



CORPORATE SOCIAL RESPONSIBILITY

2019



Approved by the Board of Directors of 28/07/2020

ELETTRONICA GROUP
● ● ● Defence | Cyber | Security

*To be a company, today more than ever, means awareness of one's social role, of the commitment and the **responsibility of re-thinking and constructing a sustainable development model.***

*The economic system in which we operate is increasingly complex and requires an **integrated approach with the environmental and social dimension that is capable of generating lasting, quality growth**, thus harmoniously inserting itself into a process of continuous change.*

Our history represents the creation of an extraordinary patrimony of skills, abilities and technologies and is the demonstration of how the legacy of the past can be a great driving force for the future. A story **built on people**, based on their technological, industrial and professional know-how, always at the forefront of innovation in a highly competitive sector, which has allowed us to face important challenges and changes.

*For us, the **ability to project ourselves towards the future** by enhancing our wealth of skills and people, consolidating our potential on a path of growth, means **sustainability** and the **creation of long-term value**.*

We share this ambitious challenge with our stakeholders who strengthen our credibility as key partners for innovation, for development and for consolidation in the territories in which we operate and for the creation of highly qualified jobs.

*Our vision aims to guide our Group's activities with determination **towards a sustainable future, starting from the construction of a responsible present**.*

The Chairman Enzo Benigni, D.Eng.

A handwritten signature in black ink, appearing to read "Enzo Benigni".

Letter to the Stakeholders

We are proud to publish the new **Social Responsibility Report**, the document that testifies to the direction and path of continuous improvement followed by Elettronica in the field of sustainability and responsible action.

In 2016 we started with the idea that our choices and our activities had to be inspired by the principles of Social Responsibility, on the basis of which we set off on a real journey that allowed us to deepen the areas of our commitment.

Over time we have identified the elements for improvement and for making **Social Responsibility** a qualifying element, to be brought to the fore and shared with our stakeholders and to be integrated in an increasingly structured way into our behaviour, policies and actions.

A path that has allowed us, in recent years, to draw up increasingly accurate and complete social budgets, but above all **to involve the stakeholders** on specific Social Responsibility and Sustainability issues, with the definition and adoption of our Policy in which to declare the Company's vision and commitment, always favouring an increasingly strategic and integrated approach.

In 2019 we focused on the decisive transition from **Social Responsibility reporting** to **Social Responsibility programming**, having become aware of our role, of the potential of our contribution to sustainable economic development and of the need to pay maximum attention to the interests and expectations of our main stakeholders.

We listened to our suppliers, asking for suggestions and ideas to improve our social reporting, but also to plan and integrate actions based on their expectations, to grow together in innovation, technology and skills.

Together with Elettronica's Top Management, we share a common idea of and commitment to Social Responsibility, defining priorities, objectives and concrete actions to be put in place.

With our activities, we are contributing to the implementation of the United Nations 2030 Agenda for Sustainable Development, focusing in particular on: **the promotion and production of innovation**, to be shared with universities, research bodies, suppliers and customers, in an open innovation logic; the **development of skills** and on **welfare**, to encourage stable employment, creating a work environment in which everyone is respected and valued, seeking solutions to improve the well-being of all; **competitiveness** by means of a sustainable production and consumption model that generates efficiency and reduces environmental impact; and **Rules**, to ensure fairness, reliability and quality over time.

We will continue in this direction, also expanding the involvement to all our employees, to make them even more active as protagonists on the path followed by Elettronica towards a business model increasingly in step with the changing world.

COO Domitilla Benigni, D.Eng.





We believe that communication, sharing and the involvement of all people foster an inclusive work environment, enhancing each person's contribution.

For us, the company is a great meeting place for everyone, strengthening people's sense of belonging day after day.







We believe in a business model in which added value expresses Elettronica's contribution to the well-being of its employees, to the economic and social progress of the community and to the enhancement of the territory.

We promote an approach to work in which people's health and safety are essential element of our mentality. We support the environment, aiming at energy efficiency and responsible use of natural resources.

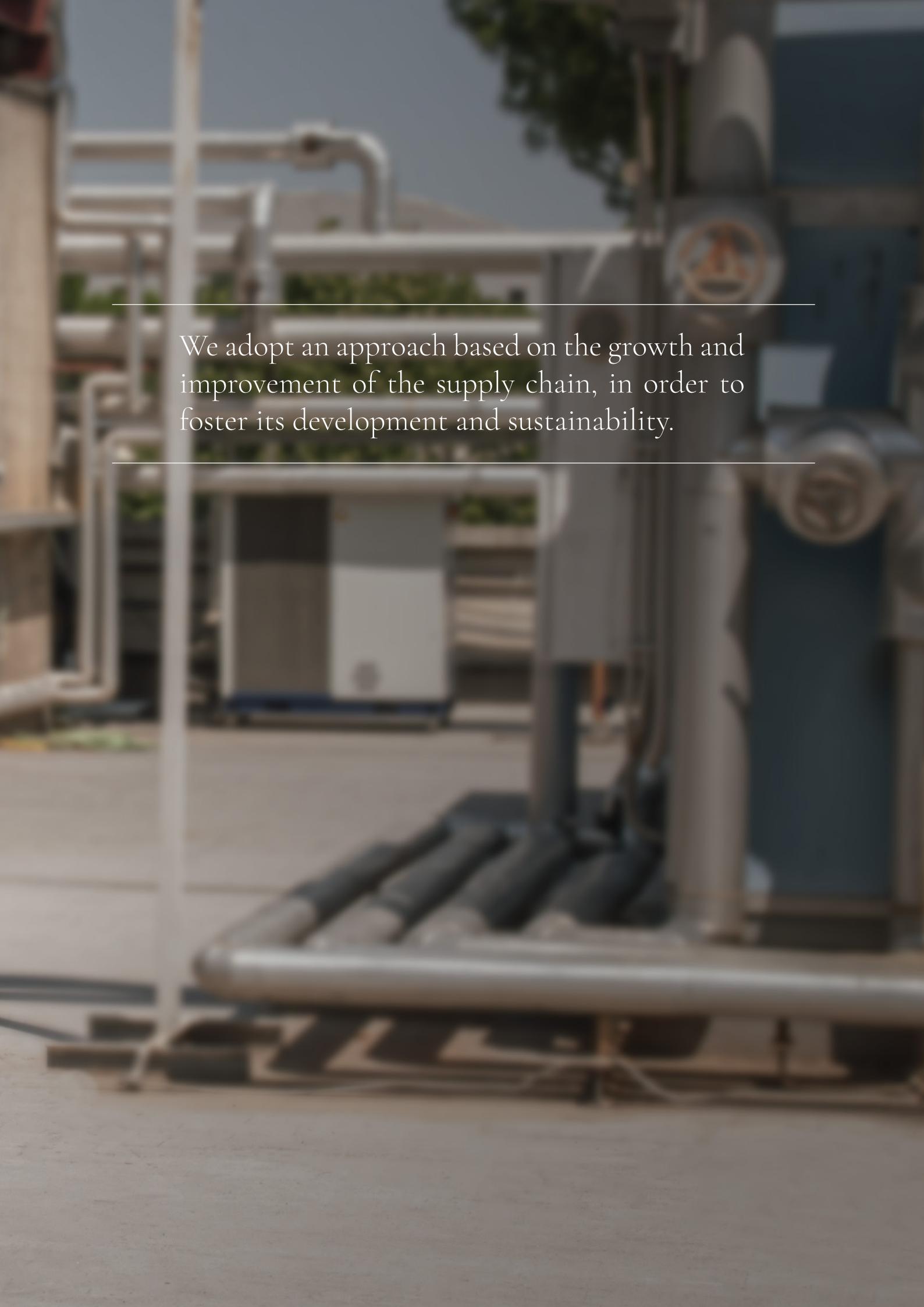






CYBER HEGEMONY

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We adopt an approach based on the growth and improvement of the supply chain, in order to foster its development and sustainability.

We are innovators, capable of producing technologically advanced solutions and promoting synergies that generate value for all the stakeholders.





CORPORATE SOCIAL RESPONSIBILITY

2019

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Elettronica's profile: The Company

1.1

MISSION, VISION AND VALUES

Our Mission

To propose the most innovative technological solutions to guarantee the safety of men, means and information in the most complex operating scenarios: this is our only mission.

We believe that the best way to generate innovation is to be part of it, adding every day to our work:

- **creativity - in thought and in achievement**
- **energy - competent and competitive**
- **flexibility - invaluable and indispensable**
- **intuition - to build solid partnerships**
- **foresight - to anticipate market needs**

Customers recognize the uniqueness of our offer: choosing to work with us means relying on international excellence which, thanks to its Italian roots, creates "tailor-made" solutions, with professionals who adapt the best technologies according to their needs.

Our vision

In a changing world we will be the point of reference for technological evolution, rewarded by creativity, the timeliness of our strategic thinking and an innovative portfolio of solutions, as a unique whole.

Excellent in the domain of the electromagnetic spectrum and cyberspace, inspired by an ambitious vision that makes us what we will be, we do not foresee the future, we build it.

Our Values

Our values are found in what we are and achieve, in our products and in our relationships, at all levels. For us this means **Coherence.**

Sharing this system of values is a reason for unity, strength and pride and guides us all together towards a future with greater awareness.

Innovation Innovation The experience gained together with our customers makes us concrete innovators, capable of anticipating the challenges of tomorrow, through continuous research and the development of technologically advanced solutions. The enthusiasm with which we explore reality, the ability to integrate scientific and industrial collaboration, methods and processes, are distinguishing elements of the incessant evolution of our work.

Reliability In our sector, excellence is an absolute duty. Design, production and assistance follow rigorous control procedures and continuous improvement processes, with the aim of ensuring timely compliance with the specific needs of each customer and the maximum reliability of our products, in any operating scenario.

Belonging Our most important asset is people. We believe in sharing and integration, in diversity, in constant professional updating, in growth based on merit that passes through the appreciation of commitment and talent. We work so that each of us can express our full potential, aware of being active parts of the success of our Company and of our own lives.

Correctness We firmly believe that compliance with rules represents a guarantee of stable and lasting relationships in all the countries in which we operate. Honesty, transparency and responsibility are fundamental prerequisites for our way of working, both internally and in the interaction with our partners and our customers, because mutual trust is a primary asset which we foster and protect.

Dynamism To respect the rules and procedures, we combine initiative, flexibility and resourcefulness, balancing rapid decision-making processes with effective control mechanisms. Because of the fluidity of the contexts of reference and our propensity for innovation, our work organization systems are always streamlined and our relationships with partners and customers are always pro-active. Ours is a dynamic balance, composed of coordination and change.

The definition of Elettronica's values: a joint process

Our guiding values have been formalized in our Charter of Values.

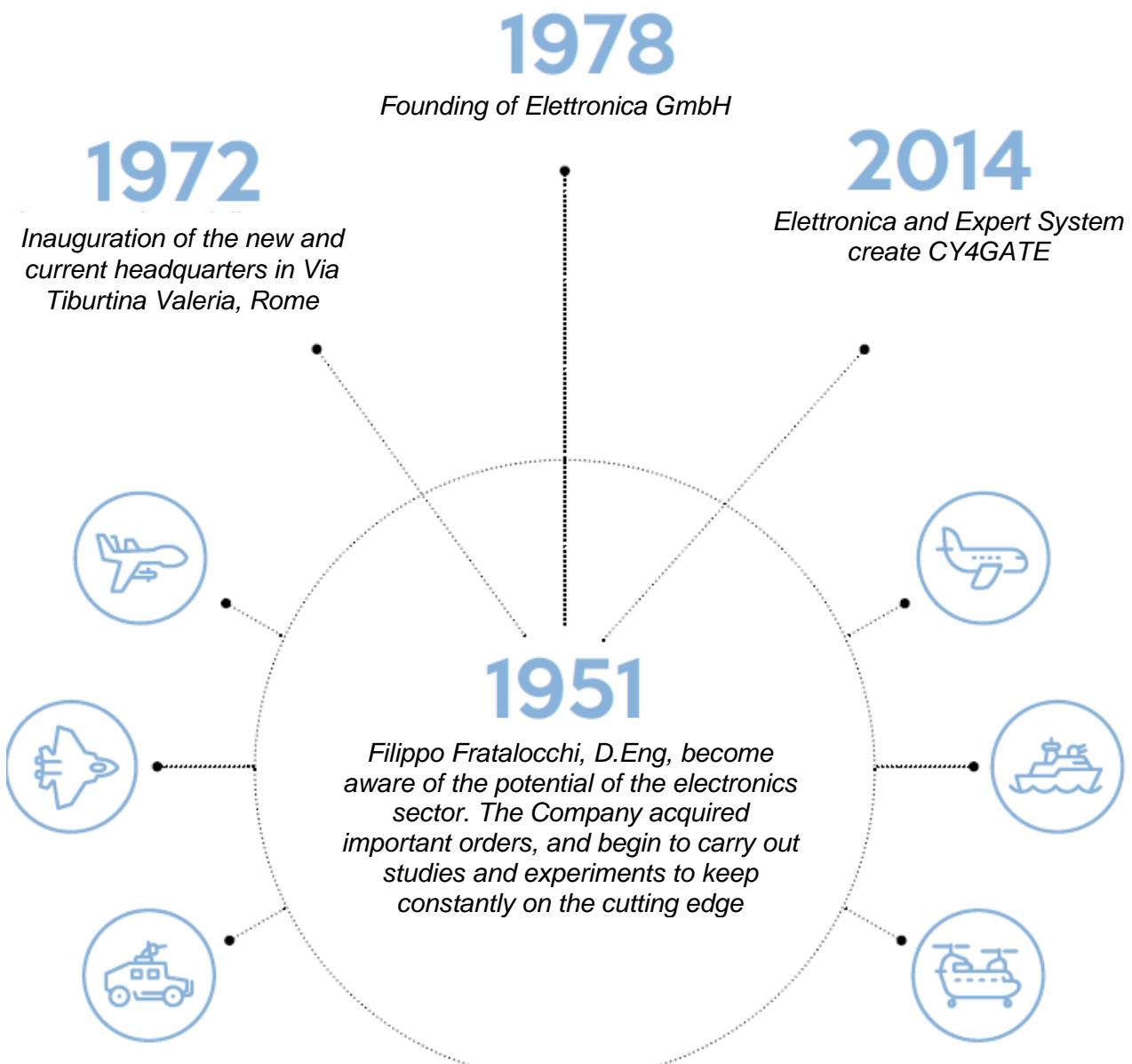
In 2016, during the annual ELTOGETHER event, Elettronica presented the “Vision” and “Mission” statements, defined thanks to the collaboration with the LUISS Business School, and the “Values” statement, thanks to the contribution of the entire corporate population, by which the Company’s cardinal values were described in a dedicated survey. The statements were then ratified in October 2017 in the Charter of Values approved by the Board of Directors, and in the updated Code of Ethics. The project was then illustrated by a special enhancement of the Company’s premises (with posters, stickers etc.) and by the distribution of personalized gadgets to each employee.

1.2

HISTORY AND PRESENCE IN THE WORLD

Elettronica was founded in 1951 and today it is the only player in the world to address all its energies to the search for **electronic defence solutions**.

We are recognized as a leader in Europe and worldwide for the design, development and production of Electronic Defence systems.



Elettronica S.p.A. is the head of the Elettronica Group which also includes:



Elettronica GmbH:

a subsidiary created in 1978, active in the field of Homeland Security, with headquarters in Meckenheim, Germany.



CY4GATE:

to deal with Cyber Electronic Warfare, founded in 2014 when Elettronica decided to expand its area of competence, together with the Expert System company, with headquarters in Rome.

We also have 5 representative offices in the world and we are also shareholders of the US company Solynx, specialized in the supply and management of materials to European high-

Italy

Italy

Germany

Italy



- The Group
- Representative offices
- Equity investments



1.3

MARKET OF REFERENCE, PRODUCTS AND SOLUTIONS

With commitment and tenacity, we have achieved skills of excellent level, offering solutions in the avionics, naval and ground forces, and in cyber and homeland security sectors. Our systems equip the platforms of many Italian and foreign armed forces of air, land and sea. All this is possible thanks to the Company's ability to perfect specific techniques and strategies in the creation of its systems, always aiming for excellence.



We study, develop and produce defence systems using proprietary technologies. We offer solutions for the operational needs of our customers, offering systems with technical performance of a level to meet increasingly challenging requirements. We dedicate care and attention to the technological evolution of our products and we develop new ones. We integrate them, both with each other and with other sensors or with contrast and data fusion tools, and we provide for their installation on the customer's platforms covering every domain.

Electronic defence in radar band is our historical core business, a field in which we are proud of our extensive, worldwide-recognized experience. In this context, we design, develop and produce:

- ESM - Electronic Support Measures: devices which intercept, identify and locate radar emitters, accurately measuring their parameters.
- ELINT - Electronic Intelligence devices: which carry out in-depth analyses on the emitters of interest, detecting every detail.
- RWR - Radar Warning Receivers: tools designed to promptly discover and identify broadcasters which represent a potential threat.
- ECM - Electronic Countermeasures: systems able to contrast the radar emitters present in the electromagnetic spectrum.

In addition to the radar systems, we also have consolidated experience in the infra-red field - through the development of an advanced IR Jammer - and in the defence of electronics in band communications - embedding COMINT (COMmunications INTeLLIGENCE) systems into more complex systems, in close collaboration with the major Electronic Defence companies. Elettronica Roma and Elettronica GmbH also offer cyber solutions, developed by CY4GATE.

Operating in a highly regulated sector, we offer products and services that comply with government regulations, carefully selecting our customers and reference markets.

The volume of orders in 2019 was 290,624,211

In 2019, Elettronica's total sales amounted to
184,763,268

Sales	National customers	Foreign customers	2019 total
Public customers	22,424,105	21,128,115	43,552,220
Private customers	32,237,438	108,973,610	141,211,048
TOTAL	54,661,543	130,101,725	184,763,268

Sector	Air	Sea	Land
Sales	140,190,294	42,782,648	1,790,326

Dividends paid out in 2019 (on the 2018 result)

14,007,000

Research financed by own capital

12,073,913

Net available resources

23,532,042

The available financial resources, with a slight increase of € 1.1 M compared to the previous year, are clearly positive, reflecting the Company's financial strength and the substantial stability of the working capital required by the Company's business.

2 Social responsibility and sustainability

2.1

Being socially responsible means taking into account the social and environmental effects generated by our decisions and actions.

We are oriented towards social responsibility, with the firm intention of adopting a management method that creates value for the shareholders and for all the subjects with which the Company interacts, developing relationships based on trust and transparency, to give our contribution to sustainable development.

We are aware of being part of a wider ecosystem, made up of different actors, each of which brings energy and skills for common growth; we are aware of our business role, of the effects we generate and of our contribution to sustainable development, with a clear vision and adopting the consequent strategies and actions.

In consideration of this awareness and in line with the corporate mission, we have provided ourselves with a series of governance, management and reporting tools - from the Code of Ethics, to Corporate Risk Management, and the Social Report - which allow us to guide, plan, monitor and report our social responsibility.

Through a process of joint participation with the involvement of the top management, we have defined the field of action of our Social Responsibility and identified the goals of the United Nations 2030 Agenda for Sustainable Development on which we intend to focus our activities.

The definition of the scope of action was guided by the indications provided by UNI-ISO 26000 - Guide to Corporate Social Responsibility: we asked ourselves about the relevant aspects, we reflected on the aspects of each within the Company, and we formulated visions and commitments for each.

Fundamental areas of our social responsibility

Governance

We interpret governance as a fundamental issue on which to act, also to increase the Company's ability to behave in a socially responsible way. We have provided ourselves with processes and tools that allow us to integrate the principles of social responsibility into our business strategies. The internal decision-making process is guided by rules that guarantee transparency, clear responsibilities, involvement and the traceability of information.

The Charter of Values and the Code of Ethics guide the behaviour of the Company and of those who work on our behalf, creating an environment in which visions and principles are shared.

We promote an organizational culture oriented towards Social Responsibility with initiatives of prorogation, awareness and internal involvement.

