
2020 Sustainability Report

Sabelt®

2020: SUSTAINABILITY HIGHLIGHTS

52.2 — / € millions in **REVENUES**

12% — / of **REVENUES** invested in **R&D**

233 — / Structured workforce **UNITS**

6 — / average **TRAINING HOURS** per employee

98% — / ratio of the **BASIC SALARY** of women to men

12 — / **OEM CUSTOMER BASE**

64% — / of **RECYCLABLE MATERIALS** in finished products

25,576 — / **OEM SEATS** produced

LETTER TO THE STAKEHOLDERS

Dear Stakeholders,

We are at the second leg of Sabelt ESG ambitious and challenging journey.

New technological paradigms, such as Electric Vehicle and Autonomous driving, are deeply changing our automotive industry. In 2020, such scenario was further distressed by Covid19 healthcare emergency, that generated deep and unpredictable fluctuations in the automotive supply chains, and an overall unprecedented drop in volumes.

After several years of economic growth, in 2020 Sabelt suffered a sales slowdown, from 75 to 52 million €. We undertook timely countermeasures, that allowed us to confirm a sound economic and financial situation at the year end.



The "severe phase" of the healthcare crisis seems to be over. But the ongoing emergency urges us to consider that, in a more and more integrated world, a mere focus on the company financial performance is not sufficient. Sabelt long-term path will also rely on the soundness of the system it is part of: shareholders and the financial community, employees, customers and supply chain partners, the territory and the communities to which it belongs to. Future generations must also be part of this vision: without a sustainable development roadmap our economic environment will be endangered.

This Sustainability Report is our second public "Non-Financial Statement" document.

Since Sabelt foundation in 1972, we pushed forward with values such as social responsibility, sustainability, quality, innovation, ethics and integrity. Today we pursue them through a structured stakeholder engagement and communication of our sustainability targets and results achieved, according to four guidelines:

Organisational structure, and economic performance

Sabelt set a governance system to reach business and financial objectives in compliance with principles of effectiveness, accountability, responsibility. Since 2018, Sabelt increased by 15% the economic value distributed to its stakeholders, in particular employees, suppliers, public authorities.

Innovation and quality

Sabelt R&D expenditure is 12% on sales. Our company leverages on innovation, safety, quality and supply chain to strengthen its competitive advantage and market leadership;

People and territory

Since 2018 Sabelt increased its structured workforce by 4%. Our company values its personnel and takes care of its training, working conditions, health and safety. It considers itself part of the national and local community promoting collaborative initiatives with both public and private entities;

Environment

64% of the materials used in Sabelt production processes are recyclable. Our company aims at reducing the environmental impact of its business activities through lower energy consumption, lower emissions, and a wider adoption of recyclable materials entering and leaving its production process.

We believe there is no alternative to this approach: playing our part, taking responsibility for our actions in building a wider economic and social system and creating a sustainable business for future generations.

And we are honoured to take on this journey with you that, as stakeholders, daily give us your trust.

Giorgio Marsiaj
Chairman and Chief Executive Officer

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SABELT

Activities

Established in 1972, Sabelt S.p.A. (hereinafter referred as Sabelt or the Company) is a global leader in the development, manufacturing and sale of original equipment car seats, motorsport products and seatbelts for special applications such as aerospace and aviation, reaching in 2020 a structured workforce of 233 units and € 52 million in revenues, after a reduction versus 2019 € 72 million sales, subsequent to the global Covid19 healthcare emergency.

The quality of Sabelt products is the result of intensive research and development which allows to achieve the highest levels of performance and safety in three different Business Units:

Original Equipment Manufacturer (OEM)

From the world of motorsport, Sabelt develops a range of premium sports seats for the best car makers in the world. Sabelt designs and manufactures seatbelts and car seats for vehicles with a strong sporting connotation ("Sport cars" segment, divided into "superpremium" and "premium/non-premium" subsegments), dedicated to an advanced and demanding driver, with a sensitive attention to details. The seatbelts and the seats are designed for a natural integration between them and are the result of a clever combination of technology and materials innovation, style and Italian design;

Racing and Motorsport

Sabelt develops high-tech seatbelts, ultra-light monocoque racing seats and a line of suits, shoes, gloves and accessories compliant to FIA and SFI standards. From the 70s until today Sabelt has launched products that have consistently combined knowhow and innovation, design and lightness, linked intrinsically to the world of Formula 1.

In 1982 and 1988, the Formula 1 champions Keke Rosberg and Ayrton Senna won with Sabelt seatbelts, and other great drivers such as Nelson Piquet, Alain Prost, Nigel Mansell, Eddie Irvine, Rubens Barrichello and Michael Schumacher have raced safely with cars equipped with Sabelt products.

Sabelt has been developing numerous partnerships with historical teams such as Ferrari, Red Bull F1, McLaren, Toro Rosso, Hyundai (WRC), Abarth, Jaguar, Renault and Alfa Romeo, and for the most important championship in the world such as F1, NASCAR, World Rally Championship (WRC) and Endurance racing;

Special Applications

Thanks to decades of experience in various fields of application of seatbelts, Sabelt is able to design and manufacture restraint systems suitable for different types of vehicles: aeronautic, aerospace and military.

Values and expertises

The Company guarantees the highest level of safety, comfort and product performance through deep knowledge of its products, innovation, production cycle optimization. Innovation is boosted through investments in new materials, and products, new processes, new shapes and design. Performance is supported by the search for a unique style in line with the design of equipped vehicles. Sabelt activity is driven by the following values and expertise as follows:

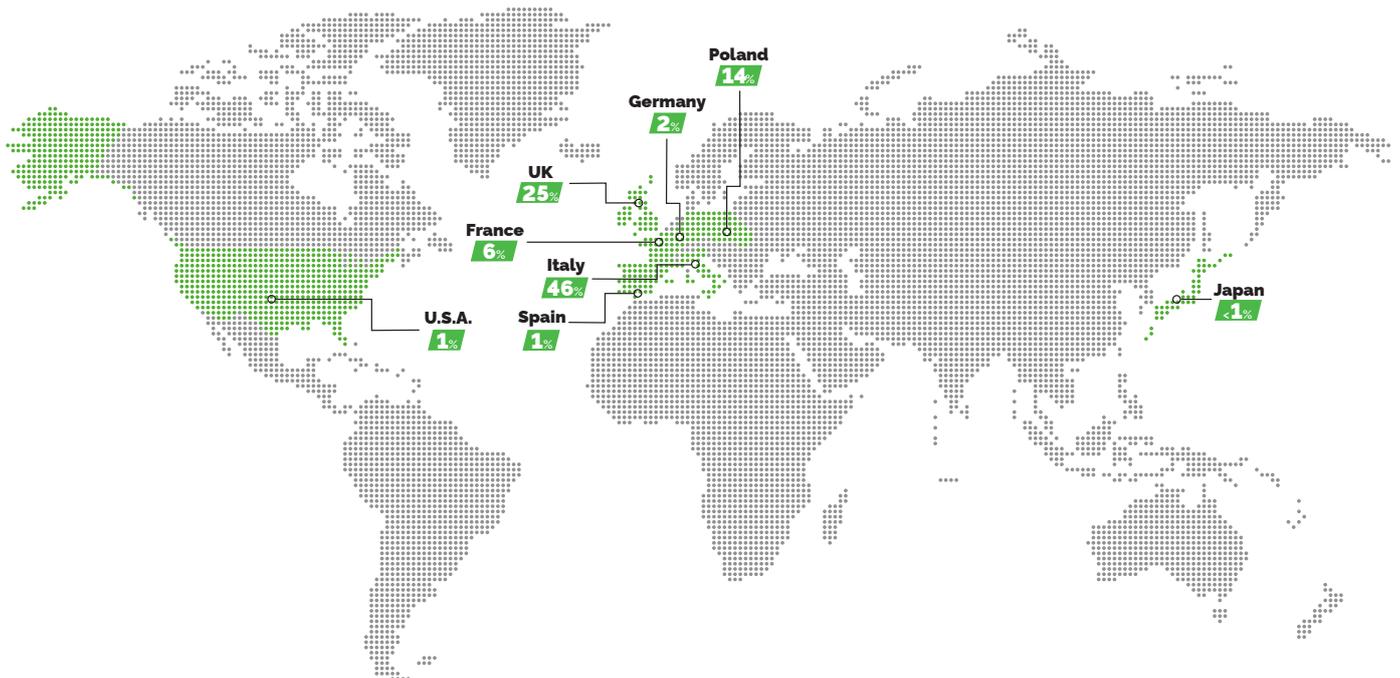
- *Research & Development*
- *Innovation and Lightness*
- *Safety, quality, excellent customer service*
- *Craftsmanship*
- *Cost control*
- *Large product portfolio*
- *Diversified customer base*
- *Sustainable growth.*

The Company production activities are located in two plants in Moncalieri (TO), dedicated to OEM seats and products for the Racing and Aerospace sectors.

