



Sustainability
profile

2021

MARSILLI

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LETTER FROM **THE PRESIDENT** **AND CEO TO THE** **STAKEHOLDERS**



Marsilli and its commitment to sustainability

Dear shareholders, workers, collaborators, customers, suppliers and communities in the territories in which we operate, I am particularly proud to announce that after almost thirty years from the first certification obtained by Marsilli, which has been followed by many others, this year marks the beginning of the process aimed at drafting the Sustainability Report for our company, of which this Company Profile represents the first step.

This is an extremely challenging objective that we have decided to pursue, although it is not yet mandatory for companies of our size, but because we have the ambition to embrace all possible opportunities aimed at certifying our company. The project offers the opportunity to optimize our objectives, to put pen to paper Marsilli's commitment on sustainability issues.

Let's take a look at what it's all about...

Over the years we have learned that doing business involves economic, social and environmental responsibilities, which have an impact on our collaborators, their families and the entire social fabric in which the company is established. This has led, on our part, to greater awareness of the influence that certain choices resound in the areas mentioned above.

This is where our project starts: make the objectives and results achieved explicit, according to the approach that doing business means aiming for harmonious development where every choice is always looked upon no longer as a mere overall result, but according to its projections in the three-dimensional space of sustainability.

We have chosen to commit to achieving the Sustainable Development Goals as defined in the United Nations Agenda 2030.

HIGHLIGHTS

MARSILLI S.P.A.



Founded in
1938



510
employees



Certifications

- ISO 9001
- ISO 14001
- ISO 45001
- ISO 27001



Emissions

- SCOPE 1
535 tCO₂e
- SCOPE 2
1.101 tCO₂e

This choice entails many areas of investigation at our disposal and commits us to applying specific measuring instruments that must be selected in order to evaluate the achievement of the objectives set for each issue deemed relevant. The chosen topics converge in the so-called “List of material topics” which represents them and assigns each one a position corresponding to a degree of relevance. In the following pages you will find the objective of each of the topics explained and illustrated.

You will read that Marsilli has placed in the “List of material topics”, topics with greater prominence than others- related to sharing, including the specific one of the creation of shared economic value, together with technological innovation and product quality. Employee training and education are considered very important as well as customer satisfaction. Our “List of material topics” also includes topics such as diversity and inclusion, transparency, energy efficiency and the careful management of natural and environmental resources.

We honestly asked ourselves and believe that over the years we have pursued virtuous policies that are reflected in the project that we are presenting here, but still much remains to be done.

The document you will read will illustrate the path we intend to take.

*Gian Battista Parati,
President and CEO Marsilli*

METHODOLOGICAL NOTE

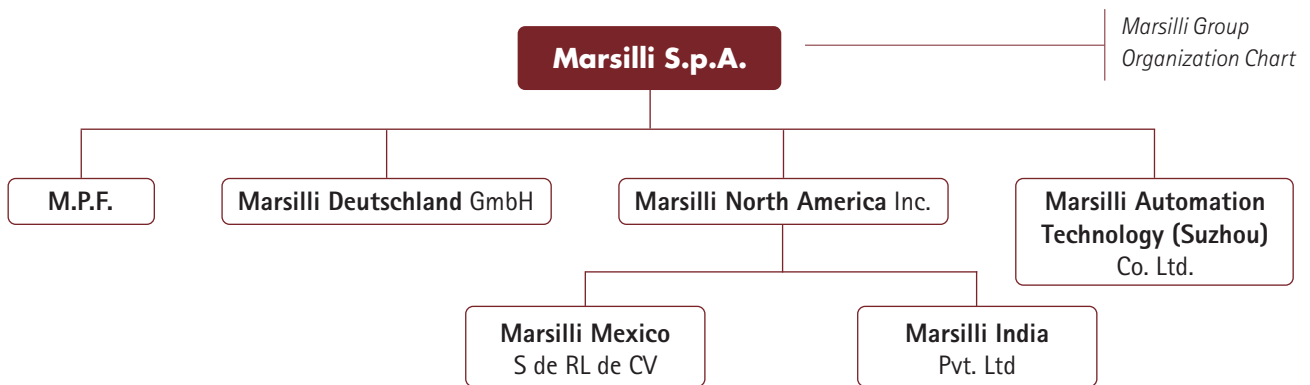
This strategic positioning document in the area of Sustainability of Marsilli S.p.A – hereinafter also Company Profile – voluntarily prepared, intends to bear witness to the commitment undertaken by Marsilli S.p.A on issues concerning sustainability, enhancing what has been pursued and the path that has been undertaken, also with the intent to satisfy and involve Marsilli S.p.A. stakeholders.

During the year, Marsilli S.p.A also defined its first list of material topics, identifying 15 relevant topics of an economic, social and environmental nature, which will be presented during the course of the document.

Despite its voluntary nature the document is inspired by the reporting standard of the Global Reporting Initiative (GRI) with a view to structuring a more complete and complex reporting process for 2022.

The reporting perimeter includes Marsilli S.p.A and the information and data reported therein are to be considered as referring to the period from 1 January 2021 to 31 December 2021.

This document has been published and is publicly available on the Marsilli S.p.A website at www.marsilli.com/sustainability-profile.



The KEY to success

hard work
studying
learning
perseverance
sacrifice
and most of all
LOVE for what you do.

MARSILLI

1. MARSILLI IDENTITY

Marsilli has stood out on the market for over 80 years for its research and technological innovations and today it is among the world leaders in the design, construction and installation of winding and assembly systems for coils and motors, in which precision, flexibility and customization are essential.

Thanks to the ability of anticipating the times by continuously providing new and unconventional solutions to market problems, Marsilli has achieved a solid global position as a Solution Provider for Industrial Automation in various fields such as Automotive, Appliances, Electromechanical applications, RFID (Radio Frequency Identification), Consumer Electronics, Power tools and many more.

In fact the Company has extensively developed assembly processes which have winding as their main process. In particular also thanks to the collaboration with customers themselves Marsilli has developed various technologies complementary to the winding process, for example in the field of welding, test and control processes thus specializing in the creation of large automated processes. In just a few years the company has gone from being a manufacturer of “stand-alone” winders to a developer and manufacturer of complex systems too. Winding obviously remains the “core” technology, although flanked by various other equally critical skills both in the field of coils and motors.

Thanks to our specific and extensive expertise in both fields, Marsilli has become a real “solution provider” and partner for its customers, especially when it comes to finding new solutions to optimize their products. In recent years for example, the market for electric motors in the industrial sector has become increasingly more demanding, inspiring manufacturers to innovate their products and their construction processes in order to optimize their dimensions and performance. These players turn to Marsilli to find the optimal solutions together taking advantage of the great experience in the field of both winding and related functions.

In Marsilli, quality and innovation are fundamental principles, which are available to customers with whom a real partnership is always built so that it is beneficial for all.

This Company Profile refers only to Marsilli S.p.A. (hereinafter also the “Company” or the “Parent Company”) which is based in Italy in Castelleone (CR).

1.1 Mission and values

Throughout its more than 80-year history, Marsilli has always stood out for its ability to innovate products and innovate itself keeping up with the latest technologies and, in many cases anticipating or revolutionizing them.

The curiosity, passion and creativity that characterize the company in fact are reflected not only in its products, but also in the approach to the problems and challenges posed daily by its customers. Thinking outside the box is not just a slogan, but a way of working shared by all employees, which makes it possible to find solutions to the increasingly complex problems that the market presents.