Human rights

In the performance of our activities and in our operating context, we are committed to respecting human rights, which are also recognized in our Code of Ethics, based on the principles expressed in the United Nations Universal Declaration of Human Rights, in the Conventions of the International Labour Organization (ILO), in the OECD guidelines and in the European Union's Charter of Fundamental Rights.

Within our sphere of influence, we are committed to protecting human rights in the management of people, relations with suppliers and aspects relating to the sale and distribution of products, taking into account the Company's specific characteristics. We create systems for personal safety, we guarantee the protection of military personnel, and we protect the public against possible threats. In this context, we respect human rights by acting in accordance with the provisions of the national and international regulations that discipline the sector.

Furthermore, in our capacity as an employer, in our operations we recognise as an essential value the protection and promotion of workers' rights, and we also guarantee the right to the personal data protection and to informational self-determination.

Relationships and working conditions

People represent the most important asset for the pursuit of excellence and the achievement of success.

In employment relationships, we encourage the establishment of positive and lasting relationships, we guarantee equal opportunities and fair treatment for all workers and we condemn all forms of discrimination of any kind. Aware that our choices influence the quality of life of the workers and their families, we ensure working conditions that comply with the standards of reference, we comply with the provisions of collective agreements, and we guarantee the workers' safety, health and physical, mental and social well-being.

We also make corporate welfare tools available to people which also imply better conditions than those provided for by law and by the national collective labour agreement.

In the management of human resources, we are guided by principles of sharing and involvement, creating areas for socialising and strengthening the sense of belonging.

We build the future by investing in the people who work in the Company; we plan paths of development for them and we enhance their skills to allow them to develop their full potential.

Environment

We recognize the global importance of environmental sustainability, even though we operate in a sector that does not have a strong impact on the issue.

We plan and put in place practical measures to reduce the environmental impact generated by our activities and raise awareness among our employees and those who act within our sphere of influence; we direct our efforts towards the responsible management of energy resources in order to reduce consumption and emissions into the air, using renewable sources whenever possible; we give importance to the water cycle and to waste management and we promote forms of sustainable mobility within the Company.

We supervise any activities involving the possibility of environmental risks, including such risks into our Corporate Risk Management system and we always measure, record and report our impact in a structured manner.

Correct management practices

We maintain relationships with other organisations and with our stakeholders based on principles of correctness and transparency.

We have adopted rules, systems and processes that allow us to pursue our objectives in compliance with the law. We put in place initiatives to ensure coherence between what is declared and what is actually carried out, with full respect for rules and standards also in practice, ensuring compliance. Through procurement and supply chain management policies, we promote economic, social and environmental sustainability in the value chain.

We foster continuous improvement on the part of our suppliers and encourage their active participation in innovation processes, giving value to their skills and promoting the achievement of excellence. We put in the field tools and solutions aimed at supporting our suppliers' growth and economic stability and at facilitating the creation of a network of suppliers' which also collaborate with each other.

Responsibility towards customers

In a complex and dynamic sector such that in which we operate, it is necessary to define scenarios in order to anticipate needs and detect real needs and requirements. Operating in the sector of defence means constantly striving to produce and promote innovation, and thus to guarantee concrete solutions for the defence and security of the population and of the country's system. In relation with our customers, we go beyond the traditional contractual relationship, establishing a partnership based on profound, fruitful collaboration and, at the same time, we protect the security and the confidentiality of the information regarding them.

We are committed to accompanying the customer throughout the entire life cycle of the product, from the offer to the definition of the contract, providing for training, guaranteeing operational support as well as dedicated and immediate customer service.

We market solutions and products, but we also transfer know-how and skills to our customers, through activities and training initiatives.

Community involvement

We share interests, needs and objectives with the community in the area in which we operate. We direct our efforts towards building networks with other local players to create projects that improve the conditions of the context of reference, creating opportunities for the expression of excellence to facilitate interaction and to create mutually beneficial synergies between the world of industry, universities and schools. Together with our employees, we contribute to the well-being of the community through voluntary and charity initiatives.

Our contribution to the 2030 Agenda for Sustainable Development

The 2030 Agenda for Sustainable Development is an action program for people, the planet and prosperity, signed in September 2015 by the governments of the 193 UN member countries. It contains 17 Sustainable Development Goals, SDGs - and has a total of 169 milestones. The pursuit of these objectives and the achievement of the related goals depends on the responsibility and contribution of all the members of the Company. Aware that it is not possible to disregard the commitment of the institutions, of civil society, of non-governmental organizations (NGOs) and of businesses, we contribute to achieving 4 of the 17 sustainable development goals.

Goal 4

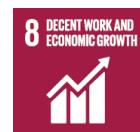
To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Elettronica's contribution: we establish collaboration with universities, schools and other organizations, aimed at developing and transferring scientific and technological skills for men and women.

Goal 8

To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Elettronica's contribution: with its own business, it supports economic growth, it produces innovation and generates technological progress. As an employer, Elettronica protects the right to work and promotes a healthy and safe working environment for all.

Goal 9

To build resilient infrastructure, and to promote inclusive and sustainable industrialization and foster innovation.



Elettronica's contribution: it invests in research by moving forwards the frontier of innovation and improving the technological capabilities of the industrial sector in which it operates. It offers its employees stimulating opportunities in the field of research and technological development.

Goal 12

Ensure sustainable production and consumption patterns



Elettronica's contribution: it pays attention to the management of the water resources, it puts in practice energy efficiency initiatives, it reduces emissions and paper consumption, it uses renewable sources whenever possible and it does not use substances that are harmful to the environment.

Our social responsibility and sustainability commitments for the 2020-2022 three-year period

To be socially responsible means making your strategies become practical actions which - in line with the Mission and the business objectives - reinforce the Company's ability to generate positive impact on society and on the environment. For these reasons we have developed an action plan for Social Responsibility and Sustainability, following our usual approach of continuous improvement.

The following are the key social responsibility issues on which we intend to commit ourselves concretely in the next three years.

Fundamental CSR issues

Elettronica's Commitments

Governance

- The integration of CSR (Corporate Social Responsibility) into the business strategy, by its inclusion in the Strategic Agenda and on the Balance Score Card
- Training sessions for employees, with the aim of spreading and creating awareness on the issue of Corporate Social Responsibility
- The presentation of Elettronica's social responsibility policies and actions to new employees, as part of the I-ELT inclusion programme

Environment

- To define Elettronica's positioning in respect of Environmental Sustainability and Circular Economy issues.
- To acquire, also through employee involvement, proposals for green initiatives, assessing their feasibility and subsequent implementation

Correct management practices

- The adoption of a risk-based approach within the sphere of the internal rules, aimed at disciplining decision-making processes, relations with the PA and the prevention of criminal offences
- The active involvement of suppliers in the context of the activities of the Technology Table, through the creation of theme workshops
- The introduction of an Innovation Award for suppliers
- To increase the transparency of the supplier assessment process and their active and aware participation, through informing them of the assessment criteria and the Company's attitude towards them

Community involvement

- In line with participation in Women4Cyber, to define further actions to support equal opportunities between men and women in the sector of reference
- To map possible initiatives for the benefit of the local community in which Elettronica can give a significant contribution according to its visions and vocations

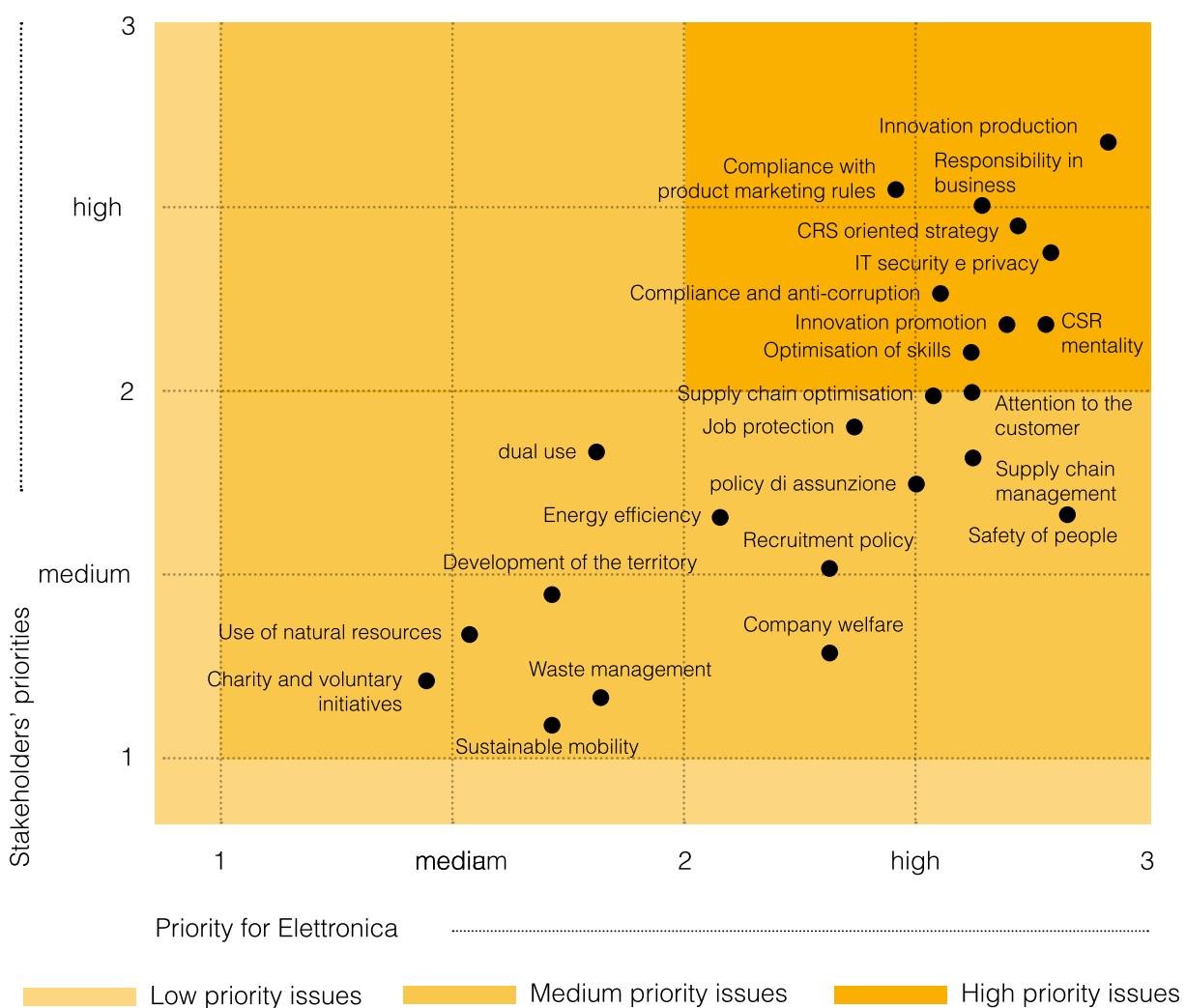
2.2

OUR MATERIAL ISSUES

The materiality matrix allows us to identify the issues of greatest interest to the Company and its stakeholders, increasing the ability to create shared value.

In 2019 we adopted the principle of materiality in the social reporting process, a principle that allows us to identify the most relevant issues, as those that are capable of reflecting the economic, environmental and social impact of the organization and of influencing the decisions of the stakeholders. The materiality analysis has allowed us to broaden the field of analysis to issues although not previously explored, to assign a priority both to those that are already known and have already been reported, and to those newly identification, allowing us take a step forward in awareness and knowledge of the effects that the Company generates on the economy, society and the environment. The meeting points between the priorities of the stakeholders and those of the Company, with regard to the important Social Responsibility issues, has given rise to our materiality matrix.

Elettronica's materiality matrix



All the issues indicated in the matrix are important for our Company and are the subject of attention and targeted actions. The issues that our stakeholders consider high priority issues become material issues to which we will give greater attention not only as regards reporting, but also as regards design and investments:

The “**Production of Innovation**” represents the cornerstone of the Company’s business: by its constant straining towards innovation, Elettronica can offer cutting-edge technological solutions, to meet customer needs and to constantly increase levels of safety, efficiency and product effectiveness. A production process that involves and creates value also for other stakeholders, such as suppliers, universities and research centres, which are given the opportunity to develop and experiment innovative ideas, generating an increase in know-how for all the protagonists of the innovation process. Through the constant drive to innovate and collaborate with other players, Elettronica also contributes to the development of innovation in our country.

For Elettronica the “**Promotion of Innovation**” also represents a qualifying element of its role as an innovative company: to stimulate innovation both within the Company and in the production system is a determining factor for generating an innovation ecosystem capable of responding to the challenges of global change, also through the involvement of the players of the education-training system, promoting “**Centres of competence**” to encourage the popularity of STEM subjects among younger people and to create skills in innovation pioneering disciplines.

For the sector in which Elettronica operates, “**Compliance product marketing regulations**” becomes an essential element to guarantee its reliability, to protect the country's credibility, for public safety and the safety of military personnel and civilians. The implementation of the “Governmental Security and Trade Compliance Management System” guarantees that the Company constantly checks and monitors compliance with international and national standards, to protect all the stakeholders involved.

Elettronica's very nature involves reliability and correctness: “**Responsibility in business**” is a corporate must that requires the sharing of value frameworks, of rules or conduct, of decision-making and of management procedures and managerial systems, in order to guarantee the achievement of goals and the generation of value for the Company and for all its stakeholders. In addition, operating in a sector of national interest requires attention to “**Legality and anti-corruption**” issues, to encourage the healthy and lasting development of the Company and of the entire sector. The rules laid down and the management and control systems adopted prevent illegal acts to be committed.

The management of the security management of corporate information and of the data processed, “**ICT Security and Privacy**”, allow for protecting the Company's intellectual capital and for guarantee the safety of civil society and of the state.

The ability to innovate and guarantee quality, without ever losing sight of reliability and correctness, is also the result of a strategic and management approach which includes employees, customers and suppliers: careful and constant “**Enhancement of skills**”, which Elettronica places at the centre of its Human Resources management and development policies; “**Attention to customers**”, from the design and implementation of technological solutions and systems, to assistance in the use of the products; the “**Enhancement of the supply chain**” aimed at promoting suppliers' growth, sustainability and continuous improvement.

The awareness of the role that Elettronica plays in terms of the economic development of its sector and of the innovation and production ecosystem is strictly linked to awareness of the social and environmental impact that its decisions and actions generate on the stakeholders and on the territory in which it operates. Therefore, the formalisation of a “**CSR Strategy**” represents a natural step forward for the Company in its orientation towards Social Responsibility, which has always been present in the values and principles that inspire its corporate action. An evolution that pushes the Company to an ever greater integration of Social Responsibility principles and issues within its strategies, objectives and business activities.

Social Responsibility integration and internalisation also move from the creation of a widespread “**CSR mentality**” within the Company, but also among its stakeholders.

This is why Elettronica immediately started a process of involving its employees in the preparation of the Social Report; subsequently it involved suppliers in the process of improving social reporting and now plans to expand employee involvement with targeted training and active participation in defining the social responsibility behaviour and activities in which the Company can and must engage.

2.3

OUR STAKEHOLDERS AND THEIR INVOLVEMENT

We have the goal of building, together with our stakeholders, an ecosystem aimed at common growth, based on a profound sharing of values. We consider stakeholder mapping and analysis as a continuously evolving tool.

Aware of their central importance, in 2016 we have started a process of mapping and analysing our stakeholders, involving all the corporate departments involved. In addition, management has allowed us to identify their expectations and interests through the channels already used by the Company for interaction with the stakeholders for institutional, managerial and commercial purposes. A process that led us to undertake, in 2019, the direct involvement of the stakeholders in the preparation of the Social Responsibility Report.

Considering the crucial role of the Suppliers in creating shared value and in the pursuit of excellence, it was decided to start this new, important phase with them. Interaction that made it possible to move from self-referencing to stakeholder-friendly reporting, through a shared process of information building and Social Responsibility actions.

The direct involvement of suppliers in Social Responsibility is the first step of a stakeholder-involvement process in which we dedicate time to discussions with our stakeholders in order to draw up a shared path of Social Responsibility.

Stakeholder categories	Who they are	Involvement methods
THE COMPANY	Subjects interested in Elettronica's ability to create value and face challenges	The shareholders' general meeting; Consolidated Financial Statements and the Management Report; Specific meetings
GOVERNMENT AND CONTROL BODIES	Subjects which guide and direct Elettronica's actions which allow it to strengthen its leadership	Board of Directors' meetings; the General Management Meeting
EMPLOYEES	Subjects whose daily work guarantees Elettronica the creation of value and the production of satisfactory results	I - ELT; Intranet; House Organ; Surveys; Lean Life Style; Volunteer work
CUSTOMERS	Subjects whose needs Elettronica is committed to satisfying in an excellent way	Advertising campaigns; Claims management; Customer satisfaction surveys; Workshops
SUPPLIERS	Subjects with which to grow together in the pursuit of excellence	Suppliers' portal; Suppliers quality committee; Framework contracts; Surveys; Workshops
DEFENCE ORGANISATIONS	Subjects that Elettronica addresses mainly offering innovative products	Advertising campaigns; Promotion and participation in events/initiatives
THE WORLD OF RESEARCH	Subjects with which Elettronica exchanges knowledge, experience and visions	Collaboration, participation in conferences
THE CREDIT SECTOR	Subjects that offer Elettronica essential services	Consolidated Financial Statements and Management Report; Information on request
REPRESENTATIVE BODIES	Subjects with which Elettronica shares plans and actions	Participation at work tables; Meetings within the sphere of trade union relations
EXTERNAL CONTROLLERS	Subjects that accompany Elettronica to guarantee compliance with the various regulatory provisions	Reporting; Information on request
PUBLIC INSTITUTIONS	Subjects which, as regulators or subsidizers, influence the development of Elettronica's business	Reporting; Promotion of, and participation in events/initiatives; Authorization applications
THE WORLD OF CULTURE	Beneficiaries or partners of charity and cultural activities carried out by Elettronica	The organization of events/initiatives
TERRITORIAL CONTEXT	Subjects which, in various capacities, interact with the Company and are united by their vicinity to the Company	Participation in territorial technical tables; Collaboration with Schools and Universities
MEDIA	Subjects which convey information on the activities carried out by the Company	Press releases, Social networks

2.4

THE ECONOMIC VALUE CREATED AND DISTRIBUTED

The values shown are the result of processing on the basis of the principle of competence.