Sabelt owns 55% of Cor.Sa S.r.l., active in the development and production of metal components for automotive seats. Sabelt owns a qualified minority stake of BeonD S.r.l., active in advanced CAD – CAS design, FEM calculations and Battery Systems design.

Sabelt also owns a minority stake of TUC S.r.l., a start-up focused on structural/digital technologies allowing vehicles to achieve greater customisation and digitalisation.

In 2020, the Company served 44 markets, with Italy, Great Britain, Poland, France, Germany, Spain, US, Japan as the most important ones. The key markets and their shares are shown below.



History

Sabelt brand was founded in **1972 by Piero and Giorgio Marsiaj**. The company operations started with the development and production of seatbelts, for motorsport and road cars.

On one side, the Company focused on the **motorsport business (Racing)**, starting a unique partnership with the most iconic brands in Formula 1 and World Rally Championship history: Alfa Romeo, Arrows, Renault, Lancia, Ligier, Scuderia Ferrari and Williams among others. The Company soon added innovative products such as fast-release seatbelts and the first rotating buckle, introduced in 1976 in the world of competitions at the request of FIA, together with other components and accessories: carbon seats, pedals, reinforcement bars, suspensions and specific technical clothing for drivers and mechanics.

On the other side, Sabelt **production of seatbelts for road cars (OEM)** increased year after year, supported by the gradual mandatory adoption of seatbelts in the global automotive market. In the late 70s, Sabelt was the main supplier of the Italian car makers, reaching in 1985 a turnover of the equivalent of € 18 million, considerable at this time. It was clear to the founders that the development and production of seatbelts and bundled safety systems for automotive mass market needed a larger financial and technological strength.



For this reason, in 1985 the Company control was acquired by the American automotive multinational TRW, and the Italian operations headed by Giorgio Marsiaj himself.

In 2000, Sabelt founders got back the ownership of Sabelt Racing activities.

Moreover, the Company soon came back to the **OEM sector with a new product, developing and producing seats for sport** road cars such as Ferrari F430 Scuderia, Renault Mégane Radical, 500 Abarth. This activity has grown over the years until becoming the company's turnover most significant component: today Sabelt's OEM customer base includes Abarth, Alfa Romeo, Aston Martin Lagonda, Ferrari, Hyundai, JLR, Maserati, McLaren, Pininfarina, Renault – Alpine, Rimac, Seat Cupra.

In 2008, the company control was transferred to Brembo Group.

In **June 2015, Marsiaj family regained control of the company**, inaugurating a new phase of productive and commercial development that leads to the existing Sabelt.



Sustainability



SUSTAINABILITY

Sustainability for Sabelt. "Agenda 2030"

In order to avoid Sustainable development and Social responsibility remaining abstract concepts, they need to be implemented in the everyday business and practices. With this objective in mind, Sabelt has identified the relevant sustainability issues for its business and stakeholders, defined the parameters to measure its sustainability performance and established a sustainability path with long-term goals.

More specifically, as required by the GRI Standards, which is the reporting framework adopted, Sabelt has prepared its first Sustainability Report as follows:

- it has identified and prioritised those stakeholders directly or indirectly involved in business operations, with whom launch a stakeholder engagement process;
- it has identified and organised the material topics according to its own expectations and those of stakeholders, through a so-called "materiality matrix".

Relevant contents were mapped using reference information sources on the subject, and particularly the "2030 Agenda for Sustainable Development": a document defined by UN as "an action program for people, the planet and prosperity" in 2015. In particular, 2030 Agenda helped Sabelt to:

- provide a definition of "Sustainable Development", indicated below;
- identify and organise its sustainability objectives using the 17 Sustainable Development Goals (SDGs) set by the UN as a benchmark.

Sustainable development according to the "2030 Agenda"

A development process that aims at meeting the needs of the present, without compromising the ability of future generations to meet their own needs.

In order to achieve sustainable development, it is important to harmonise three key elements: economic growth, social inclusion, and environmental protection.

SUSTAINABLE DEVELOPMENT GOALS



Our Stakeholders

As required by the GRI Standards, a fundamental step towards the definition of the relevant sustainability topics comprises Company's stakeholders' identification and prioritisation.

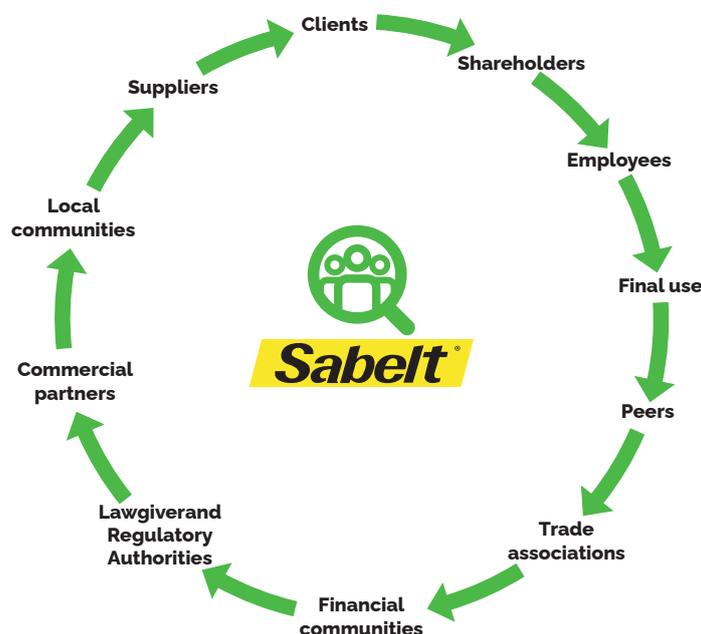
Top management helped mapping Sabelt's main categories of stakeholders in relation to the company's structure and activities, the value chain and the Company's network of relationships. The identified stakeholders were then prioritised on the basis of:

■ dependence on Sabelt;

■ influence that they, through their activities and choices, can exert on the Company.

Sabelt aims at establishing and consolidating relationships of trust, mutual respect, active partnership, transparency and long – term collaboration with its stakeholders.

In this light, the Company promotes with them regular communication and exchange of information.



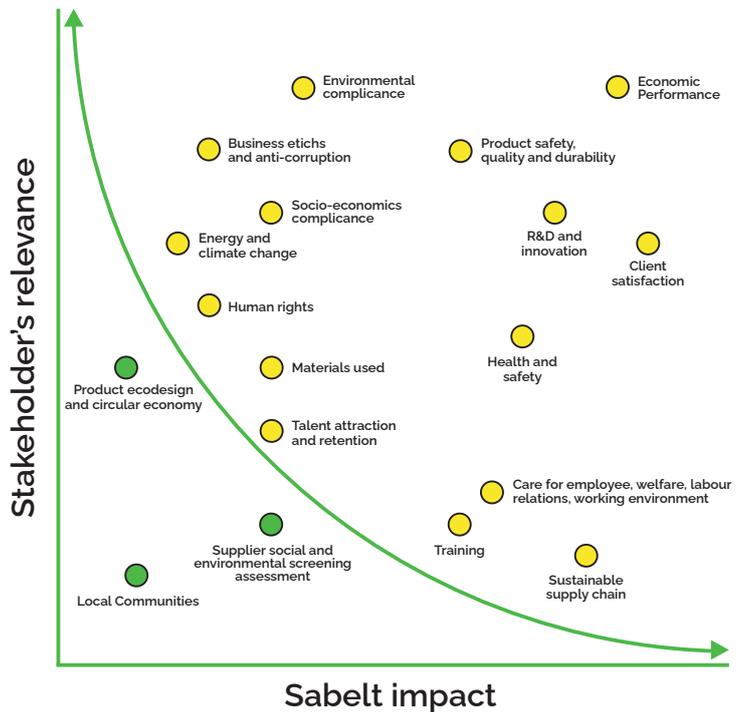
Materiality

The Sustainability Report focuses on some relevant sustainability topics which were identified through the following steps:

- mapping of the potentially material topics to the Company. To this end different preliminary activities were carried out, such as analysis of the news reported by the media, further information on companies operating in the same or similar business sectors and assessments of the topics included in the most commonly used sustainability standards;
- drafting a "long list" of potentially significant topics for Sabelt;
- prioritisation of the topics that, as envisaged by the GRI Standards, took place by conducting the so-called "materiality analysis".

More specifically, this latter analysis was carried out during a workshop participated by the company's top management. Through the use of a "Materiality matrix", an effective tool in assessing the topics' relevance based on the specific corporate interest and the expectations of stakeholders that had already been identified, the main topics have been prioritised.

The materiality matrix is graphically represented by a Cartesian system where the different business topics are positioned based on the intersection between Sabelt's impact on the topic in question (X axis) and the topic's importance for the main stakeholders (Y axis). As envisaged by international best practices, the Matrix is expressed in an "arc" approach that also considers the final part of each axis important. The elements positioned at the top right of the Materiality Matrix, enlarged in the image below, represent the 15 most relevant topics for Sabelt and its stakeholders.