In fact the company does not merely operate as a simple supplier but establishes a partnership based on trust which allows customers to share their doubts, problems and projects in order to get advice and opinions for the purpose of reaching the best possible configuration, ensuring the highest quality of the final product.

In Marsilli, quality and precision are fundamental requirements: the customer's product is wound and assembled in machines and systems that use the best technologies, to ensure maximum traceability and absolute control in every single stage of the process. For this reason, each solution is designed and tailor made and there are no "catalogue" machines. The company objective is therefore the ongoing enhancement of the technologies of the reference market, the innovation of the state of the art for the purpose of developing more precise and efficient solutions that help its customers to face the challenges of tomorrow.

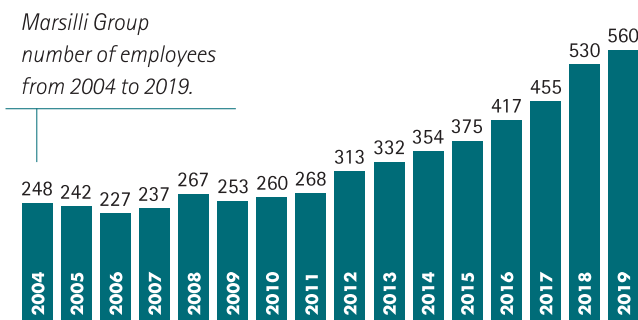
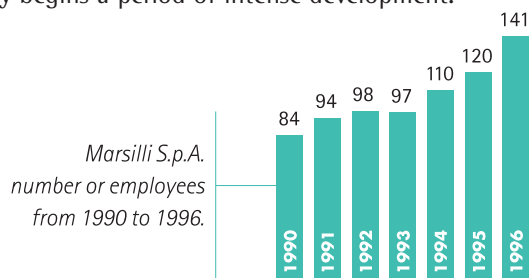
1.2 The history of Marsilli

Marsilli was founded in 1938 by Angelo Marsilli, who set up the company in Turin to manufacture winders. In 1957 the founder, due to lack of heirs and for health reasons, sold the company and who in turn sold it again, passing from owner to owner whose reference market was domestic.

In 1974 the company moved to the current site in Castelleone and started with only 7 people.

In 1977 there were already 20 employees.

In 1980 the company was taken over by the Swiss company Sarcem, one of the European leaders in the winding machine field. By the the mid-80s Marsilli had about thirty employees. In 1985, with the purchase of the shares from the parent company Sarcem by a local entrepreneur who involves management in the business operations, the company begins a period of intense development.

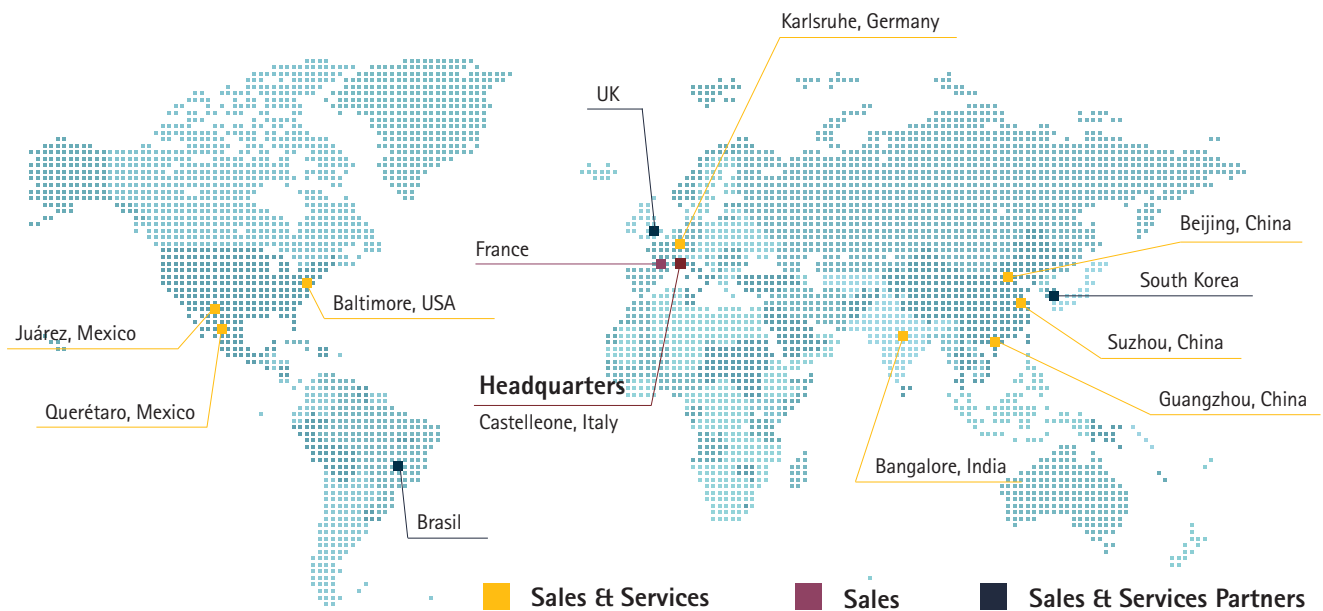


In 1994 Marsilli receives its first certification of the financial statements certified by an external provider and was first in the world in its field to obtain the ISO 9001 certification, thus starting a process of accreditation to the most advanced organizational standards.

The 1990s was a period of tumultuous growth for Marsilli: the turnover rose from 12 million euros in 1992 to 49 million in 2001.

The Group was definitively established and completed in December 1999, when Marsilli acquired DAK, its Italian competitor. In 2001, there were 238 employees working in the parent company and reached over 300 including the employees in the subsidiary companies and almost 500 including the workers of the contractors who collaborate with Marsilli.

The winding process was integrated with the processes upstream and downstream increasingly moving more and more in the direction of providing customers with fully automated systems.

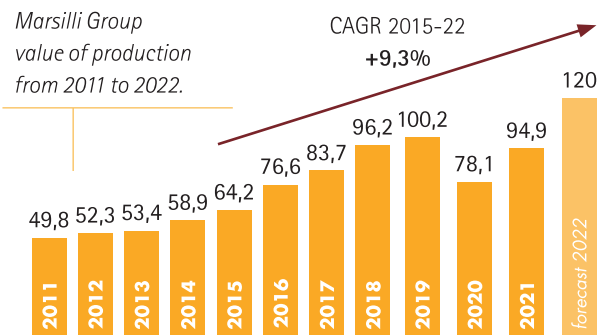
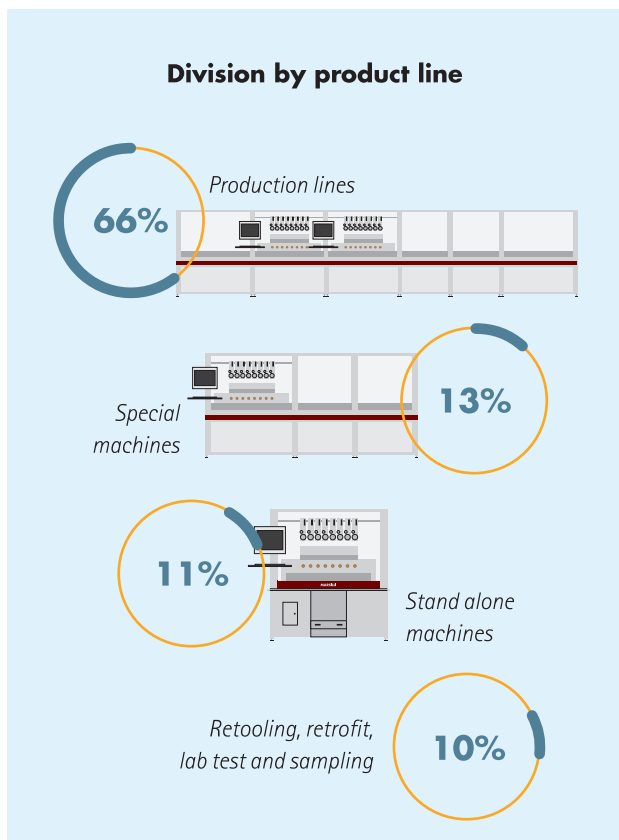


