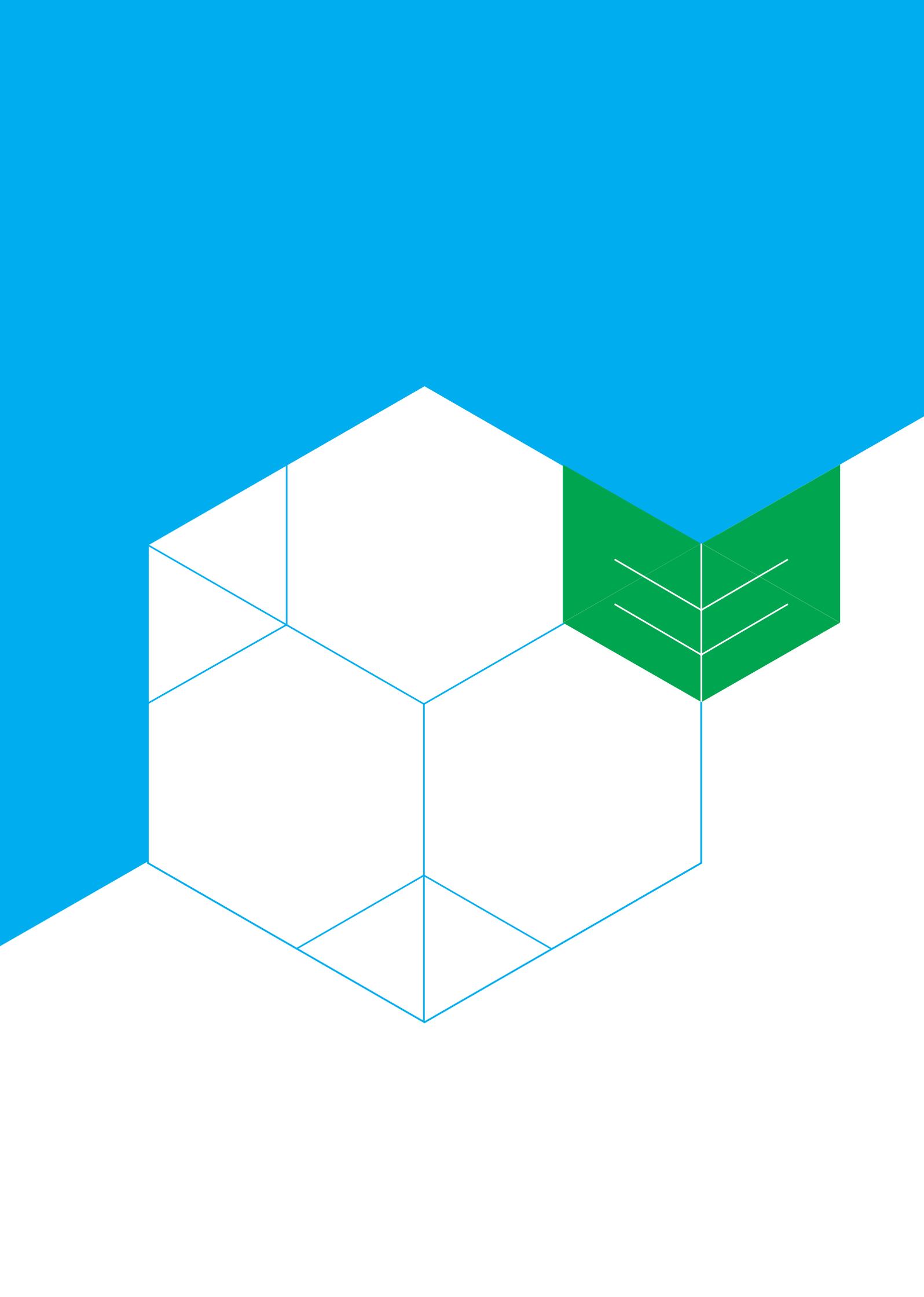


SUSTAINABILITY REPORT 2021



A MEMBER OF THE KRONES GROUP



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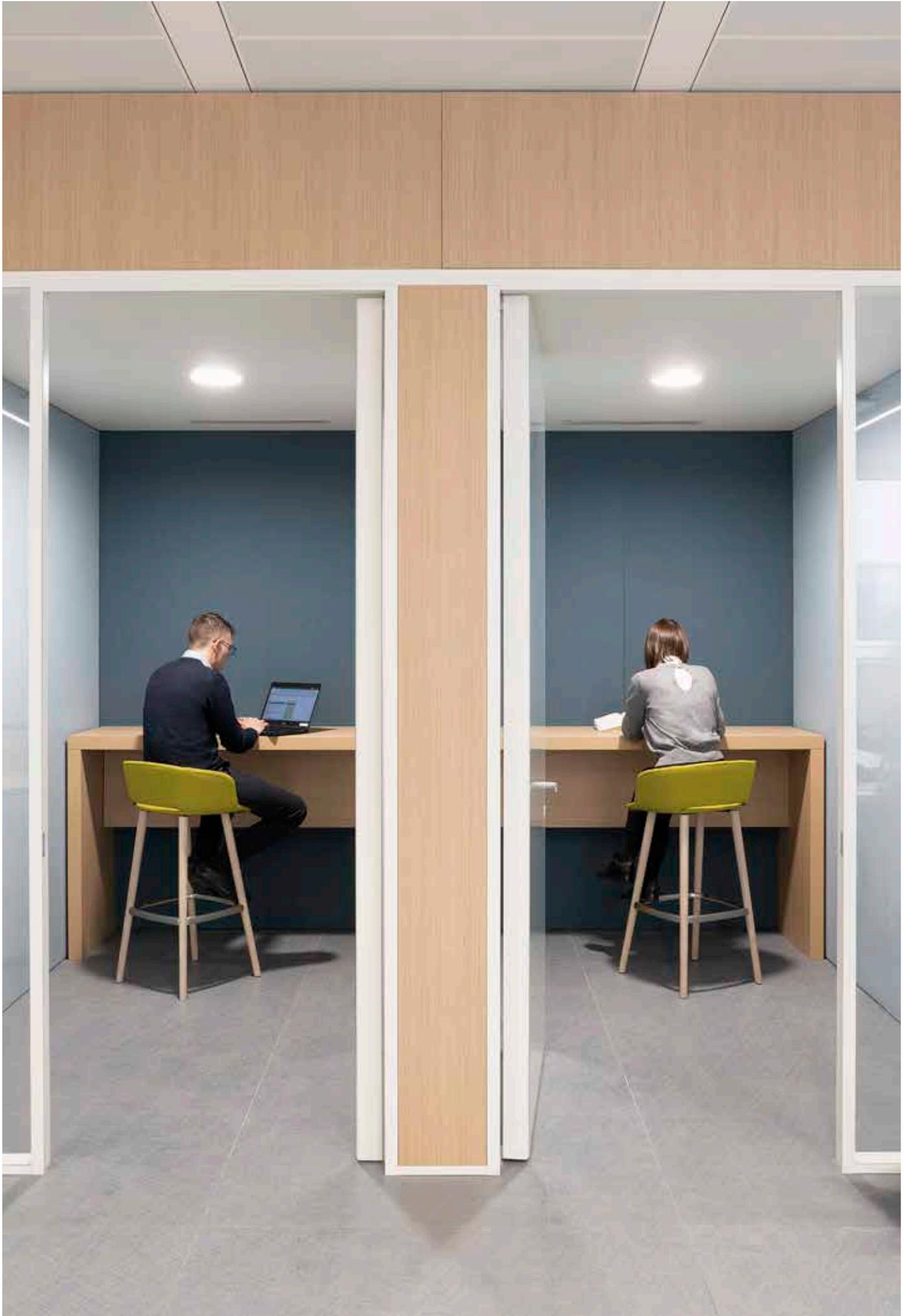
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LETTER TO STAKEHOLDERS

