video recordings are always available to the authorities in the event of an accident.

To better protect and care for the environment, the environmental video surveillance systems have been upgraded with the installation of smart video analysis software to alert the police forces to the presence of plumes of smoke and prevent the spread of fires, as well as to warn them of the presence of snow on the roads.

The project also includes a high-definition geomapping application platform that allows to support the management of the assets of the territory, to carry out surveys by quickly acquiring the current status of its 760 km of routes, to plan possible interventions and to georeference the infrastructures in the subsoil.





SULLA STESSA STRADA. PUBLIC-PRIVATE: A SUCCESS STORY



On 25 October 2022, the conference "Sulla Stessa Strada - Pubblico Privato: a success story" was held at Palazzo Isimbardi in Milan: a moment of discussion on the broader issues of road safety. The main objective is to share the first results of the "Milano Metropolitana Safety Project" which, after just over two years from its launch, has led to a decrease in accidents of -16% on the streets of the Metropolitan City of Milan, to a decrease in deaths of -20% and a reduction in injuries of -18% (ACI / Eupolis 2019-2021 data).

ITALY*

METROPOLITAN CITY OF MILAN**

| | 2021 | 2019 | 2021 | VARIAZIONE |
|--|----------|----------|----------|------------|
|  Accidents detected with injuries to persons | 151.875 | 13.607 | 11.385 | -16% |
|  Total injuries | 204.728 | 18.097 | 14.390 | -18% |
|  Deaths from road accidents | 2.875 | 106 | 87 | -20% |
|  Estimate Social cost Italy | 16,4 Mld | 5,8 Mld€ | 4,6 Mld€ | -20% |

* [ISTAT data 2021]

**[ISTAT data 2019 su 2021]

The data acquired so far within the Project show the positive action of the control systems active in the territory pertaining to the Metropolitan City of Milan.

"Milano Metropolitan Safety Project" is the testimony of how Public and Private collaboration can lead to great tangible results, a virtuous example that believes in safety as a cultural value and that raises awareness and educates citizens to respect the rules with the aim of preventing more or less serious clashes.

CAMPAIGN "I LOVE YOU"



In collaboration with the Department of Psychology of the University "La Sapienza" of Rome, Safety21 has activated the educational project Ti Voglio Bene - Integrated project of legality, dedicated to students of secondary schools. The aim of the initiative is to educate young people in proper driving behaviour, transferring awareness and a sense of responsibility on the risks associated with road traffic. In the realization of the courses were involved professionals of the sector, who for the occasion have created ad hoc materials (exercises, simulations and movies) and the institutions that have given great support on the subject of education to the safety of children as road users.

Finally, a main role was played by the staff of the Local Police and the Traffic Police who offered their experience on the dynamics and problems of urban and suburban road networks.

THE MILAN METROPOLITAN CITY BUILDING THE FUTURE AWARD II



On 22 October 2022, the final ceremony of the sixth 'Premio Costruiamo il Futuro' (Building the Future Award) ceremony was held, a project created to provide real support for sports association projects in Milan and its provinces, work that is dedicated to creating positive environments in which children and young people can be educated through sport. Safety21 is supporting the event for the third year, as it has always believed in and supported projects that generate value for the community, for sport, and for the region, and that acceptance promote, inclusion, and awareness of important issues such as bullying. In the last five editions, the Foundation has supported more than 160 sports associations, donating about 330,000 euros to the most deserving projects.

INAUGURATION 1ST SECTION BICYCLE PATH LINE 6 GEARBOX



Safety21 has always collaborated in the execution of sustainable and inclusive projects. This one is specific proof of that: the event of 2 July 2022 in the Metropolitan City of Milan, which saw Safety21 as the official sponsor of sustainable mobility with the inauguration of the first section of Line 6 of the # BiciPlan Cambio, the cycle path that connects Milan - to the hydrofoil. Line 6 has clearly recognisable communication signs and allows for easy orientation thanks to the information stands and signs.

05 THE PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

- SAFETY21 EMPLOYEES
- WELFARE
- MANAGEMENT OF HUMAN CAPITAL
AND ENHANCEMENT OF EMPLOYEES
- INCENTIVISATION SYSTEM
- TRAINING AND DEVELOPMENT



05 SAFETY21 EMPLOYEES

THE PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

Safety21 believes that its employees are the key to the long-term success of the company. For this reason, the Company conducts its business with the utmost respect for its employees and subcontractors⁹. It is a company that promotes diversity and equal opportunities, where everyone is encouraged to develop to the best of their ability.

The improved management of resources is one of the most significant issues for the Company. It is one of the fundamental pillars of the business on which it intends to concentrate, setting targets for the next few years in line with the SA8000 guidelines. This will also make the company more attractive in the marketplace.

Within the context described, as of 31 December 2022, Safety21 has 110 employees, all based in Italy, of which 102 are full-time employees and the remaining 8 are on contract. The percentage of increasing employees in 2022 compared to 2021 is 25.93%.

All employees of Safety21 are covered by the national collective labour agreement.

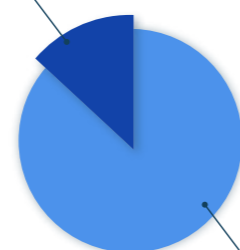


110 PEOPLE
102 Employee
8 Collaborators

102 EMPLOYEE
14 Fixed Term
88 Indefinet Term

COLLABORATORS

7%



EMPLOYEES
93%

TYPE OF LABOUR FORCE

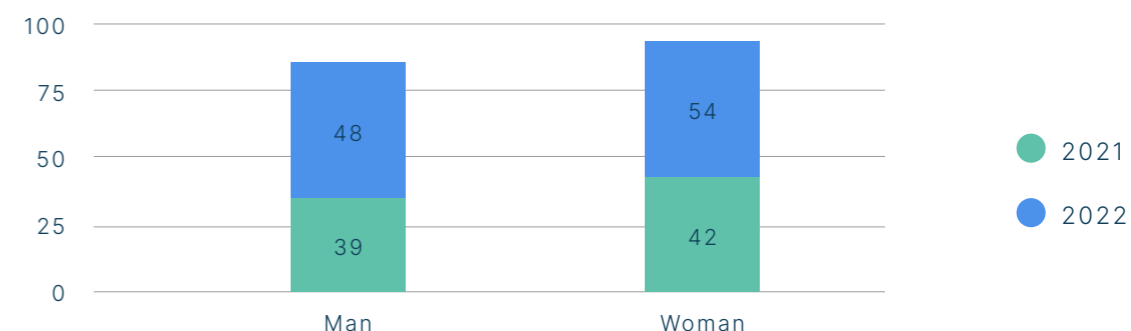
| PEOPLE | As of 31 December 2021 | | | As of 31 December 2022 | | |
|-------------------|------------------------|-----------|-----------|------------------------|-----------|------------|
| | Men | Women | Total | Men | Women | Total |
| Employees | 39 | 42 | 81 | 48 | 54 | 102 |
| Other contractors | 4 | 8 | 12 | 3 | 5 | 8 |
| Total | 43 | 50 | 93 | 51 | 59 | 110 |

9 The category of subcontractors includes contracts with consultants and other workers, including contract staff.

Over the course of 2022, Safety21 internalised its interim resources, continuing a path of loyalty and investment in staff; in fact, the number of employees rose to 102, compared to 81 in 2021 and the number of other employees (interim) dropped from 12 to 8.

Safety21 has an equal number of male and female employees (50/50). This is a reflection of one of the company's core business strategies, i.e., promoting diversity and equal opportunity at work.