Marsilli Automation Technology is founded with offices in Beijing and Suzhou, and also Marsilli Mexico and Marsilli Deutschland.

2010 represents the moment in which the Company enters the world of systems for the production of electric motors.

The requests for fully automated complex systems where winding is the heart of the process, becomes the rule rather than the exception. More and more skills are needed. The group's workforce doubles in just seven years: from 268 employees in 2011 to 530 in 2018.

Marsilli reaches 96.2 million euros in 2018 and opens 2019 with a budget of over 100 million. Foreign markets are almost exclusively driving development: in 2018, Italy accounts for only 5% of total turnover, while the remaining 95% is sold abroad in Germany, North America, China and many other countries of the world



The covered area increased from 16.000 square meters in 2011 to 31.000 square meters in 2018.

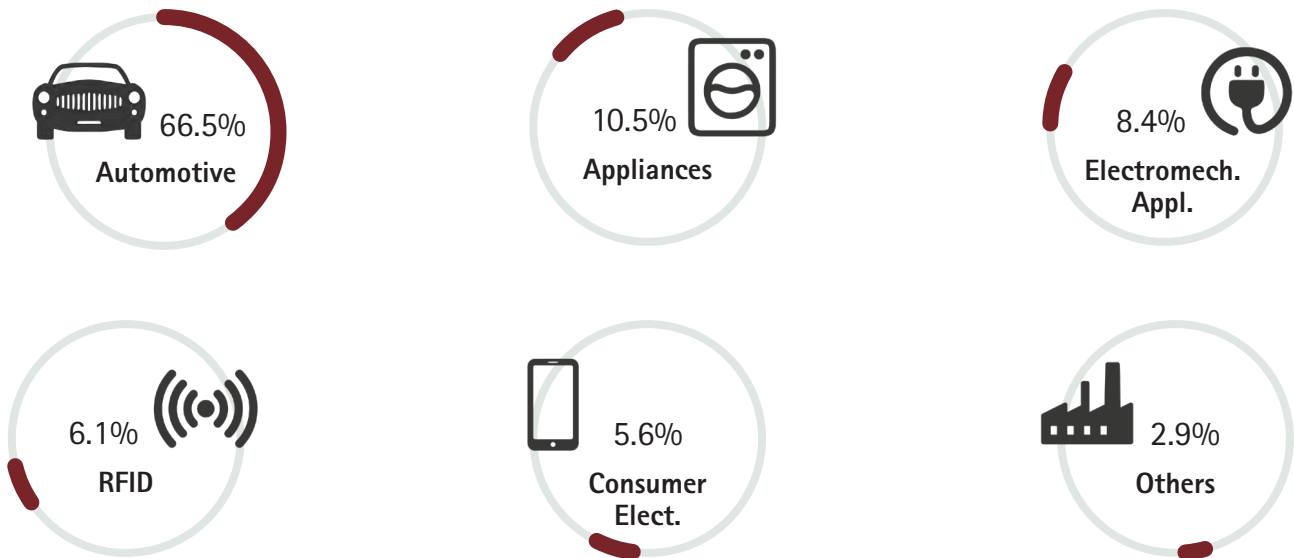
2020 is characterized by the pandemic and Marsilli remains in lockdown for two whole months, from mid-March to mid-May.

However, this does not stop the growth of Marsilli, which despite the drop in turnover of about 20% continues with its policy of innovation and growth.

In fact, 2021 brings the turnover back to pre-Covid levels, and 2022 is projected to show a significant growth of over 25%.

1.3 Marsilli's activities and the reference market

Marsilli's activity is aimed at producers of wound components (coils and motors) who need precision, speed, reliability, traceability and process control during the production cycle and producers who do not simply need a standard product, but a personalized and unique solution for them. In fact, Marsilli produces 80% of its machinery to order for the preparation, winding, finishing and assembly processes. In particular, the reference markets can be divided as follows:



The main reference market is the Automotive which represents about two thirds of the Group's value of production, followed by Appliances/White (household appliances), the Electromechanical and the RFID (Radio Frequency Identification) field, which is growing thanks to the application developments relating to identification, storage and/or automatic data communication of objects and animals.

The Marsilli Group also draws its profit from exports and the most important geographical areas are Germany, North America (USA, Canada, and Mexico), China and France, even though our presence actually covers the entire global market, both in terms of activity related to sales and after-sales assistance, an essential element in customer service.



2. CORPORATE GOVERNANCE

In Marsilli, the stability and solidity of a family style management structure effectively supports an industrial approach oriented towards responsible and sustainable economic growth with objectives oriented above all to the long term. This approach allows the Group to never be in a position to make short-term objectives prevail at the expense of defining and pursuing medium- and long-term development strategies.

The **Shareholders' Meeting** is the organisation in which the corporate will is formed and expressed and which is then implemented by the Board of Directors. It is made up of Marsilli S.p.A. shareholders which periodically meet to deliberate on matters and topics defined by the provisions of the law and by the company's statute. The most important tasks of the Shareholders' Meeting include the choice of members of the Board of Directors and the Board of Statutory Auditors, the appointment of the Independent Auditors, as well as the approval of the Financial Statements.

The Corporate Governance model adopted by the Parent Company is in fact of the **traditional** type and foresees the presence of a management body, the Board of Directors, and a control body, the Board of Statutory Auditors.

The **Board of Directors (BoD)**, currently made up of six members, two of whom are independent, is the organization responsible for managing the company, except for the functions performed by the Shareholders' Meeting. The BoD is responsible for the strategic and organizational guidelines of the company and the Group, for verifying the adequacy of the organizational structure, as well as the adequacy of the controls necessary to monitor the performance of the company and the Group.

The Board of Directors is also responsible for assessing the level of risk compatible with Marsilli's strategic objectives, also taking into consideration sustainability in the medium-long term.

The BoD analyzes and approves the annual budgets and carries out the consequent monitoring; analyzes and approves strategic, industrial and financial plans, paying particular attention to significant changes in business prospects as well as risk situations to which the company is exposed.

On a quarterly basis the BoD analyzes the performance of the management, the statement of the delegated powers, as well as the congruity of the Internal Control and Risk Management System, the Governance and Compliance system and the significant operations for Marsilli.