Economic value generated (EVG) 2019	268,993,323
Economic value distributed (EVD) 2019	264,357,735
of which	
Operating costs	177,414,762 67.11%
Structure	26,280,329 14.81%
Production	139,060,521 78.38%
R&D	12,073,913 6.81%
Employees' salaries	68,559,333 25.93%
of which	
Physician	72,000 0.11%
Nurse	36,600 0.05%
First aid kit	10,187 0.015%
Lenders' fees	13,914,721 5.26%
of which	
Dividends	13,906,000 99.94%
Financial institutes	8,721 0.06%
Remuneration of the P.A.	4,318,022 1.63%
Contributions to the community	150,896 0.06%
Economic Value Retained (EVG-EVD) 2019	4,635,588

3 Governance and organisation

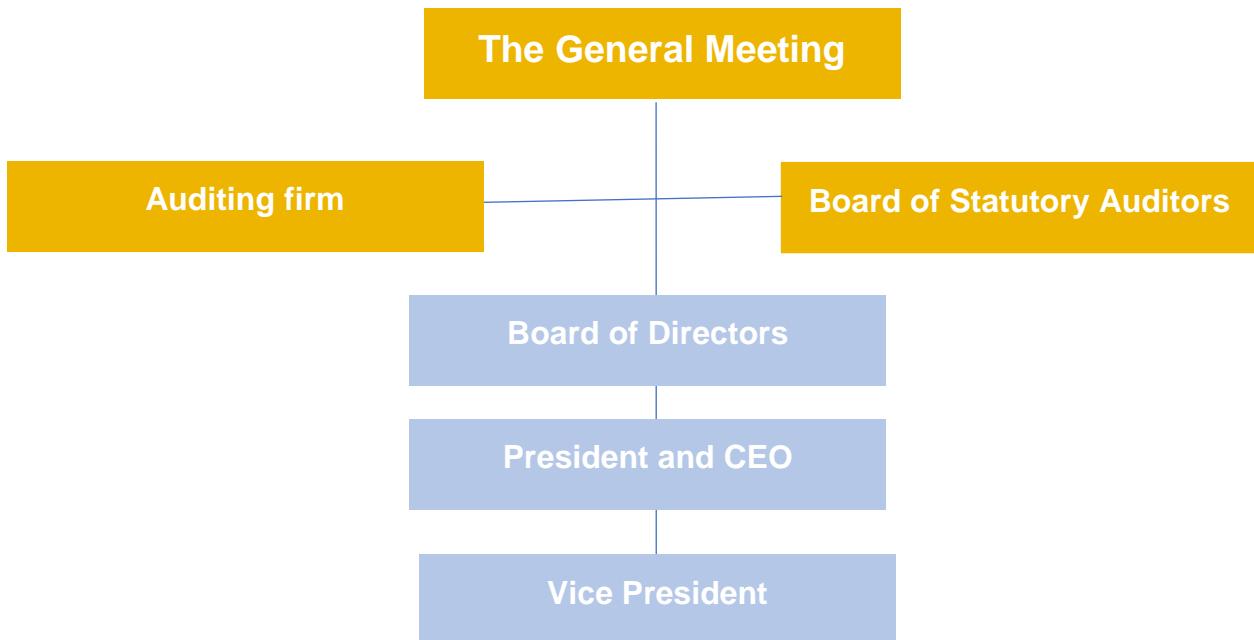
3.1

THE GOVERNANCE MODEL AND THE ORGANISATIONAL STRUCTURE

Elettronica is a joint stock company whose shares are mainly held by Benigni S.r.l., by Leonardo S.p.A. (former Finmeccanica) and Thales S.A., a leading company in the Aerospace, Defence and Security sector

Nessuna fonte nel documento corrente.

The Board of Directors (BoD) is the Company's governing body vested with powers of administration, steering and the management of corporate business.

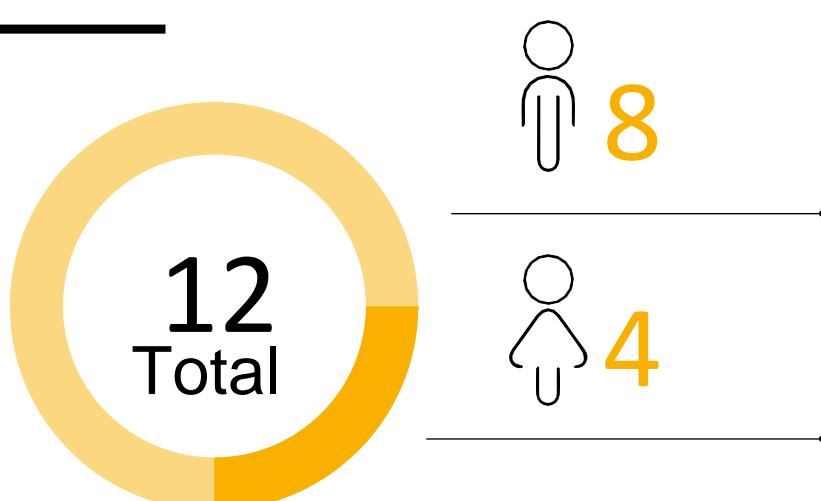


The BoD has appointed as President and Chief Executive Officer Enzo Benigni, D.Eng., whose therefore represents the Company and acts as guarantor for the same at the General Meeting and towards third parties, and is also delegated by the BoD to govern and guide the Company, without prejudice to the BoD resolutions on matters reserved to the same.

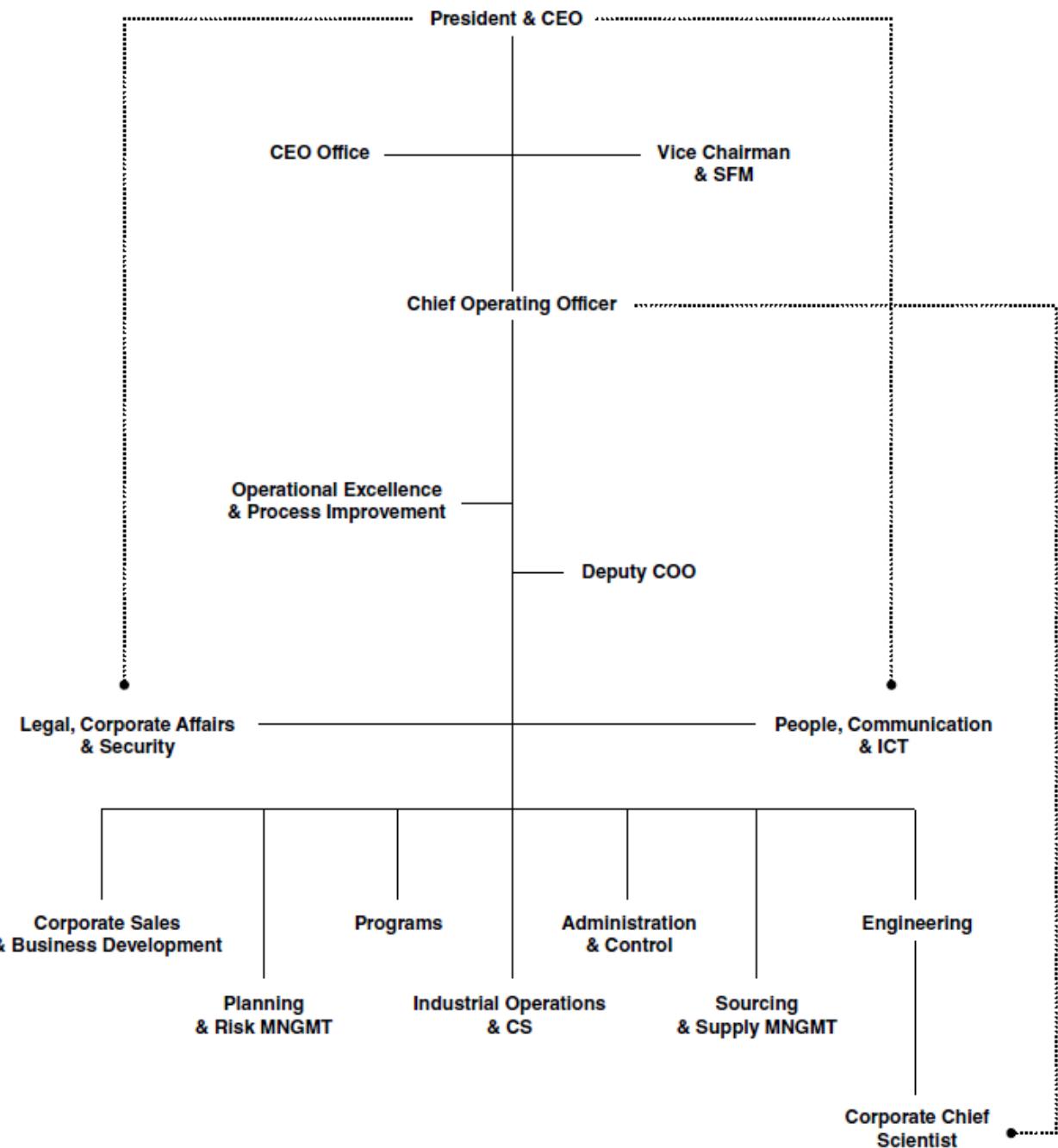
The BoD has appointed Dr Roberto Turco, vesting him with the power to legally represent the Company and with the powers of the President and CEO in this latter's absence. The members of the BoD have a mix of professional skills, gained in different business contexts, and significant international experience and knowledge of the sector.

The legal control of the operations and the reliability of Elettronica's financial statements is entrusted respectively to the Board of Statutory Auditors and to the independent auditing firm Ernst & Young (EY).

Directors



Elettronica's organizational structure comprises 10 corporate departments, led and coordinated by the Director General.



The particular type of work performed by the Company - based on programmes - requires, in the technical and operational sphere, figures that are involved in all organisational sectors, in order to effectively coordinate the activities and ensure the necessary alignment of objectives, times, costs and quality among the various programs. It has inter-departmental teams dedicated to "continuous improvement" (BELT Shipyards - Building ELT of Tomorrow), comprising people of different levels and qualifications, with the aim of examining specific issues from different points of view: this work method produces important results and creates synergy between the departments.

3.2

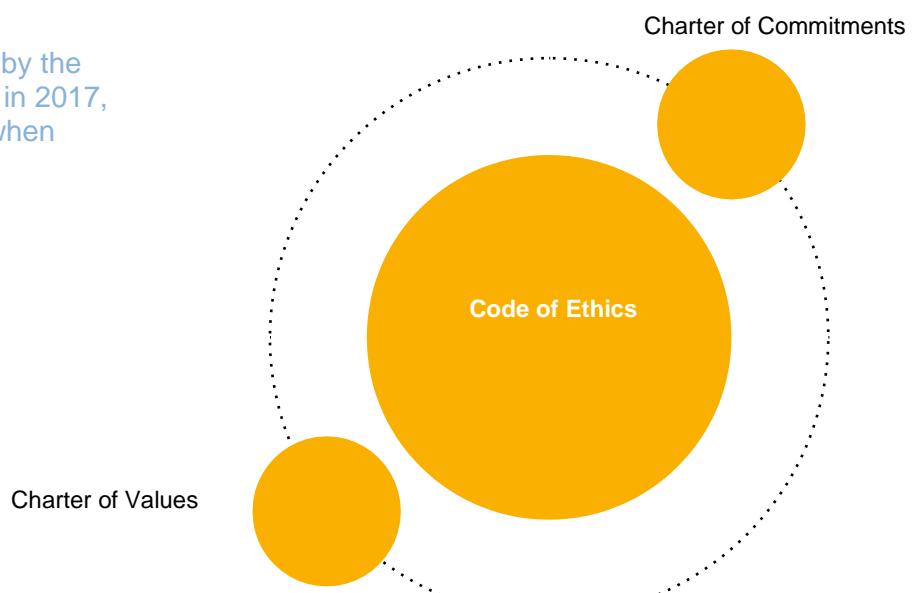
RESPONSIBLE BUSINESS CONDUCT

We have adopted a system of ethical rules, regulations and internal management, aimed at guaranteeing correct conduct and at promoting accountability, to ensure the achievement of objectives, to minimize the organisation's exposure to risk and to foster continuous improvement.

The Code of Ethics

Elettronica's Code of Ethics clearly defines the Company's ethical and social responsibilities and those of the people who work on its behalf, ensuring fair and effective decisions, action and behaviour.

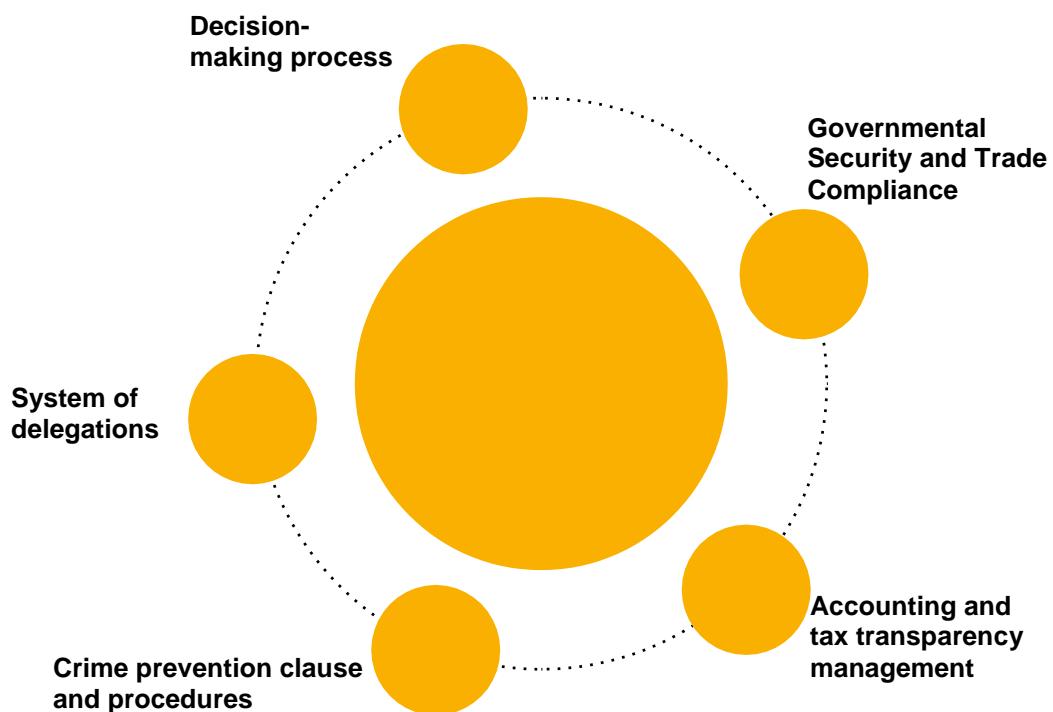
The Code of Ethics, approved by the Company's Board of Directors in 2017, is distributed to all personnel when they are recruited.



Attention to sharing a system of ethics and of values as a guide for the Company in its process of continuous evolution and development, is a characteristic of the manner in which Elettronica acts, which has committed itself to promoting the adoption of the Code of Ethics also by the subsidiaries (the CY4GATE Code of Ethics was approved by the Board of Directors on December 6, 2018).

Internal Rules

Elettronica has adopted a set of internal rules and procedures in order to promote, also through the traceability of documents, processes and operations, the principle of effective accountability of the Company, the integrity and correctness of decision-making processes and compliance with sector and general laws.



Decision making rules

These discipline how business decisions are taken by providing, for a given issue, the intervention of all the competent departments that share responsibility for such decisions according to the degree of involvement and the extent of the decision-making power. The document flow traces the competent and responsible subjects of the single steps of the corporate decisions (preparation, approval and authorisation). The system is reviewed and updated in accordance with organisational changes and/or new business processes.

A specific aspect of the internal decision-making process is represented by the authorization cycle relating to offers, contracts and purchase requests. It provides for a traced authorization process based on specific Company powers, in order to increase transparency, reduce margins of error and avoid illicit acts and behaviour. The cycle, compliant with the reference standard EN9100: 2016, involves the hierarchical line of those who activate the request and the departments involved, as well as the Administration & Control department and, if necessary, the Operational Excellence Department. A part of the decision-making process, with importance at managerial level, is the General Management Meeting, a structured information sharing system that includes monthly meetings (the General Management Meeting - GMM) attended by all the Department Directors.

During these meetings, the main emerging critical issues are examined together with the General Management and the solutions necessary to achieve the corporate objectives are shared. Each department director then has the task of communicating the results of the GMM discussions to their collaborators, so that a cascade process can be carried out and the information reaches all personnel.

System of delegations for certain issues

With regard to Governmental Security, Safety, Information Security, Privacy and Quality, Elettronica, by a system of delegations to specific corporate figures, guarantees operations also externally and governance in line with Company policies.

Procedures for the prevention of illicit acts

In order to encourage behaviour based on the values and principles laid down in the Code of Ethics, specific clauses focussing on integrity and on respect for the Company's Code of Ethics are included in contracts and agreements with suppliers and partners.

With regard to relations with foreign market agents, the criteria for choosing and managing the relationship with the professionals in charge of promoting the business in a specific foreign territory have been defined. The selection and management of the relationship guarantee the professional attitude, the competence and the integrity of the behaviour of the professionals of which the Company wishes to take avail.

Accounting management and tax transparency

In this sphere, the rules and procedures are aimed at:

- guaranteeing all stakeholders of correct accounting and correct data on tax returns
- ensuring the protection of the assets by adequate control procedures

Governmental Security and Trade Compliance Management System (GS&TC)

The System guarantees compliance with the legislation on the management of classified information for Governmental Security (the security of the nation, NATO, EU and OCCAR and the other countries with which contractual agreements have been established) as well as with the legislation concerning the offer, supply and handling of both military (Munition Goods) and Dual Use (Dual Use Goods) materials, thus contributing to the protection of national security and of the corporate assets. The system is followed in all business processes including, for example, those dedicated to commercial opportunities and to product development and implementation as regards the rules relative to the import, export and transit of armament materials, to dual use and certain technologies subject to government restrictions, whether classified or not.

Through the full recognition that all products belong to the aforementioned categories (armaments, dual use and civil), even in the planning stage, the System allows for intercepting any "non-conformities" and for taking prompt action before they occur and before they become a breach of the standards. At the basis of a correct implementation of the System, there is certainly the knowledge and awareness of its importance on the part of all the actors involved. For this reason, Elettronica periodically organizes information and training sessions for its personnel, sometimes also open to external subjects.

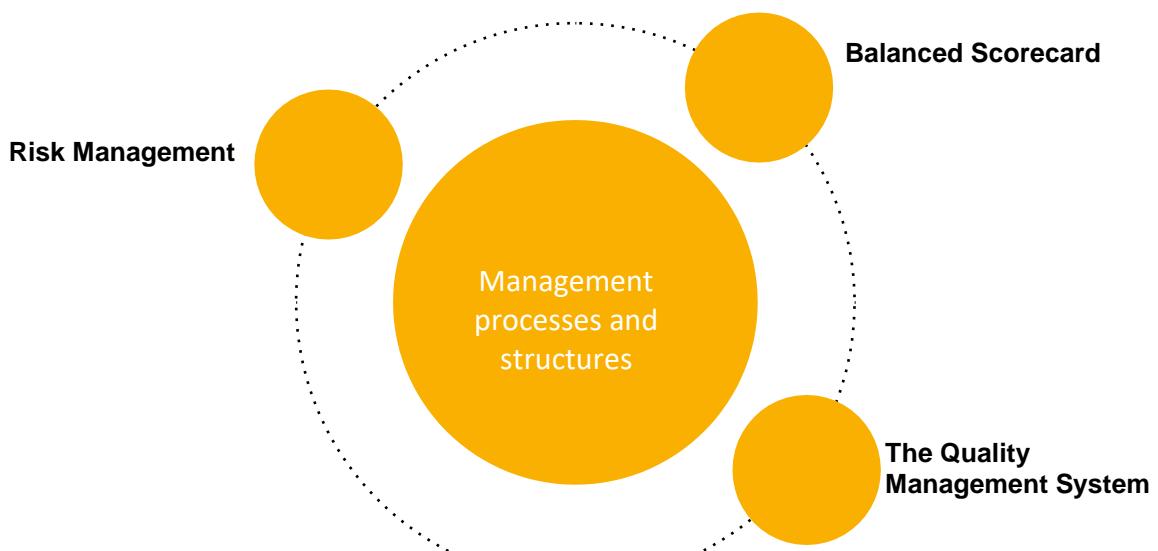
Degree of coverage and of system effectiveness	Data 2019	Three-year data 2017-2019
Standards/procedures included in and/or modified by the system to guarantee compliance	7	20
Contractual measures adopted to minimize the risks of the breach of sector regulations	8	28

In December 2018, an application was filed with the Ministry of Foreign Affairs and International Cooperation to obtain European Certification pursuant to Article 9 of Directive 2009/43/EC as implemented by Article 10-sexies of Law No. 185/1990. This Certification establishes the reliability of the certified company, especially as regards its ability to comply with the export restrictions on armament materials. In 2019, successive additional documentation was presented to support the related release process.

Management processes and tools

The management processes lead the organization towards the achievement of objectives and the creation of value, within the framework of very precise principles, values and rules that guarantee its pursuit in an ethical, correct and transparent manner. With this in mind, the adoption of processes such as

the Risk Management process, and systems such as Quality Management, and strategic-management tools such as the Balanced Scorecard, means combining reliability with excellence, and control with continuous improvement.