Sabelt sustainability objectives

15 material topics were then organised into 4 sustainability goals for Sabelt, here below described:

Organizational structure and economic performance

Sabelt pursues long-term economic and financial development and efficiency objectives, fully respecting its ethical business values and socioeconomic compliance, through governance based on transparency and the segregation of skills.

People and Territory

Sabelt pursues objectives to fully value and ensure its staff safety and the social responsibility towards the reference territory.

Innovation and Quality

Sabelt works on technological innovation, quality, safety, and product durability objectives, as the main tools to customer satisfaction and competitive advantage.

Environment

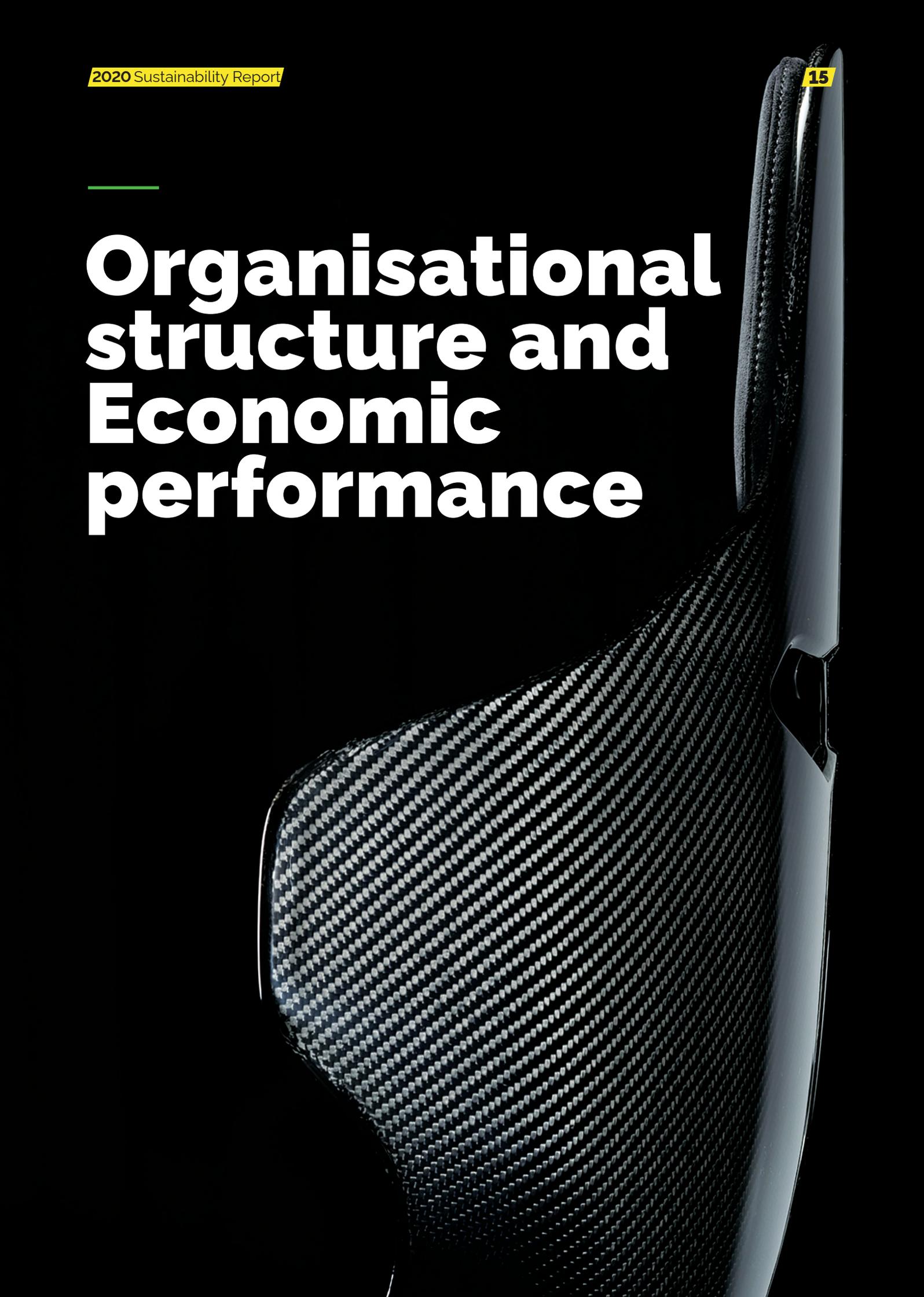
Sabelt pursues objectives aimed at reducing its environmental impact by adopting energy-efficient technologies and maximising the use of eco-friendly and recyclable materials.

Sabelt is committed to carrying out appropriate external engagement activities in order to implement increasingly effective actions. The table below correlates:

- the **15 material topics** identified;
- the **4 Sabelt sustainability objectives**, corresponding to the following **4 chapters**;
- the **6 SDGs significant** to Sabelt.

CHAPTER	MATERIAL TOPICS	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
3. Organization structure and Economic performance	Economic performance		●	●	●		
3. Organization structure and Economic performance	Sustainable supply chain		●	●	●		
3. Organization structure and Economic performance	Business ethics and anti-corruption		●	●	●		
3. Organization structure and Economic performance 5. People and Territory	Socio-economic compliance	●	●	●	●		
3. Organization structure and Economic performance 6. Environment	Environmental compliance		●	●	●	●	●
4. Innovation and Quality	Product safety, quality and durability			●		●	
4. Innovation and Quality	R&D and innovation			●		●	
4. Innovation and Quality	Client satisfaction			●		●	
4. Innovation and Quality 6. Environment	Materials used			●		●	●
5. People and Territory	Health and safety			●		●	
5. People and Territory	Human rights	●					
5. People and Territory	Talent attraction and reaction	●					
5. People and Territory	Care for employees, welfare and working atmosphere	●	●				
5. People and Territory	Training	●					
6. Environment	Energy and climate change					●	●

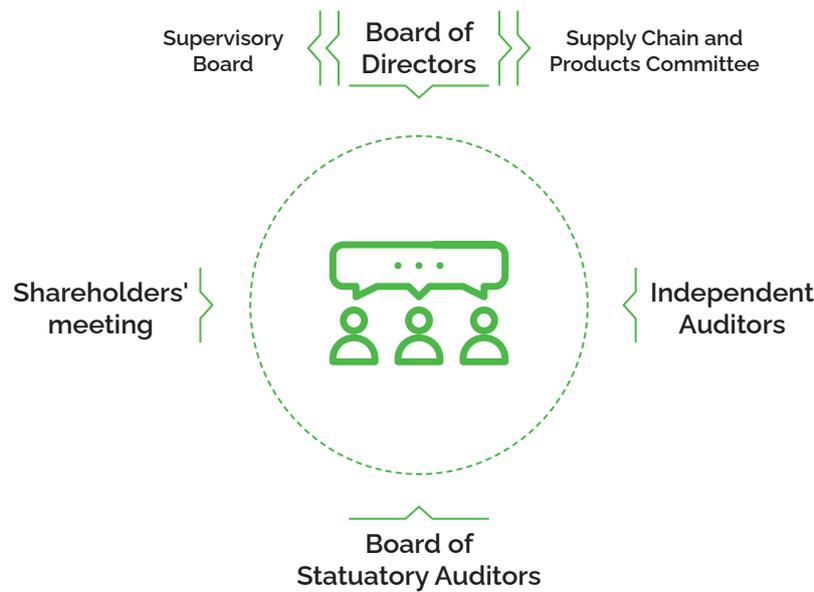
Organisational structure and Economic performance



ORGANISATIONAL STRUCTURE AND ECONOMIC PERFORMANCE



Corporate Governance



Over the years, Sabelt has built a simple, effective governance system that is calibrated to its size and operations. It governs the company in the pursuit of its economic and financial objectives for the benefit of all stakeholders, in compliance with binding legislation, best practices and the values and principles it has set itself: responsibility, integrity, health and safety, quality and continuous improvement, prudence.

Sabelt's governance system is based on a governance model, consisting of corporate bodies and other bodies and instruments envisaged by regulatory standards and corporate benchmarks.

The **Shareholders' Meeting** is the deliberative collegial body formed by the shareholders (or their representatives). It is the body responsible for appointing the corporate bodies, approving the Company's financial statements and amendments to the Articles of Association.

The **Board of Directors** is the collegial management body of the Company, invested with all powers of ordinary and extraordinary administration. It also serves as a steering and control function and is composed of six members, including a Chairman and Chief Executive Officer, an Executive Deputy-Chairman, four non-executive directors (of which two are independent).

The **Board of Statutory Auditors** is responsible for overseeing compliance with the law and with the Articles of Association, as well as compliance with the principles of correct administration in the conduct of corporate activities, and the adequacy of the Company's organisational structure, internal control system and administrative and accounting system. The Board of Statutory Auditors is composed of three standing members and two substitute members.

The **Independent Auditors** are appointed as statutory auditors and are chosen by the Shareholders' Meeting. EY S.p.A. is the current firm of Independent Auditors.