GENDER DISTRIBUTION OF EMPLOYEES



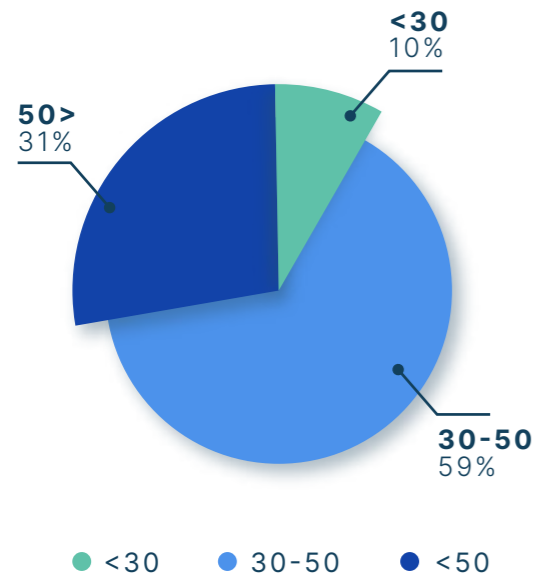
BREAKDOWN OF STAFF BY CONTRACT TYPE (FULL TIME/PART TIME) AND GENDER

| EMPLOYEES | As of 31 December 2021 | | | As of 31 December 2022 | | |
|--------------|------------------------|-----------|-----------|------------------------|-----------|------------|
| | Men | Woman | Total | Men | Woman | Total |
| Full Time | 34 | 35 | 69 | 45 | 46 | 91 |
| Part Time | 5 | 7 | 12 | 3 | 8 | 11 |
| Total | 39 | 42 | 81 | 48 | 54 | 102 |

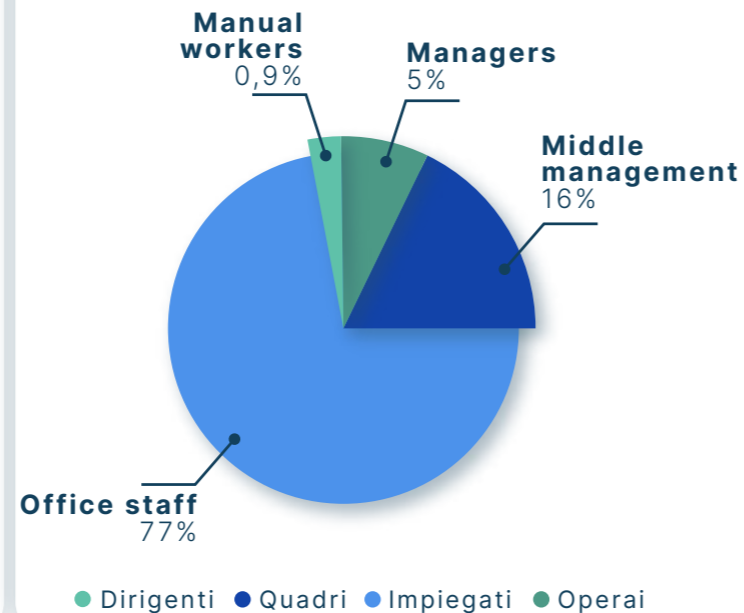
BREAKDOWN OF STAFF BY CONTRACT TYPE (FIXED-TERM/PERMANENT) AND GENDER

| EMPLOYEES | As of 31 December 2021 | | | As of 31 December 2022 | | |
|---------------------|------------------------|-----------|-----------|------------------------|-----------|------------|
| | Men | Woman | Total | Men | Woman | Total |
| Fixed-term Contract | 1 | 3 | 4 | 4 | 10 | 14 |
| Permanent Contract | 38 | 39 | 77 | 44 | 44 | 88 |
| Total | 39 | 42 | 81 | 48 | 54 | 102 |

EMPLOYEES BY AGE GROUP



EMPLOYEES BY CONTRACT CLASSIFICATION



STAFF BY CLASSIFICATION AND AGE GROUPS

| EMPLOYEES | As of 31 December 2021 | | | | As of 31 December 2022 | | | |
|-------------------|------------------------|-------------|-------------|------------|------------------------|-------------|-------------|------------|
| | <30 | 30-50 | 50> | Total | <30 | 30-50 | 50> | Total |
| Managers | 0 | 0 | 6 | 6 | 0 | 0 | 5 | 5 |
| Middle management | 0 | 8 | 6 | 14 | 0 | 5 | 12 | 17 |
| Office staff | 7 | 43 | 9 | 59 | 10 | 55 | 14 | 79 |
| Manual workers | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 1 |
| Total | 7 | 52 | 22 | 81 | 10 | 60 | 32 | 102 |
| % | 8,6 | 64,1 | 27,1 | 100 | 9,8 | 58,8 | 31,3 | 100 |

The majority of Safety21 employees are on permanent contracts (86%), down from 95% in 2021.

Most of our employees are in the 30 to 50 age group, classified as white-collar staff (77%).

With diversity and inclusion at the heart of its corporate culture, and in accordance with the rules and practices required by law, the company has expanded its staff by including 6 employees who are disabled, five female and one male, as can be seen in the table below.

STAFF BY CLASSIFICATION AND GENDER

| EMPLOYEES | As of 31 December 2021 | | | | As of 31 December 2022 | | | |
|-------------------|------------------------|-----------|-----------|------------|------------------------|-----------|------------|------------|
| | Men | Women | Total | % | Men | Women | Total | % |
| Managers | 3 | 3 | 6 | 7,4 | 3 | 2 | 5 | 4,90 |
| Middle management | 8 | 6 | 14 | 17,2 | 11 | 6 | 17 | 16,67 |
| Office staff | 27 | 32 | 59 | 72,8 | 33 | 46 | 79 | 77,45 |
| Manual workers | 1 | 1 | 2 | 2,4 | 1 | 0 | 1 | 0,98 |
| Total | 39 | 42 | 81 | 100 | 48 | 54 | 102 | 100 |

PROTECTED CATEGORIES

| EMPLOYEES | As of 31 December 2021 | | | As of 31 December 2022 | | |
|-------------------|------------------------|----------|----------|------------------------|----------|----------|
| | Men | Women | Total | Men | Women | Total |
| Managers | 0 | 0 | 0 | 0 | 0 | 0 |
| Middle management | 0 | 1 | 1 | 0 | 1 | 1 |
| Office staff | 0 | 2 | 2 | 1 | 4 | 5 |
| Manual workers | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 3 | 3 | 1 | 5 | 6 |

During 2022, 9 employees left the company and 30 joined¹⁰, mainly in the 30 to 50 year age group, a positive turnover of 28%.

¹⁰ It is specified that the total revenue for 2022 includes an employee transferred from Motus21 (Safety group company).

05 MANAGEMENT OF HUMAN CAPITAL AND ENHANCEMENT OF EMPLOYEES

THE PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

Below is a breakdown of employees that left and joined Safety21.

NEW HIRES

| EMPLOYEES | 2021 | | | | | 2022 | | | | |
|-------------------|------------|------------|-----------|------------|------------|------------|------------|------------|------------|------------|
| | <30 | 30-50 | 50> | Total | Turnover % | <30 | 30-50 | 50> | Total | Turnover % |
| Men | 0 | 5 | 1 | 6 | 15% | 3 | 5 | 6 | 14 | 24% |
| Women | 1 | 7 | 1 | 9 | 21% | 1 | 11 | 4 | 16 | 33% |
| Total | 1 | 12 | 2 | 15 | 19% | 4 | 16 | 10 | 30 | 28% |
| Turnover % | 14% | 23% | 9% | 19% | | 40% | 27% | 27% | 28% | |

EMPLOYEES LEAVING

| EMPLOYEES | 2021 | | | | | 2022 | | | | |
|-------------------|------------|------------|-----------|------------|------------|-----------|-----------|------------|-----------|------------|
| | <30 | 30-50 | 50> | Total | Turnover % | <30 | 30-50 | 50> | Total | Turnover % |
| Men | 1 | 3 | 0 | 4 | 10% | 0 | 3 | 1 | 4 | 7% |
| Women | 0 | 6 | 0 | 6 | 14% | 0 | 2 | 3 | 5 | 10% |
| Total | 1 | 9 | 0 | 10 | 12% | 0 | 5 | 4 | 9 | 9% |
| Turnover % | 14% | 17% | 0% | 12% | | 0% | 8% | 12% | 9% | |

The Company has drafted and uses internal rules and a Protocol based on the management model of Italian Legislative Decree 231 which defines, within the scope of its activity, the behavioural principles, responsibilities, operating methods, and information flows that must be respected in the selection, recruitment, and management of staff.

This document is the cornerstone of Safety21's employment policy, backed up by SA8000 certification.

Safety21 manages its human resources in accordance with the principles set out in the Code of Ethics, including integrity, dignity and equality, professionalism and a spirit of collaboration. The company pays close attention to its staff at all stages of their career, from recruitment, training and, eventually, management.

The sector in which the Company operates is highly specialised, so it is essential to attract highly-qualified employees, especially for certain positions.

To achieve this objective, the selection and recruitment of staff takes place following the guidelines defined by SA8000 and the "Selection, recruitment and management of Human Resources" protocol, and in strict compliance with the criteria of transparency in the evaluation of applicant's competence and professionalism, skills, and individual potential.

Each stage of the selection process is tracked and documented. In addition, the financial terms and conditions of employment are always consistent with the position held by the candidate and with the responsibilities/tasks assigned to them.

The recruitment of Safety21 staff takes place mainly in three ways: by advertising positions in the media (e.g. newspaper) and on social media (e.g. LinkedIn), through recruitment agencies and through direct contact with certain professional individuals.

The ongoing professional development of Safety21 employees is one of the strengths of its sustainable growth strategy. The company in fact considers it essential to develop its employees, following their career paths closely and making sure that their technical skills are periodically updated.