Board of Directors	u.m.	2021			2020			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Age less than 30	N	-	-	-	-	-	-	-	-	-
Age between 30 and 50		2	-	2	2	-	2	2	-	2
Age over 50		4	-	4	4	-	4	4	-	4
Total		6	-	6	6	-	6	6	-	6

Since 2014 the BoD approved a **Procedure for Transactions with Related Parties**, the purpose of which is to ensure the transparency and substantial and procedural correctness of said transactions, in order to protect the best interests of the company. Although the company is not listed, in line with best practices, the procedure was drafted taking into consideration the relevant indications provided by Financial Conduct Authority (CONSOB) for companies listed on the Stock Exchange.

During 2021, seven meetings of the BoD were held with 100% attendance by all directors.

The **Board of Statutory Auditors** is the independent board responsible for supervising compliance with the law and the Bylaws, compliance with the principles of correct administration and as far as its competence, the adequacy of the organisational, administrative and accounting structure adopted by the company.

All members of the Board of Statutory Auditors meet the eligibility, integrity and professional requirements established by law. Furthermore, the Statutory Auditors are chosen among persons who can be deemed as independent.

In 2021, attendance by all statutory auditors at BoD meetings was 100%.

As part of the controls, the Shareholders' Meeting also appoints the **Independent Auditors**, an external body which is responsible for the statutory audit of the accounts for a three-year period.

Lastly, as part of the internal control system the Board of Directors has appointed a Supervisory Body, endowed with autonomous powers of initiative and control and responsible for supervising the functioning and observance of the Marsilli Organisational, Management and Control Model referred to Legislative Decree 231/2001, as well as to ensure its updating.

2.1 Ethics and integrity

Marsilli believes that development which fulfils the principles of economic, social and environmental sustainability must essentially be based on an ethical approach to business activity. Awareness of the role, transparency, honesty, innovation, social and environmental responsibility are ethical principles in which Marsilli believes in and are the result of a strong and reputed cultural identity which it values and lives by. This identity the result of a consolidated entrepreneurial style, has been forged and strengthened over more than 80 years of activity, experience and relationships, becoming one of the resources on which its corporate culture was formed. Marsilli, starting from said assumptions, has defined a **Group Code of Ethics** which inspired by the values in which it believes, has established a number of principles that the Company has adopted as the core of its actions in pursuit of the goals to which it operates daily. These principles endorsing the concept of sustainability in its broadest expression, take the form of rights, responsibilities, rules of conduct and prescriptions that all stakeholders (employees, suppliers, customers, communities and local authorities, etc.) are required to know and adhere to from the moment they interact with the Company. The purpose of the Code of Ethics is therefore to reiterate that in no way can the conviction of operating in compliance with rules and regulations, even if to the advantage of Marsilli, justify the adoption of behaviours in contrast with the principles and values that are championed.

In order to give substance to the principles established in our Code of Ethics, the Italian companies of the Group have therefore adopted an **Organisation, Management and Control Model** (also drawn up in compliance to the Italian law - Legislative Decree 231/2001) with the objective of providing guidance for all operators, preventing the committing of crimes, avoiding any unlawful conduct and discouraging any behaviour contrary to the principles that Marsilli has established in its Code and which it undertakes to uphold.

Supervision of compliance to the principles established in the Code is for Italian companies entrusted to the Supervisory Bodies of the individual companies, where applicable, while for non-Italian companies or those without a Supervisory Body this function is carried out by their highest administrative body or by another specifically appointed supervisory body. For Italian companies, reports of any violations of the Code are to be addressed to the Supervisory Body of the individual companies, where applicable, while for non-Italian companies, or those without a Supervisory Body, the reports will be sent to the Supervisory Body of Marsilli S.p.A.

2.2 Certifications

Certifications are an important endorsement for companies that wish to benefit from use of the tools needed to prove their management systems under various aspects, helping the organization to define its goals, measure its performance, monitor and review risk assessment on a daily basis. Currently, Marsilli S.p.A is certified in compliance to ISO 9001, ISO 14001, ISO 45001 and ISO/IEC 27001 standards.



Quality management system
ISO 9001 certified since 1994



Safety management system
OHSAS 18001 certified since 2013
and now in line with the new ISO 45001



Environment management system
ISO 14001 certified since 2010



Information data security
ISO 27001 certified since 2015

2.3 The internal control and risk management system

Marsilli S.p.A believes that the identification, assessment, management and monitoring of risks are fundamental for running the business. For this reason we outline all the possible risks that threaten its value chain and which if occur may have a negative impact on Marsilli's business and business continuity.

Using the evolutionary principles on which the certifications it uses are based, the company is committed not only to compliance to the cogent legislation but also to the definition of specific improvement objectives and the pursuit of the consequent actions.

Marsilli recognizes the importance that ESG issues have taken on and the unavoidability of integrating assessments connected to them in the internal control systems. To this end it has set itself the goal of integrating assessments relating to sustainability issues into the traditional management system.



3. MARSILLI'S SUSTAINABILITY PROCESS

Marsilli understands that a business activity is sustainable when it is able to ensure a long-term competitive position by combining the achievement of environmental and social targets with adequate economic results in relation to a universally shared model to which all operators refer to.


























In this respect Marsilli has initiated a process of growth related to ESG matters, taking inspiration by the corporate spirit and culture that has guided the company in its growth. Marsilli conscious of its potential, will embrace this path as a challenge, with the aim of integrating transversal assessments (environmental, social and governance) both within its long-term strategy and in its daily activities, in order to ensure sustainable conduct of its management.
















In 2021 the Company undertook a path effective both to the application of sustainability principles and to their concrete and practical quantitative assessment based on international criteria in keeping with a holistic approach to the economic-financial side and the non-economic aspects such as respect for the environment and people and relations with civil society and the territory.

3.1 Material issues and SDGs (Sustainable Development Goals)

Taking inspiration from the requirements of the GRI (Global Reporting Initiative) international standards and as part of the path undertaken towards sustainability, an evaluation was conducted by assessing the environmental, social and economic issues which influence stakeholder decisions and have a significant impact on the business activities through an initiative involving management and internal stakeholders. 15 material topics of an economic, environmental, social and governance nature have been ascertained. This is very important as a first milestone for the Company and highlights the commitment to reporting on economic, environmental and social performance.

Marsilli S.p.A supports the Sustainable Development Goals listed in the 2030 Agenda, a program of actions for people, the planet and prosperity signed in September 2015 by the governments of the 193 UN member countries. Here follow the specific SGDs to which Marsilli S.p.A. contributes its business.

Topic	Description	SDGs
● Transparency, Ethics and business integrity	Adopt an internal system of guiding principles as a solid approach to ensure ethics and integrity throughout the company, in the conduct of employees and stakeholders.	 
● Economic performance and creation of shared values	Setting and monitoring economic objectives that are consistent with a long-term vision and correspond to the integration of environmental, social and governance aspects into the corporate strategy .	 
● Cyber Security and Data Protection	Ensure that the collection, use and sharing of customer and employee personal information is secure and compliant , and builds trust between all parties.	 
● Diversity and Inclusion	Achieve equal experience and pay opportunities for employees, create and sustain a culture of inclusion throughout the value chain (employees, suppliers, customers) and respect diversity (in terms of origin, ethnicity, gender, age, religion etc...).	  
● Employee development and training	Commit to career development plans for employees and new resources. This allows you to attract the most suitable talent and candidates to be hired in the company. Develop practices and policies to retain talented and skilled employees in the organization .	  
● Employee Health and Safety	Guaranteed health and well-being of people and a healthy working environment by complying with all the applicable regulations and standards.	  
● Development and initiatives for the local community	Promote the growth of local communities and industries in the locations where the company is present.	  
● Social and environmental management of the supply chain	Assess suppliers based on environmental, social and governance criteria together with their delivery and quality performance in order to pursue the operational continuity of the supply chain and ensure that they are In line with the company principles.	  
● Responsible sourcing of raw materials	Procure raw materials respecting human rights , support local economies, preserve limited resources and protect people's health and the environment .	 
● Relations with customers and Customer Satisfaction	Involve customers in product planning - keeping up with their needs in order to ensure customer satisfaction and loyalty .	  