The **Supply Chain and Products Committee** has an advisory role for the Board of Directors and supports them

in managing the supply chain, monitoring performance and improving its efficiency. It is composed of four directors who engage the company managers from time to time on the issues of their competence.

Sabell's corporate governance is based, in addition to the bodies described above, on an articulation of responsibilities and procedures. The current **System of proxies and powers of attorney** ensures the principle of attribution and segregation of powers that governs flows and operating processes: the basis of sound corporate management and compliance with regulations. The System of proxies and powers of attorney concerns directors and managers of the Company.

Composition of the Board of Director at 31-12-2020		
COMPONENTS	OFFICE	AGE GROUP
Giorgio Marsiaj	Chairman and Chief Executive Officer	> 50
Massimiliano Marsiaj	Executive Deputy Chairman	30 < 50
Piero Marsiaj	Director	> 50
Gregor Marsiaj	Director	30 < 50
Gianni Coda	Independent director	> 50
Bernardo Bertoldi	Independent director	30 < 50

Composition of the Supply Chain and Products Committee at 31-12-2020		
COMPONENTS	OFFICE	AGE GROUP
Gianni Coda	Chairman of the Committee	> 50
Giorgio Marsiaj	Member	> 50
Massimiliano Marsiaj	Member	30 < 50
Piero Marsiaj	Member	> 50

Composition of the Board of Statutory Auditors at 31-12-2020		
COMPONENTS	OFFICE	AGE GROUP
Piergiorgio Re	Chairman of the Board of Statutory Auditors	> 50
Ivan Gasco	Standing statutory auditor	> 50
Alessandro Pedretti	Standing statutory auditor	> 50
Roberto Gado	Substitute statutory auditor	> 50
Chiara Francesca Ferrero	Substitute statutory auditor	30 < 50

Composition of the Supervisory Committee (SB) at 31-12-2020 (*)		
COMPONENTS	OFFICE	AGE GROUP
Alessandro Pedretti	Chairman of the SB	> 50
Marco Domenico Tessera Chiesa	Member	> 50
Enrico Vittorio Alessandro Bonito	Member	30 < 50

(*) For information on the functions of the Supervisory Committee, please refer to the following paragraph "Responsible risk and business management"

Responsible risk and business management

Sabelt monitors and manages, through its competent corporate functions, the factors of success, risk and uncertainty related to its business and the economic and regulatory context in which it operates. In addition to that, it also monitors factors that determine the economic, equity, and financial performance of the Company, the enhancement and protection of resources, efficiency, and operational effectiveness as well as compliance with the laws, regulations and principles of the Company.

Sabelt is exposed to factors related to the nature of the Company's business. They are typically grouped by categories:

- Reference market, customer base and related credit risk;
- Evolution of legislation, laws and regulations with particular focus to those relating to automotive and aerospace;
- Technical system – company production and supply chain;
- Human resources and company organisation;
- Health, safety, and environment;
- Economic, financial and tax-related factors, with particular focus on turnover, margins, investments, availability of capital, availability of liquidity, interest rate and exchange rate risks;
- ICT infrastructure and related IT risks.

The monitoring and management of these factors gives rise to communications to the General Management, the Chief Executive Officers and the Board of Directors according to their respective responsibilities and for their respective assessments and operational and strategic decisions.

In 2001, **Italian Legislative Decree 231** entered into force in Italy, introducing the concept of administrative liability of entities for offences resulting from the commission of a crime. The Decree suggests the adoption of an Organisation, Management and Control Model whose purpose is not only to prevent the commission of crimes but also to constitute, in the same interest of the Companies, a framework of guiding principles, operating procedures and controls inspired by criteria of sound corporate management.

Sabelt S.p.A. has adopted an **Organisation, Management and Control Model** pursuant to Italian Legislative Decree no. 231/2001 in which the principles of fairness and transparency in the conduct of corporate activities are formalised. The Model 231 allows detecting and mapping the processes and business structures most at risk, preparing a system of prevention, control and surveillance and defining disciplinary actions in the case of violations.

A fundamental part of the Model is the **Code of Ethics**, an initiative for raising awareness among those who work in the name and on behalf of Sabelt, so that they can follow correct and linear behaviours in carrying out their activities in order to prevent the risk of committing crimes. The Code of Ethics applies, as far as is compatible, to representatives, agents, collaborators, external consultants and companies that receive an assignment from the Company.

The Model 231 also defines the role of the Supervisory Committee, which verifies the correct adoption and compliance with Model 231: the Supervisory Committee reports to the Board of Directors on an annual basis,

informing it of the activities carried out and the critical issues detected in relation to the implementation of the Model itself.

Compliance with regulations and certifications

Sabelt adopts a safety and environment management system which also includes an assessment of risks regarding workers health and safety and environmental impacts. The organisation has obtained a certification according to the Standards UNI EN ISO 14001:2015 and

ISO 45001:2018, that will ensure that all business operations take place in respect of the environment and the health and safety of workers. The Company has not detected cases of non-compliance in the environmental and occupational safety areas.

- The Company has not detected any cases of non-compliance with laws and/or regulations related to the economic and social area;
- The Company has not suffered any legal action, pending or concluded, regarding alleged anti-competitive behaviour and violations of antitrust and monopoly laws;
- Sabelt has not detected any cases of corruption, nor have similar incidents been confirmed against the company or its employees, nor has the Company taken consequent action against its employees or business partners;
- Sabelt has not detected any cases of discrimination based on ethnicity, colour, sex, religion, political opinions, nationality or social background, as defined by the International Labour Organisation, or other relevant cases of discrimination involving stakeholders inside or outside the organisation.

COVID-19 healthcare emergency

On 11 March 2020, COVID-19 healthcare emergency was classified as a "pandemic" by the World Health Organization - WHO.

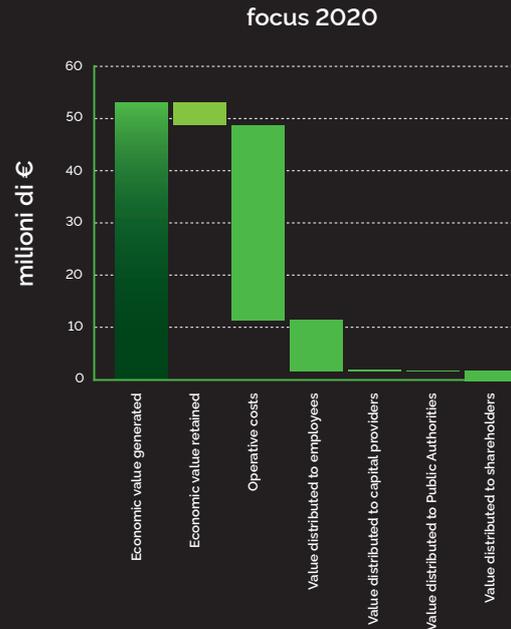
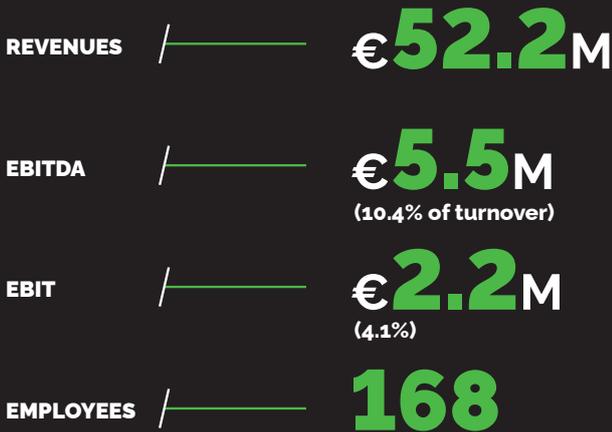
The spread of COVID-19 virus potentially has a systemic impact, because it is "global" and because the characteristics of contagiousness, severity, lethality of the

disease put at risk citizens' health, the resilience of the healthcare systems and the continuity of economic and production systems.

Since the end of January 2020, Sabelt has identified the main risks arising from COVID-19 emergency, and the countermeasures to be undertaken. In detail Sabelt:

- identified the risk deriving from potential contagion in the workplace. Measures and protocols have been identified to determine physical and social distancing, adopt Personal Protective Equipment – PPE for employees, promptly identify any cases of infection, sanitize with appropriate frequency the working places. In compliance with the regulatory evolution regarding the containment and management of the epidemiological emergency from COVID-19, in the week of 23 March 2020 the company's production activities were stopped and re-started on 4 May 2020;
- identified the risk deriving from the pandemic and the global countermeasures taken (in particular the so called "lockdown") on the demand of the reference market, on the production continuity of its customers and suppliers.

Economic performance



These economic results have been achieved following a period of significant growth in the last three years 2018 – 2020 and also since 2016 (along a five – years period).

The turnover recorded an average annual increase (CAGR) of:

- **-3%** between 2018 and 2020;
- **+7%** between 2016 and 2020.

The workforce recorded an average annual increase (CAGR) of:

- **+10%** between 2018 and 2020;
- **+7%** between 2016 and 2020.

Sabelt underpinned its commercial development by carrying out significant research and development activities, which in 2020 amounted to **€ 6.4 million (12% of turnover)**.