Risk Management

This is a structured process for assessing events that can compromise or favour the success of corporate projects. The aim is to stimulate those involved to consider the sources of risk and the potential effects, and to then identify and put in place appropriate action to counteract or to enhance the probability of their occurrence and the associated effects. In 2015, the Risk Management organizational unit was created, the tasks of which include spreading a common corporate mentality, in order to improve corporate economic results, customer satisfaction and the work atmosphere. As of January 2018, Risk Management has taken on an even more strategic role within the organization, becoming a new organizational department (Planning & Risk Management), in order to have greater operational independence compared to the other corporate departments and to ensure maximum objectivity in risk assessment.

The Company manages and monitors 17 types of risk involving the examination of economic, financial, operational, social and environmental risks. Threats and opportunities are identified for each type of risk. In 2019, 90 threats were identified falling within 16 risk categories and 17 opportunities involving 8 categories. The closing time for law enforcement actions in response to risk situations was 8 months compared to the set target of 10 months.

Balanced Scorecard

This represents the main strategic management tool by which the business vision can be viewed according to a coherent set of performance indicators. The indicators are divided according to four aspects: Results, Customers/Markets, Processes, Resources. Compared to the use of only economic-financial indicators, the Scorecard is a decidedly advanced tool which measures the way in which the Company, by achieving individual objectives, creates value for all its stakeholders. To date Elettronica has a Corporate BSC and a BSC for each business department.

Sharing targets

Year 2019

High performance KPI (target reached or exceeded)	25 (67.5%)
Medium performance KPI (target not reached, but tolerance level reached)	7 (19%)
Low performance KPI (target not reached, and tolerance level not reached)	5 (13.5%)

Quality Management System (QMS)

Elettronica has adopted a Quality Management System in order to meet the expectations and needs of the interested parties and to sustain its continuous pursuit of results. The process involves the entire Company and takes into account the needs of the various stakeholders: from Company personnel, to create a suitable work environment which also allows for a satisfactory private life, to the integration of Company processes and the management of the supply chain, up to the satisfaction of the end customer. All phases aim towards continuous improvement and technological innovation



At the same time, Quality plays a strategic role in improving business opportunities, connected with the analysis of customer satisfaction through studies, the management of complaints and internal de-briefing activities through Customer Satisfaction paths and product surveys dedicated to the end users of the systems.

Quality recorded	2019 data	Three-year term 2017-2019
Customer survey - Product	7.9/10	N/D
Customer survey - Sales	8.3/10	N/D
Customer survey - Logistics	8.2/10	N/D
Vendor rating (% of quality requisites)	98%	99%
Product Quality Index (percentage of products delivered without waivers)	Performance 99.21% (final balance 96.73% compared to a target of 97.5%)	Performance 101.20% (final balance 97.79%)

Control of the compliance of the Company's Quality Management System is guaranteed by an internal auditing activity, carried out by qualified auditors of accredited bodies, subjected to continuous training and updating. This also allows the spread throughout the Company of the knowledge of the corporate certification standards and increases awareness of how individual behaviour influences the conformity of products and services.

Reliability of the QMS	2019 data	Three-year term 2017-2019
ISO 9001:2015 quality certified processes	100%	100%
Non-conformities reported	10	67
Supplier non-conformities reported	4	62
Corrective and closed actions	4 (100%)98%	62 (100%)
Internal auditor skills	2019 data	
Participants in training courses for internal auditors	1	
Training hours provided to internal auditors	8	
Certified auditing personnel	20	
Internal knowledge and awareness	2019 data	
Participants in training courses for internal auditors	5,272	
Training hours provided to internal auditors	7	
Course participants and employees trained	166	

3.3

COMPANY AND DATA SECURITY

We operate in a sector in which the know-how and information we produce and manage are important for the fact that they guarantee the security of institutions and of civil society, therefore we adopt rigorous information and data management systems and constantly maintain risk awareness and a security mentality among our employees.

The protection of information

The adoption and implementation of an information security management system, through obtaining ISO 27001: 2013 - Information Security Management certification, are aimed at protecting the Company's intellectual capital and correctly managing critical and confidential information, which also means protecting the security of civil society and of the state. In 2018, the Company launched the integration of the IT incident management system through the implementation of the ISO 27035: 2016 - Information Security Incident Management standard and the introduction of a dedicated team, the Computer Security Incident Response Team (CSIRT). We have also obtained

Cyber Essential certification, which is the reference standard for IT security in UK countries and which has guided us in the adoption and application of the essential levels of IT security, necessary to be able to deal with cyber attack threats. Information security depends not only on the reliability and effectiveness of the management system, but also on awareness of the risks and the common adoption of behaviours on the part of everyone who works for Elettronica. For this reason, in 2019 we launched awareness actions to spread the main rules for protecting personal and business data in digital format: classroom workshops, training pills on the e-learning platform, "keep in mind" issues reported on the IT SECURITY portal AWARENESS available on the Company Intranet. We also launched an internal awareness campaign on phishing emails, since the e-mail channel is one of the most common vectors via which attempts are made to steal information and it has become increasingly difficult to protect. Knowing how to recognize a phishing email means protecting the Company, but also and above all ourselves, from attempted attacks that can compromise the confidentiality of attractive data (passwords, bank accounts, Company data, etc.). During the campaign, each employee was subjected to fake attacks by phishing generated by our IT system. In this way, we tested, on a sample basis, the level of people's resilience in order to increase awareness of all these issues. The protection of Company information also requires the ability to track and control information flows. The digital transformation project and its documentary sub-project go in this direction. A few months after its launch, the new ECM (Enterprise Content Management) Document System has already become an indispensable tool for some of the Company's key processes. All the process and management standards are now managed by the ECM system, which is increasingly becoming a part of everyone's daily life. The ECM is also being progressively enriched with new features, thanks to the numerous ideas for improvement and integration: for example, it is possible to manage and monitor the action plans that are triggered off by the audit activities, to manage claims and to manage complex plans. Further developments in progress will allow the creation of new functions for managing the documentary aspects connected to the Programmes and to the Contracts, both active and passive, up to the full integration of the protocolled processes, both incoming and outgoing.

The protection of personal data: a privacy-oriented model

In addition to complying with the special regulations on the protection of national security, it is also our duty to respect and enforce the Privacy discipline according to which the protection of people is a priority, with particular reference to the right to the protection of personal data, to informational self-determination, and to non-discrimination. The Company has adopted a "privacy oriented" model: the challenge is to ensure that the data processing processes are structurally and intrinsically preordained to protect privacy.

Appointment of the DPO <ul style="list-style-type: none">• Compliance with the data-protection-by-design principle• In 2018, the contact details of the ELT DPO were communicated to the Privacy Authority	The ELT Privacy Policy <ul style="list-style-type: none">• Allocation of privacy roles and responsibilities• The execution of the data protection impact assessment (DPIA)• Control of respect for data access, custody and control
The ELT Privacy management system and Group Privacy <ul style="list-style-type: none">• Combined audit plan in synergy with the audit activities of the other corporate management systems (the Information Security Management, Quality Management - and Occupational Health and Safety Management systems - ISMS, QMA and OHSMS)• CY4GATE Privacy Audits performed	Training and Privacy <ul style="list-style-type: none">• The issue of E-Learning modules, diversified according to role• Targeted traditional training on specific issues according to activity

The effectiveness and efficiency of the Privacy Management System is checked annually by authoritative Privacy experts, recognized at national and European level.

In 2019, we kept our Privacy Management System at the highest levels, keeping it in line with the implementation guidelines of the New European Privacy Regulation and the Privacy Code revised according to Legislative Decree 101/2018 (the so-called harmonization decree) and providing for the extension of the ISO 27001 controls to the field of privacy, thus allowing the adaptation of the Privacy Management System to the recently published ISO 27701: 2019 to be programmed.

Privacy Management System Reliability	2019 data
Revision of the Privacy Management System manual and of the Data Breach Management regulation	Carried out1
Maintenance of TÜV sector certification of the DPO No. CDP_186 Rev. 001	Carried out
Average time for closing privacy incidents	10.4 h
Percentage of corrective and improvement actions put in place according to the Plan	100%

3.4

THE HEALTH AND SAFETY OF PEOPLE

The health and safety of people and workplaces are issues subject to our constant attention and improvement.

The adoption of an Occupational Health and Safety Management System has allowed us to further improve the levels of safety and health in the workplace to bring them above the level of regulatory obligations.

In addition to BS UNI ISO 45001:2018 certification, in 2019 Elettronica decided to adapt the system to the new UNI ISO 45001:2018 international standard, in order to guarantee the integrated and organic management of safety in all corporate and organizational spheres and to pursue continuous improvement in this area.

Coverage of Occupational Health and Safety and of Product Safety

- All workers, regardless of their type of contract, including student workers and trainees, are covered by the System, as well as consultants and suppliers who operate at the plant or on behalf of Elettronica at other sites
- The personnel who work on transfer are managed through a Travel Security Management system
- All the Company's activities are covered by the System including all those carried out at external sites
- The H&S function also ensures product safety, also with regard to products purchased and sold, involving a careful analysis of compliance with the applicable binding regulations. Procedure P12 relates precisely to product safety

Risk assessment and accident investigation

- The risk assessment is carried out according to the provisions of Legislative Decree 81/08, by suitable personnel on the basis of the skills and training required by the law itself.
- In risk assessment procedures, the system provides specific forms for reporting as well as the possibility of contacting the Prevention and Protection Service Manager (PPSM)
- The workers are trained on internal rules in case of emergency (serious and immediate danger) and on how to alert rescuers/expert personnel
- During the training, they are all informed that they are not required to work in situations of serious and immediate danger
- All accidents/incidents are analysed by the Prevention and Protection Service (PPS) and on removal of the cause further prevention and protection measures are put in place.
- At Corporate Risk Management level, the risks (by category) and the related H&S controls are identified, as contemplated within the System in use

Workers' participation and communications

- Legislative Decree 81/08 provides for the consultation of the WSR (Workers' Safety Representatives) on all SSL issues as well as on access to corporate documents
- The WSR are requested to express their opinion on system objectives, performance and audits, in accordance with the specific procedures
- Formal meetings are held at least once a year on specific issues that come to light
- Workers are given training on health and safety in the workplace, in accordance with Legislative Decree 81/08 and the State/Regions Agreement Act 221/CSR of 21/12/2011, also in order to increase their awareness of the risks

Compliance with the safety policy, the implementation of the provisions of the system and the achievement of the established objectives are monitored through performance indices and verified by internal audits. The results of the certification audits in 2019 revealed 2 minor non-conformities and gave 12 recommendations.

Effectiveness of the Occupational Health and Safety Management System - OHSMS	2019 data
Number of deaths and mortality rate due to accidents in the workplace	0
Number and rate of serious accidents in the workplace (excluding deaths)	0
Number of accidents at work	3
Number of days lost due to accidents at work	17
Main types of accidents at work	Falls during transfers inside the premises
Occupational accident severity index	2.04
$F = \frac{\text{No of accidents}}{\text{Hours worked}} \times 1000000$	
Occupational accident severity ratio	0.116
$D = \frac{\text{No of days lost}}{\text{h worked}} \times 1000000$	
Occupational accident severity ratio	0.02
Number of hours worked	1,471,248
Work-related hazards involving a high injury risk	Work at height or on transfer
Accidents caused by high injury risk hazards	0
Number of victims of occupational disease	0
Number of cases of recordable occupational disease	0

Compliance with the safety policy and the effectiveness of the system are also based on employees' knowledge of the OHSMS and of the risks in the workplace. Also in this case we have carried out training courses, in compliance with regulatory obligations as well as further courses.

Knowledge of the OHSMS and of risks in the workplace		2019 data
Number of employees who have received training		734
% of employees who have received training		98.5%
Total annual hours of training on prevention and protection		1,622
Average annual hours per employee of training on prevention and protection		2.2

To ensure additional protection for personnel also when travelling abroad, the Company has appointed a company specialized in the Travel Security sector, to constantly monitor any risks in the countries of destination and to adopt adequate security measures when necessary. In 2019, 21 employees travelling abroad received support.

The Safety Award

Safety at Elettronica is above all a Company mentality and an approach to work, not just compliance with procedures. The Safety Award is a consequence of this attitude, the award was created precisely to increase sensitivity and awareness relative to the issue of safety and health at work, by the analysis and consideration of specific problems and the proposal of "original" solutions.

The participants - potentially all employees - form cross-departmental groups in order to have the widest possible vision on the same issue and to combine and compare sensitivity and different approaches. The award day is structured as a workshop also open to other companies and experts of the sector interested in the chosen issue.

The 2018/2019 edition of the Security Award focused on the organisation of security in the Company and, in particular, on methods and tools for active participation in the management of electronic security. The 14 participants were able to try their hand at developing solutions on the subject of knowledge management, visual management and on an issue of their choice for which the group in charge chose QR Code safety management.

Elettronica's certifications

In addition to the legal authorizations, Elettronica has obtained and maintains specific certifications of its management systems, which ensure compliance with current standards.

Meeting standards and maintaining certifications means developing one's own increasingly effective and efficient management system, using it as a flywheel for innovation in the context of the Company's processes and organisation.

- **AER-Q-2110 certificate**

Quality Assurance Requirements of the Aeronautical Armaments Directorate of the Ministry of Defence concerning design, development and production

- **EN 9100 certificate**

Quality Management System in the Aerospace sector

- **UNI CEI ISO/IEC 27001**

Information technology - Security techniques - Information security management systems - Requirements

- **UNI EN ISO 9001 certificate**

Quality management system

- **UNI ISO 45001: 2018 certificate**

Workers' Health and Safety Management System

- **Public Safety Licence**

Management of armament materials, issued by the Rome Prefecture

- **Registration on the National Register of Companies (SeRNI)**

held by the Italian General Secretariat of Defence, for the import and export of military equipment

- **NOSI**

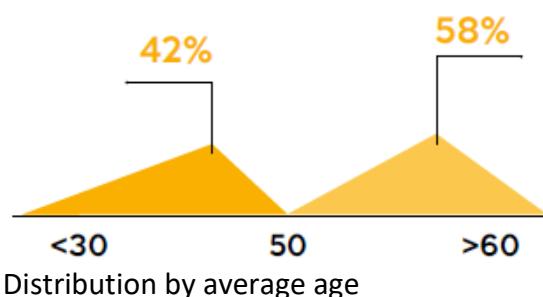
Industrial Security Clearance - issued by the department of the Chairman of the Council of Ministers

4 Human Resources Management

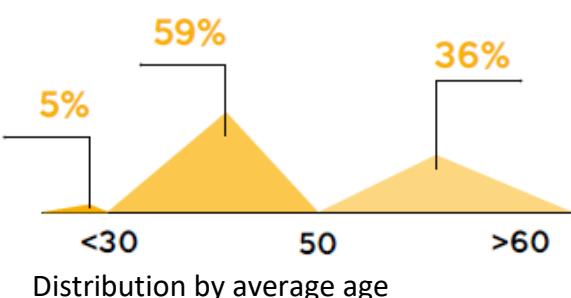
Our people represent a wealth of skills, values and relationships to which we pay attention during the workers' entire lifetime with the Company, from recruitment to the termination of their employment: they represent the most important asset on which the Company's ability to pursue excellence and face global market, innovation and, at the same time, sustainable development challenges is based.



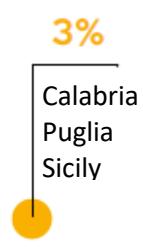
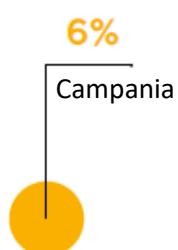
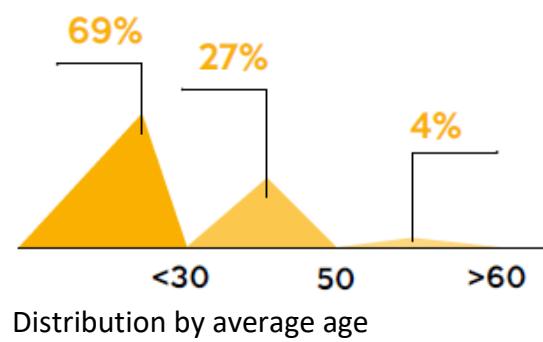
Top employees



Company population



Recruitments



4.1

GIVING VALUE TO PEOPLE AND SKILLS

Sharing and involving, keywords to create a work environment in which everyone feels in the right place and able to provide the expected contribution, are an essential feature of recruitment processes and tools, in Elettronica's management of skills and personnel.

Recruitment Policy

Entering Elettronica means receiving an imprinting that the new employee will bring with him, in emotional and behavioural terms, throughout his career. For this reason the Company has planned and developed specific and original paths for inclusion.

"I-ELT" is an induction training process designed to guide new employees within the organization and functioning of the Company, giving them roles and duties of responsibility, stimulating correct and effective behaviour from the outset, but also spreading a sense of identity and of belonging. The process of integration starts on their very first day in Elettronica, when they are welcomed by the HR department which explains the internal procedures and the regulatory and administrative aspects of the employment relationship on what is known as the Welcome Day; it continues with the provision of assistance and informative material, and a series of meetings with the managers of each Company department and, last but not least, an opportunity to get to know the Director General. The integration process ends after about a year. It is followed by a period of assessment to understand both the new employee's degree of satisfaction, and a final evaluation of the entire process by his/her direct manager.

Fostering alignment on objectives, roles and
work methods

2019 data

% of new recruits who have guaranteed the fulfilment of the tasks indicated in the plan for their inclusion and/or on the objectives sheet

100%

% of new recruits who consider the induction path useful for effective inclusion

89%

Processes, systems and tools

Developing and enhancing skills means putting everyone in a position in which they can best express their potential and to direct them in pursuit of corporate objectives and success. In Elettronica, the clarity and sharing of employee performance, as well as the alignment between corporate and individual objectives, become central aspects in a responsible process of managing and developing people and skills. For this reason we have adopted processes for defining and assessing objectives and skills, based on the strong involvement of the employees and on creating awareness through self-assessment steps, all generated also thanks to the digital transformation of the human resources management process, which has allowed the integrated management of personnel planning, assessment, training and growth, making this process increasingly transparent and accessible to employees. The Performance Management System has the ultimate aim of guiding people towards the results expected by the Company, linking individual performance to wider business activities and giving relevance to the "cascade" assignment process. The process of assigning and assessing individual objectives, which derives from the definition of objectives at corporate and departmental level, through the Balanced Scorecard, involves two distinct steps, logical and temporal, in which the entire corporate population is involved. A first phase, Goal Setting, in which the manager assigns individual objectives to each recruit, and a second phase, Performance Appraisal, in which the formal evaluation of the results takes place in a meeting between manager and recruit. Always to involve the personnel in the achievement of the corporate objectives and to participate in the results, the result bonus, calculated on the basis of constantly monitored and verifiable indicators and parameters, is agreed together with the representative trade unions. An opportunity for workers to have evidence of the results of the Company's performance and of their contribution to the achievement of the final goal. The bonus awarded, according to the worker's preference, can also be converted into welfare benefits or spent on the goods and services available within the "Enjoy Life Time" Flexible Benefits Plan adopted by the Company, with the consequent tax benefits deriving from current legislation.

Participation in Company results 2019 data

average value of the result bonus	2718
% amount of bonuses converted into welfare	17.2%
No. of meetings with the representative trade union to monitor and identify corrective action in order to achieve results	3
weight of the result bonus within the Total Reward Statement	5%

The Performance Management process takes place with the digital support of the "MyHR" human resources management platform, through specific feedback and development meetings organized between the manager and the employee. According to this logic of the all-round assessment of the contribution of each employee, the skills assessment process is supported by the assessment process of the results. Even before the direct manager's assessment, the process involves the employee's self-assessment of his/her technical-professional and business skills. The purpose is to create a development plan that contains training courses, internal mobility and improvement action to bridge the agreed and identified skill gaps. Within the sphere of the digital platform, the assessment of performance and skills is linked to the training courses through the Learning Management System, a digital module that allows the coordination of the entire corporate training

process, from the planning and programming of training activities, too the issue of the training (with classroom training, e-learning courses, training pills ...), up to the assessment of the results, the certification and the updating of the employee's curriculum vitae. The management of training activities is completed by means of the digital Development Module, by which the indications that serve to bridge the gaps in technical and/or behavioural skills deriving from the assessment of skills are translated into individual development plans.