Sustainability is becoming an increasingly key component of the way companies do business. This year marks the publishing of System Logistics' first Sustainability Report, with the main goal of creating an information tool for the benefit of all stakeholders, to make them aware of the impacts the company generates not just from an economic perspective, but environmentally and socially too. Sustainability is increasingly becoming a beacon for defining the future strategies of an organisation and we believe strongly in this.

2021 was a difficult year full of challenges. While progress on the vaccination campaigns front instilled us with the hope that things would soon get back to normal, the wave of Covid-19 variants has put the brakes on that. The pandemic has forced us to contend with a situation that, beyond the current emergencies, will have widespread and profound consequences. To that end, we are jointly pursuing a dual objective: maintaining business continuity and visualising that of tomorrow. Today we are having to tackle new problems which are the direct or indirect result of the pandemic: a small competitive environment, an increase in the costs of materials and supply-related issues call for rational and risk-aware planning. The real challenges are not short-term obstacles, but rather broader global issues. Climate change caused by humans is transforming the planet in unprecedented ways. The ever-greater quantities of waste and rubbish threaten life on the planet's dry land and waterways and widen the gap between the rich and the poor, jeopardising development in many countries.

As a technology group, we consider ourselves, above all, to be a promoter of sustainability. New solutions in strategic areas, combined with digitalisation and sustainability, enable our customers to work in a safer, more efficient, more sustainable and better profit-generating way.

Care, commitment, integrity and innovation represent our core values and cultural and ethical tools, which encapsulate a spirit of initiative and a passion for work without which System Logistics wouldn't be what it is today. These values are, more than ever, the yardstick for measuring our initiatives.

We are part of an international Group but we are also a company which was formed many years ago by an entrepreneur. For this reason, a clear focus on projects that help develop the people, families, local areas and companies forming part of our chain always underpins our decisions. Thanks to our business culture, we have visions and objectives that focus on the well-being of local communities, on the distribution of value along the supply chain and on protection of the environment.

Our company vision looks to the future, always rooted in values that transcend eras and generations. We are fully aware of being part of the bigger picture, of our duty of contributing to the development of the local communities in which we operate, without ever losing sight of the hope for a better world for all.

LUIGI PANZETTI

CEO





METHODOLOGICAL NOTE

This Sustainability Report has been prepared in accordance with the GRI Standards, according to the "core" option.

The document represents a first step in the sustainability reporting process and bears witness to System Logistics' path of transparency and continuous improvement as it seeks to integrate sustainability drivers into its way of doing business.

The document boundary is the Fiorano Modenese site, where the company's production headquarters are based. The data were calculated in a timely manner on the basis of the findings of the general accounts and other information systems used; in the case of estimates, in determining the indicators, the method used to quantify them was specified.

The report (unless otherwise specified) shows the situation for the 2021 calendar year. Any limitations are indicated from time to time within the Report.

MATERIALITY ANALYSIS

The aspects reported within the document were identified on the basis of the materiality principle and in consideration of the principles of the Sustainability Report that define its content and quality (inclusiveness of stakeholders, completeness of information, sustainability context, balance, comparability, clarity, timeliness, reliability and accuracy).

The materiality analysis process was carried out in three phases:

▶ PRELIMINARY ANALYSIS

During the first phase, a list of material topics was defined through an analysis of relevant topics for the sector, a benchmark analysis with comparable entities and an analysis of System Logistics' documentation (code of ethics, procedures, environmental management and occupational health and safety systems). An issue is considered material when it can have an actual or potential economic, social and/or environmental impact on the company, or when it can significantly influence the stakeholders' assessment of it.

▶ CATEGORISATION AND PRIORITISATION

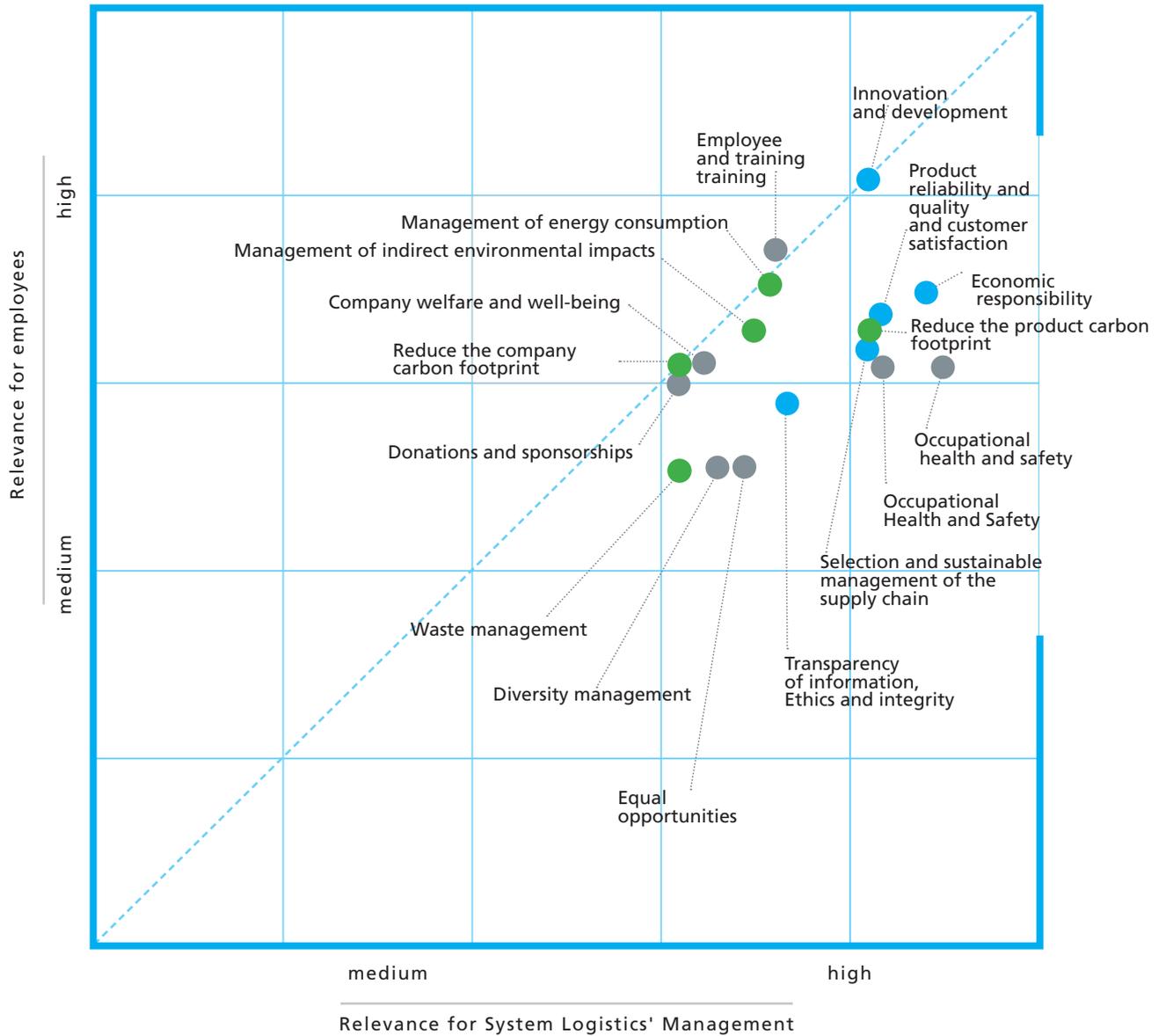
In the second phase, the topics identified were shared, through an on-line questionnaire, with the management of System Logistics and through a dedicated meeting with internal stakeholders, i.e. employees. A questionnaire was handed out to management staff and stakeholders asking them to assign a score between 1 (lowest priority) and 5 (highest priority) to evaluate long-term criticalities and opportunities for each topic identified.