In the three-year period 2018-2020, the economic value distributed to employees grew by 15%.

ECONOMIC VALUE (€ million)	2018	2019	2020
Economic value generated	57.4	76.2	53.6
Economic value retained	4.4	7.45	4.1
Economic value distributed	53.0	68.7	49.5

From a sustainable development and corporate social responsibility perspective, the economic growth highlighted is significant since it corresponds to an increase in the economic value generated and distributed to stakeholders.

The analysis of the economic value generated, distributed and retained in 2020 highlights:

■ generated economic value of € 53.6 million, -3% compared to 2018 (CAGR) despite 2020 downturn due to Covid19;

■ distributed economic value of € 49.5 million, -3% compared to 2018 (CAGR);

■ retained economic value of € 4.1 million, 7.6% of the economic value generated. The decrease (CAGR) compared to 2018 is equal to -3%.

The retained economic value corresponds to the value that remains in the company and can be reinvested in innovation and research and development: it includes the depreciation and amortisation value of tangible and intangible fixed assets, in relation to the residual possibility of future economic use of each asset that may last over the years.

The distributed economic value has been allocated as follows:



Supply chain

The governance and enhancement of the supply chain under the responsibility of the Supply Chain and Products Committee is a strategic objective that Sabelt pursues by building relationships that go beyond the concept of mere "supply". Sabelt supply chain consists of about 600 active suppliers, some of them with an international background and many small and medium-sized national companies that have matured technological excellence.

In particular, Sabelt:

■ delivers 71% of the generated economic value (77% of the distributed value) to its supply chain, as highlighted in the previous paragraph;

■ strengthens the technological and business link by promoting technical and commercial partnerships with the supply chain;

■ integrates its "key" suppliers into preferential credit programs promoted by a leading national credit institution. The "Progetto filiera" allows the most qualified "tier 2" suppliers to benefit from provisioning under competitive economic conditions, as they belong to a recognised production chain.

Approximately 35% of Sabelt supplies are companies located in Piedmont – Italy (area in which the Company has its operational headquarters).

Sabelt Production Model provides for a direct involvement of the company in the activities with the highest added value, with particular reference to:

**Design.**

Sabelt has technical and engineering skills and experience that allow the complete management of finished product development.

**Processes on core technologies.**

Sabelt oversees the “distinctive” technologies of its products, through:

- Direct management of certain technologies, primarily the production of metal components (through the subsidiary Cor.Sa S.r.l.);
- Consolidated technical-commercial partnerships with leading suppliers, with whom it shares activities and experiences;

**Final assembly.**

Sabelt deals directly with the final assembly phase of the components for most complex finished products

Innovation and Quality



INNOVATION AND QUALITY



Strategic Levers

Innovation in seating and restraint systems for sport, racing cars, aerospace and aviation

The entire Sabelt product range can be traced back to this paradigm, applied using new technologies, new processes and new materials. Sabelt supported its R&D activities in 2020 with costs and investments equal to 12% of its turnover.

Quality and craftsmanship

Sabelt has always combined innovation and craftsmanship in the creation of its product, maintaining quality standards required by standard "premium" productions.

Innovation and quality are, therefore, the main strategic levers through which Sabelt plans to increase customer satisfaction, its competitive advantage, and finally, market leadership.

The seating and restraint system, which consists of a seat and a seat belt, is the main man-vehicle interface. It is a complex system that is fundamental for ensuring comfort, well-being and passenger safety. Sabelt's seating and restraint systems will be guaranteed with the highest quality and safety standards, and in particular:

- the reduction of product weight, key in the sports car segment and in racing applications, and an even more importantly, a critical step with the current electric cars;
- the increase in the products' mechanical performance, meant as containment and resistance capacity and non-deformability in the event of impact;
- the guarantee of safety levels at the top of the market, in addition to the levels set by the type-approval regulations;
- the improvement of ergonomics and comfort to ensure occupants' health and well-being in today's car and, in perspective, in tomorrow's self-driving vehicles.

Innovation: organisation and processes

Sabelt promotes its innovation through a dedicated function called "RD & Product Development" (20% of the workforce at the end of 2020), organised according to areas of application and level of experience:

- Testing, Prototyping & Advanced Projects;
- OEM Engineering;
- Racing Engineering.

The company benefits from a testing centre it has built over the years which features a significant supply of machinery and equipment. In particular the following are highlighted:

3D printing with "Stratasys Fortus" technology;

"In-house advanced dynamic crash test on fixed barrier, to develop know – how, anticipate homologation tests, accelerate time to market"

3D scanning tool with "Hexagon Romer" technologies;

Computer Numerical Controlled (CNC) Machine Zund fabric cutting centre;

Test tools with Occubot "KUKA" technology.

The process of new product development, engineering, and launch is called "SDS – Sabelt Development System". It is divided into several phases, each concluding with review sessions (so-called "gates") as indicated as follows:

1

Feasibility and offering

2

Product/process development and requirements confirmation

3

Product/process development and project validation

4

Internal industrialization and Tier N and product/process validation

5

Product launch and stabilization

6

Mass production



Innovation projects and results, patents

Over the years, Sabelt gained a significant set of technological information and experience, which fostered a heritage of intellectual property (patents and know how). Some of the main innovation projects and results from the Company R&D are shown here below.

Double-layer carbon-fibre monocoque and ergonomic pad mounting

In collaboration with a major customer and strategic suppliers, Sabelt has developed the world's lightest single-body road seat. The seat uses innovative technology featuring a double-layer carbon-fibre monocoque (with aesthetic value on both front and back) to which ergonomic pads are applied on the pressure points: seat, lower back, shoulders, head.

The technology was applied to the standard McLaren Senna car, and recently resulted in the achievement of the "Supplier Excellence Award" from McLaren.

Carbogreen Project

In 2020, Sabelt continued a study aimed at developing a "system – seat" for applications on next-generation sports cars, built with materials that allow single disposal and end-of-life product recycling with limited impact on the environment, with adequate weight performance and mechanical strength. This project, matured in collaboration with the Polytechnic Institute of Turin and partly financed by the Piedmont Region with the Call POR FESR IR2, is better described in the following chapters.



Sabelt has developed an appreciable patents portfolio over the years (patents and patent applications), belonging to the two patent families listed below.

- Patents and patent applications for belts and racing safety and related buckles;
- Patents and patent applications for height adjustment systems for OE seats.

Product safety, quality and durability

Sabelt applies the voluntary technical standards defined by national and international standardisation bodies to define the characteristics that its excellent products must have. It also aligns its production processes with the best practices, guaranteeing reliable performance, safety and quality. This compliance verification activity involves the "RD & Product Development" and "Quality" functions.

As part of the technical validation phase, Sabelt products are subject to several tests, which are carried out under all conditions of use to define product quality, performance, and efficiency. Those tests are performed within specialised and certified laboratories. This process involves four steps that are aimed at testing and certifying Sabelt's products under the same conditions of use similar to the real ones:

- simulated FEM-type analyses
- static bench tests
- dynamic bench test cycles
- type-approval tests.

Static bench tests allow a first verification of product's correspondence with the design requirements, subjecting the prototypes to various load and use cycles.

The **dynamic benches** allow replicating vehicle dynamics through the combination of mass and speed. The tests carried out concern efficiency, functionality and strength. During the design, development, and industrialisation phase, the so-called product and process FMEA (Failure Mode and Effect Analysis) is carried out to preventively identify the weaknesses and criticalities that could potentially affect products reliability and safety along the entire supply chain. It also helps defining the necessary improvements and intervention priorities to be implemented before the product's entry into production.

The above elements constitute a fundamental part of Sabelt's quality management system which, with reference to **OEM activities, complies with the quality standards ISO 9001:2015 and IATF 16949:2016 in the automotive sector.**

In 2019, Sabelt **obtained APDOA – POA certifications** which are aimed at the **development and production of restraint systems for the aeronautical sector**. In addition, Sabelt's plans on getting the **AS/EN 9100** certification process, based on ISO 9001 - Quality Management Systems - which adds specific requirements required by the Authorities and Manufacturers of the aerospace sector.

Sabelt has defined a structured quality performance monitoring process assessing either internally or externally. Therefore, this will also involve its suppliers, using specific indicators. The Quality Department defines these metrics annually within the Quality Plan, which includes its annual objectives as well. One of the most significant indicators allowing the Company to keep its own, and supplied, processes under control is waste deriving from internal processes or supplies. In situations of non-compliance, the Quality Department defines action plans in collaboration with other corporate bodies and the suppliers involved. Any reports from the customer initiate an analysis and communication process which is managed through dedicated portals.

During the reporting period, the Company did not detect any non-conformities related to health and safety impacts of its products.