Topic	Description	SDGs
● Innovation, safety and quality of products and services	Guarantee safety and quality of products and services , complying with specific standard in order to protect user safety and meet customer's high expectations in terms of safety, performance and convenience.	  
● Environmental impact of products and services	Seek continuous innovation of products and services in the technological field through scientific and technological know-how, improving on production processes and the environmental impact of products.	  
● Energy efficiency	Reduce energy consumption through the implementation of targeted initiatives to limit direct and indirect consumption and promote energy efficiency particularly in the production processes .	  
● Responsible management of materials, waste and water resources	Adopt an approach to the management of materials, waste and water which minimizes the waste produced and improves the efficiency of management and disposal.	  
● Environmental impact	Implement concrete actions for the ongoing improvement of the company's environmental profile , thanks to careful risk management in said field and the adoption of increasingly structured and effective environmental management systems.	  

Legend

- Governance
- People
- Supply chain
- Customers and products
- Environment



4. THE PEOPLE

Marsilli is convinced that the success of a company largely depends on the people who participate in it, as well as on the degree and quality of involvement attributable to their participation. Actively participating, being proactive, collaborating for a common goal is to be considered an approach to be promoted and cultivated in every organizational area. This is to be evaluated positively for any type of business but all the more so for ones like Marsilli where individual work, intellectual involvement and the autonomy of individuals are the elements on which we found the organization of the companies. Marsilli is aware of basing its success on innovation, creativity and technological development, which are also elements attributable to autonomous and proactive human action. Consequently they believe that people are the strategic asset with which to constantly relate and on which to aim one's ambitions for growth and leadership in the market.

Throughout its long history Marsilli has developed a corporate culture which incorporates every aspect of human resources in all its processes. This approach has led to the creation of a management style that aims at having a balance between business, the quality of life in the factory and family needs and people's social life, leaving ample room for freedom to fine-tune their contribution, based on one's expectations and ambitions. This approach together with a spirit of participation that Marsilli constantly promotes, are the pillars with from which its entrepreneurial spirit operates.

In the path that the Company has undertaken towards business sustainability, people are placed at the centre and all the issues considered material from an ESG point of view gravitate around them.

Employees	u.m.	2021			2020			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent employees	N	400	71	471	394	69	463	374	69	443
Temporary employees	N	37	2	39	15	2	17	37	7	44
Employees with non-guaranteed hours (on call)	N	-	-	-	-	-	-	-	-	-
Total	N	437	73	510	409	71	480	411	76	487

4.1 Diversity and equal opportunities

For Marsilli, people are a strategic asset to focus on for sustainable development. Gender, cultural, ethnic, religious or political diversity is an element with which Marsilli has been constantly dealing with for some time. In an increasingly globalized and interconnected world, diversity has taken on many facets that require a suitable approach in order to promote the common denominators needed to favour the inclusion and participation of all and everyone. Inclusion and participation are fundamental aspects for complete inclusion of people in projects and activities. From this point of view diversities, as outlined above, must be addressed by enhancing their specificities and promoting behaviour which ensures equal opportunities for all employees. Marsilli in believing the principles established in the Universal Declaration of Human Rights and in the Constitution of the Italian Republic, is committed to enhancing diversity in order to embrace its added value and the wealth that derives from the fusion of different soft skills. This approach is explicit in the Code of Ethics of the Marsilli Group, in which the principles of inclusion and equal opportunities are the cornerstone.



4.2 Training and professional growth

Marsilli is aware that training is an essential tool to understand the reality which surrounds us. Consequently, training people to understand the environment in which they operate and the technical, managerial, economic, environmental and social elements that form part of it is the first and essential step for the development and consolidation of individual skills. Marsilli therefore assigns training a decisive role in its development strategy as a tool to increase the ability to face and solve market challenges and share the vital choices that the future necessarily imposes. People who are aware of the function performed in the organization and capable of interpreting market needs with innovative solutions are the resources on which to base the development of technological and organizational know-how around which revolves the quality of the products and services that Marsilli offers. Through their own professional growth, it is possible to promote gratification to the commitment, which is a relevant part of the motivation of every individual.



4.3 Health and Safety in the Workplace

Safeguarding health and safety in the workplace is an essential need for Marsilli, in line with the values that support the evolution of the business and which ensure sustainable and long-term corporate growth.

To monitor these key aspects, the company uses safety indicators and defines objectives to be achieved by adopting specific procedures and control measures.

The Company organizes periodical medical check-ups as required by the company health plan and with the related doctor, holds periodical meetings on safety in compliance with the provisions of art. 35 of Legislative Decree 81/2008. Furthermore in compliance with the requirements of Legislative Decree 81/08, specific internal seminars on prevention and safety in the workplace have been planned and are still ongoing. Said seminars aim to train all the personnel in the company departments, through the explanation of the main requirements of the Legislative Decree itself and of the specific safety procedures, included in the company's risk assessment document.

As far as occupational health and safety aspects are concerned, 2021 was still undoubtedly affected by Covid-19. Marsilli constantly follows developments in the spread of the pandemic, adopting all prevention, control and when needed containment measures aimed at protecting the health of its employees and collaborators.



5. PRODUCT EXCELLENCE AND CUSTOMER RELATIONS

Focus on customers and their loyalty to the company are considered strengths for Marsilli and over the years have contributed to gaining a strong position on the market.

To build its reputation, Marsilli invests and is committed to creating robust, safe, high-quality and long-lasting machinery, giving customers the opportunity to amortize their investments not only with a cycle of a single product but also taking into account retooling of the systems for subsequent product generations.

In addition to the design, construction and installation of winding and assembly systems, Marsilli offers the following services:



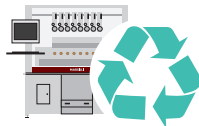
Refurbishment

- Complete analysis of the state of the system
- Hardware refurbishment
- Elevation of the regulations
- Aesthetic refurbishment
- Extended warranty (12+6 months)



ReTooling

- Analysis of the machine and the new product
- Replacement of tooling
- Possible replacement of the wire tensioner
- Possible addition, modification or removal of the loading/unloading system
- Reprogramming



Used

- Complete overhaul of the system
- Replacement of the worn parts
- Reprogramming
- Production test
- Issue of new 12 month guarantee



Contracts

- Service visit planning
- Complete diagnosis and analysis of components
- Transparency of the activities carried out
- Immediate report
- Discount and priority on service visits



Training

- Winding
- Welding
- Automation
- Bridge: advanced programming
- Combination of the previous ones or tailor made training

Refurbishment

One of the Company's commitments towards sustainability is represented by the refurbishment or retrofit activity carried out on used machines, providing a "second life" to machines already on the market which otherwise would be destined for dismantling. During 2021, this activity underwent considerable development and is destined for further growth in the years to come.