In 2022, the "Social Performance Team" was established, as required by the SA8000 standard. The committee consists of members of management and staff representatives. They meet periodically and supervise and assist in the careful and inclusive management of the company's human resources.

05 INCENTIVISATION SYSTEM

THE PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

In 2022, in line with the principles of SA8000, Safety21 will conduct its first internal survey on employee satisfaction. This will involve all its employees, and is aimed at highlighting the level of wellbeing in the work environment and the perception of employees in that regard, as well as their further development and training.

From the analysis of the results of the survey, it was found that occupational safety is one of the most representative issues of the wellbeing of Safety21 employees, who consider the technical and organisational measures adopted on safety matters to be particularly appropriate and that the work environment is pleasant and functional to their needs.

The results of the survey also showed that employees paid particular attention to issues related to training and professional growth. These aspects represent significant issues for the company, which is constantly committed to the enhancement and management of human resources in response to the needs of its employees.

Safety21 has devised an Incentive Plan for employees. The plan is intended as a way to recognise, in an open and transparent way and by awarding bonuses, the contribution of each employee to the creation of value for the company.

Company objectives are assigned, which are common to all employees, together with individual objectives related to the position held. Every company department will be involved in the process.

The continuous growth of the Company and the resulting market penetration, along with the ongoing and continuous commitment of our employees, has made it possible for us to reach the assigned targets.

Over the course of 2022, the ratio of the total annual remuneration (including salary, bonuses and premiums) of the person who received the maximum remuneration (the CEO) to the median total annual remuneration of all employees was 35.90.

The following is the ratio of wages and salaries for women compared to men divided by professional category.



RATIO OF WOMEN TO MEN ON BASIC SALARY

| CLASSIFICATION | 2022 | | |
|-------------------|---------|---------|-----------------------|
| | Men | Women | Ratio of women to men |
| Managers | 251.498 | 389.193 | 155% |
| Middle management | 634.088 | 289.500 | 46% |
| Office staff | 878.945 | 929.165 | 106% |
| Manual workers | 18.143 | 1.237 | 7% |

RATIO OF FEMALE TO MALE AGGREGATE EARNINGS

| CLASSIFICATION | 2022 | | |
|-------------------|---------|-----------|-----------------------|
| | Men | Women | Ratio of women to men |
| Managers | 402.745 | 416.703 | 103% |
| Middle management | 777.711 | 356.273 | 46% |
| Office staff | 956.818 | 1.022.814 | 107% |
| Manual workers | 27.285 | 1.237 | 5% |

05 WELFARE

THE PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

To improve the wellbeing of employees and their work/life balance, the Company has given every employee the opportunity to work from home, in remote-working mode, for a maximum of two days a week, on the basis of individual agreements.

Safety21 pays all its employees an annual bonus to help with the cost of living (e.g., shopping vouchers, fuel vouchers).

As required by the CCNL Metalmeccanici-Confapi, Safety21 has activated a multichannel digital platform that offers employees numerous products and services, as permitted by the current tax legislation.

Among other initiatives to support employees, Safety21 provides:

- meal vouchers for every day of work carried out on site;
- company cars for managers and middle-managers with specific roles;
- "FasiOpen" supplementary healthcare for permanent employees with the classification of 7th level employee and in a management position;
- Covid-19 Healthcare for all employees and a Covid insurance policy.

We would also like to reiterate that, during the Covid-19 emergency, up to 31/03/2022, Safety21 did not resort to the use of any socioeconomic safety nets and achieved continued growth, increasing the workforce, as can be seen in the data provided (see the table Revenue for 2021 and 2022).

05 TRAINING AND DEVELOPMENT

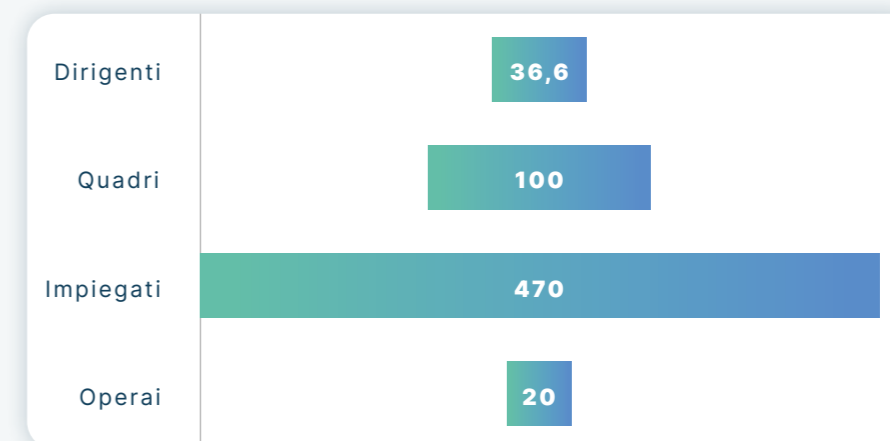
THE PROFESSIONAL DEVELOPMENT AND TRAINING OF EMPLOYEES

In the two-year period 2021-22, Safety21 increased its commitment to promoting a dynamic work environment, including providing training to improve the staff's skills.

A yearly training schedule has been designed for employees on topics including: health and safety, specific work procedures, finance and accounting, and IT training courses for developers.

During 2022, 627 hours of employee training were provided:

ORE DI FORMAZIONE PER TIPOLOGIA DI CORSO



HOURS OF TRAINING PER CAPITA

| CLASSIFICATION | AL 31 DICEMBRE 2021 | | AL 31 DICEMBRE 2022 | |
|-------------------|---------------------|-------------|---------------------|---------------|
| | NO. HRS. PER CAPITA | | NO. HRS. PER CAPITA | |
| | Men | Women | Men | Women |
| Managers | 1 | 24,7 | 36,60 | 0 |
| Middle management | 11,3 | 28,2 | 84 | 16 |
| Office staff | 3,7 | 6,4 | 284,6 | 185,19 |
| Manual workers | 0 | 8 | 20,3 | 0 |
| Totale | 5,0 | 10,9 | 425,5 | 201,19 |

The Company's commitment to training was confirmed in 2022, when the Company implemented an even more robust and structured training programme to improve the skills and prospects of its employees.

06 HEALTH AND SAFETY IN THE WORKPLACE

- HEALTH AND SAFETY OF EMPLOYEES AND RELATED ACTIVITIES
- MANAGEMENT SYSTEM FOR HEALTH AND SAFETY AT WORK (HSW)
- DATA ON INJURIES SUFFERED BY INTERNAL STAFF AND EXTERNAL CONTRACTORS