People and Territory



PEOPLE AND TERRITORY



EMPLOYEES — **168** **WOMEN** — **52** **MEN** — **116**

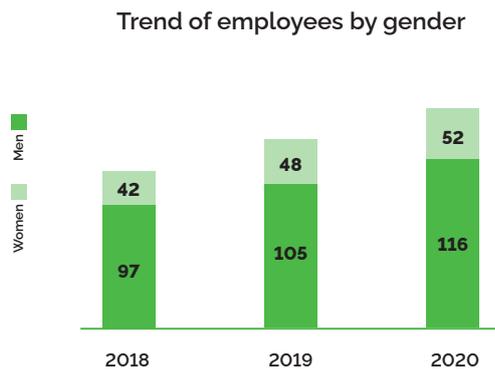
Sabelt has a close attention to employees as “partners” in the construction of the Company plan: a path that is shared, albeit with diverse roles, and can be carried out with the same passion and dedication. Sabelt acknowledges the importance of its staff and ensures constant attention to their health and safety, working conditions, and enhances its resources through continuous professional training activities. Notwithstanding the work roles and responsibilities framework, mutual personal knowledge and the construction of a well-integrated environment is facilitated by Sabelt’s structure.

Sabelt considers itself part of the local and national community to which it belongs: it dialogues and collaborates with local businesses and with institutional, economic, research and training entities, both public and private.

Employees are partners in the development of the Company plan.

Attraction & retention of talents

In 2020, as in previous years, Sabelt recorded a significant increase in employees, in all categories and for all types of contracts (permanent, temporary staff, project contracts, interns).



In the three-year period 2018 – 2020, despite 2020 downturn for Covid19 emergency, the number of employees grew from 139 to 168 (CAGR 10%), whilst the number of freelancers (excluding administrators), temporary staff and interns, increased from 25 to 51.

Workforce adaptation towards a productive and commercial development, has been matched by Sabelt’s attractiveness, which oversees a careful employment policy based on the following pillars: policy based on the following pillars:

Promotion of opportunities for personal and professional growth paths, through training, skills development, adding value to job stability. 100% of employees, all resident in Italy, are covered by collective bargaining;

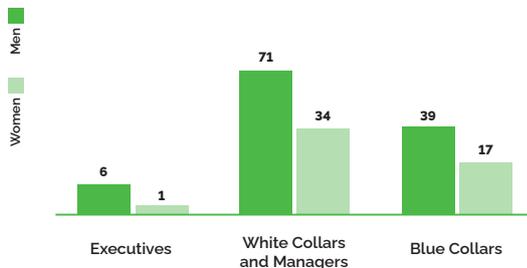
Promotion of a safe working environment, where people's health and psycho-physical well-being is protected;
Definition of remuneration policies and meritocratic incentive systems;
Diversity Inclusion and enhancement.

The analysis of the workforce between 2018 and 2020 by category, gender, age and contract type highlights:

31% of women, recording in particular an increase among white collars/managers (from 28% to 31%);

WOMEN — **31%**

Employees by professional category and gender in 2019



Employees by professional category (number)	2018	2019	2020
Executives	5	8	7
White Collars and Managers	89	93	105
Blue collars	45	52	56
Total	139	153	168

The growth of more experienced group of workers (above 50 years of age), from 22% to 28%, necessary to support the company development with competence and knowledge;

The immaterial incidence of fixed-term employees (1 in total), and part-time contracts (approx. 1% of the total).

Workers have full time contracts — **99%**

100% — **Workers have permanent contracts**

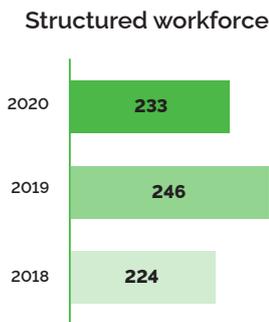
At the end of 2020, a total of 51 atypical contracts were registered, including 45 temporary workers and 2 project collaborations. During the three-year period 2018 – 2020 an increase in temporary agency workers was registered (from 21 to 45), compared to the low incidence of other non-standards contracts (from 4 to 6).

Non-standard contract (number)	2018	2019	2020
Temporary	21	26	45
Project contract	2	2	2
Interns	2	0	4
Total	25	28	51

The company's workforce, calculated as the sum of employees and non-standard contract workers, totalled 219 at the end of 2020. The incidence of atypical workers amounted to 23%.

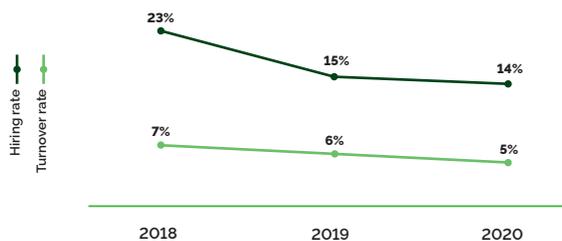
Moreover, Sabelt uses a further parameter called **"structured workforce"**, which in addition to employees, freelancers, and collaborators, includes those of the subsidiary Cor.Sa S.r.l., a captive company verticalized on the production of mechanical components.

The structured workforce totalled 233 at the end of the year, -5% compared to 246 at the end of 2019. The CAGR in the 5-years period 2016 – 2020 amounted to 18%.



The analysis of employee turnover over the three-year period highlights in particular:

- 79 hires, of which 24 in 2020 (with an incoming turnover of 14%);
- 27 terminations, of which 8 in 2020 (with an outgoing turnover of 5%);
- new hires registering mainly men (67% of the total), less than their incidence in the workforce.



Employee care, welfare, and working environment

Sabelt employees are valued through initiatives aimed at improving their professional competence and soft skills, involvement and motivation, and increasing their psycho-physical well-being. The final goal is to improve working conditions and performance, benefiting the parties involved and the success of the company's operations.

The training offer is a key method in valuing Sabelt's human capital. Sabelt provides more significant amounts than what envisaged in the metalworking collective bargaining agreement (24 hours every three years), since on average it provides about 17 hours per year per employee in 2019.

927 — Total hours of training in 2020

Employee training is annually defined after directly involving the interested parties. The main thematic areas addressed include: specialist and managerial training, language training, technical training, health, safety and environment training. In 2020, 927 hours of training were provided. The material reduction respect to 2019 is attributable to the upset determined by Covid19 healthcare emergency and the subsequent impact on the markets (-30% in the economic value generated).

Training (hours)	2018	2019	2020
Specialist and managerial training	1,230	589	446
Technical training	1,636	1,542	431
Safety training	626	446	50
Total	3,492	2,577	927



The strategy for valuing staff is implemented with an assessment of skills and performance linked to a meritocratic incentive plan. This is aimed at ensuring the continuous improvement, talents permanence, and skills in the company, thus, on the one hand, ensuring people well-defined career developments and the surety of being able to build their professional career path at Sabelt on the other.

More in detail:

- white collar positions are evaluated with reference to technical and managerial skills;
- blue collars are evaluated on the basis of an assessment of multivalence and multiple skills;
- executives are evaluated through an MBO system that measures individual annual performance and company performance.

The correct valuation and evaluation of human resources is closely linked to the values of equality, non-discrimination, inclusiveness and gender equality.

In this regard, it should be noted that there were no cases of discrimination during the reporting period. Furthermore, Sabelt productions do not have plants considered to at risk of forced or compulsory labour or, more generally, human rights violations. Confirming this aspect, no reports have been received by the company regarding alleged violations in this regard.

Moreover, Sabelt has in place certain activities aimed at ensuring specific needs of its employees, through so-called "people survey" activities. More generally, Sabelt continue its commitment to ensure a good work-life balance. At the end of 2020, there were two part-time positions held by women employees.

With reference to the issue of gender equality, the pay level between men and women registers an 8% gap: the equality index is equal to 92% in 2020, respect to 90% in 2019.

Ratio of basic salary of women to men (%)	2017	2019	2020
Executives	<i>n.a.</i>	100	100
White Collars and Managers	97	97	97
Blue collars	100	100	100
Average (*)	99	99	99
Ratio of remuneration of women to men (%)	2018	2019	2020
Executives	<i>n.a.</i>	61	61
White Collars and Managers	88	88	91
Blue collars	102	95	101
Average (*)	92	90	92

*weighted by professional category

Health and safety

injuries 

Sabelt promotes health and safety value in the workplace with the adoption of policies and procedures, in accordance with the provisions of Italian Legislative Decree no. 81/2008 (Consolidated law on occupational health and safety) and subsequent amendments and additions, which provide for:

-  a risk assessment;
-  planning of prevention measures, including through specific investments aimed at reducing the risk of injury or ergonomics;
-  a system of behavioural rules and standards clearly communicated to all workers and operators in the company areas;
-  a system of checks, including by independent third parties, involving all workers;
-  monitoring, analysis and disclosure of injuries and near miss cases;
-  continuous training and empowerment activities, allowing the company to develop a culture of safety;
-  obtaining OHSAS 18001:2007 certification.

It is widely recognised that training and awareness-raising activities are key factors in achieving relevant health and safety results.

The training offer is a key method in valuing Sabelt's human capital

Injuries	2018	2019	2020
Total number of hours worked	267,828	324,072	274,403
Number of injuries	4	2	0
<i>of which severe (with more than 6 months absence)</i>	-	-	-
Injuries frequency rate (number of injuries/hours)	14.93	6.17	0

Between 2018 and 2020 Sabelt provided 1.122 hours of health and safety training to its employees in 2019, 2.4 hours per capita.