5.1 Customer relations and Customer Satisfaction

Marsilli is a reality in which every single action is oriented towards customers, understanding, supporting and thus satisfying their requirements. 20 years ago it was a natural evolution to consider and introduce a satisfaction analysis system implementing precise and meticulous controls that could guide company decisions towards ongoing improvement. Today, Customer Satisfaction monitors and controls every detail of the customer's visit to our plants: from booking the visit, to their stay at our offices, the quality of the meetings and even the efficiency of the WiFi network. The opinion on the hotels normally booked close by to our offices is also monitored, because every small detail makes the difference.

Marsilli takes the answers to these questions very seriously and the results are not used for purely statistical purposes, but analyzed one by one. Each suggestion or criticism is a stimulus for improvement: they are carefully taken into consideration and actions are implemented to enhance the particular aspect of the visit that the customer has deemed as improvable.

Customer satisfaction management is currently under review and Marsilli plans to implement it to be extended to other company departments and sectors, in order to create a real Customer Satisfaction System that monitors the entire company process.

5.2 Product quality and safety

The design activity which includes mechanical, electrical and software aspects is carried out in accordance to the basic data and requirements requested by the customer, setting the verification, review and development of the projects at the centre of the process. The safety aspects are an integral part of the design process and derive from the risk assessment activity carried out during the review. Risk assessment is in fact the fundamental activity on the basis of which the relevant necessary safety measures are identified on a case by case basis. The product safety standards are guaranteed by the application of the specific regulations in force in the countries where the machines are to be installed and put into operation. Finally, specific final tests (commissioning) are carried out to verify that each manufactured machine complies with the safety aspects defined in the design step.

The design activity favours the choice of environmentally friendly components and materials and where technically possible and economically sustainable solutions with the lowest energy consumption.

All the above activities in addition to ensuring compliance with the principles of the ISO 9001 standard, allow us to provide customers with machines and production systems that meet quality, safety, ergonomics and respect for the environment requirements.

5.3 Product innovation and services

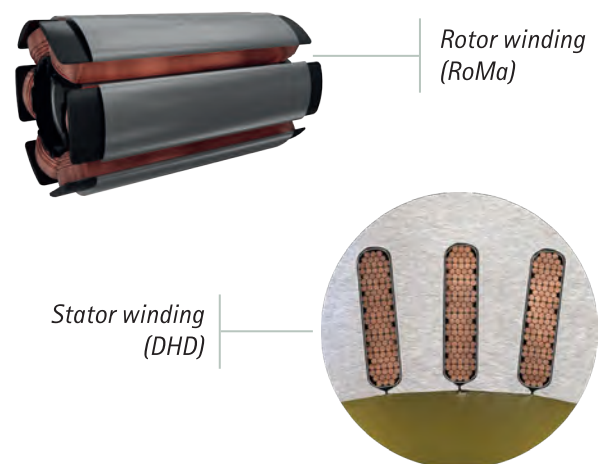
Marsilli's commitment to the ongoing innovation of products and services is implemented by research and development and innovation activities:

a. **On existing products (winders, special units):** In this context, Marsilli intends to initiate innovations on existing products to simplify and at the same time improve current technical solutions with the aim of making them less expensive and/or optimizing a specific process.

b. **On new products**

Starting from the market needs (usually analyzing similarities between the various requests for offers received by the Application Engineering Office), Marsilli proposes to design, implement and standardize new solutions to satisfy said requests.

The current market prospects, mainly aimed at the electrification of the car, have prompted Marsilli to search for new winding solutions for electric motors. In particular this activity sees and will see Marsilli engaged in the near future in research and continuous innovation of the newly born stator winding processes (DHD) and rotors (RoMa), both of which already have international patent applications and pilot projects with strategic customers.



The research activity carried out so far has led to the creation of semi-automatic units to confirm the feasibility of the winding processes and create prototypes of electric motors already tested on test benches.

As regards to the research activity on the product “winders for stators” (DHD), in the near future it will be necessary to:

- Analyze fully automatic solutions that allow the creation of high productivity systems;
- Improvement of the technical solutions defined in the previous point with a view to optimizing costs;
- Once product (machine) maturity is reached, standardize winding and assembly units.

As far as the research activity on the “stator” and “rotor” product is concerned, in the near future it will be necessary to:

- Define new materials to simplify the slot insulation process and at the same time increase slot filling and consequently the performance of the electric motor;
- Invest in the purchase of a test bench to complete the entire study, analysis and prototyping cycle of the customer product.



6. ATTENTION TO THE ENVIRONMENT

Marsilli believes that the environment is a common heritage to be respected, protected and passed on, to present and future generations and pays particular attention to the environmental impact generated by its daily activities. Individual behaviour and everyday choices can make the difference and Marsilli believes that integrating environmental protection policies into its business will lead to continuous economic and social development that is increasingly sustainable.

For over ten years Marsilli has chosen to have an Environmental Management System compliant with the international standard UNI EN ISO 14001, in order to suitably mitigate and manage the environmental impacts of its products and production processes.

Marsilli's activities are carried out in compliance with current environmental regulations and the Chief Executive Officer has organizational, decision-making and investment initiative powers in this field.

6.1 Energy consumption and Emissions

Marsilli pays close attention to its energy consumption and chooses high energy efficiency work equipment. In addition investment planning relating to company buildings and service systems with a view to energy efficiency makes it possible to reduce consumption and related greenhouse gas emissions.

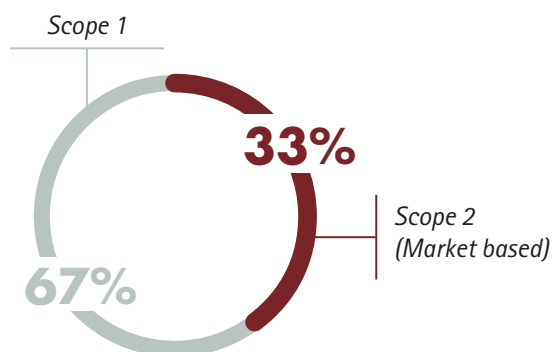
Overall in 2021 Marsilli Spa consumed 19,094 GJ of energy, 19% more than in 2020, which was a year negatively influenced from a production point of view by the Covid19 pandemic.

This consumption is mainly **direct** (55% of total consumption) which includes the purchase of **natural gas** for heating and for a specific production process (drying painted parts), **diesel oil** used for the car fleet and the **energy self-produced** through our own PV installation. Over the years, Marsilli has increased its capacity for self-production of electricity by installing PV panels and planning to increase its capacity in the next few years. The car fleet consists of around 55 cars over the three years of reporting. The petrol consumption is insignificant for the hybrid cars added in 2021.

Indirect consumption (45% of total consumption) derives from the purchase of **electricity**, mainly used for lighting, cooling/heating and operating machinery (e.g. machine tools and testing of our machinery).