▶ DEFINITION OF THE MATERIALITY MATRIX

The results of the materiality analysis process are summarised in the materiality matrix, which contains the material topics examined in depth in the Report and whose positioning has been determined through a combination of the priorities assigned by the management and the internal stakeholders.



MATERIALITY MATRIX



- ECONOMIC RESPONSIBILITY
- SOCIAL RESPONSIBILITY
- ENVIRONMENTAL RESPONSIBILITY

A glance at the matrix shows that almost all topics are concentrated in the box in the top right (that which includes the priorities of both management and employees): this means that it has been difficult for the board and for employees to assign a score below 2.

Innovation and development, employee empowerment and training and management of energy consumption are the three topics that received the highest scores from both the management and employees. In general, all topics located on the bisecting line denote that the company and the stakeholders hold a uniform view.

Discussions show that **economic responsibility is a central element of the company in planning a future for all employees and stakeholders**. In fact, the topic received the highest scores from management, together with occupational health and safety. Investing in training and innovation is important for constantly improving product quality and, consequently, customer satisfaction and the company's competitiveness. New, better-performing and innovative products give rise to greater market opportunities and profitability.

The environmental topics that stakeholders most closely identified with are those connected with the **management of energy consumption, the reduction in the product carbon footprint and the management of indirect impacts**, in particular those tied to **logistics**: also in this case, the priorities are the same recorded by the management.

Social issues (aside from training, customer safety and occupational safety) received low 'scores' as they are all already closely monitored by the company: the work environment at System Logistics is perceived as attentive to welfare policies, diversity management and equal opportunities.

Training and occupational health and safety are already closely monitored, but the company wants to maintain a close focus on these two topics.



▶ CRITICAL ISSUES AND PROPOSALS HIGHLIGHTED

An open-ended question was also included in the questionnaire asking stakeholders to propose ideas, projects or highlight critical issues in order to improve System Logistics' sustainability. Five main aspects emerged: consumption, infrastructures, people, communication and the community. Given all employees, it is clear that the recommendations and proposals are concentrated primarily on welfare and well-being initiatives for the company's staff.

▶ CONSUMPTION

Stakeholders emphasised that System Logistics must endeavour to create a genuine waste culture/awareness, especially regarding the management of lighting, air conditioning and separated waste collection. Furthermore, it is suggested that solutions be sought to ensure that facilities consume less energy: for example, car parks with solar panels fitted on the roof and the planting of vegetation. Energy autonomy is undoubtedly of fundamental importance in this period and, therefore, possible investment could be taken into consideration for expanding the existing photovoltaic plant that satisfies production requirements and also, tomorrow's needs in terms of the use of electric cars by employees.



▷ INFRASTRUCTURES

Discussions with internal stakeholders highlighted the priority aspect of building of a bicycle lane connecting the company with the closest residential areas so that bicycles can be used for commuting. In addition to the bicycle lane, for example, it is stressed that there are no areas to leave bikes, e.g. bike racks, possibly fitted with an outlet for charging e-bikes.

▷ PEOPLE

A raft of comments show that System Logistics focusses heavily on the importance of employees and their quality of life. The negative aspect to emerge is tied to turnover, considered too high: it is recommended to ensure the same workers stay as long as possible in the company as a higher turnover rate can put the corporate strategy at risk.

Another suggestion related to personnel is to create 'team-building' events to improve the business environment for employees. Increasing team-building initiatives would help integrate new staff and strengthen team spirit.

To ensure a healthy work-life balance, establishing an in-house crèche for employees' children and extending smart working to all departments would be beneficial. The need emerges for an area to play sport and the possibility of having benches and canopies for employee breaks outdoors.

In addition, making start and finish times more flexible would be beneficial, to help avoid the rush hour, traffic jams and make employee mobility more fluid, also by car pooling.

Another proposal to emerge is that of establishing agreements for employees with companies that install "green energy" or an advisory service for employees who intend to venture into projects like 50% "bonus casa" (home bonus) for photovoltaic systems or the 110% bonus.



COMMUNICATION

Discussions with internal stakeholders show that the topic of company transparency needs to be improved, as it is historically recognised that important company news first circulates unofficially before it is officially disseminated.

COMMUNITY

Employees recommend the use of seasonal products and, if possible, zero food mile products in the preparation of food in the company cafeteria, in order to enhance the community and the local area. In addition, it could be a good idea to inform the cafeteria of foods with a lower footprint (even a simple poster or sticker) or a sign that explains what a footprint is and other information. The concept is to absorb this information at work and bring it home/outside the company.



OBJECTIVES DEVELOPMENT TARGETS

In this first Sustainability Report, System Logistics' aim was to also include references to the sustainable development targets to highlight the organisation's commitment and contribution to achieving the targets defined in Agenda 2030. In September 2015, more than 150 world leaders gathered at the UN to agree on a single document which aims to contribute to global growth, promote human well-being and protect the environment.

The member States approved the Agenda 2030 for sustainable development, whose key elements are encapsulated in 17 SDGs (Sustainable Development Goals).