In parallel with the implementation of "MyHR", the "ELT Professional World" tool was created, which informs the organization and all possible career paths in Elettronica in gaming mode. This tool offers a navigation map of all current positions, complete with the related job descriptions and allows the employee to express his/her interest in covering positions. In 2019 the degree of correspondence between actual and ideal mobility mapped by the tool was 80%.

Enhancement of skills and support in professional growth 2019 data

Total hours of training provided	14,279
Average training hours per employee	22.3
Assessments of specific skills and frequency	133 in 18 months
No. of plans developed to bridge gaps in professional skills	131
No. of plans developed to bridge gaps in behavioural skills	146
Learning test results for structured courses on professional skills	all the resources involved (110) have obtained EMAR145 certification, 93% of the people involved in the language training courses have achieved the target level
% of employees involved in the internal mobility plan	10%
degree of satisfaction for the initiative (survey)	62%

Within the broader performance management and skills assessment system, there are also initiatives to answer specific needs, such as the development of a system for assessing critical positions and specific projects dedicated to the Engineering population.

Key Position assessment

In 2019 we introduced a system to assess critical positions - Key Positions - which, through the adoption of a recognized and shared model within the organization, allows for periodically identifying the current Key Positions of the Company, to take into consideration potential risks and critical issues deriving from incorrect coverage of the positions examined and to develop professional paths within the Company and, more in general, strategic planning of resources, to ensure alignment between positions and persons in charge.

105 critical positions were mapped by this system, considering the people holding the defined Key Positions, assessing their level of alignment in terms of performance trends and "spendability" (i.e. the possibility of holding other positions).

Lean Life Style

The Lean Lifestyle project, launched in 2018, dedicated to the Engineering population, was created with the aim of promoting the pursuit of corporate results, of enabling employees to share scenarios and to become aware of their contribution and, at the same time, of seeking an optimal balance between personal and private life and of developing an effective individual/company relationship model.

The project made it possible to increase the level of information sharing and employee involvement, as can also be seen from the surveys carried out during the "Great Place to Work" certification phase.

In 2018, the number of employees who declared that "Managers keep me informed of important issues and changes" increased by 13% (compared to 2017), and in 2019 it has reached 63%. Those who said that they were involved in decisions that affect their work or the working environment had increased by 18%, and in 2019 by another 2%.

The enhancement of skills also involves initiatives aimed at transferring know-how and experience within the Company. The EWpedia and the Management Academy projects go in this direction.

EWpedia

In 2015, in support of an initiative conceived spontaneously by certain employees, the project of a digital "encyclopaedia" on electronic defence was launched, with the aim of creating virtuous communities of practice in the sector and facilitating the transfer of know-how and of experience within the Company. EWpedia was created to share and to make available knowledge which is often "tacit", the result of the experience gained over time by the most brilliant engineers and technicians in Elettronica. Freely inspired by the Wikipedia format, today EWpedia represents, in the technical field, a valuable on-line database of useful information and advice for daily work.

Management Academy

In 2018 we launched a Management Academy programme, as a tool to encourage Company training and learning by doing, rendering systematic and spreading specific knowledge of the business. The project involved training courses based on forms of coaching, in which senior colleagues accompany junior colleagues on a structured path of professional growth, making available and transferring skills and experience. In 2019, 8 seniors were involved to train 195 juniors.

A distinctive section of the Academy is the Electronic Warfare skills centre, in which engineering know-how transfer courses have been organized and the Train The Trainer path was launched, training 23 employees to become trainers in turn.

Communication and involvement

Knowing and knowing oneself are the fundamental prerequisites for a good internal environment. For this reason, we have prepared tools, organized activities and provided areas that favour integration between employees.

Sharing information

The starting point for internal sharing is ELTnet, the Company's Intranet, an informative summary of the world of Elettronica, which contains all the documentation useful for everyone's job -

- and not only: external and Company regulations, press releases, forms for requesting services, information on CRAL (the Company's recreational club for employees) activities, and the daily refectory menus.

The FELT newsletter is the informative house organ, designed as a tool for sharing but also for aggregation: it gives voice to, and expresses the enthusiasm of, the different generations present in the Company. It is a newsletter that looks towards the future, but always keeps the Company's traditions alive. It gives information on main events (fairs, exhibitions, technological innovations, internal events, business successes ...) and also deals with corporate themes that favour the spread of a unique and shared culture and style. An average of 6 employees per single issue collaborate in the preparation of the newsletter, and in 2019 24 employees contributed to the 4 editions published.

ELTogether is an annual social event for the entire organisation, during which the results achieved by the Company and the corporate strategies for the forthcoming years are communicated by the top management to all the personnel. Every year we introduce an element of novelty into the event, which can be entertaining and fun for the audience of employees.

The 2019 ELTogether, dedicated to Christmas, was unforgettable. The Elettronica headquarters was turned into a magical Christmas Village where the typical joy of Christmas and the characteristic atmosphere of food trucks transformed the event into an unforgettable celebration. The event then continued with street and finger food tastings, with the involvement of everyone in the SelfieBox stations that allowed the guests to take, print and distribute amusing photographs via the web and the social media, then used as souvenir gadgets of the event.

Socialising

Elettronica supports initiatives such as the CRAL, which represents a meeting point for all those who wish to meet and share interests, during work breaks and in their free time. We have always welcomed all employees, enrolling them automatically and free of charge when they are hired. In recent years, to facilitate and hold all CRAL activities in a new environment, the area dedicated to the initiative has been redeveloped, restructured and named after the founder of the Company Filippo Fratalocchi. In 2019, however, the new Statute was approved which contains certain variations of the internal organization of CRAL, aimed at making the structure increasingly modern and suitable for the new needs of the corporate population.

CRAL offers sports activities, organized trips, dinners and food and wine tastings and cultural activities, as well as special agreements with external bodies, which also involve family members. It is available to employees who wish to share interests and hobbies, through self-managed courses that vary from photography to wine tasting.

CRAL	2019 data
Members	740
Participants of guided tours	267
Theatre tickets	500
Concert tickets	250
Other tickets	60

The Photo Contest

It is an opportunity for all employees to share a personal interest and to get involved, participating in the Company's photographic competition with their own shots; the competition topics and prizes change from year to year. In 2019, 71 employees participated and 5 were winners, one for each category (Nature, landscapes and animals; Reportage and street photos; Macro, still life and portraits; Selfies, Videos).

Work merit stars

The sense of family that the Company is committed to building is also strengthened by initiatives aimed at rewarding employees who have distinguished themselves for their skill, industriousness and moral conduct, promoting their candidacy for the "Stars of Merit Award" presented by the President of the Republic. In addition, Elettronica holds an internal celebration to colleagues who have achieved 40 years of work in the Company, when they are awarded a medal to celebrate this important milestone.

Charity

Every year Elettronica, thanks above all to the particular sensitivity of the Presidency, pays attention to charitable works. At Christmas, for example, it chooses a gift box and charitable greeting cards, and on other occasions it supports non-profit organizations, local authorities or organizations related to Armed forces. We organize or participate in donations and fund-raising for research centres and associations, sometimes also extending to employees the possibility of joining such organisations by donating a share of their salary. We also support art and culture by funding academies and study centres in Italy and abroad.

Volunteer work

Since 1965, also on the initiative of Elettronica's founder Fratalocchi, D.Eng., the Blood Donors Group has been active, with the participation not only of employees, but also of their families and friends. The group, with 217 members, is linked to AVIS (the Italian blood donors' association). On the day dedicated to donation, in addition to the day of leave provided for by law, breakfast is offered to all participants.

Blood donors	2019 data
Employee donors	65
Donation frequency	Every 3 years

4.2

COMPANY WELFARE

We have launched a series of initiatives to improve employees' well-being, promoting the reconciliation of life-work times, increasing their purchasing power, promoting preventive health activities, and offering cultural, recreational and sports activities.

Attention to health

Elettronica has developed a totally free health care plan for all its employees and their families (which can also be extended to non-dependent family members for an additional fee that can be spent as a welfare credit), supporting and sharing with the representative trade unions the principle of "health for all".

In 2019, in addition, we also decided to offer new retirees - and therefore after the end of their employment relationship - the opportunity to continue a supplementary health insurance, by joining Elettronica's special Health Plan.

In addition to the health insurance policy envisaged by the National Collective Labour Agreement for executives, the Company also plans the integration of the Previdir health insurance policy for managerial staff.

The Wellness Project has been launched which consists of several initiatives aimed at the entire corporate population to promote healthy nutrition and health prevention (through physical and mental well-being and health control). The project involves a series of informative initiatives and activities to introduce correct eating habits: two hours of workshops on healthy eating, "EAT_Educational", in partnership with the San Donato and Philips Group Foundation, also promoting the discounted purchase of B-Well products; the introduction of the "Keep-in-form Dish" at the Company's refectory; and awareness days with the presence of a nutritionist and a chef from the Foundation. The quality of the service, which also intends to satisfy specific food needs, is constantly monitored through monthly audits carried out by an H&S team, supported by an expert HACCP consultant, by a member of the representative trade union and by an employee chosen from volunteer candidates. In 2019 the refectory was used by 70% of employees. The Fluidamente Project, with the distribution to all staff of the Tritan flask (BPA free) with the ELT logo and the installation of filtered and chilled network water distributors throughout the Company, encourages the sustainable consumption of water. Lastly, with the launch of the project, a communication campaign was launched on sustainability issues, with the distribution of printed matter and the publication of informative material in digital format on the Company Intranet

To increase correct, healthy eating habits	2019 data
No. of educational EAT workshops	22 sessions in 11 days
No. of workshop participants	350 (all employees invited)
No. of free plastic flasks distributed	740

Health control is guaranteed by the Company in collaboration with Praxi DS and specialist physicians, through ELT_Lab, the service dedicated to all employees who can have private health tests and prevention packages, through MétaSalute health insurance, at the in-house clinic. Elettronica also has its own infirmary, open every day for 8 hours. It is also used by employees for general and specialist medical examinations relative to disease, accidents, health problems or just for information, facilitating those who, for occupational reasons, have difficulty in terms of time to go to other health facilities for minor ailments. In addition, every year, the infirmary administers the influenza vaccine, free of charge, to those who request it.

Guarantee of employees' health in the workplace	2019 data
Total investment for the Company's infirmary	€ 130,730.00
No. of outpatient health treatments/tests	335
No. of seasonal influenza vaccinations	114
No. of tetanus vaccinations	18
No. of tetanus antibody titrations	74
No. of accident cases treated	21
No. of cases of malaise treated	12
No. of maternity leave certifications	2
No. of ECG tests performed by the nursing staff	1
No. of hours nursing were on the premises	8 hrs/day for 5 days/week
No. of hours the Company physician was on the premises	16 hrs spread over 3 days
Type and number of services provided (by the ELT Lab)	Samples taken: 16 Prevention packets: 153

Equal opportunities, the balancing life and work timetables

For Elettronica, the issue of equal opportunities is not just a gender issue. It also means paying attention to specific situations and conditions of private life, in order to offer all employees the best conditions for participating in Company life with serenity, balancing the needs of their private lives and of work

The second-level union agreements testify to the desire to modernize certain contractual institutions and to develop new ones, designed on the basis of the needs of the employees, to create a climate of mutual trust between the Company and its collaborators.

Especially in consideration of the Company's location on Via Tiburtina, Elettronica has provided conditions of effective life-work balance also through "flexi-time" and by introducing specific initiatives in favour of employees as if they were members of a family unit. We understand the difficulty of being parents in the context of a big city and the need to be present at important moments of private life.

Facilitating the lives of the employees also means facilitating the handling of paperwork, and for this we have made available a manned internal banking service open every day from 12:00 to 14:00.

The possibility of meeting personal/family life needs	2019 data
No. of persons on maternity leave - average hours per capita	7
No. of persons on sick leave - average hours per capita	24
No. of persons absent on National Health leave - (law 104, blood donation) - average hours per capita	8
No. of other persons on leave (study leave, marriage leave, etc.) - average hours per capita	26
hours on leave for nursery school introduction	273

To support pregnant employees in a delicate phase of life and work, we have decided to go beyond the specific provisions of the law on the protection of pregnant women and mothers. Colleagues, already from the first phase of communication to the Company of their state of pregnancy, are supported in all formal, administrative and bureaucratic aspects and receive nursing and medical support, if necessary. In 2019, 5 pregnant workers were assisted: they received information on the prevention and protection measures to be adopted at this particular moment and on specific risks. In addition, parking spaces have been reserved inside by the Company to allow them to reach the workplace more easily. Special attention is also paid to the disabled, both the recently hired and those who have progressed during their working life. The Company, going beyond mere compliance with the obligations established by law, is well aware that the inclusion of everyone results in the creation of a better work environment: for this reason, it tries to use sensitivity in dealing, case by case, with the specific situations. The most relevant diversity in our Company is linked to the physical or mental disabilities of individuals and often, finding ourselves facing different problems, we talk to managers and find solutions, always protecting the interests of the person as much as possible. Elettronica believes it is important to adopt initiatives that foster the well-being and respect of people of different cultures who visit the Company or who are temporary members (customers, suppliers, foreign delegations, training groups, etc.). For this purpose, it has created special spaces for its guests for prayer and refreshment points that take into account the different cultural and religious customs and it has instructed the Company refectory to prepare meals, scrupulously following the dictates of the respective cultures and religions.

Benefits

To improve the corporate environment, to improve the quality of personal life, to increase the motivation and satisfaction of our people (workers, employees, managers), we offer our employees "Enjoy Life Time", a flexible benefits plan launched in 2014. It is an on-line platform where the employee can purchase goods and services for himself and his family, using the "electronic purse" made available by the Company.

Improvement in employees' quality of life	2019 data
Amount spend on welfare per employee	€ 760
Degree of satisfaction of the initiative	85%

Services/products and % of the amount spent
Special agreements with external bodies on request
4.66%
Purchase vouchers
13.85%
Health Insurance Fund
1.18%
Cinema and shows
0.82%
Childcare
0.01%
Financing and loans
1.31%
Training
0.14%
Gymnasiums and Fitness Centres
5.41%
Theme parks
0.18%
Supplementary pensions
16.39%
Reimbursement of expenses
28.87%
Health services and treatment
0.28%
Free time
4.88%
Travel and weekend activities
22.01%

Looking towards the future, we favour the participation of both managers and employees in the supplementary pension system, with the aim of ensuring them a higher pension, by integrating that offered by the compulsory social security system. On recruitment, we hold a special meeting to explain the benefits of subscribing to Cometa, the National Supplementary Pension Fund for workers in the metalworking industry. For executives, after assessing the various opportunities of the different pension funds available on the insurance market, we opted for the PreviGen Pension Fund - a Supplementary Pension Fund for Employees of Affiliated Companies which invests the contribution in policies of the Generali Group, which not only offers yield but also bases its investment strategies on environmental, social and corporate governance (ESG) criteria.

5 Human Resources Management

The production and the promotion of innovation are the driving elements of our corporate business, as well as representing an aware approach to the creation of economic and social value for the Company, for the Territory and for all its Stakeholders. [The propensity for innovation requires the ability to intercept, systematise and create synergies between the different actors of the innovative process.](#) For this reason, we actively participate in think tanks on technological development issues, we enhance the Company's people and its intellectual capital, and we launch and foster opportunities for collaboration with universities and research centres.

5.1

INNOVATION PRODUCTION

Innovation is a top priority for us. Despite the current context in which the margins of the sector are decreasing, the Company continues to innovate, increasing the investments destined for research and development activities.

The ability to seize the opportunities that exist in the national and international context, favouring and transforming them into technological solutions, represents Elettronica's great contribution to the innovation process and to the creation of value that ensues for the Country System and for all Stakeholders. In 2019 we invested more than Euro 11 million in innovation projects, in continuity with the incremental trend defined by the Company's choices of recent years, and with the investment forecasts of 13 million contained in the three-year plan (PBMT). At the same time, we intend to take avail of external funding opportunities by participating in regional, national and international calls for tender. Elettronica's participation in community-funded programmes is particularly important, in a context in which Europe, through tenders in the Defence and Security sector, promotes research and innovation, and optimises the development and acquisition of technologies by the Member States. In this sense, our commitment is aimed at achieving results, not only for ourselves but also for the country, and it confirms our role as important players in European industrial policy, also thanks to the activities of our representative office in Brussels.

European tenders in which
Elettronica participated in
2019

	Subject	Partner
ADR-EMS-03-2019: Combined radar, communications, and electronic warfare functions based on European Active Electronically Scanned Arrays for military applications (CROWN)	Definition and development of an integrated system with Radar, COMM and EW functions for defence applications in different military sectors and based on AESA Multifunction Radar technology.	INDRA SISTEMAS, (Coordinatore), LEONARDO, HENSOLDT, Thales DMS - F, Fraunhofer-Institut für Hochfrequenzphysik und Radartechnik
EDIDP-ACC-AEAC-2019: Airborne Electronic Attack Capability (REACT)	Definition and development of an Airborne Modular and scalable European Electronic Attack system with Stand Off Jamming, Stand In Jamming, Escort Jamming, EW C2, CEMA, Network and Datalink capacities	FHR, Netherlands Organisation for Applied Scientific Research TNO, SAAB, Elettronica, Baltijos Pazangiu Technologiju Institutas, Onera, Totalforsvarets Forskningsinstitut
EDIDP-PNTSCC-2019: Positioning, Navigation and Timing (PNT) and satellite communication capabilities (GEODE)	Definition and development of a Galileo PRS (Public Regulated Service) Dual mode receiver, compatible with GPS/PRS GNSS37 reception equipment for military applications in the air, land, sea and possibly space sectors with the aim of achieving full compliance with the European Common Minimum Standards (CMS)	FDC (Coordinatore), THALES AVS, SAFRAN, THALES SIX, OROLIA, FhG IIS, ADS, DIEHL, SIEMENS, LEONARDO, TELESPAZIO, THALES-I, ELETTRONICA, CY4GATE, ANTWERP-S, GMV, INDRA, TECNOBIT
EDIDP-ISR-EHAPS-2019: European High Altitude Platform Station (Euro-HAPS) solution for Union defence (surveillance of maritime zones, land borders or critical assets) (STARS)	Definition and development of a System of Systems that contemplates the use of platforms in the stratosphere (HAPS - High Altitude Platform Stations) for the surveillance of maritime areas, borders or critical assets.	THALES – F (Coordinatore), LEONARDO, INDRA SISTEMAS, AIRSTAR AEROSPACE, TRONICOALCEN, Commissariat à l'énergie atomique et aux énergies alternatives (CEA), THALES DEFENSE MISSION SYSTEM, THALES ALENIA SPACE ESPAÑA, THALES ALENIA SPACE ITALIA, TELESPAZIO, ELETTRONICA, CIRA, IDS Ingegneria Dei Sistemi, Logic, ALI, Consorzio Hypatia

The Research and Innovation department

Elettronica has a Research and Innovation (R&I) department whose mission is to constantly monitor the development of corporate innovation, designing, collecting and validating new solutions, as well as new models and tools. The ultimate goal of the R&I department is to implement applied research, capable of conceiving and incorporating new functions, technologies and architectures into products to be offered promptly to the market, to meet the needs of current or potential customers. The R&I department has the following responsibilities:

- to identify and define highly innovative architectures
- to develop new functions and technologies to fill the detected now-how gaps, constructing the actual prototype and bringing it to a condition of sufficient development to be checked and rendered fit for use within the products
- to support the Product Lines in defining the “Product Road maps” by directing them to the most innovative solutions on the market
- to issue and update the “Technology Plan” to support product developments defined in the roadmap and based on the inputs received in the Long-term Plan (LTP) and in the Strategic Agenda
- to act as an “incubator and developer of innovative ideas” that come from internal or from external scouting and in which the Company has decided to invest.