Direct consumption	u.m.	2021	2020	2019
Non-renewable sources (Natural Gas)	Gj	6.482	5.679	6.288
Natural Gas	m ³	163.219	143.312	158.116
Non-renewable sources (Company cars)	Gj	3.120	2.332	3.392
Diesel	l	81.703	61.199	88.925
Renewable resources	Gj	853	827	442
Self-produced solar energy	kWh	236.946	229.663	122.684
self-consumed	kWh	236.607	224.917	122.224
sold to the network	kWh	339	4.746	460
Total	Gj	10.454	8.820	10.121

Indirect consumption	u.m.	2021	2020	2019
Purchase electricity	kWh	2.400.013	2.000.043	2.386.480
Non-renewable resources	kWh	2.400.013	2.000.043	2.386.480
Renewable resources	kWh	-	-	-
Total	Gj	8.640	7.200	8.591



The CO₂eq¹ emissions generated by Marsilli's S.p.A activities in 2021 were just over 1,600 tons (scope 1+2 market based). Scope 1 emissions derive from the company's direct consumption net of self-produced energy which has no impact in terms of CO₂, while Scope 2 emissions derive from the purchase of electricity from the grid. The difference in the result obtained with the two calculation methods for indirect emissions, location based and market based, as required by the GHG Protocol, is due to the use of different emission factors.

Scope 1	u.m.	2021	2020	2019
Non-renewable resources	t. CO₂e	330	290	321
Natural gas (es. burn fuel for heating)	t. CO ₂ e	330	290	321
From company cars	t. CO₂e	205	156	231
Diesel	t. CO ₂ e	205	156	231
Total	t. CO₂e	535	446	552

1. The calculation of CO₂eq (which includes emissions of CO₂, CH₄, NO₂, HFC, PFC, SF₆ and NF₃ when present), was carried out in compliance to the indications of the GHG Protocol. The calculation of CO₂eq emissions was carried out using the emission factors derived from: AIB (Association of Issuing Bodies), Terna, UK Department for Environment Food & Rural Affairs and Department for Business, Energy & Industrial Strategy.

	Scope 2 ²	u.m.	2021	2020	2021
	Market Based	t. CO ₂ e	1.101	932	1.112
	Location Based ³	t. CO ₂ e	862	718	857

6.2 Responsible management of materials, waste and water resources

Natural resources are a precious and essential asset and Marsilli uses them consciously.

The company's activities do not need to use natural resources directly in the production cycle, with the exception of water resources in very small quantities the consumption of which is monitored in order to control any waste.

Processing scraps, i.e. special waste, are appropriately selected and divided by type in order to choose the most correct disposal or recovery method. Marsilli has for years implemented a policy of reducing the consumption of plastic bottles through the installation of water coolers both in the company canteen and on the shop floor and the distribution of water bottles to employees in order to encourage conscious consumption. During 2021, Marsilli S.p.A. generated about 126 tons of waste. Almost all of the waste produced (79%) is non-hazardous production and urban. 85% of the waste generated was due for recovery.



Waste	u.m.	2021			2020			2019		
		Generated waste	Recycled waste	Disposed of waste	Generated waste	Recycled waste	Disposed of waste	Generated waste	Recycled waste	Disposed of waste
Hazardous waste	t	26	12	14	23	11	12	44	10	34
<i>Production waste</i>	t	26	12	14	23	11	12	44	10	34
Non-hazardous waste	t	100	95	5	66	60	7	105	99	6
<i>Production waste</i>	t	100	95	5	66	60	7	105	99	6
<i>Urban waste</i>	t	-	-	-	-	-	-	0	0	-
Total waste	t	126	107	19	89	70	19	149	109	40

6.3 Environmental impact

Marsilli is committed to maintaining a balance between the environment, company and the economy in order to promote sustainable development. The company is not considered energy-intensive, it has insignificant consumption of water resources, a low production of special waste in terms of quantity, it has no significant atmospheric emissions and fully complies with the noise limits set by the legislation. However, Marsilli will continue to pursue an economy and an organization with a perspective to environmental protection and sustainability.

2. Calculation of the CO₂eq emissions was made using emission factors derived from: AIB (Association of Issuing Bodies) 2020 for the Market Based and ISPRA 2020 for the Location Based.

3. Erratum: Due to a printing error the data have been corrected compared to the first publication.

7. APPENDIX

People

Employees	u.m.	2021			2020			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time employees	N	435	64	499	407	63	470	407	67	474
Part-time employees	N	2	9	11	2	8	10	4	9	13
Total	N	437	73	510	409	71	480	411	76	487

Employees	u.m.	2021				2020				2019			
		Men	Women	Total	% age	Men	Women	Total	% age	Men	Women	Total	% age
Directors													
<i>Under the age of 30</i>	N	-	-	-	0%	-	-	-	0%	-	-	-	0%
<i>Between 30 and 50</i>	N	2	-	2	0%	1	-	1	0%	2	-	2	0%
<i>Over the age of 50</i>	N	9	-	9	2%	9	-	9	2%	9	-	9	2%
Managers													
<i>Under the age of 30</i>	N	-	-	-	0%	-	-	-	0%	-	-	-	0%
<i>Between 30 and 50</i>	N	19	4	23	5%	23	3	26	5%	22	3	25	5%
<i>Over the age of 50</i>	N	34	2	36	7%	25	1	26	5%	27	3	30	6%
Impiegati													
<i>Under the age of 30</i>	N	50	13	63	12%	42	15	57	12%	45	19	64	13%
<i>Between 30 and 50</i>	N	99	29	128	25%	102	29	131	27%	100	25	125	26%
<i>Over the age of 50</i>	N	39	11	50	10%	33	11	44	9%	29	13	42	9%
Operai													
<i>Under the age of 30</i>	N	63	2	65	13%	53	2	55	11%	55	2	57	12%
<i>Between 30 and 50</i>	N	78	5	83	16%	78	5	83	17%	85	7	92	19%
<i>Over the age of 50</i>	N	44	7	51	10%	43	5	48	10%	37	4	41	8%
Total	N	437	73	510		409	71	480		411	76	487	

Environment

Total energy consumption	u.m.	2021	2020	2019
Total direct energy consumption	Gj	10.454	8.820	10.121
Total indirect energy consumption	Gj	8.640	7.200	8.591
Total	Gj	19.094	16.020	18.712

Total consumption of renewable and non-renewable energy	u.m.	2021	2020	2019
Total consumption of non-renewable energy	Gj	18.242	15.211	18.272
Total consumption of renewable energy	Gj	852	810	440
% of renewable energy consumption/total consumption	%	4%	5%	2%
% of renewable electricity purchased/total purchased	%	0%	0%	0%
% of self-produced and consumed renewable electricity/total consumption	%	4%	5%	2%
Total	Gj	19.094	16.020	18.712

Recycled waste	u.m.	2021			2020			2019		
		In situ	Externally	Tot	In situ	Externally	Tot	In situ	Externally	Tot
Hazardous waste	t	-	12	12	-	11	11	-	10	10
Preparation for reuse	t	-	-	-	-	-	-	-	-	-
Recycling	t	-	-	-	-	-	-	-	-	-
Other recycling operations	t	-	12	12	-	11	11	-	10	10
Non-hazardous waste	t	-	95	95	-	60	60	-	99	99
Preparation for reuse	t	-	-	-	-	-	-	-	-	-
Recycling	t	-	-	-	-	-	-	-	-	-
Other recycling operations	t	-	95	95	-	60	60	-	99	99
Total waste recycling	t	-	107	107	-	71	71	-	109	109