CARE THE COMPANY

In a rapidly changing world, and in a constantly evolving sector, everyone working towards a common objective is of crucial importance for the company: namely, assuming responsibility for the company and protecting its reputation. The shared path must be characterised by ethically correct conduct and, in particular, be based on integrity, i.e. doing the right thing and showing the courage to pay for your actions. The company sets very high standards and is extremely demanding: it wants to be the best and do its best across the board, both regarding technology standards, high product quality and in terms of social conduct. For this reason, all members of the company take responsibility for the way they behave with colleagues, business partners and in customer service.

CARE THE FUTURE

System Logistics is committed to protecting the climate and the environment, a key part of its sustainability targets for 2030. Continuous improvement also includes protection of the environment, efficient use of energy and resources plus compliance with recognised standards. The commitment on the environmental protection front is borne out by the attention paid by the company and the staff it employs to reduce the impact generated by its activities on the resources it uses, on the energy it consumes, on the waste it produces and to help customers adopt increasingly greener technologies based on sustainable energy.

CARE THE PEOPLE

The decisions adopted in the new headquarters are testimony to the company's commitment to personal well-being, aimed at maximising comfort and personal relations and the automation objectives, targeted at lightening the manual labour workload by thinning down the heavier and more exhausting duties, improving occupational health and safety and tackling new forms of exploitation of human resources in the work environment. The company works extremely hard in all the areas that improve the life of its employees: welfare, smart working, shift flexibility and training. There are also a multitude of analyses of the internal environment and team-building opportunities that strengthen the work team.

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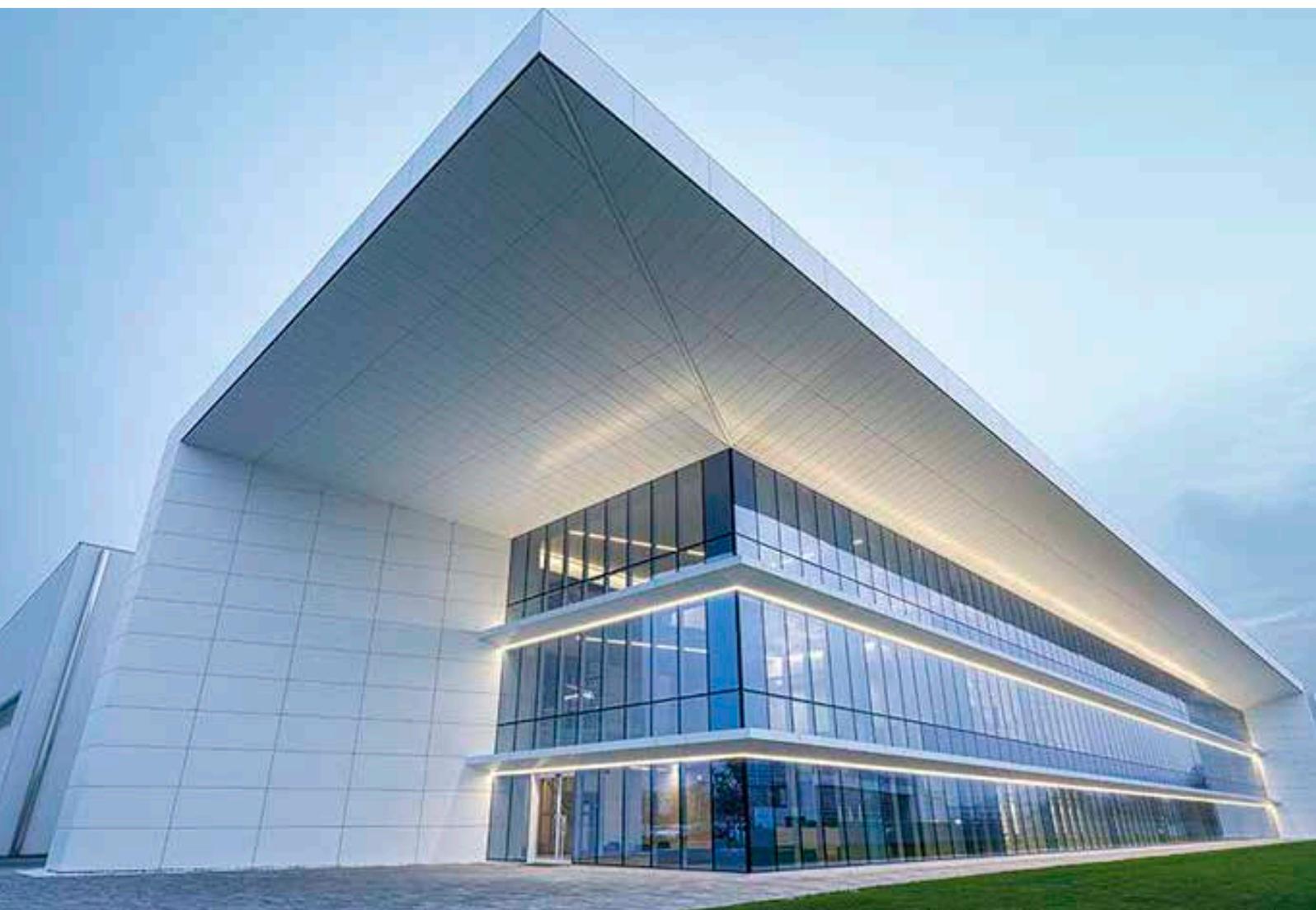


CARE THE COMPANY



THE COMPANY

System Logistics is a company with registered office in Fiorano Modenese (Modena), part of the German Krones Group; it is a leading global supplier of innovative intralogistics and material handling solutions seeking to optimise the supply chain of warehouses, distribution centres and manufacturing facilities worldwide.





HISTORY



System CMA, company dealing with the production of automated material handling systems, is established in Fiorano Modenese in **1976**.



System Logistics is created in **1987**, as a company of the System Group. At the same time the first "Modula" automated vertical storage system was introduced on the market.



Following impressive company growth, System Logistics became an "S.p.A." (joint-stock company) in **2008**, an independent company within the System Group.

In **2015**, the AGV division of System became an integral part of System Logistics, leading to the moving of the engineering, production, service and installation departments.