One of the main R&I activities is the periodic review of the Technology Plan, a document that represents the response to the Strategic Agenda, which is to say to the Elettronica's needs for its leadership position on the EW market for the decade in terms of:

- Capabilities
- Products
- Functions
- European Defence funded programs

Since the enabling technologies required to support Elettronica products concern various broad spectrum domains (i.e. from software to hardware) it is essential to act in a structured manner in order to effectively target resources and energy to a research and development activity that is excellent and focused on the real needs of the market and of society today and tomorrow. For this reason we have chosen to create an organizational structure, Technology Scouting Management, led by the Procurement area and supported by R&I, which actively contributes to the development of the Elettronica technological plan through constant monitoring of the technology and product market and interaction between internal and external actors, always protagonists of innovation.

More in general, our innovation process follows the open model of innovation. Therefore ideas are generated in several ways:

- within the R&I department
- within the Company
- outside the Company (universities, design centres, suppliers, European and NATO collaboration)

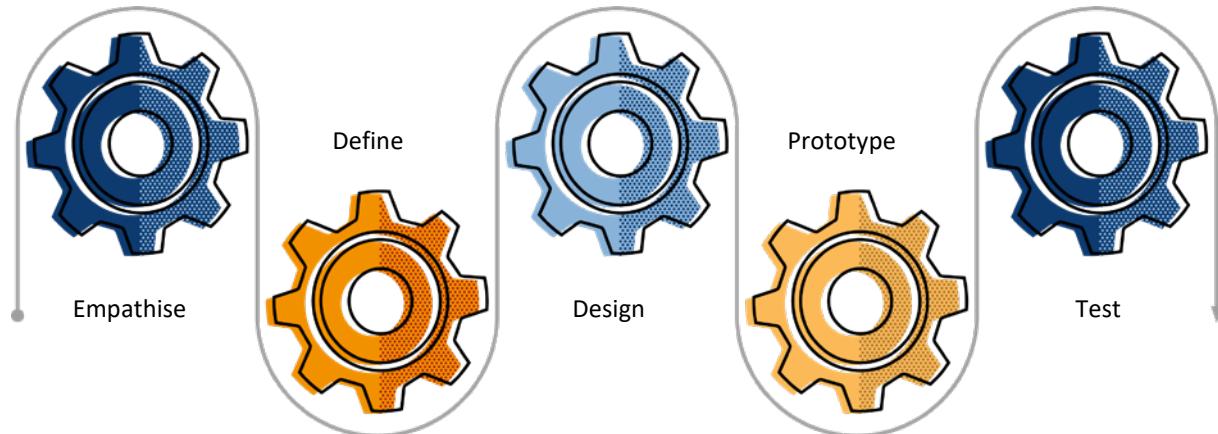
All ideas undergo a funnelling process, in line with what is expressed in the technological plan, by means of a push-pull methodology: both the technologies and the market can provide guidelines for the development of new products by opening new businesses.

The open innovation model focused on existing business lines provides for “holes” within the funnelling phase from which to create new business opportunities and therefore new markets and products, always taking into account the needs of the customers.

The whole process of the conception and development of the idea and of the consequent demonstrator takes place following the Design Thinking model, an alternative way of solving

problems that arise in the innovation design phase, which aims to develop solutions that transcend the specific problem in itself to suggest practices that can lead to user-centred innovation, thus focusing on the needs and requests of the customers.

Design Thinking



Design Thinking draws on the experience and versatility of the designers to deal with strategic organizational planning with a less rigid perspective.

The multidisciplinary nature of the approaches of this type of innovation design is a distinctive feature that makes it preferable to other more sectoral approaches that could represent a limit to the innovation itself.

Design Thinking consists of 5 phases:

1. EMPATHISE: What we are interested in
2. DEFINE: To define the objectives
3. DESIGN: What solution do I adopt
4. PROTOTYPE: How do I construct my solution
5. TEST: How do I check and improve my solution

Downstream of the prototyping and testing phase, a peer review is carried out which defines the results obtained, and a gap analysis (what is missing in order to achieve the initial specifications).

Successively the function/idea/architecture moves on into the hands of the Product Lines whose objective is the complete development (in terms of integration and industrialisation) of the idea in the direction of the final product, as defined in the Roadmap of the Strategic Technology Plan. The R&I department manages most of the Company's private ventures. It has a staff of 18 with skills in the engineering fields deemed to be key disciplines for the Company, and it has a specific laboratory to carry out the demonstrators' tests developed.

Partnerships with universities and research centres

Collaboration with research institutions and university design centres is a qualifying element of our innovation process, which triggers a virtuous exchange both for the high value of knowledge and skills put in place by the partners, and for the opportunity that Elettronica provides to the world of research to develop innovative ideas and realize their potential by applying it to the corporate business.

In addition to collaborating with the La Sapienza, Rome Tor Vergata, Roma Tre and LUISS universities with student training periods, Elettronica addresses the world of research with a "win-win" approach: in terms of reputation, to increase the attraction of talents; in terms of research funding, to raise technological standards and stimulate the universities to develop innovative projects. Elettronica also collaborates with the Sant'Anna School of the CNIT of Pisa and with the CNIT of the Federico II University of Naples.

Resources employed	2019 data
Value of the funding for research activities (value of technological orders)	€ 11M
Value of the funding provided to universities for partnership research development (RdA to universities for technological research activities)	€ 176 K
Applicability of research	
Emerging technologies acquired/developed	Machine Learning, RF SoC, integrated EO
Creation of an innovation network	
Projects started/in progress/concluded with universities and research centres and spin offs	4
Universities involved	3
Research centres involved	1
Spin offs involved	2
Researchers involved	18
Theses developed on commission/in collaboration	3
Reputation/visibility	
No. of articles/papers that have given visibility to the research	6
No. of conferences for the dissemination of the innovation developed	6

Highly specialized competence centre dedicated to cyber-security

Through the subsidiary CY4GATE we are one of the 37 private enterprises which, together with 9 public research enterprises, have created a public-private partnership, guided by La Sapienza University of Rome, for the establishment of a cyber-security competence centre.

The experience is included in the opportunities offered by the Industry 4.0 Plan for the establishment of hubs spread across the country that act as key points for the transfer of technology to the business world.

The Competence Centre of Rome is also a guidance and training centre for companies, as well as giving support in the implementation of innovation projects, industrial research and experimental development. It focuses on the general aspects of Cyber security and its various specific applications: Electronic Warfare, e-health, automotive and space. In each of the listed fields, the systems are increasingly software-based and net-centric: the growing complexity that derives from systems makes it necessary to take into account spasmodic cyber security in order to increase the resilience of the systems and to protect the information with which they deal.

Digital projects

In 2017, we launched the Digital Transformation Strategic Plan, defining the IT architectures that will support the businesses of the future and the creation of the "Digital Farm". This project falls within the "Digital Transformation" IT plan launched in 2018 with the SCO & S - Smart Connected Operation & Service - project, and it represents a complex challenge as it will involve all Company departments and will lead, in a very short time, to profound changes in the working methods of Elettronica's individual resources.

The Strategic Setup of the Digital Transformation has identified a roadmap of 9 priority use cases that will be developed in the next three years (2020-2022). For 2020 three have been selected.

The following Clusters will be the target of this project:

1. Clean Sheet & Should Cost - to increase the effectiveness of the execution of tenders and the negotiation of passive contracts and to improve Make-Buy decisions, through a fact-based cost baseline
2. Digital Proposal Configurator - to enhance and accelerate the development of proposals to customers in consideration of the high engineering and complexity of the offers
3. Leads Management in Service - to promote the commercial excellence of Elettronica and to obtain new maintenance contracts by forecasting operational and maintenance needs on the installed products.

Cluster 1 includes the development of the three use cases identified as priorities for 2020.

Cluster 2 provides for the "Launch" of the Centre of Expertise (CoE), with the start of the capability building process of the resources involved and the processes of engaging the departments.

Taking advantage of the opportunities offered by the National Industry 4.0 Plan, Elettronica has carried forward the following projects:

- Integration of product development and construction processes through the implementation of Concurrent and Simultaneous Engineering techniques (Virtual Platforms, High Level Synthesis, System Modelling)
- Adoption of a new technological architecture combining IT (Information Technology) and OT (Operational Technology) through:
 - cross-connections of systems (SAP, PLM, MES) and devices (PC, sensors, hololens, PLC)
 - incorporation of edge computing solutions for connectivity, cpu, and storage
 - addition of intelligence and machine learning algorithms.
- Creation of its own iSOC (Intelligent Security Operation Centre) dedicated to internal cyber security and the needs of the customers of the subsidiary CY4GATE, featuring a fifth generation solution that combines human intelligence and information technology to support and enhance human capabilities and CY4GATE products (RTA and DISINT).

Ability to exploit opportunities	2019 data
Tax benefits for Industry 4.0	€ 258 K hyper-amortisation
Tax benefits for Research and Development	€ 765 K tax credit for R&D
Amount of funding obtained	€ 1,758 (received in 2019 pursuant to Law 808)

Innovative propensity	
Innovation projects linked to Industry 4.0	7
Innovation projects linked to Private Ventures	23
Co-financed innovation projects	4

Electronic defence also for the security of society

Electronic defence also means security for civil society. In fact, several technological innovations developed in Elettronica have a dual use, i.e. they are not designed for exclusive military use. An example is the design of a localization and inhibition system for potentially hostile or uncooperative drones. In this project we were engaged on the study of the problem of identifying, locating and inhibiting drones to protect public places in urban and non-urban environments. The aim of the study is to offer a defence capacity against a potential threat of terrorist acts, on the occasion of public events and/or for private sites.

Another example of innovative activities with social consequences is represented by the activity undertaken in the context of Cyber-Bullying. In order to create an App for iOS and Android devices capable of alerting the parents and guardians of minors of potentially dangerous messages received by the minors, a complex classifier of natural language has been created using techniques specific to natural language processing and Machine Learning in order to automatically classify chats and to generate reliable alarms addressed to parents and guardians.

Resources engaged	2019 data
Value of the investment	€ 406 K
Reputation/visibility	
Articles and magazines that gave visibility to the project	19
Conferences/divulgation events	2
Accessibility	
Demonstrations for civil purposes	4

5.2

INNOVATION PROMOTION

We are aware that today's challenge is innovation and that our role as a company, together with the institutions, is to help the country to face change, directing it towards global growth.

Internally, we stimulate the sharing of innovative drive and we reward creativity. The Company adheres to projects with a strong innovative impact and seizes opportunities for the exchange of ideas with other players of the sector.

The Innovation Builder

With a view to effectively divulging, collecting and proposing activities and ideas for innovation within the organization, in 2019 we established the figure of the Innovation Builder (IB). The IB is an "innovation facilitator" who harmonizes, communicates and connects research activities within the different areas of the Engineering - Research & Innovation department with all other engineering areas.

Integrated teams of IBs are formed according to issue, and periodic meetings are held according to a calendar established by the Research & Innovation IB, who acts as coordinator. The IB teams can be extended to any corporate department according to the subject of the proposed innovation. Each IB guarantees information and communication within his own department.

Internal promotion of innovation	2019 data
No. of Innovation Builders	6
No. of meetings held	15

The Skip Level Meeting

As part of the Engineering function, the orientation towards innovation is also the result of a continuous and structured sharing of information and the collection of feedback aimed at increasing the synergy and collaboration between the departments, through a two-way communication process that follows the logic of the Skip Level Meeting:

- to communicate top-down issues that are important for the Company on all fronts, with the primary objective of expressing a vision that is as transversal as possible and which increases collaboration between departments;
- for bottom-up communicating and to obtain direct feedback from resources, and for comments on and the analysis of different issues

More specifically, the meetings involve about 300 people, divided into smaller groups of about 15.

The Innovation Award

We stimulate and reward creativity and commitment within the Company, organizing a two-year competition for employees, as individuals or in groups, who present a project which is, precisely, innovative. The works are judged by a commission whose internal members include the Director General and the Chief Scientist.

In addition to an economic recognition, the winning projects have the chance of being published in international engineering journals, according to the highest IEEE standards. In the case of projects that contain innovations of particular interest to the business and of immediate application for the Company, the Director General will provide for the relative financing. In addition, for especially innovative and potentially distinctive ideas of products/services, patent registration is proposed, with a strong motivational impact on the authors of the innovation itself.

MIND - Milan Innovation District

Elettronica is part of "an innovation ecosystem, a catalyst of opportunities for the socio-economic growth of the country" through participation in the MIND redevelopment project of the Milan Expo Area, which aims to establish a sustainable ecosystem which can bring to light a new community and represent an exemplary model for the future urban regenerations of the world.

MIND will become a new district of Milan: a real city within the city which looks to the future with a vision that combines scientific, academic and environmental protection aspects. In 2019 a Memorandum of Understanding was signed by 55 companies involved regarding two lines of development: Life science and the City of the Future. Elettronica is involved on the second line - the City of the Future - relative to which it plans to open an office within 2020 for technological scouting activities.

The Digital Innovation Hub project

We are participating in the Confindustria Digital Innovation Hub (DIH) project by joining the Lazio Digital Innovation Hub, together with other players of the local innovation ecosystem. The DIHs have the task of stimulating and promoting the demand for innovation in the production system, strengthening the level of knowledge and of the awareness of the opportunities offered by digitalization which represent the "gateway" for companies to enter the world of Industry 4.0. In particular, the activities carried out by DIHs for companies focus on:

- raising awareness and training with regard to opportunities related to the application of 4.0 technologies, through the organization of seminars, workshops and study visits
- digital maturity assessment: support in the use of digital maturity assessment tools, definition of the roadmap for the digital transformation of business processes and accompaniment in the development of 4.0 projects
- orientation towards the ecosystem of innovation: national and European competence centres, smart factories and demo centres, lighthouse factories, universities, technology parks and clusters, public and private research centres, technology transfer centres, incubators and fablabs.

By joining the project, Elettronica makes its skills available to the territory, contributes to osmosis on innovation issues and, at the same time, expands its relationships and develops its business.

Participation in conferences and events

In Elettronica, dialogue and debate with the institutions and other companies operating in the sector represent an important opportunity to contribute to reflection on issues deemed crucial for the development and growth of the entire sector.

To this end, we participate in conferences and events in which the theme of innovation has a crucial role.

The dissemination and stimulation of knowledge and the acquisition of STEM skills: Schools and universities

Elettronica's know-how is a very precious asset for the Company and for the territory in which it operates. As a company, Elettronica has relationships and collaboration agreements with the main universities and research centres in the area.

These include the Tor Vergata University of Rome, with which Elettronica signed a collaboration agreement in 2018 for technical-scientific and training activities. The collaboration is aimed at generating excellence in the field of research and training on frontier issues, looking towards internationalisation while remaining strongly linked to the economic and productive context of the territory. Pursuant to the agreement, Elettronica is engaged in joint Research and Development projects, in the diffusion of scientific and technological culture in the area, in meetings with academic start-ups, in support activities for the execution of these issues and in the organisation of master and training courses.

To facilitate exchange and interaction between schools, universities and the world of work, Elettronica has also initiated alternating school-work courses and curricular and extracurricular training with local institutions.

The goal is to facilitate the understanding of a modernly organized industrial company, through active experimentation on specific projects or tasks, aimed at making the knowledge acquired during the course of studies applicable. The trainees at Elettronica are supervised by expert tutors and have the chance to interact with various corporate counterparts, in order to acquire transversal skills in their field of competence and to be able to consolidate or direct their motivation and interests in specific areas.

Possibility of interaction with the business world	2019 data
Universities involved	8
Curricular training periods	8
Extra-curricular training	12
Trainees employed by ELT	25%
Alternating study-work courses held	4

The Women4Cyber project: including and enhancing differences

The Elettronica Director General Domitilla Benigni, D.Eng. is a member of the Women4Cyber Council, a recent initiative of the ECSO - European Cyber Security Organization - aimed at promoting greater gender inclusiveness in the cyber sector.

One of the main objectives is to increase women's access to training on these issues, to achieve which Elettronica financed a tender from the LUISS University in 2019 for a full exemption scholarship intended for a candidate of the Second Level University Master's Degree course in Cyber security: public policies, regulations and management.

6 Supply chain Management

Suppliers represent one of the most important elements of our business model: the imperative is to build relationships based on principles of transparency, integrity and trust.

Suppliers are normally classified according to the object and use of the supply within the Company's value chain. They are of two kinds: Direct Suppliers and Indirect Suppliers.

Direct Suppliers are those who provide materials and services necessary to design and manufacture the Elettronica product, which the Company sells to its own customers. Therefore they are supplies that directly contribute to the production of the Company's output.

On the other hand, we speak of Indirect Supplies when the objects of the supply, whether materials or services, are necessary to guarantee the functioning of the organization but do not directly enter the Company's production cycle.

Elettronica's supplier base is very varied and is made up of a very large number of companies.

In the past five years we have entered into contracts with more than 1,100 different companies. Obviously most of these were non-recurring supplies.

In particular, from 2015 to today, we have made purchases of indirect-type supplies from approximately 900 different companies, but supplies have been purchased more than five times from only 300. We can therefore say that we have about **300 Indirect suppliers with whom we collaborate regularly**.

For **Direct supplies**, however, the situation is very different: the number of suppliers with which we have collaborated in the last five years slightly exceeds two hundred and, of these, 163 are listed in our Suppliers Register, and can therefore be considered usual suppliers. In view of the impact of direct supplies on Elettronica's products, it is necessary to closely monitor the work of these suppliers and ensure their high level of quality which must be aligned with the Company's standards. This is the reason for keeping a Suppliers Register for such supplies, which is nothing more than the list of suppliers "Authorized" to operate in the respective supply areas. The list is accompanied by all the necessary information relating to these enterprises, which is used to ensure correct monitoring, including the third-party certifications, the authorisation to operate within specific special production processes and so on.

Lastly, with regard to Direct supplies, we divide the suppliers according to object to be supplied into three macro-groups: **Materials, Performance and Intellectual Capital**. The table below shows the data relative to the orders issued (in millions of Euro) and the number of suppliers relating to last year (2019).

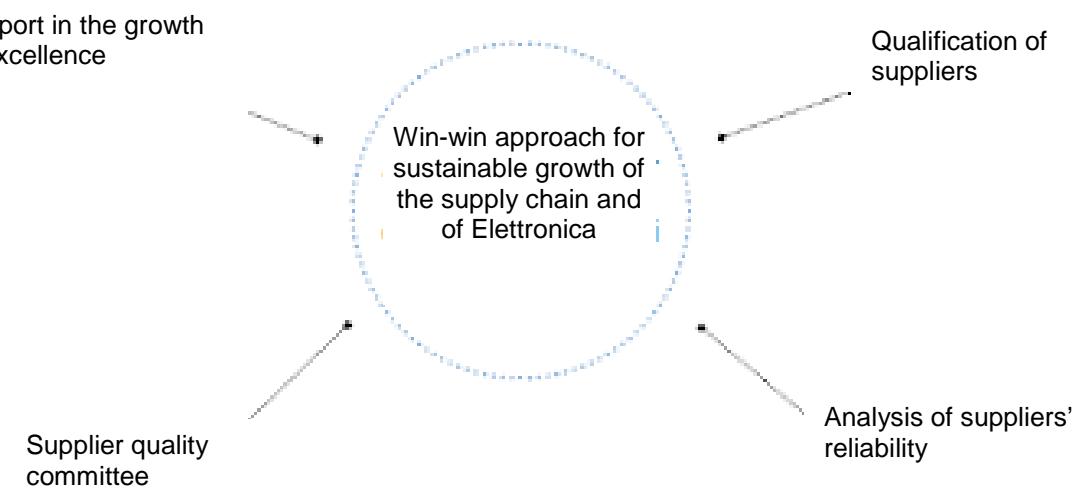
Intellectual Capital suppliers are those who intervene during the product development phase in support of Engineering, therefore they are consultancy services that mainly pertain to the areas of software development, mechanical design and electronic design.

	Orders issued (millions) year 2019	Number of suppliers
Indirect suppliers	20	400
Direct suppliers	140	240
Universities involved	8	138
Curricular training periods	70	120
Extra-curricular training	62	107

6.1

SUPPLIER SELECTION AND RESPONSIBLE MANAGEMENT

In the relationship with suppliers we adopt a "win-win" approach, based on the growth and improvement of the supply chain, in order to create economic, social and reputational value for all the actors involved.