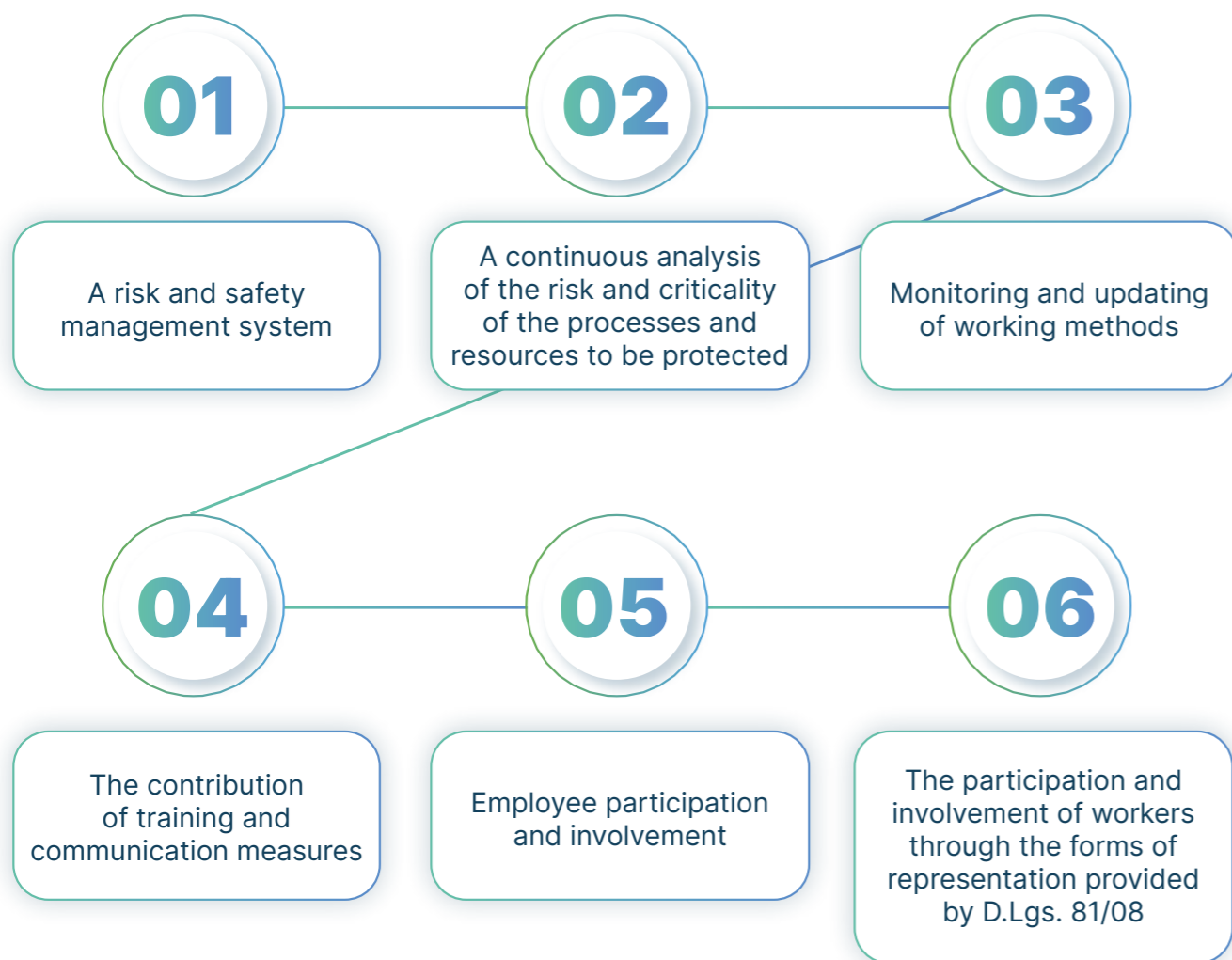
06 HEALTH AND SAFETY OF EMPLOYEES AND RELATED ACTIVITIES

HEALTH AND SAFETY IN THE WORKPLACE

Safety21 is committed to promoting a culture of safety in the workplace by developing awareness of the risks, promoting responsible behaviour, and taking care of the health and safety of its employees, not only within the Company, but also for those who work for its suppliers, customers, and other companies that work with Safety21.

The company operates in full compliance with current legislation on prevention and protection and with reference to the advanced criteria of environmental protection and energy efficiency, pursuing the improvement of health and safety conditions at work.

To this end, Safety21 has adopted the following technical and organisational measures:



During 2022, Safety21 also prepared specific training courses on Health and Safety in compliance with legal obligations, including both general training and training on specific occupational hazards, activities or dangerous situations.

06 MANAGEMENT SYSTEM FOR HEALTH AND SAFETY AT WORK (HSW)

HEALTH AND SAFETY IN THE WORKPLACE

During 2022, Safety21 acquired the UNI ISO 45001 certification, which specifies the requirements for a management system for health and safety at work (HSW) and provides guidance for its use, in order to allow the organisation to provide safe and healthy workplaces, preventing injuries and diseases related to work, as well as proactively improving its HSW performance.

With the implementation of the ISO 45001 standard, Safety21 is required to activate consultation and participation processes: consultation is prior to the decision-making process and concerns the collection of workers' points of view and requests, while participation consists above all in the direct involvement of workers in the decision-making process.

Safety21's customers and suppliers, who are involved in system planning, risk assessment and control, are particularly important among external stakeholders.

During the system planning phase, Safety21 has identified and evaluated both risks and opportunities for health and safety at work and those risks and opportunities that may not have a direct impact on the health and safety of people, but could have an influence on the expected results of the management system, such as the continuous improvement of health and safety performance, the full compliance with the legal requirements and other obligations subscribed to and the achievement of the improvement objectives.

The management system for health and safety at work of Safety21 S.p.A. covers all employees of the company.

06 DATA ON INJURIES SUFFERED BY INTERNAL STAFF AND EXTERNAL CONTRACTORS

HEALTH AND SAFETY IN THE WORKPLACE

Safety21 believes that the set of training courses, regulations, and procedures are fundamental in the prevention of accidents and in the management of the risks associated with them. For this reason, the Company is very attentive to all the procedures aimed at ensuring the health and safety of its employees.

During 2022, as can be seen from the table below, only one accident case was recorded. This is proof of the fact that the issue is of central importance to the organisation.

ACCIDENTS AT WORK

| ACCIDENTS | 2021 | 2022 |
|--|------|-------|
| Total number of deaths due to accidents at work | 0 | 0 |
| Number of serious accidents at work (excluding deaths) | 0 | 1 |
| Total number of recordable accidents at work | 0 | 1 |
| ACCIDENT RATE | 0% | 1,18% |

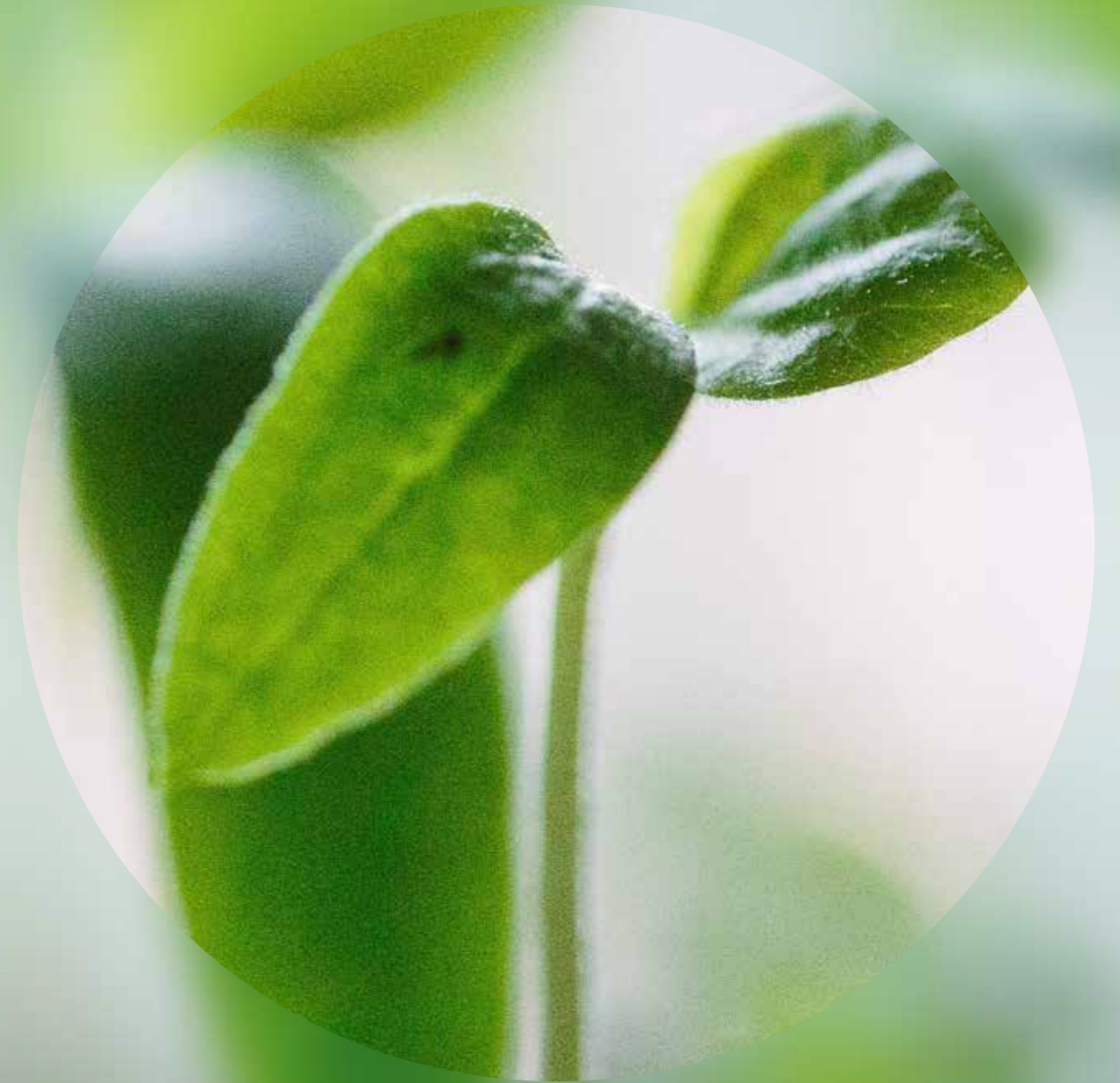
HOURS WORKED

| HOURS/DAYS | 2021 | 2022 |
|---------------------------------------|---------|---------|
| Workable hours | 169.173 | 186.917 |
| Coefficients used in the calculations | 200.000 | 200.000 |



07 ENVIRONMENTAL PROTECTION

- ENERGY CONSUMPTION AND EMISSIONS
- DIRECT AND INDIRECT EMISSIONS OF SAFETY21'S CHARACTERISTIC BUSINESS OPERATIONS





SAFETY21 OFFERS SUSTAINABLE SOLUTIONS THAT AIM TO REDUCE CO2 EMISSIONS AND PROTECT THE ENVIRONMENT THROUGH ROADSIDE SURVEILLANCE SERVICES THAT LIMIT THE SPEED OF CARS AND FIGHT ILLEGAL LITTERING IN PARKING AREAS

The core business of Safety21 has a positive impact on the community by reducing CO2 emissions (by helping to enforce compliance with speed limits) and through the use of innovative products that are compatible with sustainability criteria.