In addition, in order to involve the company staff, in 2019 Sabelt has established an annual award for the two employees who have best supported the value of safety at the two production sites in Moncalieri.

Moreover, the company has initiatives related to "multi-skills", which guarantee the rotation of staff to multiple workstations. The objective is twofold: increasing staff attention levels whilst also reducing the amount of exposure to the specific ergonomic risks of the workstations.

With specific reference to the Covid-19 healthcare emergency, at the beginning of 2020 action have been undertaken in order to mitigate the spread of the virus within the working environment. Further details can be found in paragraph "COVID-19 healthcare emergency".

This systemic approach has allowed, in the three-year period 2018 - 2020, a significant improvement in the annual number of injuries from 4 to 0, in the presence of an increase in the number of hours worked (+2%). In the 2018 - 2020 period, none of the injuries can be considered serious and no fatalities occurred.

Social and cultural development of local communities

Sabelt believes in the principle of corporate social responsibility which, as a mature economic entity, contributes to the construction of the economic and social context of reference with other public and private operators. Sabelt's activities are conducted according to the logic of supporting the economic, social, and employment growth of the territory and the local community of reference. To this end, the company's main guidelines include:

- **consideration of companies in the territory** in the identification of tier 2 suppliers. This choice arises from the following considerations:
 - the stated objective of contributing to the construction of its territorial community;
 - the wealth of knowledge and skills that the Piedmont economic system offers to the automotive and manufacturing industries in general;
 - proximity as a condition for building efficient supply chain connections. A strong supply chain and geographical proximity can bridge the dimensional gap of small companies in our industrial fabric. Approximately 35% of Sabelt supplies can be traced back to Piedmont;
- **membership and active participation in the life and initiatives of local trade associations**, to "work as a system". Piedmont and in particular Turin, the cradle of the Italian automotive sector, have seen the establishment of some of the main industry associations. ANFIA, AMMA and the Industrial Union are promoters of cohesion among companies in the sector, promoting economic and social growth and dialogue with international competition. The most interesting initiatives include the Mechatronics and Advanced Production Systems Innovation Hub (MESAP) and Skillab – Human Resources Development Centre. The office of AMMA Chairman assumed by Giorgio Marsiaj, Chairman and Chief Executive Officer of Sabelt, facilitates a continuous dialogue with other companies and economic and social energies of the territory;
- **attention to local workers**;
- **collaboration with the major training centres of the territory**, first and foremost the Polytechnic Institute of Turin and the University of Turin, together with technical institutes and vocational schools of Piedmont (including, Scuola Camerana). Sabelt has started numerous collaborations and apprenticeships with these centres, which in several cases have led to the inclusion of the involved youth in the company's workforce;
- **cooperation with local public institutions**. Sabelt engages in a constant dialogue with regional and municipal authorities in an interaction that, while respecting the roles of each party, allows the coordination of activities for the benefit of the territorial community;

■ **support for the local innovation ecosystem**, and in particular for start-ups operating in the relevant industry. In 2018, Sabelt acquired a minority stake of Beond S.r.l., a company founded at the Polytechnic Institute of Turin, active in advanced CAD – CAS design and FEM calculations. In 2019, Sabelt acquired a minority stake of TUC S.r.l., a start-up focused on structural/digital technologies allowing vehicles to achieve greater customisation and digitisation;

■ **promoting the cultural and social system of Piedmont**. In this regard, the support provided by the Marsiaj family for the Cultural Association “Consulta di Torino” for the Enhancement of Artistic and Cultural Heritage should be noted, as well as Sabelt’s sponsorship of the Chieri '76 Volleyball sports club.

Sabelt believes in the principle of corporate social responsibility

Sabelt seeks to **promote constructive dialogue with institutions** and to encourage discussion among the main players in their sectors (in particular automotive and aerospace), with the aim of increasing its competitiveness and strengthening its brand on the market. The **company is a member of various associations** and participates in working tables at local and national level, committed to collaborating with a systemic perspective that allows the sector and, more generally, national manufacturing to grow, accelerate innovation and make progress under the banner of general interest. At regional and national level, Sabelt actively participates in the initiatives of the main trade associations and organisations, including Confindustria, AMMA, AIDAF, ANFIA and ACI.



Environment

ENVIRONMENT



The activities controlled directly by Sabelt have a limited impact on the environment, as Sabelt's production processes do not consume high amounts of energy and mainly use electricity, while natural gas is only utilized in the winter period for heating and hot water production for sanitary purposes.

Moreover, Sabelt's business operations have an impact on the ecosystem, as it uses purchasing components whose production consumes natural resources and generates polluting emissions. This creates waste and scraps, and also, finished products can only be partially recycled, and at elevated costs.

The company, therefore, is aware of the focused needed on the subject in question, and thus, it analyses its activities and their impact on the environment.

Energy and climate change

Over the three-year period 2018 - 2020, Sabelt recorded an increase in annual energy consumption, from 4,489 to about 4,904 GJ (CAGR of 4%).

Energy is consumed mainly in production line plants and machinery, ICT infrastructure, lighting systems, and office equipment, such as heating and air conditioning systems.

From 2018 to 2020, initiatives were undertaken to reduce energy consumption and, more generally, to start a process of awareness raising and assessing potential areas for improvement. In particular, the old lighting system was replaced with new, low-consumption LED lamps. Activities were undertaken to obtain the mandatory energy audit for large companies. Such activities have been temporarily suspended due to the global healthcare emergency, but plans foresee a re-start in the current 2021.

Energy consumption (GJ)	2018	2019	2020
Natural Gas	1,862	2,355	2,003
Electricity	2,627	2,975	2,901
Total energy consumption	4,489	5,330	4,904

Annual consumption of natural gas decreased from 2,355 to 2,003 GJ. Natural gas does not supply the Company's plants and machinery and, more generally, is not directly used in the production process. Its consumption is solely related to heating in winter and the production of domestic hot water.

GHG emissions can be categorised into different types, depending on the nature of the source generating them. Direct greenhouse gas emissions (so-called Scope 1) are those emissions from that are sources owned or controlled by the organisation. Indirect greenhouse gas emissions (so-called Scope 2) are due to the consumption of electricity, heat or steam, not directly produced by the organisation. Over the three-year period, the CO₂ emissions associated with natural gas energy consumption (Scope 1) increased by 16%. On the other hand, the indirect energy emissions (Scope 2), as shown in the table below, increased by 4%, mainly due to the utilization of heat pumps for heating buildings, partially replacing natural gas.

CO2 emissions (ton CO2)	2018	2019	2020
Direct emissions (Scope 1)	104	132	121
Indirect energy emissions (Scope 2) – Location-based	263	297	273
Indirect energy emissions (Scope 2) – Market-based	352	402	369
Total CO2 emissions (Market-based scenario)	456	534	490

The indirect energy emissions were calculated according to the two approaches envisaged by the Reporting Standard – Market-based and Location-based. The Market-based approach considers electricity supply while only taking the RECS (Renewable Energy Certificate System) certificates acquired into account, which attest to the possible supply of electricity from renewable sources. If some parts are not fully covered by electricity requirements with such certificates, an emission factor associated with the production of energy from thermal power plants is used. With the Location-based approach, however, the Scope 2 emissions are calculated using the average emission factor associated with the national energy mix.

Materials used

Sabelt mainly uses components, semi-finished products and ancillary materials in its production process; the supply of raw materials is less relevant.

The items purchased for Sabelt production process are attributable to the following materials:

- thermoplastic polymer items. Thermoplastic polymers are recyclable; their heating brings them to a viscosity state that allows them to be reformed and then reused. These components include, but are not limited to, aesthetic covers, and some seat bases;
- thermosetting polymer items. These are non-recyclable materials, as they degrade when melted. These components include, but are not limited to, some bases and seat backrests, belts for seatbelts, paddings;
- items in composite materials such as, but not limited to, fibreglass and carbon-fibre. Composite materials are not readily reusable and are therefore commonly considered non-recyclable;
- items relating to coatings and linings are recyclable. By way of example, natural fibre fabric, synthetic fibre fabric, leather.
- steel metal components such as, but not limited to, sliding rails, seat lift structures, mechanisms and crankshafts. Metal components are recyclable;
- recyclable packaging materials, such as polystyrene, cardboard, wood and polyethylene.

With the aim of quantifying the impact that its production activity has on the environment and defining improvement actions, Sabelt has analysed:

- incoming materials for the purposes of mass production, with a particular reference to the nature of the material, its weight, and its possibility of reuse and recyclability;
- packaging materials, also studied in their nature, weight, and recyclability;
- ancillary materials, which have a small quantitative impact on the total, but are potentially significant from an environmental perspective. This is the case with glues, paints, and lubricants used mainly in the laboratory and prototype centre.