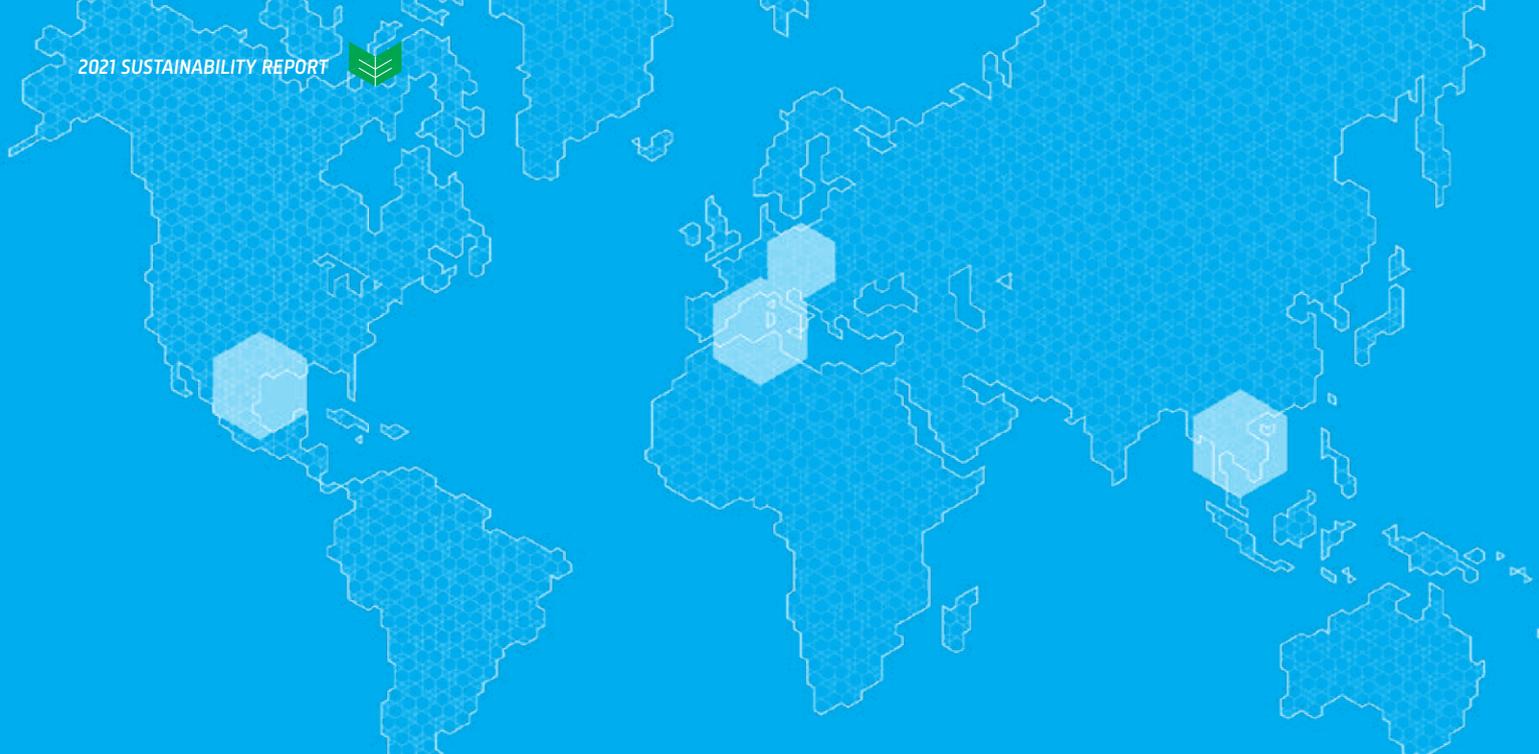
In **2016**, System Logistics became part of Krones Group, the worldwide (market and technology) leader in processing and packaging automation for the food & beverage sector and acquired the "Vertique" business in the United States. This key strategic milestone allowed it to strengthen its presence on the US food & beverage markets.



In **2019**, System Logistics GmbH is created in Germany as a spin-off from the intralogistics area of Syskron, part of Krones. Its headquarters are in Wackersdorf, and the company is created as a wholly-owned subsidiary company of the Krones Group. By refreshing its market presence in this way, Krones has brought together its entire intralogistics portfolio under the branding of "System Logistics".



Finally, in **2020**, System Logistics enters its new headquarters. The logistics hub is centred on the wide range of technologies produced in-house, which fully meet customers' needs. It is a multifunctional space that reflects the corporate spirit.



THE OFFICES

- Spain
- Sweden
- United Kingdom
- Germany
- North Carolina - USA
- Mexico
- Thailand
- India

COUNTRIES SERVED

List of countries
in which products and services
are distributed and sold:

- Saudi Arabia
- Argentina
- Australia
- Austria
- Bangladesh
- Brazil
- Chile
- China
- South Korea
- Croatia
- Denmark
- Finland
- France
- India
- Indonesia
- Israel
- Italy
- Malaysia
- Mexico
- Mongolia
- Morocco
- New Caledonia
- Norway
- Pakistan
- Poland
- Portugal
- United Kingdom
- Rep. of Republic
- Rep. of San Marino
- Romania
- Russia
- Singapore
- Slovakia
- Spain
- Sweden
- Thailand
- Hungary
- Uruguay
- USA
- Vietnam

MEMBERSHIP OF TRADE ASSOCIATIONS

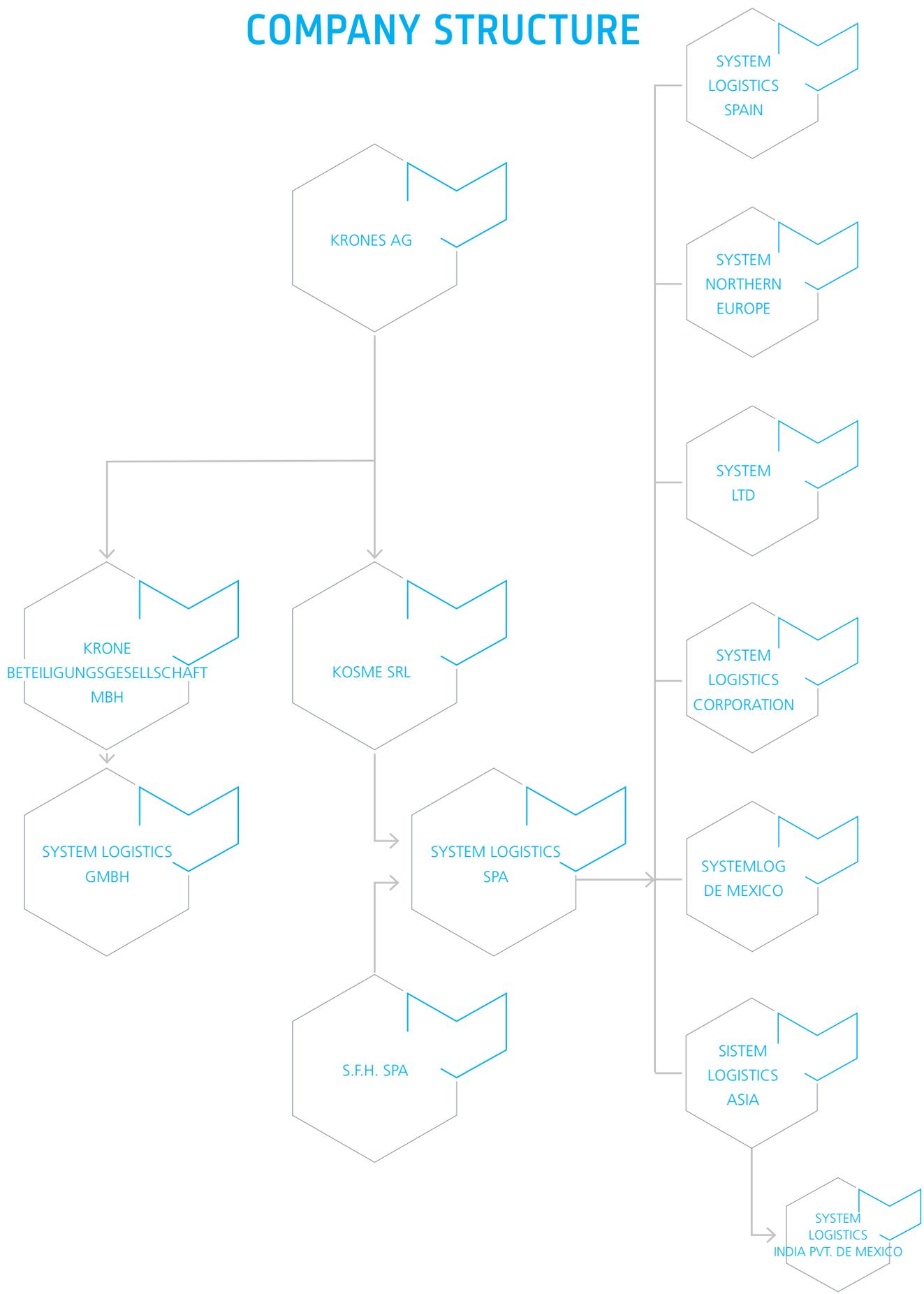
System Logistics is a member of two trade associations: **Federmanager**, the most representative association in the world of management, which oversees contractual, institutional, social, professional and cultural aspects.