In particular, compliance with speed limits contributes to the reduction of both fuel consumption and polluting emissions. The extent of the benefit depends on a number of factors, including: improvements in vehicle fuel efficiency, the composition of the fleet, driving style, and traffic congestion.

Virtuous Example

Based on a simulation, the reduction of motorway speed limits from 130 to 110km/h could provide a fuel saving for cars of 2-3% (assuming smooth driving and 100% compliance with speed limits).

The approach adopted, supported by the identification of material issues that are of importance to society, is consistent with the objectives of the Paris Agreement, adopted in 2015. The Agreement aims to improve the response of companies to the threat of climate change, through the use of appropriate capital flows, innovative technology frameworks, and a general improvement in industrial capacity.

This commitment is consolidated by ISO14001 certification, which requires strict compliance with environmental legislation through the adoption of an EMS (Environmental Management System) that supports the organisation in its processes, the creation of its products and services, and in meeting sustainability targets.

Even in the value chain, Safety21 has always been particularly sensitive to its choice and identification of certified suppliers, who are able to provide highly innovative products that guarantee high performance, and are more efficient and less impactful.

For Safety21, innovation and technological progress are key in the search for lasting solutions to environmental challenges, and it is precisely in this area that the company plays a key role in the market by offering efficient, high-performance tools, which reduce the amount of energy used.

Below are the main initiatives promoted by Safety21 for the protection of the environment.

● **The reorganisation of Safety21 and the shift to paperless mode**

The company has introduced a paperless work model in its management of business processes. All the company's procedures and business activities make use of IT tools and platforms that do not require paper, standardising and streamlining the production processes.

● **Powering IoT devices with renewable sources**

The company has decided to include within its product list some monitoring devices that make use of renewable energy. For example, solar panels were added to a range of devices sold in Italy so that the devices could power themselves with renewable energy. In 2022, Safety21 installed 51 sensing devices with this system, for a total of 131 devices.

● **Cloud platforms and services**

Safety21 uses Microsoft's public Cloud computing platform, Microsoft Azure, which provides a range of Cloud services, including computing, analytics, storage, and networking.

As well as the advantages this provides in terms of scalability and flexibility and security for data management, the Cloud brings the IT architecture up to date, drastically reducing energy costs. In 2022, the company emitted approximately 40 tons of CO2 using Cloud services, a reduction in carbon dioxide equivalent (MTCO2e/use) compared to conventional resources.

Microsoft Azure has also adopted a policy of reducing consumption and by 2025 100% of the energy it uses will come from renewable sources. This will also have a positive impact on Safety21's operations. (Source: Azure Sustainability - Sustainable Technologies | Microsoft Azure).

Safety21 has also started work on an initiative to optimise its software systems, through the adoption of microservices, designed and in development, to reduce the consumption of resources, both in terms of storage space and processing, reducing the energy consumption of the Titan ecosystem.

● **Smart City Project - Parking Area Control and Traffic Monitoring System**

In 2021, in support of the public bodies' goals to improve road safety as part of the broader projects related to the creation of Smart Cities, Safety21 joined the "Milan Metropolitan Safety" Project (see the section entitled: "Initiatives and partnerships with the local authorities and the community"). This is one of the largest projects within the Smart City and Smart Roads Europe initiative. Its aim is to reduce accidents and protect vulnerable road users and the environment by installing systems to monitor traffic flows and parking spaces. As part of the project, 137 IoT high-tech detection and monitoring devices have already been installed.

In particular, as part of the initiative to protect the environment, numerous video surveillance systems have been installed to monitor parking spaces. These record any suspicious activity and have been very successful in tackling the problem of illegal dumping. This is an example of how, in a Smart City, technology and data become collaborative tools to expand the scope of environmental protection.

● **Digitisation of Local Authority processes**

Safety21 has launched three main initiatives that contribute to the digitisation of local authority administrative procedures with a subsequent reduction in environmental impact, in particular:

- **Dematerialisation and paperless processes:** the development of a system for sending notifications and warnings to offenders by certified email. This saves money by reducing the amount of paper and energy and fuel used to deliver printed notifications and reminders. In addition, the paper used by Safety21 is FSC certified and, in some cases, biodegradable paper is used.

- **Reduced number of journeys:** the digitisation of processes has also led to a reduction in journeys made, reducing emissions still further. These reductions were made possible by two systems. The first is PagoPA, an electronic payments system for making payments to Italian public institutions. Paying the fine through the system avoids the need to travel to a payment point. The second is the "Portale dei Cittadini (Citizens' Portal)", a virtual space for the use of the public and businesses. It provides the user with structured templates and all the information they need in a single account that can be used to initiate administrative proceedings by submitting files and paperwork online, without having to leave home.
- **Reducing energy consumption by using the Cloud:** The use of Cloud services by local authorities results in a considerable reduction in the cost of both server management and energy consumption required for the operation of the same.



07 ENERGY CONSUMPTION AND EMISSIONS

ENVIRONMENTAL PROTECTION

In line with the Company's strategic objectives, great importance was attached to the collection and analysis of energy consumption data. To this end, in order to build an increasingly reliable and up-to-date database, since last year Safety21 has been collecting and monitoring data on fuel consumption and emissions. This will make it possible to carry out an "as-is" process analysis and invite suggestions on how to improve efficiency and reduce the company's impact on the environment.

The biggest direct energy consumption of Safety21 is to supply electricity for running the Company's offices, and fuel to run the company's fleet of vehicles.

The table below shows Safety21's¹¹ energy consumption in 2021 and 2022. As can be observed, in 2022 there has been a 119% increase in energy consumption compared to the previous year. This increase was due to a progressive return to a more in-person operating mode, to a significant resumption of business trips, and to an increase in the company's employees compared to 2021.

| ENERGY CONSUMPTION ¹² | | | |
|------------------------------------|----------------------|--------------|-----------------|
| TYPE | UNITS OF MEASUREMENT | 2021 | 2022 |
| Automotive diesel | GJ | 747 | 822,23 |
| Automotive petrol | GJ | 157 | 332,11 |
| Electricity from renewable sources | GJ | 267 | 1.413,96 |
| Total consumption | GJ | 1.170 | 2.568,30 |

11 The energy consumption of the offices in Rome and Benevento were estimated: during 2022 the offices in Benevento and Rome, in fact, were moved to different premises, for which it was not possible to determine the related energy consumption in a timely manner.

12 For electricity and heating, the conversion coefficient used was 0.0036 GJ/kWh (Source: GRI Sustainability Reporting Guidelines, Version 3.1). For 2022, the conversion factors used are 1 L = 0.036 GJ for diesel, 1 L = 0.03248 GJ for petrol (source for diesel and petrol: - DEFRA - UK Government GHG Conversion Factors for Company Reporting).

07 DIRECT AND INDIRECT EMISSIONS OF SAFETY21'S CHARACTERISTIC BUSINESS OPERATIONS

ENVIRONMENTAL PROTECTION

To monitor the environmental impact of the business, Safety21 measures the direct or indirect greenhouse gas emissions of its day-to-day business operation. The figures for these direct (Scope 1) and indirect (Scope 2) emissions are given in this document.