Over the three-year period, incoming materials for mass production registered a decrease in weight, from 951 to 837 tons, coherent with the lower number of seats produced. Specifically:

- materials associated with components and semi-finished products used in production processes grew from 676 to 597 tons, with a -6% CAGR. Metal components have the highest incidence (48% of the total);
- packaging materials grew from 275 to 240 tons, with a -6% CAGR. For this type of material, wood and its derivatives register the highest incidence (95% of the total).

This analysis confirmed a significant prevalence of recyclable materials among the incoming materials. In detail:

- overall **recyclable** production and packaging incoming material reaches 74% on total. In particular, packaging can be traced back to wood and its derivatives and thermoplastic polymers, and therefore be entirely recyclable;
- **recyclable** materials relating only to production decreased from 67 to 64%, due to an increase in carbon-fiber seatings.

74% of the material used is recyclable

Sabelt is committed to promoting the reduction of non-recyclable materials (carbon-fiber and thermosetting composites) and the use of ancillary materials (glues, lubricants, paints) with a lower environmental impact.

In this regard, the aforementioned **"Carbogreen" project** is aimed at the development of seating systems for sports cars which are made of newly designed materials that are composite, renewable or with low environmental impact.

Materials used in the production and packaging process (t)	2018	2019	2020
Thermoplastic	93	104	65
Thermosetting/composite	228	272	214
Linings	52	61	43
Metal parts	318	405	288
Wood and its derivatives	260	331	229
Total	951	1,173	837

Materials used in the production process (%)	2018	2019	2020
Recyclable	66%	67%	64%
Non-recyclable	34%	33%	36%

Materials used in the production and packaging process (%)	2018	2019	2020
Recyclable	76%	77%	74%
Non-recyclable	24%	23%	26%

Waste

Sabelt manages its waste through its production processes, which results in the containment of processing scraps and waste itself.

In the production process, the assembly of components and items developed internally and manufactured by suppliers prevails, therefore, raw materials processing is marginal.

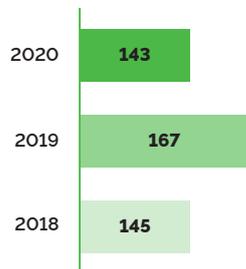
For this reason, the generation of waste from production activity is not relevant from a quantitative and qualitative point of view. In fact, it mainly concerns recyclable packaging materials consisting of thermoplastic polymers, wood, and its derivatives; discarding non-compliant components and finished products, and of subsystems and finally, finished products used during testing and development.

Hazardous substances such as resins, glues, paints, and solvents, are used residually, mostly in laboratory and prototyping activities. These substances are disposed in a controlled and safe way by specialised operators.

The evolution of the waste generated over the three years under review is shown below. The increase is consistent with the development of production.

Sabelt is committed to ensuring that its supply chain is managed according to its environmental standards. With this objective, a "Code of Conduct" is being defined and will be submitted to suppliers, with the aim of orienting their production chain to environmental sustainability criteria.

Waste generated (t)



Sabelt is committed to ensuring that its supply chain is managed according to its environmental standards. With this objective, a "Code of Conduct" is being defined and will be submitted to suppliers, with the aim of orienting their production chain to environmental sustainability criteria.

NOTE ON METHODOLOGY

Sabelt's second public Sustainability Report relates to the 2020 financial year (from 1 January to 31 December) and concerns Sabelt S.p.A. alone. The document contains the performance trends for the three-year period 2018-2020 for comparative purposes, where available. At the date of publication of this Sustainability Report, no significant events have occurred in 2021, except as already reported in the text.

The Report has been prepared following the GRI Sustainability Reporting Standards defined in 2016 by the

Global Reporting Initiative, according to the Core option, as required by Standard 101: Foundation, paragraph 3.

Sabelt's Sustainability Report has not been audited by an independent third-party company.

The Report presents the main environmental, social and economic aspects characterising Sabelt's reality. In accordance with the provisions of the GRI Standards, here below, the reporting principles used for the definition of the contents of this Report:

Completeness:

the Report covers the main economic, environmental and social issues and allows stakeholders to evaluate the Company's performance during the reporting period;

Sustainability context:

the Report presents Sabelt's sustainability performance in the context of the company's specific operations;

Stakeholder inclusiveness:

Sabelt's stakeholders and the main methods of involvement are identified in the methodological note;

Materiality:

as defined by the GRI Standards, the contents of the Sustainability Report are based on the concept of materiality and, therefore, the most relevant topics for the Company and its stakeholders are included.

Also, in line with the reporting standard, the following principles have been applied to ensure the quality of the content: accuracy, reliability, clarity, comparability, balance, and timeliness.

The material topics

The topics covered in the Sustainability Report and their level of detail are based on the results of the materiality analysis conducted by Sabelt. The following table shows the list of GRI material topics relevant to Sabelt and its stakeholders, the corresponding boundary in terms of impact and any limitations to reporting due to the unavailability of data on the boundary outside the organisation.

GRI MATERIAL TOPICS	REPORTING BOUNDARY OF THE MATERIAL TOPIC		BOUNDARY REPORTING LIMITATIONS	
	Internal	External	Internal	External
Diversity and equal opportunities	Sabelt			
Employment	Sabelt			
Environmental compliance	Sabelt			
Socio-economic compliance	Sabelt			
Forced or compulsory labour	Sabelt	Suppliers		
Non-discrimination	Sabelt	Suppliers		
Energy	Sabelt			
Emissions	Sabelt	Suppliers	Sabelt*	Suppliers
Anti-corruption	Sabelt			
Anti-competitive behaviour	Sabelt			
Procurement practices	Sabelt			
Training and education	Sabelt			
Materials	Sabelt	Suppliers		Suppliers
Economic performance	Sabelt			
Occupational health and safety	Sabelt	Suppliers		Suppliers
Customer health and safety	Sabelt			

*Business travel emissions are not currently reported

The reporting process and calculation methodologies

The information and quantitative data of a social, environmental and economic-financial nature contained in Sabelt's Sustainability Report, were collected through direct interviews with the various business functions heads and through special data collection sheets.

In addition to what already indicated in the Report, the following are the main assumptions and calculation methodologies for the performance indicators reported:

■ For the calculation of the health and safety rates, injuries involving at least one day of absence were taken into account. In particular, the injury rate was calculated as follows:

*Injury rate = number of accidents/hours worked*1,000,000*

■ If environmental data were available, conservative estimation approaches were used, i.e. the assumptions associated with the least positive environmental performance for the Company were chosen.

■ The calculation of greenhouse gas emissions was carried out using the following formula:

*GHG emissions = activity data (e.g. kWh of electricity) * corresponding emission factor*

■ The emission factors and GWPs used for the calculation of GHG emissions are as follows:

- The calculation of direct greenhouse gas emissions (Scope 1) used the emission factors in the National Standard Parameters Table (2017-2019) made available annually by the Ministry for the Environment, Land and Sea;
- The calculation of indirect greenhouse gas emissions (Scope 2) used the emission factors published by Terna in the document "International comparisons" (2015-2017) and by the Association of Issuing Bodies within "European Residual Mixes" (2016-2018)..

For additional information on this document, please contact:

Sabelt S.p.A.
info@sabelt.com

ANNEX – DETAILED TABLES OF GRI INDICATORS

GRI 201-1 Economic performance

Economic value generated and distributed (thousands of euro)	2018	2019	2020
Economic value generated	57,402	76,241	53,560
Economic value distributed	53,022	68,765	49,476
Suppliers of goods and services	43,041	56,098	38,277
Employees	8,572	10,476	9,828
Capital providers	108	162	183
Public Administrations	598	2,029	115
Shareholders	703	-	1,303
Economic value retained	4,380	7,476	4,084

GRI 102-8 Information on employees and other workers

Employees by type of contract by gender (number)	2018	2019	2020
Permanent contract	132	152	167
Women	40	47	51
Men	92	105	116
Fixed-term contract	7	1	1
Women	2	-	-
Men	5	1	1
Total	139	153	168

Employees by type of occupation by gender (number)	2018	2019	2020
Full-time	137	151	166
Women	40	45	51
Men	97	105	115
Part-time	2	2	2
Women	2	2	2
Men	-	-	-
Total	139	153	168

GRI 401-1 New employee hires and employee turnover

New employee hires (number)	2018	2019	2020
By age group			
Under 30 years	4	5	5
Between 30 and 50	21	14	15
Over 50	7	4	4
By gender			
Women	11	8	7
Men	21	15	17
Total	32	23	24

Terminations (number)	2018	2019	2020
By age group			
Under 30 years	0	1	-
Between 30 and 50	7	6	7
Over 50	3	2	1
By gender			
Women	1	2	2
Men	9	7	6
Total	10	9	8

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

Hours of training per year per employee (hours/employees)	2018	2019	2020
By gender			
Women	14.5	11.0	3.7
Men	29.7	19.5	6.3
By professional category			
Executives	41.6	23.1	7.3
White Collars and Managers	29.4	18.2	8.1
Blue collars	14.4	13.5	0.4
Total	25.1	16.8	5.5

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2020 Sustainability Report