Confindustria Emilia, the main association representing manufacturing and service companies in Italy. Its mission is to promote the affirmation of enterprise as a driver of the country's economic, social and civil growth.

System Logistics is also a member of AMHSA, the association promoting excellence in the automatic material handling industry, as a leading company in the supply of innovative solutions and technologies for intralogistics automation.



COMPANY STRUCTURE



ORGANISATION CHART SYSTEM LOGISTICS SPA





GOVERNANCE AND ORGANISATIONAL STRUCTURE

System Logistics is a joint-stock company 20% owned by SFH SpA and 80% owned by Kosme Srl, owned by Kronos AG. The Company's corporate governance system is currently structured as follows.

- ▷ **The Board of Directors:** is vested with the broadest powers of ordinary and extraordinary management of the Company, with the right to carry out all appropriate ordinary and extraordinary acts of administration to achieve the corporate purposes, excluding solely those strictly reserved to the Shareholders' Meeting by the law and by the Articles of Association;
- ▷ **The Board of Statutory Auditors:** company management is overseen by a joint body composed of three standing members and two alternate members;
- ▷ **The Independent Auditors:** the accounts are audited by an independent auditing firm enrolled in the register held by the Ministry of Justice.

System Logistics adopts an Organisation, Management and Control Model, pursuant to Italian Legislative Decree 231/2001, whose correct operation is controlled by the Supervisory Body.

COMPANY CERTIFICATIONS

For System Logistics, certifications are confirmation that the products and services the company designs, produces and offers to its customers are created according to the highest standards of quality, safety and respect for the environment. Each project and manufacturing process intrinsically encapsulates the values that set us apart and demonstrate that we are a first-rate company.

System Logistics has always based the production of its facilities and the structure of its processes on high quality standards. This enabled it to obtain the **ISO 9001** quality certification back in 2004. Over the years System Logistics has increased its standards, making it stand out even more on the market.

Protecting the working environment of its workers and customers is a core issue for System Logistics SpA. For this reason, in 2016, it decided to turn its work methods into standardised procedures in line with the **ISO 14001** standard, obtaining the relevant certification which continues to be maintained over time.

In 2020, System Logistics completed the transition from **OHSAS 18001** to **ISO 45001** regulatory standard certification. This reaffirms the protection of the health, safety and well-being of its operators, customers and suppliers as a key company value and fundamental for its strategy. This result integrates perfectly with the goal of continuous improvement in terms of quality and environmental protection, projecting the company towards a new model of sustainable competitiveness.

In the second part of September 2021, System Logistics underwent a combined type maintenance audit in relation to three regulatory standards: **ISO 9001**, **ISO 14001** and **ISO 45001**. These audit activities were carried out by the certification body DNV, and involved various departments, from design to production, installation to assistance. All made a contribution, demonstrating the significant interest in continuous company growth.

In addition, in 2021, System Logistics was awarded Welfare Champion, obtaining the top rating of 5W in the **Welfare Index PMI 2021 Report**.



ETHICS, INTEGRITY AND TRANSPARENCY

MISSION

Improve workplace health and safety. Simplify the complexity of logistics processes and flows. Optimise the efficient use of resources, boosting efficiency. Constantly increase reliability and improve performances.

RESPECT FOR HUMAN RIGHTS

VISION

Make a solid contribution to the dissemination of innovation by improving the quality of life.

VALUES



CARE

Attention to the needs of customers, employees and associates, partners for their full satisfaction



COMMITMENT

Determination, passion and positivity to achieve the results and build trust.



INNOVATION

Openness to constant acquisition and transfer of know-how to resolve problems and generate new ideas capable of creating valuable solutions.



INTEGRITY

Honesty, respect for diversity, transparency and ethics, in order to guarantee the long-term sustainability of the business.

System Logistics operates internationally, and undertakes to respect human rights and employment rights along the entire chain of value. Business partners are also responsible for respecting basic human rights:

Prohibition of forced work

No direct or indirect involvement in modern-day slavery, forced work or human trafficking.

No use of work as punishment or as a means of ideolo-

gical or political discrimination.

No presentation of identity documents in exchange for work, and freedom for workers to end the employment relationship based on reasonable prior notification.

Prohibition of child labour

No employment of workers who cannot prove they are at least 16 and have finished compulsory schooling.

No employment of workers under the age of 18 for physically dangerous or night-time jobs.

Humane working conditions and no discrimination

Equal opportunities and equal treatment for all employees, irrespective of skin colour, race, nationality, ethnicity, political persuasion, social background, disability, sexual orientation, religious beliefs, gender or age.

No inappropriate treatment of workers, such as undue mental or physical pressure, sexual harassment or other inhumane treatment.

Regulated work conditions

Before the start of the employee/employer employment relationship, definition and exchange of written, clearly understandable information on work schedule, pay and working conditions.

Contractual work schedule in compliance with the national legislation and the industry standards in observance of a maximum of 48 hours per week.

No use of voluntary overtime to replace

formal employment agreements and fair pay for voluntary hours.

Payment of sufficient and appropriate wages that comply with national legislation or industry standards and respect for all provisions on pay.

Use of salary deductions as a disciplinary measure in strict observance of the legal provisions.