Supplier pre-qualification and qualification

The procedure for a company to qualify as an Elettronica supplier is intended to assess and check the ethical, legal, economic and financial solidity aspects, as well as its capability (technical skills) and capacity (availability of resources and machines). The assessment that does not end with the accreditation but continues over time, through monitoring and constant assessment of the maintenance and improvement of the requirements for accreditation, as well as the supplier's dependence on existing contracts with Elettronica. In this way, the supply chain is guaranteed as regards several aspects: state of health, reliability, orientation towards excellence, but also orientation towards ethics and legality. To start the pre-qualification process, the potential supplier must accept the Code of Conduct, the Anti-corruption Code and the Privacy Policy.

Code of Conduct for Suppliers

The first condition for being included on the Elettronica Suppliers Register is therefore the acceptance of the Code of Conduct for Suppliers: a method that Elettronica has chosen

to ensure that its suppliers share the values and conduct that inspire and discipline how the Company acts. The Code of Conduct adopted incorporates the principles that inspire economic, social and environmental sustainability, in line with international best practices.

The Code of Conduct establishes the fundamental rules and practices that we expect from our suppliers on sensitive issues ranging from human rights to equal opportunities, from anti-corruption to compliance with import/export rules, from health and safety in the workplace to respect for the environment.

Principles of the code of conduct for suppliers

- Protection of the human rights of its own employees, treating them with dignity and respect and promoting their employment stability
- The offer of equal employment opportunities to employees and candidates without discrimination
- Compliance with laws to prevent corruption, illegal payments, fraud and deception, unfair competition, gifts/unjustified benefits
- Compliance with import / export rules
- To provide a safe and healthy working environment
- To operate responsibly and efficiently from an environmental point of view
- Integration of quality in business processes and the implementation of management systems that facilitate compliance with applicable laws

We firmly believe in the principles expressed in our Code of Conduct for suppliers. Therefore, in addition to publishing the text on the Suppliers' Portal, we have decided to hold workshops in which to further underline these concepts.

The Portal is a tool that allows the efficient and effective sharing of information between Elettronica and its suppliers. It is a "door" open to the outside world, which also offers small and medium-sized companies the possibility of making themselves known and of proposing themselves as partners of our Company.

Access to the Suppliers' Portal

2019 data

Registered suppliers	304
Registered suppliers out of the total of ELT suppliers	76%
Registered suppliers by size	Small: 57% Medium: 27% Large: 16%

Supplier accreditation involves the compilation of specific questionnaires for the product category for which the supplier applies, which reveal the possession of technical and operational requirements. In addition, the qualification process guarantees compliance with requirements relating to the environment and health and safety, obviously including those required by law.

Administrative and regulatory compliance	Economic and financial requirements	Management requirements	Technical and operational requirements for specific supplies
Social security and welfare contributions	Winding up probability indicators (D&B Failure Score and D&B Delinquency Score)	Health and safety certifications (ISO 45001)	Execution of "special manufacturing processes" and their management
Clean criminal record declarations		Quality certifications	
Privacy	Indicators relative to payment habits towards suppliers	Environmental certifications (ISO 14001 etc.)	Project risk management
Treatment of materials/information/services subject to government "Export Control" restrictions	Turnover of the past three years	Company Information Security certification (ISO 27001)	Special requirements management
TULPS license (Consolidated Public Law and Order Act)	Profit/loss of the past three years		Structured application of Lean Manufacturing best practices
Industrial Security Clearance (NOSI)	Expenditure on Research & Development	Quality Assurance Manual	Use of a system for measuring internal and external performances
General contractual conditions - Safety Requirements			

The questionnaire is not only a way of acquiring information, but it is also an initial stimulus for improvement: in the self-assessment phase, in fact, the supplier is encouraged to ask itself questions about its own supply chain, its economic-financial and managerial strength and its own technical and operational skills, and it is prompted to adapt also through the adoption of management systems and related certifications.

Encouragement to adapt towards process/product standards	2019 data
Suppliers registered on the portal who declare that they possess certification or systems aimed at managing health and safety at work (ISO 45001)	9%
Suppliers registered on the portal who declare they hold ISO 14001 certification for their environmental management system	10%
Suppliers included on the Suppliers Register Portal who declare they hold ISO 9001 certification for their quality management system	100%

In addition to the questionnaire, the qualification process may include, if necessary, an on-site assessment and possible follow-up action, or an inspection which may lead to corrective action in the case of any non-conformities. Furthermore, after accreditation and during the performance of services, suppliers are subjected to monitoring and performance assessment and on-site meetings and audits relative to the product/process in question, in order to check and ensure that the qualification requirements are maintained.

We also pay great attention to combating counterfeiting; therefore during the qualification process, COTS (Commercial Off The Shelf) suppliers must accept Terms & Conditions which contain a paragraph dedicated to this subject.

There is a second anti-counterfeiting control when the material is delivered to Company, by means of a scrupulous and structured incoming procedure ("entry test"). The last step of the accreditation process is the notice sent to the suppliers of the outcome of the pre-qualification and qualification activities.

Document archive

IT documentation management tool that allows for:

- Management advantages:
 - faster signing of purchase orders
 - faster filing of documents
 - Environmental advantages:
 - space saving and space management
 - paper saving and paper disposal (today 125,000 sheets/year are purchased and the same number are disposed of. Estimated savings are about 100,000 sheets/year)
 - savings on folders (125 folders are purchased every year and the same number are disposed of without recycling, being composed of cardboard + metal + plastic. Estimated savings are about 100 binders/year).

The procurement process

Consequent to a purchasing strategy and/or whenever a purchasing need arises, we implement the procurement process through our dedicated departments; the process is divided into two operational phases: Vendor Selection and Procurement. The procurement management process, like the Company's other processes, has been the subject of digital transformation with the adoption of the Document Archive tool, allowing a reduction of environmental impact as well as more efficient documentation management.

Vendor Selection

1. Call for tenders
2. Analysis of the offers
3. Negotiation phase
4. Selection of the supplier

- Selected supplier for each merchandise category
- Offers and proposals received from suppliers

Procurement

1. The issue and release of purchase requests and purchase orders
2. The issue of the contracts
3. Management of relations between suppliers and departments
4. Monitoring and management of order changes
5. Obsolescence monitoring and the master data of purchasing materials
6. Reception of the supply, invoicing and inspection of the goods

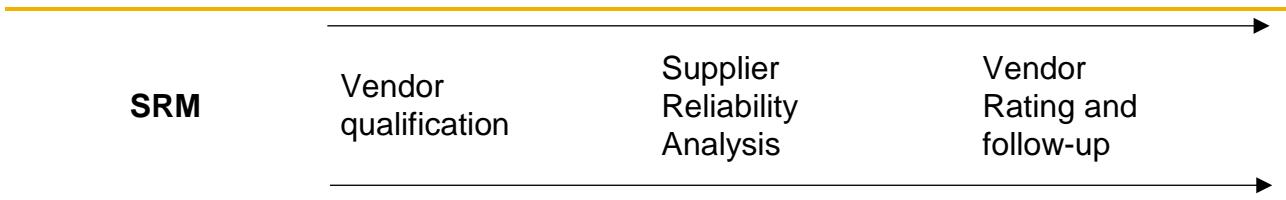
- Purchase order and contract issued
- Purchase order schedule
- Purchase documents
- Reception of goods
- Completion of performance/service

6.2

DEVELOPMENT AND ENHANCEMENT OF THE SUPPLY-CHAIN

Innovation, quality and reliability of the solutions and OF our products are deeply linked to our ability to select, stimulate and focus on an excellent and sustainable supply chain.

We are convinced that the ability to develop new products and solutions, to use the technologies available at the state of the art and to maintain the competitiveness required to operate on the global market, and to be able to make partner suppliers reliable and aware of their role. For this reason, we have adopted an approach aimed at making suppliers aware of their strengths and weaknesses, to work together with us to achieve adequate levels of reliability and, at the same time, excellence. This approach already in the accreditation phase and continues throughout the relationship with our suppliers, managed through the Supply Relationship Management (SRM) process.



The process comprises the selection and accreditation/qualification of the suppliers, the reliability analysis with consequent definition and management of de-risk actions, the measurement and monitoring of their performances, identifying areas for improvement and implementing corrective or improvement action.

In particular, as part of the "Reliability Analysis" activity, all activities aimed at intercepting, identifying and dealing with risks that may affect the correct implementation of Elettronica's programmes are included, mitigating or remedying critical issues reported and preventing the possibility of delays or extra costs of supplies.

The supplier reliability analysis is based on an analytical and quantitative risk assessment grid which attributes to each supplier a reliability score. Before the order is issued and then during the supply relationship, the score is reviewed and assessed by inspections carried out at the supplier's premises.

Types of risk managed



Research and development



Quality production



Purchasing logistics



Information systems



Control



Human resources



Finance



Commercial



Country



Control risk

Reliability of suppliers'

2019 data

Suppliers according to reliability class: High, Medium or Low

High Reliability: 54%
Medium Reliability: 39%
Low Reliability: 7%

The "Vendor rating and follow up" activity aims to assess all aspects of our suppliers. The Quality Committee collects feedback from the corporate structures that use a service or tangible assets, thus identifying the gaps that must be bridged. In this way Elettronica gives an active contribution to the supplier's improvement, by monitoring the corrective action agreed on together with the supplier.

Orientation towards improvement

2019 data

Suppliers who have obtained a VR/quality upgrade (suppliers on the Register)	35%
Suppliers with which meetings aimed at improvement have been held (suppliers on the Register)	10%
Suppliers that have improved their own processes subsequent to the Quality Committee's assessment (suppliers on the Register)	6%

Always with a view to strengthening our supply chain, we have taken initiatives to create a cooperative network with and between key suppliers. On one hand, we aim to increase the number of framework contracts, an effective tool that allows the supplier to rise to the level of "partner", with which to share objectives, risks and results, thus contributing to their sustainability in the medium and long term.

On the other hand, we encourage the creation of a network and of cooperation between suppliers who have been identified as excellent in their field. This allows Elettronica a greater guarantee of the supply chain, since suppliers, in their search for sub-suppliers, have the possibility of turning to those already approved by Elettronica. The result is a guarantee of results and a lower need for control by Elettronica and, at the same time, the opportunity for suppliers to establish new relationships with other companies so that they themselves are less dependent on Elettronica's business and therefore - especially for the smaller suppliers - to reduce the risk deriving from dependence on a single customer or from limited diversification.

Upgrading of the supplier to partner

2019 data
Delta
2018/2019

Suppliers with which Elettronica has a framework contract (total)	16	+60%
Suppliers with whom Elettronica has a framework contract (by size)	small: 31% medium: 31% large: 38%	
Suppliers with whom Elettronica has a framework contract (by location)	regional: 31% national: 100% foreign: 0%	

The win-win approach that we pursue in the relationship with our supply chain also presupposes the availability of scenario information and the sharing of strategic-technological road-maps to guide our suppliers in their research and investment choices. In this direction followed by the Technological Coordination Table: a tool for coordination between the internal departments of the Company on the opportunities and technological strategies to be pursued and an opportunity to share information with suppliers. Thanks to this approach, fair and clear relationships based on mutual trust have been built over time with all our suppliers, which look to the future by focusing on investments that can create value in the long term

The key role recognized to our suppliers

To establish stable, efficient and sustainable relationships with national suppliers not only means achieving excellent and reliable performance, but it also involves a significant impact on the economic, employment and social fabric. Elettronica prefers national and local suppliers, aware of the importance of a solid and competitive national industrial supply chain, to face the challenges of the global market.

Strengthening the national and regional supply chains	2019 data	Delta 2018/2019
Regional suppliers (Lazio)	33% of the total	0%
National suppliers	33% of the total	+11.4%
Foreign suppliers	24% of the total	-11.3%
Volume of orders placed with regional and national suppliers	22% regional 48% national	

Results of supplier involvement: sharing and recognition

Innovation is essential to avoid losing competitiveness and opportunities: the Elettronica supply chain is convinced of this, aware of the Company's leadership to this regard, but also of its role as promoters and producers of innovation.

The approach to the customer is equally shared: an attention aimed at intercepting needs and transforming them into solutions, through the ability of Elettronica and its supply chain to produce innovation.

To bring the skills of the supply chain closer to the needs of customers and vice versa, and to render concrete the role of supplier-partner, it is considered necessary to be involved upstream of the innovation planning and production processes and to recognize one's own commitment to research and development.

Sharing is recognised as a key to the success of Elettronica and its supply chain; therefore Elettronica organises workshops with suppliers on issues deriving from the output of the activities of the Technological Table.

7 Attention for the customer

We place the customer at the centre of our success strategy, starting from its current needs and putting in place research and technological development activities aimed at anticipating possible future needs.

High listening skills, great flexibility and adaptability have allowed us to go beyond the simple "Customer-Supplier" relationship and to establish a dynamic and interactive relationship with our customers similar to a "Partnership".

7.1 **GLOBAL SUPPORT TO CUSTOMERS**

The approach adopted is "tuned in on the same wavelength as the customer" and takes concrete action on the conception and production process of our systems, adapting them to the performance levels that our Customer requires with the evolution of the different operating scenarios.

In addition, the Company has developed products whose life cycle can be extended even for periods longer than twenty years. This is one of the secrets that has allowed us to carry on our philosophy of Partnership with the customers, considering that our business sector features rapid obsolescence.

In almost 70 years of existence, we have never lost sight of our key goal: to satisfy the customer from the viewpoint of operating (providing a solution in line with his needs), of knowledge (training him to obtain the maximum possible from what he has purchased), of support (guaranteeing a high operational availability of the system), of costs (designing the system with the aim of containing operating and logistics costs) and of evolution (developing open architectural solutions, capable of being technologically updated to cater for the evolution of the operational requirement and customer needs over time). In a company of very high technological innovation such as Elettronica, this philosophy becomes a determining factor for the consolidation of European and world leadership. It is the only way to bring together the real operational requirement of the customer (which does not always coincide with the operational needs described in the documents) and a solution perfectly suited to the reality of the enterprise in which it will operate, avoiding unnecessary functions and technologies that are not yet mature, or that are unreliable or highly expensive.

For Elettronica, each customer has its own identity and specific nature: our commitment is to know how to adapt and structure following the customer's formal and cultural processes.

This effort is increasingly decisive and complex since foreign markets are not only looking for quality products, but increasingly wish to receive the know-how that represents the concrete tool for the growth of their national technological sovereignty.

Countries therefore require an increasingly articulated, structured and complex commitment, featuring Offset solutions, such as co-production, direct investments and technology transfers in their country, which can even reach 100% of the contract value, thus requiring a total return on their financial investment, equal to the full value of the contract itself. We keep our concentration on partnerships high also at national level and in our work we exploit synergy with the Customer in different ways: starting from the collaboration during the development of a new technological solution to the sharing of important assessments based on experience in the field, to joint participation (Country System), to operational tests on new advanced technological solutions organized within NATO, and up to support in marketing to foreign customers and the use, through special agreements, of test ranges owned by the national Armed Force, for tests and demos. In addition, in order to better support the business with the customer, we offer, together with our systems, specific training and training services, with simulators and equipment that can ensure full operational autonomy. For this purpose, we have created our EW Academy which includes the Battle Lab laboratory, where complex scenarios suitable for multi-role operational training can be simulated, to provide various levels of training by means of a complete simulation of the scenario in which the Customer will operate.

EW Academy – Customer training

2019 data

No. of courses	16
No. of programmes	10
No. of weeks training given	36
No. of students	206

Our training and simulation centre is a very important tool for mastering all aspects of the EW domain. In the Academy programme, Elettronica plays the role of Trusted Advisor, providing the tools and knowledge to prepare the trainers, as well as the end users of the systems. To this end, a shared path is constructed so that the customer, by achieving his training objectives, reaches full autonomy.

We have also understood, in our continuous projection towards the market, the importance and the need to be closer to customers, opening commercial offices in the countries in which we operate. This allows us to maintain a constant dialogue, to avoid communication problems and to offer the fast reaction that customers now expect. All our current and future customers request, indeed they demand, Elettronica to be their Technological Partner, a partner that knows how to put current and future technologies and research and development capacity at the service of their operational needs. For this reason we participate in the various NATO Groups that determine the technological and scenario trends with which our Customers will have to deal. In this way, we provide global support to our stakeholders, convinced that the success of a system lies in the combination of technologies, human skills and customer satisfaction.

7.2

CUSTOMER SUPPORT AND CUSTOMER SATISFACTION

Customer satisfaction is an essential element of our work: the basis of the relationship and the trust involved created by constant and punctual technical assistance in the field and a continuous process of listening and evaluation, in order to identify action for continuous improvement.

Customer attention involves an effective Customer Support process. In this context, Elettronica guarantees customer satisfaction by ensuring the operational effectiveness of the products delivered within the contractual deadlines, by:

- assessing all aspects of the needs that ensure, already in the design and development phase (Design for Supportability), the performance of the products over time
- instruction and training in the use and maintenance of the products
- the definition and budgeting of solutions to ensure the operational efficiency of the system and relative performance (In Service Support - ISS)
- the definition and budgeting of integrated "turnkey" solutions for logistic support already in the first supply phase
- Maintenance, Repair and Overhauling activities, with on-site support, in-house maintenance and continuous improvement of the products based on the feedback received
- the development of customized training solutions
- the monitoring of the obsolescence management process, in synergy with the other processes involved in the creation of the product.

Furthermore, during the warranty and Follow On Support period, the customer is actively assisted, directly by on-site technical assistance in the use and maintenance of the systems and indirectly by the response to specific technical requests (Query- Answering).

As well as the execution of maintenance in compliance with the programmed contractual deadlines.

Customer satisfaction also involves assessment sessions. We operate in a structured and proactive way in the field of Customer Satisfaction, preparing an annual interview plan and sending our customers a dedicated questionnaire. It is a rigorous process which has the aim of defining action to improve the level of perceived quality, and which progresses throughout the entire life cycle of the products and services, with particular attention to:

- exploring customer needs (Offer phase)
- product development, construction and delivery (Project execution)
- after-sales (the operational life of the product)

The process is based on Customer Survey questionnaires, to measure customer satisfaction with regard for the various business areas involved, and a Survey to measure satisfaction with the product supplied. There are several quality factors that contribute to the calculation of the customer satisfaction score:

- **Company Image & Communication:** the customer's perception of the Company, as expressed by means of the various communication tools and according to the Company's ability to transmit its image
- **Contract Management:** compliance with contractual requirements, and the management skills and technical knowledge possessed by Company staff who interface with customers in the different stages of the process
- **Product:** functionality, usability and degree of reliability; the capacity to efficiently and promptly support the product when being used, during the warranty and after-sales phase

The Survey programme is valid for one year. This is the estimated period of time required in order to determine, implement and appreciate the effectiveness of improvement action. All the information and data collected are then analysed, evaluated and shared with the Company's internal managers, in order to identify the improvements still to be made.

Customer Survey - What they say about us:

"Ability to translate customer needs and requirements into programmes" "High ability to solve maintenance problems" "Willingness to understand customer needs"

"The Company's strength is the Customer Satisfaction assessment method since it contributes to customer loyalty"

"High technical and technological competence and professional skill" "The strength of the Company is the professional skill of the staff"

"New Customer Satisfaction Survey (EW user oriented) is one of the best practices ever seen"

"The strength of the Company is intellectual honesty"

"ELT products are at the forefront"

"Positive perception of an improvement in relationships and customer assistance, the result of a prudent corporate policy of attention to the customer and the feedback it produces" "The Company's strengths are availability, professional skills and technical competence"

8 Environmental Management

In recent years we have started out on a progressive path to guarantee a sustainable production and consumption model. A path that involves company processes and structures, aiming at energy efficiency and the responsible use of natural resources, which implies a change of mentality and approach to the consumption of resources, starting from individuals and gradually involving the entire organization.