The table below shows the emissions for the two-year period 2021-22. The data show an increase in emissions, mainly due to the recovery of business operations in Safety21's sector.

| SCOPE EMISSIONS 1 ¹³ | | | |
|---------------------------------|------------------------------|-----------|--------------|
| TYPE | UNITS OF MEASUREMENT | 2021 | 2022 |
| Diesel | T (CO ₂) eq | 52 | 58,53 |
| Petrol | T (CO ₂) eq | 11 | 22,10 |
| Total Scope 1 Emissions | T (CO₂) eq | 63 | 80,64 |

| SCOPE EMISSIONS 2 ¹⁴ | | | |
|---------------------------------|-------------------------|------|--------|
| TYPE | UNITS OF MEASUREMENT | 2021 | 2022 |
| Electricity (Market-based) | T (CO ₂) eq | 34 | 179,49 |
| Electricity (Location-based) | T (CO ₂) eq | 19 | 102,04 |

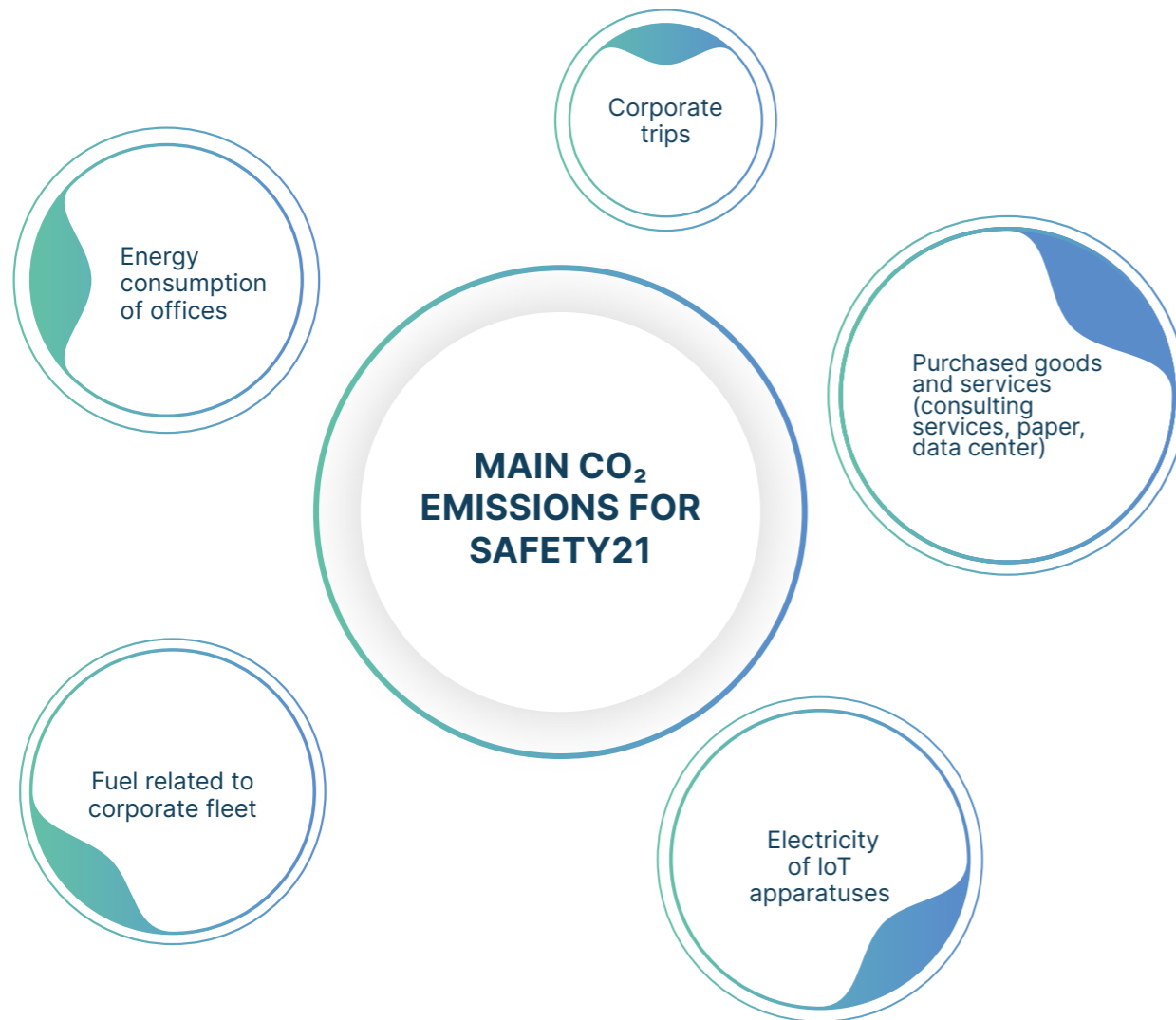
13 The emission factors used to calculate the Scope 1 emissions for diesel and petrol are from DEFRA - UK Government GHG Conversion Factors for Company Reporting.

14 For Scope 2 emissions, the reporting standard used (GRI Sustainability Reporting Standards 2016) has two different calculation methods: "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors relating to the specific national energy mixes of electricity production. For 2022 in particular, the emission factor "ISPRA - Air emission factors of greenhouse gases in the national electricity sector and in the main European countries" was used. The "Market-based" approach involves the use of emission factors based on the contracts signed with electricity suppliers. In the absence of specific contractual agreements between the Group's Companies and the electricity supplier (e.g., Guarantees of Origin), for this approach the emission factor relating to the national "residual mix" was used for both 2021 and 2022 [Source: AIB 2021].

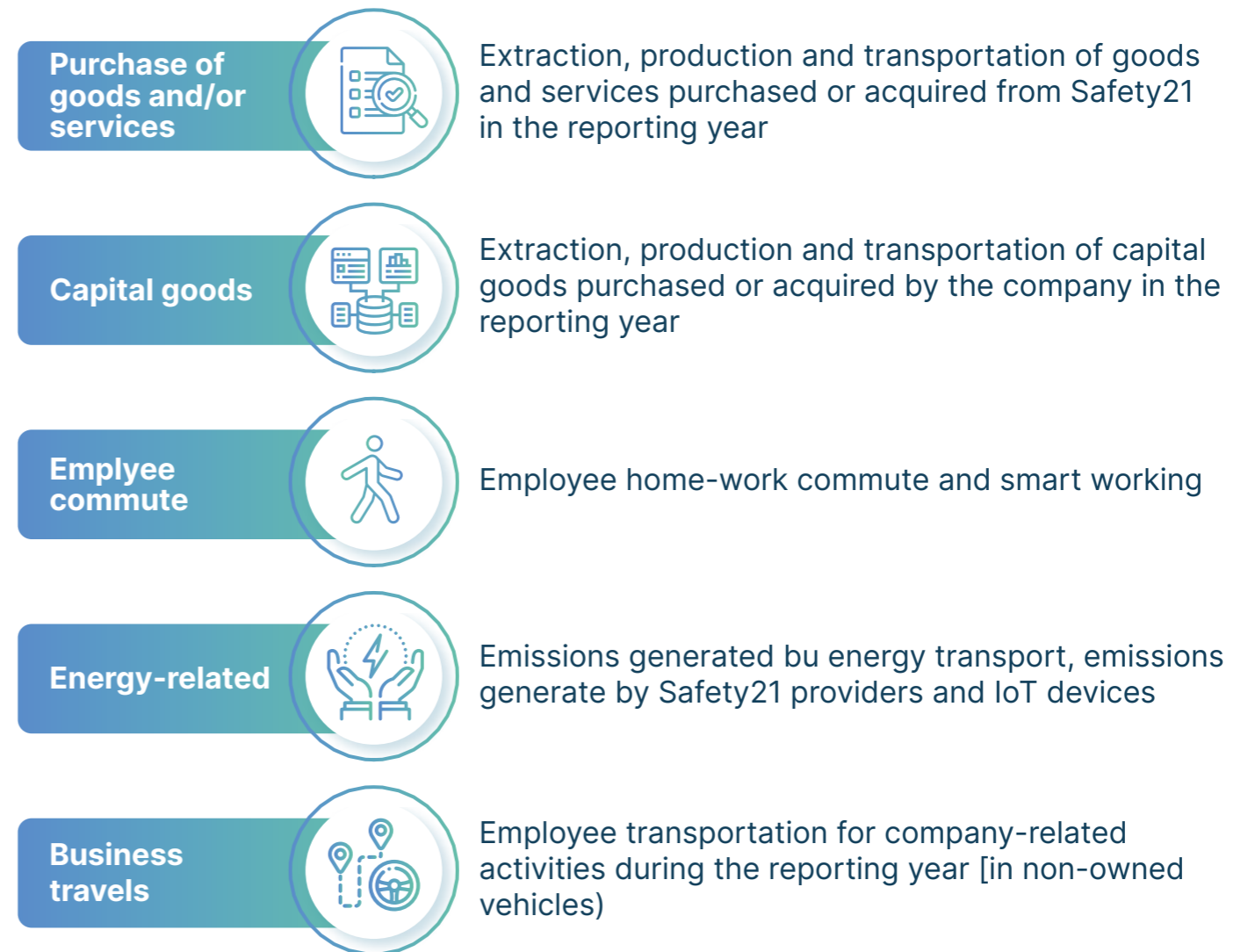
Emissions related to the value chain

In addition to what is shown in the tables, the majority of Safety21 emissions are generated by indirect sources outside the company, which represent the majority of the total Safety21 carbon footprint.

The company's main sources of CO2 emissions can be seen below. The emissions reported in this document are shown in blue, while those related to its value chain, as measured by the qualitative analyses carried out by the Company, are shown in grey.