Freedom of association

Respect for the independence of trade unions and recognition of the right to establish and join trade unions and participate in collective bargaining

No preferential or discriminatory treatment of trade union members.



2.1 THE PRODUCT

ACTIVITIES AND PRODUCTS

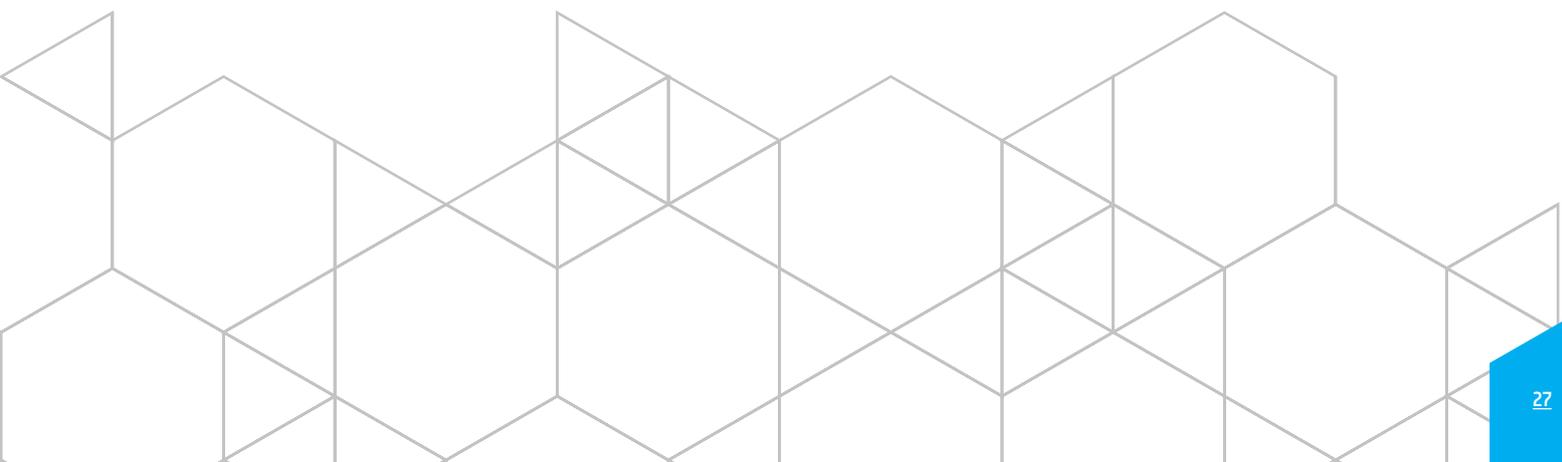
System Logistics is a leading global supplier of innovative intralogistics and material handling solutions seeking to optimise the supply chain of warehouses, distribution centres and manufacturing facilities worldwide.

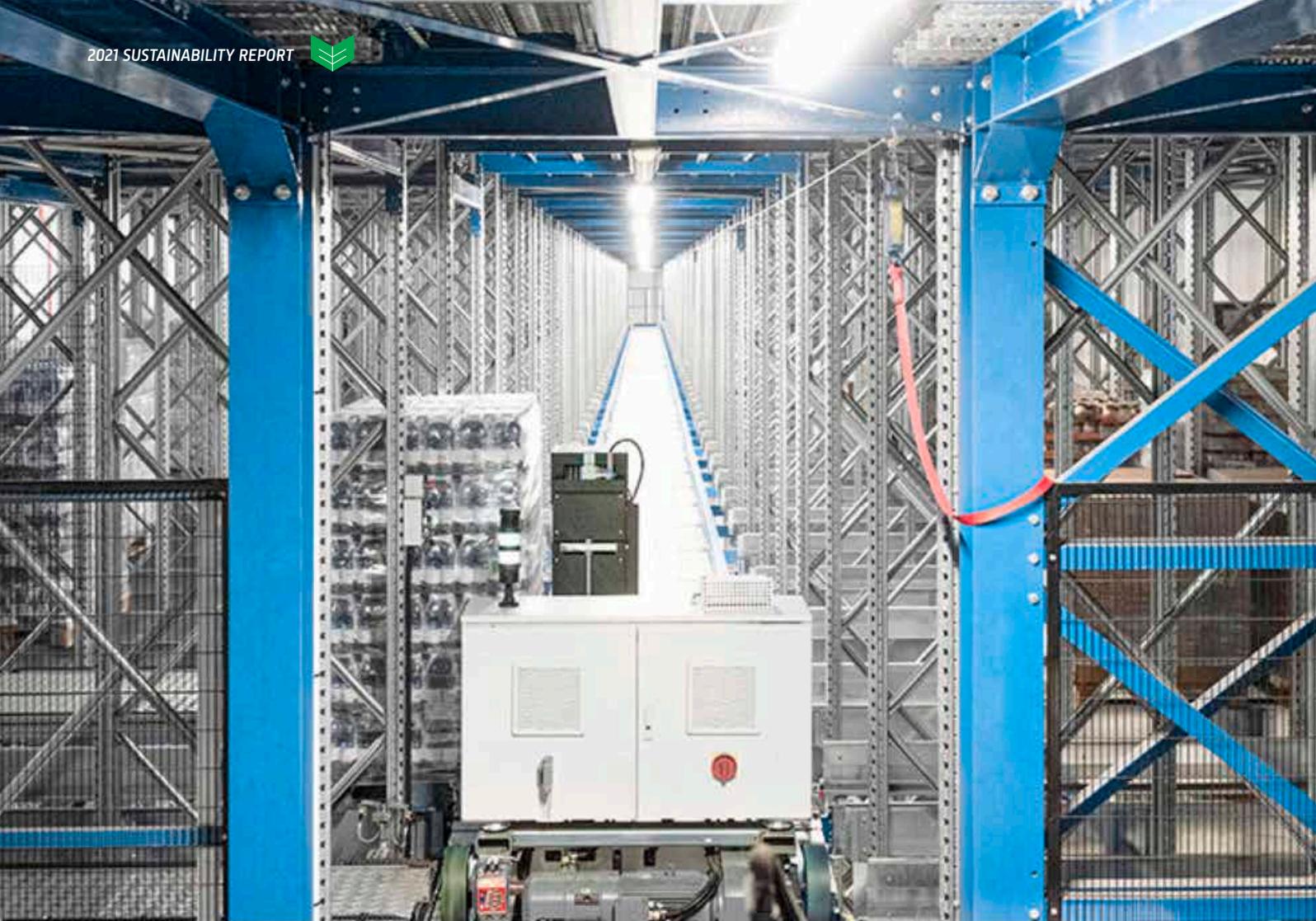
With a special focus on the Food & Beverage sector and GDO (Large-Scale Retail Trade), System Logistics develops tailor-made solutions for automated storage and picking, including stacker cranes, material handling systems, software and related services.

Most of the technologies used in our solutions are fully engineered, developed, produced and installed internally by System Logistics. This allows us to have complete mastery of the systems provided.