Material disposed of	u.m.	2021			2020			2019		
		In situ	Externally	Tot	In situ	Externally	Tot	In situ	Externally	Tot
Hazardous waste	t	-	14	14	-	12	12	-	34	34
Incineration (with transformation into energy)	t	-	-	-	-	-	-	-	-	-
Incineration (without transformation into energy)	t	-	-	-	-	-	-	-	-	-
Rubbish dump	t	-	-	-	-	-	-	-	-	-
Other disposal operations	t	-	14	14	-	12	12	-	34	34
Non-hazardous waste	t	-	5	5	-	7	7	-	6	6
Incineration (with transformation into energy)	t	-	-	-	-	-	-	-	-	-
Incineration (without transformation into energy)	t	-	-	-	-	-	-	-	-	-
Rubbish dump	t	-	-	-	-	-	-	-	-	-
Other disposal operations	t	-	5	5	-	7	7	-	6	6
Total waste disposal	t	-	19	19	-	19	19	-	40	40

Water withdrawal from source	u.m.	2021		2020		2019	
		All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Third party water (total)	ML	6	-	6	-	8	-
Fresh water (<=1.000 mg/l di Total dissolved solids)	ML	6	-	6	-	8	-
Other water (> 1.000 mg/L di Total dissolved solids)	ML	-	-	-	-	-	-
Total water withdrawal	ML	6	-	6	-	8	-
Fresh water (<=1.000 mg/l di Total dissolved solids)	ML	6	-	6	-	8	-
Other water (> 1.000 mg/L di Total dissolved solids)	ML	-	-	-	-	-	-

Recycled or reused water	u.m.	2021		2020		2019	
		All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Total water withdrawal	ML	6	-	6	-	8	-
Total recycled or reused water	ML	-	-	-	-	-	-
% of recycle or reused water	%	0%	NA	0%	NA	0%	NA

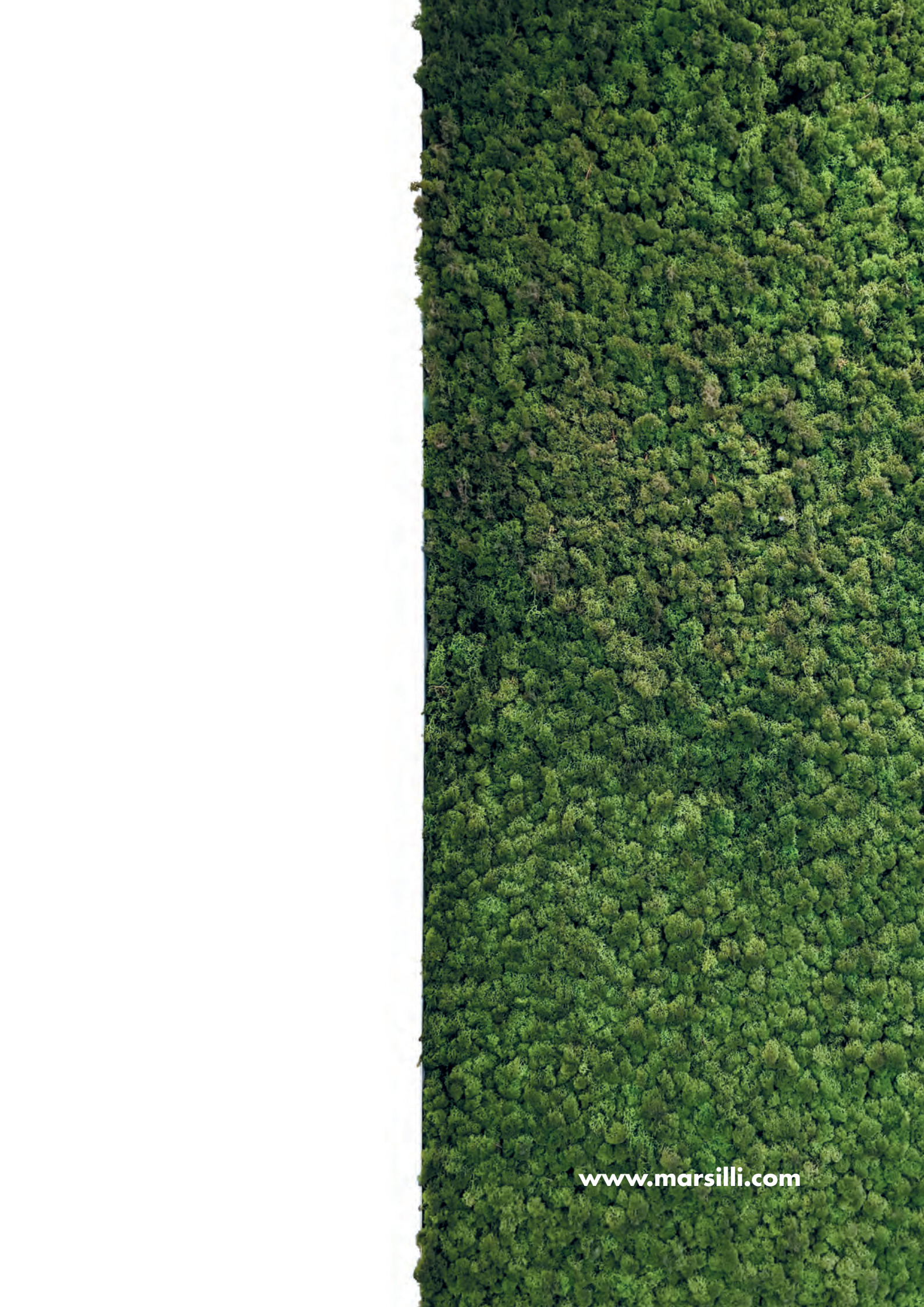
8. GRI (Global Reporting Initiative) CONTENT INDEX

Declaration Marsilli S.p.A. reported the information cited in this GRI Content Index for the period 01/01/2021 - 31/12/2021 in "referenced" mode to the GRI standards.

GRI 1 used GRI 1: Foundation 2021

GRI ID	Informative	Number of pages or informative	Omissions
General			
2-1	Details of the organization	2. Corporate governance	
2-2	Companies included in the organization's sustainability reporting	Methodological note	
2-3	Periodo di rendicontazione, frequenza e persona di riferimento	Methodological note	
2-4	Information adaptation		As it is the first year of reporting, it was not necessary to provide any adaptation to the information
2-5	External audit		This document is prepared on a voluntary basis and has not been subjected to external review
2-6	Activities, value chain and other business relations		Reporting is limited to indicator 2-6a
2-7	Employees	4. People	
2-9	Governance structure and composition	2. Corporate governance	
Environment			
302-1	Energy consumed within the organization	6.1 Energy consumption and emissions	
305-1	Direct GHG emissions (Scope 1)	6.1 Energy consumption and emissions	

305-2	Indirect GHG emissions from energy consumption (Scope 2)	6.1 Energy consumption and emissions	
306-3	Waste generated	6.2 Responsible management of materials, waste and water resources	
306-4	Recycled waste	6.2 Responsible management of materials, waste and water resources	
306-5	Waste destined for disposal	6.2 Responsible management of materials, waste and water resources	
303-3	Water withdrawal	6.2 Responsible management of materials, waste and water resources	
Social			
405-1	Diversity of employees and governing bodies (in terms of age, gender, protected categories)	4.1 Diversity, inclusion and equal opportunities	
403-01	Occupational health and safety management system	4.3 Health and Safety in the workplace	
Other			
	Other qualitative management information of customer relations	5.1 Relationship with customers and Customer Satisfaction	



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