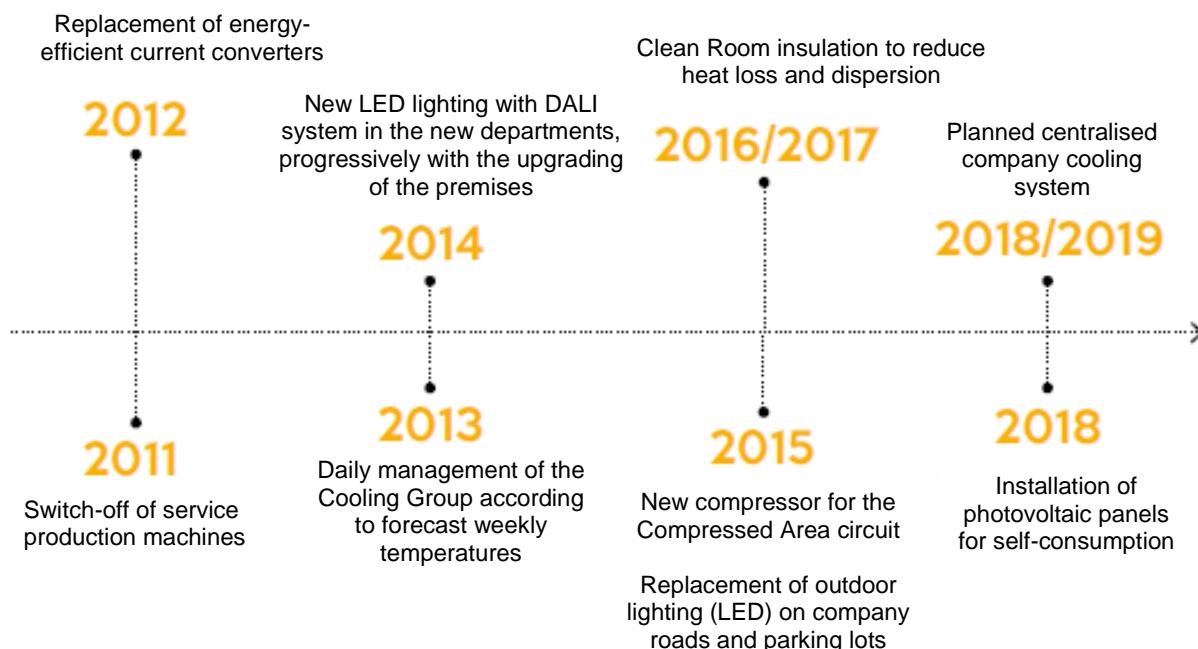
The Company has a management system regarding environmental issues (waste, discharges, emissions, etc ...) and an energy management system to allow the rational use of corporate commodities.

8.1

ENERGY EFFICIENCY AND THE REDUCTION OF EMISSIONS

We have embarked on a path of energy efficiency for our processes, to reduce consumption, energy costs and CO₂ emissions.

In 2011 we started a more correct and responsible management of energy resources (electricity and natural gas, but also water, liquid nitrogen and technical gases) and in 2018 we have also started to install photovoltaic systems for the self-production of electricity.



Degree of diffusion and implementation of the initiatives

	2019 data	2018/2019 data
% of departments in which the management of machine shut-down has been started	80%	+15%
% of departments created by the upgrading of the premises, with LED lighting managed by digital control system (DALI)	40%	+15%

Today many corporate initiatives pay particular attention to the energy consumption of the machines used (servers and PCs) and the consolidation of this action is under way for greater IT and energy efficiency.

Elettronica's **Green Data Centre** was developed with the aim of ensuring reliability for all IT needs and obtaining energy efficiency results.

In 2018 we promoted and implemented the **Photovoltaic** initiative for the self-production of electricity: on the roofs of the main building and of a building renamed Green Lab, a photovoltaic system consisting of 848 panels was installed, with a power of 229 KWp and an energy production capacity of 200 MWh per year, leading to a consequent reduction in CO2 emissions corresponding to about 70 tons per year.

Since the day on which the photovoltaic system became fully operational (3 August 2019), electricity savings of 91 MWh (equal to € 13,400) have been achieved (in 2019)

which corresponds to 41,257 kg of CO2 emissions avoided (equal to approximately 137 trees planted). From the optimization of the operation of the system (by interpolation), annual electricity savings have been estimated at around 300 MWh/year (equal to € 44 K/year) equal to 136,000 Kg of CO2 emissions avoided every year (approximately 454 annual trees planted). In 2020, the Company's cooling system is being rationalised and rendered more efficient. The investment which, after a first run-in phase, entered full steam in 2019, generates 6% of the total energy requirement, entirely used for business activities.

For 2020, continuing in the direction of rationalizing and structuring the correct and responsible management of energy resources, the construction of a corporate centralized cooling system is planned.

8.2

USE OF RESOURCES AND WASTE MANAGEMENT

In order to contribute to reducing waste and to the sustainability of natural resources, we have taken direct measures to ensure careful management of water and paper resources as well as to minimize and manage waste production.

Sustainable consumption

As of 2015, the progressive rationalization of the cooling circuits of environmental chambers and vibrators has made it possible to reduce the consumption of water taken from the wells as well as that taken from the municipal aqueduct.

Water withdrawal GRI 303	2019 data	2018/2019 data
Water taken from the municipal aqueduct	30,300 m3	-19%
Water taken from wells	59,700 m3	-36.7%
Total water consumption	90,000 m3	-31.6%

To reduce the impact for printing needs, as of 2020 Elettronica will purchase only FSC (Forest Stewardship Council) Certified paper.

Waste

In 2012 we introduced the separate collection of waste similar to urban waste, with the aim of minimizing the amount of unsorted waste produced.

Around 150 collection points for paper and for multi-materials (plastics and metals) have been positioned throughout the Company (offices and open spaces), thus minimizing the production of unsorted waste. Non-hazardous urban type waste gathered in this way is taken daily to the ecological waste deposit built in 2016, for the intermediate collection of waste which is then disposed of by the municipal authority in charge of waste disposal. Special waste, on the other hand, is produced:

- within the sphere of the production processes, generated as is the result of the same
- consequent to technical obsolescence
- consequent to an expiry date that cannot be extended
- as a result of the ordinary and extraordinary maintenance of the Company's technical systems, such as lighting, air conditioning, heating, air treatment, etc. ...
- as a result of the ordinary and extraordinary maintenance of the machines on the production line

Waste is disposed of according to the provisions of the law, taking avail of companies specialised in the recovery and treatment of special wastes. We also plan to put in place an end-of-life management of the products. This initiative will take time to implement, in view of the complex and stringent requirements imposed for industrial safety issues.

8.3

SUSTAINABLE MOBILITY

We promote sustainable mobility in order to contribute to the reduction of emissions and to the well-being of our employees and the people who live in the area in which we operate.

Green mobility

In line with the Rome 2024 Plan which provides for mobility without diesel fuelled vehicles, Elettronica is preparing green mobility solutions by progressively reconverting the Company car fleet and supporting the green mobility of its employees.

Sustainable car fleet	2019 data
Electric cars	3
Hybrid cars	8

Elettronica fosters a decreased use of private cars on the part of employees by offering a site dedicated to car pooling - ComuniCar - on the Company Intranet, which allows them to identify colleagues who live near them and to arrange for lifts with one another.

Mobility in the Tiburtina industrial area

Elettronica has adhered to the "sustainable Tiburtina" project - promoted by Unindustria (Union of Industrialists and Companies of Rome, Frosinone, Latina, Rieti, Viterbo) and sponsored by Roma Capitale - aimed at improving access to the Tiburtina industrial area, one of the main production areas not only in Rome, but of Central Italy as a whole.

The Company agrees with the priority given to the road system and the need to take into account the needs of stakeholders in terms of:

- the psycho-physical well-being of the people who live and work there
- the competitiveness of the companies that operate there
- the territory's ability to attract new businesses

The project foresees an initial phase of analysis of the travel involved and the consequent identification of problems, in terms of shortages of services, infrastructural deficits or critical issues in the levels of security and propriety. Elettronica has contributed by giving the questionnaire to all its employees, which had a response rate of 40%. The project will continue with a second phase to identify the action to be taken. In turn, Elettronica is a stakeholder of associations and bodies with which it has active collaboration agreements, aimed at improving the quality of the life of people and the community.

Methodological note

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

With the 2019 social responsibility and sustainability report, Elettronica takes a further step forward along the continuous improvement of its social reporting and sustainability process: it has moved from the use of GRI Standards as an inspiration and guideline to its use as a set of indications - relative to methods and disclosure - which must be respected.

The 2019 Social Responsibility Report is the first electronic sustainability report drawn up in accordance with the GRI Standards. The information and data given meet the mandatory indications and disclosures of the Core option and take into account the material issues declared by the Company. For these data, the values of the year 2019 have been reported and, when available, the values of the three-year period 2017-2019. Further data and information have also been reported, both in relation to material issues, and in relation to issues not declared as material but in any case supervised by the Company. The additional data and information have been defined and reported taking into account the indications provided by the relevant GRI disclosures, based on a reporting process that the Company has followed for the past four years. This process has made it possible to develop, through a benchmarking activity, a dashboard of information and indicators thanks to the involvement of a group of managers and employees, with the analysis of the stakeholders' possible information expectations and of the expectations of the suppliers directly detected.

The period of reference of this report is 2019 (calendar year) in compliance with the annual basis chosen for the reporting frequency.

The scope of the social responsibility and sustainability report coincides with that of the consolidated financial statements of Elettronica S.p.A. at 31 December 2019, for the financial statement data relating only to Elettronica S.p.A, since the subsidiaries Elt GmbH and CY4Gate are not included in the social responsibility and sustainability report.

The process for defining the contents of the report

Elettronica started the reporting process and defined the contents of the 2019 report in compliance with GRI 101: Reporting principles 2016. More specifically, the report was drawn up in accordance with the principle of:

- **the inclusion of the Stakeholders:** in 2016 Elettronica began the careful mapping and analysis of its stakeholders, which it has periodically updated. The stakeholders were identified by means of a vast network of representatives of the corporate functions. Thanks to the knowledge and experience of the members of the aforementioned network, it was possible to carry out the following activities:
 1. the construction of the stakeholder map
 2. the definition of the degree of interest and influence of each stakeholder with respect to the Elettronica's activities/processes and, in this way, to proceed to identify the key stakeholders for each social responsibility issue and for the relevant specific aspects that are significant for Elettronica;
 3. the launch of a first survey on the channels and tools used by the Company to relate to stakeholders, taking into account the nature and intensity of the relationship, and the stakeholders' characteristics.
 4. the explanation of the perception of Elettronica as regards their requirements, expectations and information needs, through the identification of Critical Success Factors (relevant measurement indices of the specific expectations of the stakeholders).
 5. the identification of adequate performance indicators, in addition to those indicated by the GRI disclosure.

The process continued in 2017 and 2018 and, thanks to the involvement of the corporate departments, the persistent validity of the mapping and analysis already conducted was checked and revised when necessary, also on the level of depth and breadth.

In 2019, the reporting process was fully developed and it was possible the direct involvement of the stakeholders in the social reporting process had become possible.

Among the key stakeholders identified, it was decided to involve Suppliers, as strategic subjects for Elettronica in the creation of value, taking into account the relevance of the supply chain in the areas which influenced Social Responsibility.

The Suppliers were involved in two stages: the first with a questionnaire sent to a representative sample of suppliers; the second with the creation of a workshop in which two focus groups were conducted.

The questionnaire allowed:

1. to investigate the awareness of social responsibility in the Elettronica supply chain
2. to highlight the relevance for suppliers with regard to the various social responsibility issues reported by Elettronica in the 2018 Social Report
3. The focus groups allowed:
 - light to be shed on the suppliers' viewpoint regarding the negative risks/impact and the positive opportunities/impact for them deriving from Elettronica's will to address and manage social responsibility issues
 - to identify further indications for the improvement of the reporting process
 - the stakeholders' to directly express their requirements, expectations and information needs.

Brief indications on the feedback that emerged from the involvement of the suppliers can be found in paragraphs 6.1 and 6.2 of the report.

- **Sustainability context:** in presenting the economic, social and environmental performance of the organization in the broader context of sustainability, Elettronica has examined the macro-issues relevant to the sector in which the Company operates, taking into account the actions and goals of the 2030 Agenda for Sustainable Development to which it can make its contribution in terms of the economic, social and environmental impact generated.
- **Materiality:** In the preparation of this report, Elettronica has adopted the principle of materiality. Building on the experience gained in previous reporting cycles (in terms of the awareness of its impact, the emergence of its dimensions and the areas of Social Responsibility, and clarification of the stakeholders' needs and expectations), consistent with the Company's main values, policies and strategies, taking into account the indications of the ISO 26000:2010 Guide to Social Responsibility, as prescribed in the 2030 Agenda on Sustainable Development, and the results of a benchmarking activity, and thanks to the direct contribution of the Company's top management and its supply chain, Elettronica has defined its own material issues, i.e. those considered as priorities - among all the relevant accountable issues - inasmuch as they can reflect the Company's economic, environmental and social impact and can influence the stakeholders' decisions. From an operational point of view, the material issues emerged through the construction of a matrix that brought together the perspective of the stakeholders and that of the Company. In a first phase, a survey of the macro-issues relevant to the sector in which the Company operates was carried out as well as benchmarking in respect of similar companies, using as a guide the indications provided by ISO 26000:2010 on the fundamental issues of Social Responsibility.

For each relevant issue identified, we proceeded by comparing the stakeholders' perspective with the Company's perspective. The stakeholders' perspective was detected in two different ways:

1. the first method, in continuity with the work carried out in the previous reports, was based on Elettronica's perception of the importance that stakeholders attribute to each issue - according to the representatives of the organisational structure involved in the reporting process and the information channels used by the Company for management purposes;
2. the second method illustrated the perspective of the supplier-stakeholders directly, through structured involvement actions (see paragraph 2.4).

The Company's perspective was obtained by the creation of a focus group with the top management, aimed at identifying the Social Responsibility issues with significance for Elettronica, on the basis of those already covered in the previous social reporting processes and the assessment of further issues to be considered on the basis of the ISO 26000:2010 guidelines, keeping in mind the areas and stakeholders which are influenced by the Company's decisions and actions, as well as the way in which these aspects contribute to sustainable development.

Then, each top manager assigned a priority value to the issues identified and the average of these evaluations made it possible to complete the Company's perspective on the materiality of each relevant issue. The priorities were assigned on the basis of the value and strategic consistency for Elettronica of the significant issues and of the related specific aspects, and of their influence on the organization's ability to create economic, social and environmental value, also taking into account what the Company has already carried out within the areas identified. For positioning in the matrix, each relevant issue was assessed by the stakeholders (indirectly or directly) and by the Company's top management on a scale of values from 1 to 3 (1 = low priority; 2 = medium priority; 3 = high priority).

The issues that are positioned in the materiality matrix quadrant delimited by assigned values greater than or equal to 2 (see par. 2.2 of the report).

The materiality matrix was submitted to the General Management for validation, before the approval of the Sustainability Report by the Board of Directors.

The table on the facing page shows the list of material issues and their scope.

- **Completeness:** in the 2019 Social Responsibility and Sustainability Report, Elettronica gives all useful information to allow stakeholders to assess the Company's performance. For each material issue, Elettronica's vision is illustrated as well as the importance of the issue within the Company, the management purpose and methods and - when available - the resources invested, the specific actions and the initiatives put in place, the subjects involved, the output produced, the results obtained, the impact generated and Elettronica's commitment on the issue in order to render its actions increasingly responsible and sustainable. If the material issue is contemplated by an existing GRI Standard, Elettronica reports the relative specific information; if the material issue is not covered by an existing GRI Standard, Elettronica, with the support of the entire network of internal contact persons, has identified appropriate and detailed information. In addition to the issues identified as material, Elettronica reports on other relevant, albeit minor, issues in the social responsibility and sustainability report.

For any further information on the report and its content write to: peoplecare@elt.it

Material issue	Scope of the issue			
	Internal	External	Direct	Indirect
Innovation production	X	Universities; Research centres; Institutions and companies of the defence and security sector	X	
Respect for marketing rules products		The community, Institutions and companies of the defence and security sector		X
Responsibility in business	X	All the stakeholders of the Company	X	
CSR oriented strategy	X	All the stakeholders of the Company	X	
ITC Security and Privacy	X	Customers; Suppliers; Institutions of the defence and security sector	X	X
CSR culture	X	All the stakeholders of the Company	X	
Innovation promotion	X	Institutions and companies of the defence and security sector; Employers' associations	X	
Poles of competence		Universities; educational institutions; Students; Trainees		X
Enhancement of skills	X		X	
Attention to the customer	X	Customers; Suppliers	X	
Enhancement of the supply chain	X	Suppliers; Customers	X	

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102-3 Address of registered office	Via Tiburtina Valeria Km 13.700 - 00131 Rome, - Italy	
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102-10 Important amendments to the organisation or to its supply chain	In the reporting period in question there have been no significant changes in the organisation or to its supply chain	
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102-12 External initiatives	Elettronica S.p.A does not adhere to or support charters, principles or initiatives developed externally at economic, environmental or social level	
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102-53 Contacts from which to request information regarding the report		Methodological note peoplecare@elt.it	96
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102-56 External approval		The 2019 report has not been subjected to external approval (recommended but not mandatory). Report credibility guarantee: <ul style="list-style-type: none"> • by the methodological support received from specialized consultants; • by the top management's commitment and engagement; • by the engagement of the process owners/reporting activities; by internal management and control systems that guarantee the truth and traceability of data and information	

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Stakeholder map

Stakeholders	Who they are
Company	<ul style="list-style-type: none"> ● Shareholders
Government and control bodies	<ul style="list-style-type: none"> ▪ President ▪ Shareholders' General Meeting ▪ Board of Directors ▪ Top Management ▪ Board of Statutory Auditors ● Auditors
Employees	<ul style="list-style-type: none"> ▪ Employees according to age ▪ Employees according to gender ▪ Employees according to level ● Employees family members
Customers	<ul style="list-style-type: none"> ▪ Private enterprises ▪ National public institutions ● Foreign public institutions
Suppliers	<ul style="list-style-type: none"> ▪ Intellectual assets ▪ Production materials ▪ Business services ▪ Property assets and assets in support of personnel ▪ Information technology ● Advisors and trainers
Defence sector	<ul style="list-style-type: none"> ▪ Category associations ▪ Sector enterprises ● NATO - EDA
Research and development sector	<ul style="list-style-type: none"> ▪ Universities ▪ Research centres ▪ Educational institutions ● Trainees
Credit sector	<ul style="list-style-type: none"> ▪ Banks ▪ Insurances ● Export insurances
Representative bodies	<ul style="list-style-type: none"> ▪ Employers' association (Confindustria system) ● Trade unions
External control bodies	<ul style="list-style-type: none"> ● Standard setting bodies ● Certification bodies ● Privacy protection bodies ● Inspection bodies ● Government bodies

Public institutions	<ul style="list-style-type: none"> • The Ministry of Defence • The Ministry of Labour • The Ministry of Justice • The Ministry of Foreign Affairs and of International Cooperation • Social security and insurance bodies • The Ministry of Economic Development • The Ministry of the Environment • The Presidency of the Council of Ministers (Homeland Security Department) • National CERT (Computer emergency response team) • Institute for Foreign Trade (Ombudsman) • The European Union • The State Police Force • Carabinieri
The services sector and the cultural system	<ul style="list-style-type: none"> • Associations and foundations • Social cooperatives • Non-profit organisations and NGOs • Cultural sector operators • Artists
The cultural context Local bodies and the territory	<ul style="list-style-type: none"> • The Lazio Region • The Metropolitan City of Roma Capitale • Roma Capitale • Roma Capitale Town Halls • Municipalities of the territory • Hospitals • Parties to special agreements • Other Italian enterprises • Resident citizens • Communities
Media	<ul style="list-style-type: none"> ▪ Sector ▪ General



CORPORATE SOCIAL RESPONSIBILITY

2019

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