In particular, with respect to value chain emissions, below is a representation of the activities that produce most of the emissions.



For Safety21, it is clear that the purchase of goods and services has the greatest impact. The category is divided into the following sub-categories:

- Advisory services, a major source of indirect emissions;
- Paper used to print and post the minutes. However, the supplier is particularly attentive to the materials they use, providing Safety21 with only certified paper¹⁵;
- Data-centres;
- IoT equipment and other capital goods.

In 2022, with the resumption of normal working activities, Safety21 recorded:



155.534 KM
On airplain

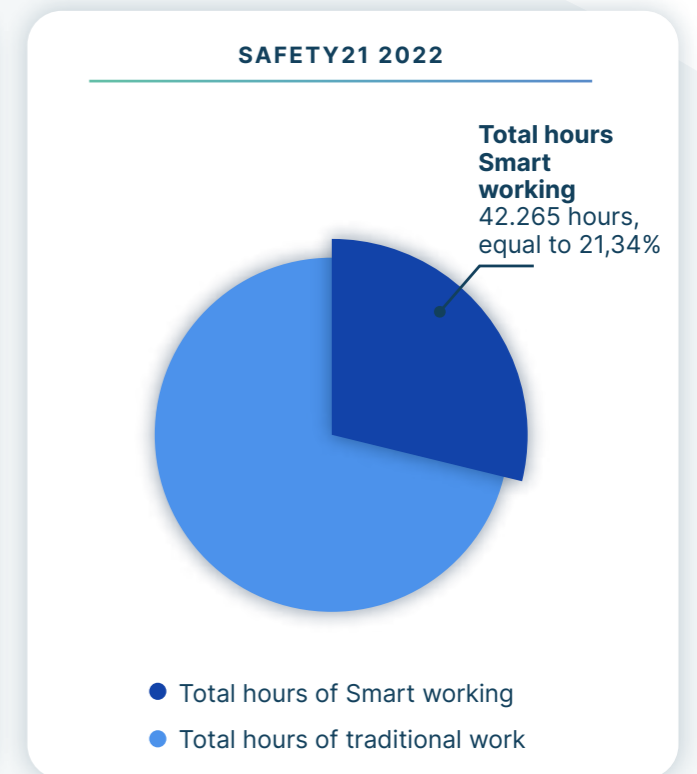
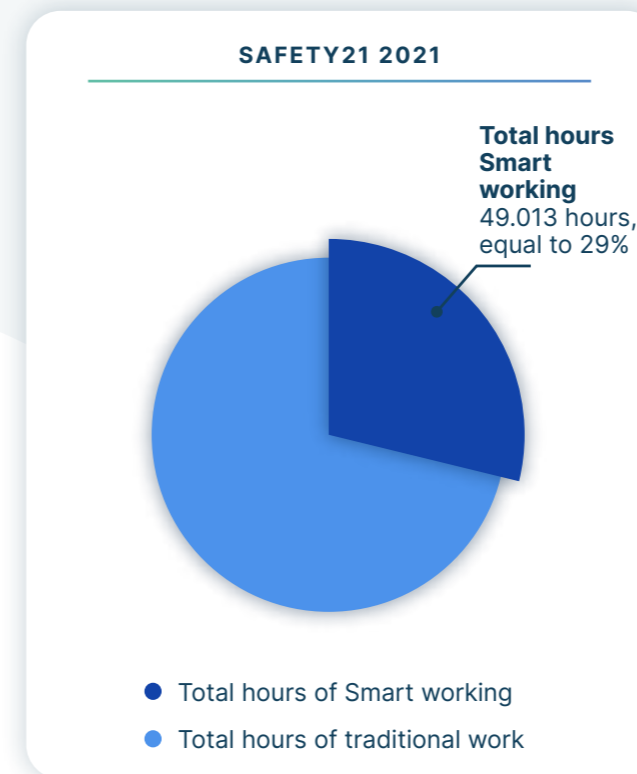


134.155 KM
On train



572
Night in hotel

It should also be noted that Safety21 continued to use remote working in 2022 (down by approximately 8%), as shown in the graphs below.



¹⁵ The supplier provides FSC-C108220 certified paper with a Certificate of Printing and envelopes, letters, blank postcards, letterheaded paper, and cardboard, certified as FSC MIX No. DNV-COC-000428.

08 THE SUPPLY CHAIN

- DESCRIPTION OF THE SUPPLY CHAIN
- SUPPLIERS' CODE OF CONDUCT



08 DESCRIPTION OF THE SUPPLY CHAIN

THE SUPPLY CHAIN

Safety21 has always chosen its suppliers with care. Wherever possible, while paying due regard to price and quality, and other possible logistical advantages, it prefers to work with companies that stand out for their positive approach to social and environmental issues.

The supply of services and materials is already regulated by processes and procedures that aim to ensure that they are of the highest standard, but that they also comply with the safety and quality requirements that are a priority for the company.

Safety21 uses suppliers that offer highly specialised services and products that are usually the best in class, and certified.

The Safety21 supplier register consists of approximately 400 suppliers, of which approximately 10% represents 80% of the company's costs. These suppliers are considered by the company as strategic to the operation of the company's core business and in creating and maintaining Safety21's competitive advantage.

The Safety21 supply chain consists mostly of the providers of postal services, equipment manufacturers and repairers, and suppliers or sub-suppliers of services.

The company has also finalised a portal through which it can efficiently manage the evaluation of suppliers.

The new portal will allow suppliers to complete their census electronically, before the start or during the renewal of professional relationships, to update their data and to update all contractual documentation. The portal is also equipped with a series of dashboards, which can also be consulted and analysed.

The supplier portal will become operational during 2023.

08 SUPPLIERS' CODE OF CONDUCT

THE SUPPLY CHAIN

During the first quarter of 2022, Safety21 drafted and adopted the Code of Conduct, a document that sets out the conduct guidelines, as part of the Company's Organisational Model, with which collaborators, brokers, consultants, business partners, suppliers (including temp agencies), contractors and all other external parties working for Safety21 must comply.

All contracts signed between the Company and any third parties must, where possible, contain specific contractual clauses pursuant to Italian Legislative Decree 231/2001 defined by the company, and an explicit reference to the process of recruitment of staff who, if from abroad, must be in possession of a valid residence permit (to prevent worker exploitation).

Safety21 uses this Code of Conduct to determine which external parties will be allowed to work for the Company, and is a decisive factor in the consolidation of its relationship with its stakeholders.

Suppliers will also be required to read and agree to comply with the Code of Conduct at the beginning of their assignment, and must undertake to request approval of the document from all their own subcontractors.

09 THE SAFETY21 SUSTAINABILITY STRATEGY



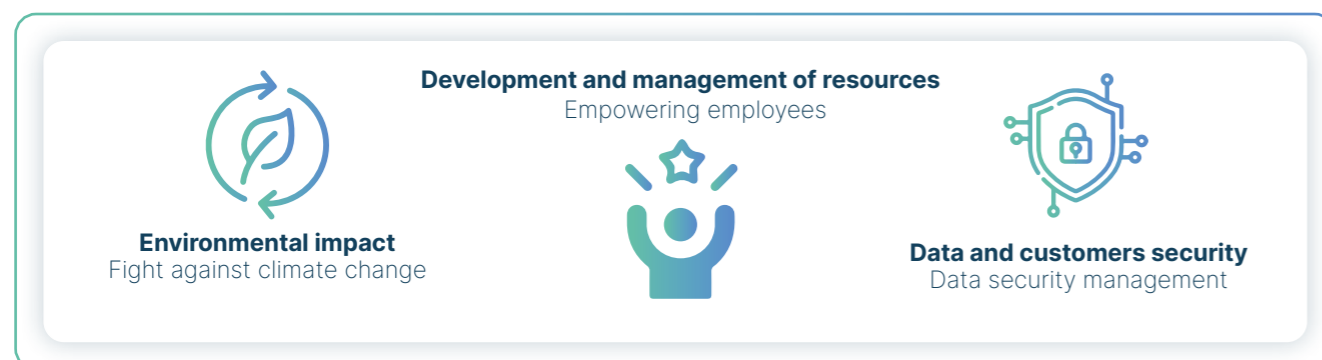
09 INTRODUCTION

THE SAFETY21 SUSTAINABILITY STRATEGY

Sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Sustainability provides companies with the opportunity to evaluate how best to help their business survive within a dynamic system, while guaranteeing the efficiency and quality of their services and, if possible, improving them over the medium and long term.

Safety21 has paid particular attention to the issues of sustainability, transparency, compliance, ethics and responsibility. These values are considered to be the basis of the company's valued "intangible" assets, which include its reputation, its history, and principles that characterise the way in which a company conducts business.

During the two-year period 2021-2022, Safety21, to demonstrate that sustainability has been given a central role within the company strategy, defined three strategic pillars, each of which is a response to a specific material issue, and on the basis of which the company will plan its future activities and operations, from 2023.



● The fight against climate change

Safety21 is aware of the direct and indirect impact the organisation has and, for this reason, considers it necessary to efficiently manage consumption. The energy sourced and purchased should be from renewable sources, to reduce the company's carbon footprint.

In this respect, Safety21 adheres to the "Science Based Targets" initiative of the Paris Agreement, which is a commitment to reduce CO2 emissions.

The Company is also adopting an internal Car Policy, which provides employees with more sustainable choices through the use of hybrid, plug-in hybrid, and all-electric vehicles. In

addition, the company intends to use renewable energy suppliers to supply its offices. With respect to its relationship with external stakeholders, the company is constantly striving to provide high-performance services to its customers while, at the same time, making them less and less damaging to the environment.

● Empowering employees

Safety21 aims at empowering its employees by encouraging their professional growth and helping them to achieve more at work and improve their quality of life.

For this, Safety21 intends to develop the skills of its employees by offering specific training courses, improving dialogue between workers and management by involving employees in regular meetings to discuss ongoing business strategies and analyse the results, and by opening up direct and indirect communication channels. One of the main tools used in this area in 2022 is the pending survey on employee satisfaction.

In general, the aim of Safety21 is to create and promote an engaging work environment for the wellbeing of its employees and to motivate them to achieve the company's targets.

● Data security management

The company plans to continue to strengthen the security of its data to prevent any illegal attempts at gaining physical or remote access to sensitive information and to safeguard the security of the data of the company itself, its customers, and the public.

At the beginning of the current year, Safety21 carried out a penetration test on its IT network to identify any weak points and to put counter measures in place to remedy these vulnerabilities.

● Further measures implemented and to be implemented

In addition to the projects described above, the company in 2022 has taken other measures that have fully involved all the various business areas, aimed at sustainability, including:

- The implementation of new certifications:
 - ISO 45001: UNI ISO 45001 specifies the requirements for a management system for health and safety at work (HSW) and provides guidance for its use, in order to allow organisations to provide safe and healthy workplaces, preventing injuries and diseases related to work, as well as proactively improving their HSW performance.

- ISO 22301: The ISO 22301 standard "Security and resilience — Business continuity management systems — Requirements" provides a set of requirements to effectively implement and manage a Business Continuity Management System.
- ISO 37001: The ISO 37001 standard "Management systems for the prevention of corruption" is the first international standard for management systems created, on the basis of international best practices, with the aim of reducing the risks and costs related to possible corruption phenomena.
- The measurement of the positive impact of the Smart Mobility Project, aimed at Public Administrations to assist them in the difficult task of balancing the safeguarding of their citizens with the limited means available through the development of a Public-Private Partnership aimed at increasing civic awareness, promoting a collective culture of road safety awareness - especially among young people - and contributing to the promotion of correct behaviour on the road in compliance with the law.
- The inclusion of a section on ESG issues in offers to tender, contributing to the respect for and protection of the environment, ensuring equality in the treatment of people and ensuring corporate governance that respects the principles of honesty.
- Optimise the storage space on the servers and complete the transition to the Cloud;
- The adoption of behavioural change in the workplace (for example, eliminating the use of plastic, separating waste, etc.), in full respect of the three ESG (Environmental, Social, Governance) factors of value creation for all those who are involved with the company, be they employees, shareholders, partners, or suppliers.
- The addition of a section dedicated to job vacancies on the company's website.

In addition to the projects described above, the company has decided to identify other short- and long-term objectives to better integrate sustainability into its business. Safety21, in fact, with a view to constantly updating and improving its company's business, in 2023 was proactively committed to achieving certification on gender equality and updating the certifications inherent in company management systems.



10 TABLE OF GRI INDICATORS



| Declaration of use | Safety21 reported the information cited in this GRI Table of contents for the period 01/01/2022 – 31/12/2022 with reference to the GRI standards. | | |
|--|---|-------------|---|
| Used GRI 1 | GRI 1 – Fundamental Principles – Version 2021 | | |
| Standard Disclosure | Indicator description | Page number | Omissions |
| GENERAL INFORMATION | | | |
| GRI 2: General Information (2021) | | | |
| 2-1 | Organisational details | 6-7 | |
| 2-2 | Entities included in the organisation's sustainability reporting | 6 | |
| 2-3 | Reporting period, frequency and point of contact | 6 | |
| 2-4 | Review of information | 6; 27-30 | |
| 2-5 | External assurance | | Safety21's Sustainability Report is prepared on a voluntary basis and is not subject to external assurance. |
| 2-6 | Activities, value chain and other business relationships | 13; 92-93 | |
| 2-7 | Employees | 62-63 | |
| 2-8 | Non-employees | 62 | |
| 2-9 | The structure and composition of governance | 16-17 | |
| 2-11 | President of the highest governing body | 16-17 | |
| 2-21 | Annual total remuneration ratio | 69 | lit. a) |
| 2-22 | Declaration on the sustainable development strategy | 4-5 | |

| | | | |
|-----------------------------------|--|-----------------|---|
| 2-23 | Policy commitment | 4; 80-82; 96-98 | 2-23 lit. a), 2-23 lit. c), 2-23 lit. d) |
| 2-27 | Compliance with laws and regulations | | During 2022, there were no cases of non-compliance with laws and regulations recorded. |
| 2-30 | Collective agreements | | The contractual types of Safety21 employees are: Tertiary Sector/CCNL Metalworking small and medium industry Confapi and CCNL Small and medium industry managers. |
| ECONOMIC ASPECTS | | | |
| Economic performance | | | |
| 201-1 | Directly generated and distributed economic value | 30-31 | |
| Anti-corruption | | | |
| 205-3 | Confirmed cases of corruption and measures taken | | During 2022, there were no instances of corruption found. |
| Anti-competitive behaviour | | | |
| 206-1 | Legal action taken for anti-competitive behaviour, antitrust, and monopolistic practices | | During 2022, there were no instances of anti-competitive behaviour, antitrust, or monopolistic practices recorded. |

| MATERIAL ISSUES | | |
|-------------------------------------|--|-------|
| GRI 3: Material issues (2021) | | |
| 3-1 | Process for determining material issues | 36 |
| 3-2 | List of material issues | 37 |
| 3-3 | Management of material issues | 37 |
| MANAGEMENT OF ENVIRONMENTAL ISSUES | | |
| Energy | | |
| 3-3 | Management of material issues | 37 |
| 302-1 | Energy consumed within the organisation | 84 |
| Emissions | | |
| 3-3 | Management of material issues | 37 |
| 305-1 | Direct GHG emissions (Scope 1) | 85 |
| 305-2 | Indirect GHG emissions from energy consumption (Scope 2) | 85 |
| EMPLOYEE DEVELOPMENT AND MANAGEMENT | | |
| Employment | | |
| 3-3 | Management of material issues | 37 |
| 401-1 | Recruitment and staff turnover | 65-66 |

| Health and safety in the workplace | | | |
|------------------------------------|---|-------|--|
| 3-3 | Management of material issues | 37 | |
| 403-1 | Occupational health and safety management system | 75 | |
| 403-2 | Hazard identification, risk assessment and accident investigations | 74 | lit. a) |
| 403-3 | Services for occupational health | 74-75 | |
| 403-4 | Participation and consultation of workers on health and safety programmes at work and related communication | 74-75 | |
| 403-5 | Worker training on occupational health and safety | 71 | |
| 403-8 | Workers covered by an occupational health and safety management system | | All employees of Safety21 are covered by the Occupational Health and Safety Management System. |
| 403-9 | Accidents at work | 76 | lit. a) lit. e) |
| Training and education | | | |
| 3-3 | Management of material issues | 37 | |
| 404-1 | Average hours of training per year per employee | 71 | |

| Diversity and equal opportunities | | |
|---|---|--|
| 3-3 | Management of material issues | 37 |
| 405-1 | Diversity in governing bodies and among employees | 64-65 |
| 405-2 | Ratio of basic salary and wages of women to men | 69 |
| Non-discrimination | | |
| 3-3 | Management of material issues | 37 |
| 406-1 | Instances of discrimination and corrective measures taken | During 2022, there were no instances of discrimination recorded. |
| OTHER TOPICS | | |
| Quality of services and products | | |
| 3-3 | Management of material issues | 37; 40-52 |
| Customer data security | | |
| 3-3 | Management of material issues | 37; 51-53 |
| Integration of principles of sustainability | | |
| 3-3 | Management of material issues | 37; 34-34; 96-98 |

ENSURING ROAD TO SAFETY





Safety21 S.p.A.

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