System Logistics is a long-term, reliable partner: working closely with our customers, we develop flexible solutions that address the challenges they face every day and that will grow and change together with them in the future.

System Logistics today represents a business model able to maintain high-quality production, promoting strategic innovation choices aimed at new industrial and manufacturing development, geared towards quality and value creation.





AS/RS AUTOMATIC WAREHOUSES

System Logistics offers its customers a wide range of flexible and tailor-made Automated storage and retrieval (AS/RS) systems provided with high quality handling systems and software which are designed, developed and produced in-house.

The AS/RS range includes:

Stacker cranes

Fast Rotation Storage

Miniload

AGV AND MATERIAL HANDLING SOLUTIONS

Autonomous vehicles are the ideal solution for ground handling of pallets, containers and other industrial loading units. They can easily interface with shelves, production lines, and they can also generally replace manual forklifts.

The handling and transportation systems rapidly and efficiently connect all the areas used for the receipt of goods, production, order picking and material shipment within the company, optimising storage and transport within the warehouse.





PICKING SOLUTIONS

Scalable, expandable and adaptable solutions to the specific level of automation required: from automation-assisted man-to-goods operations, to fully-automated mixed-pallet building through highly efficient and ergonomic goods-to-man processes.

MOPS is the picking system for the fully automated creation of mixed pallets. The system allows complete data traceability. It follows packages step by step and maintains logical data and physical data parallelism across the entire life cycle of the package. MOPS can deal with a large range of different products.



SYSTORE® THE TAILOR-MADE SOFTWARE FOR THE MODULAR AND FLEXIBLE MANAGEMENT OF LOGISTICS SOLUTIONS

Fully designed and developed within System Logistics, Systore® encloses in a single package all the tools required for fully checking the different technologies that make up an intralogistics solution, such as stacker cranes, mini-load systems, FRS (Fast Rotation Storage), AGVs, shuttle cars, SVL (System Vehicle Loops) systems, robots, pallet and package transport, but also third party machines and software, with the support of an advanced graphical interface with real-time display of what is happening in the system.

These are the products created up until 2021:

500 automated material handling solutions

1,500 AGVs installed

100 picking solutions

Sectors Served

Beverage	Home and personal care
Aerospace	Hydraulic
Apparel	Logistics
Automotive	Mechanical
Bank	Medical
Beverage	Others
Biomedical	Packaging
Building Industry	Paper
Ceramics	Pet Food
Chemical	Pharmaceutical
Dairy	Plastics
Distribution	Retail
Editorial	Services
Electric-Electronics	Textile
Food	Tyres
Electric-Electronics	Tissue
Grocery	Tobacco



2.2

THE
ECONOMIC
VALUE



System Logistics recognises the importance of a balanced distribution of the value generated by its activities towards its stakeholders, a value that they have directly or indirectly helped produce.

Through an analysis of the distributed economic value, System Logistics highlights the flow of financial resources directed at its employees, suppliers of goods, services and capital, the Public Administration and the communities in which it is present.

TURNOVER SYSTEM LOGISTICS

2021	116,331,643	EURO
2020	133,547,457	EURO
2019	131,757,450	EURO

In 2021, System Logistics posted a new record in terms of the acquisition of orders in all the areas in which the company operates, from Asia to Europe, as far as the Americas, with an Order Intake of Euro 332 million, and agreements for a further Euro 76 million, which will be the perfect launchpad for 2022. From an operational perspective, a reversal of the positive trend was recorded in the European area, which has suffered the most in the last few years, however confirming the excellent performance in Germany and the USA.



SL SPA

Economic value generated and distributed	2021	
	€/1000	
Revenues	143,701	
Directly generated economic value	143,701	100%
Operating costs	-126,140	88%
Employee remuneration	-27,373	19%
Shareholder remuneration	0	0%
Remuneration of lenders	-982	1%
Remuneration of the Public Administration	-340	0%
External donations and sponsorship	0	0%
Distributed economic value	-154,835	-108%
Retained economic value	-11,134	-8%

The distributed value amounts to Euro 154,835 million and is subdivided into the following stakeholders, respectively:

Employees

Suppliers

Customers

Shareholders

Trade Associations

Institutions

Community

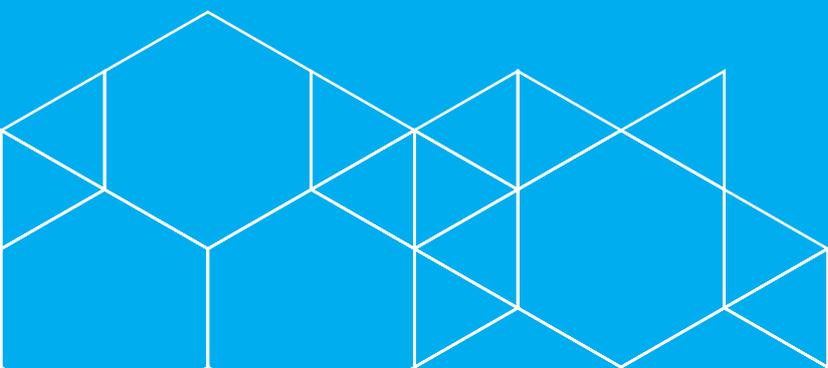
There are no company pension plans at System Logistics at present, aside from those set forth in the reference CCNL (national collective labour agreement). All managers hired come from the local community. The heads of the corporate macro-functions (HR, Operations, Sales, Administration, etc.) form part of the management. "Local" means they reside in the provinces of Modena, Reggio Emilia, Parma and Bologna.

RISKS RELATED TO CORRUPTION, COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Transactions potentially subject to the risk of corruption have been comprehensively analysed at the company before the phase of adoption of Model 231 (Management, Organisation and Control Model pursuant to Legislative Decree 231/2001) and subsequently during its updating. In addition, the parent company Krones periodically conducts a compliance review and related risk analysis with the management regarding, among other things, the assessment of the risk related to corruption.

The entities most exposed to potential corruption risk are those that deal with purchasing and sales. System Logistics' anti-corruption policies and procedures are communicated to all members of the Board of Directors, to all employees, suppliers and customers. In addition, all members of the Board of Directors were trained on the matter and the relevant training is provided to all employees through the in-house Academy. The Code of Ethics, which contains references to corruption, can be consulted by everyone on the company's website.

In 2021, no episodes of corruption were verified and no legal proceedings were initiated as a result of anti-competitive or anti-trust behaviour and monopolistic practices.





231 ORGANISATIONAL MODEL

The main objective of Model 231 is to prepare an organic and structured system of principles, procedures and controls, aimed at preventing the predicate offences set forth in Italian Legislative Decree 231/2001 from being committed.

Model 231 has the following objectives:

Identifying the activities that are potentially at risk of the predicate offences set forth in Italian Legislative Decree 231/2001 being committed and the rules for regulating said activities;

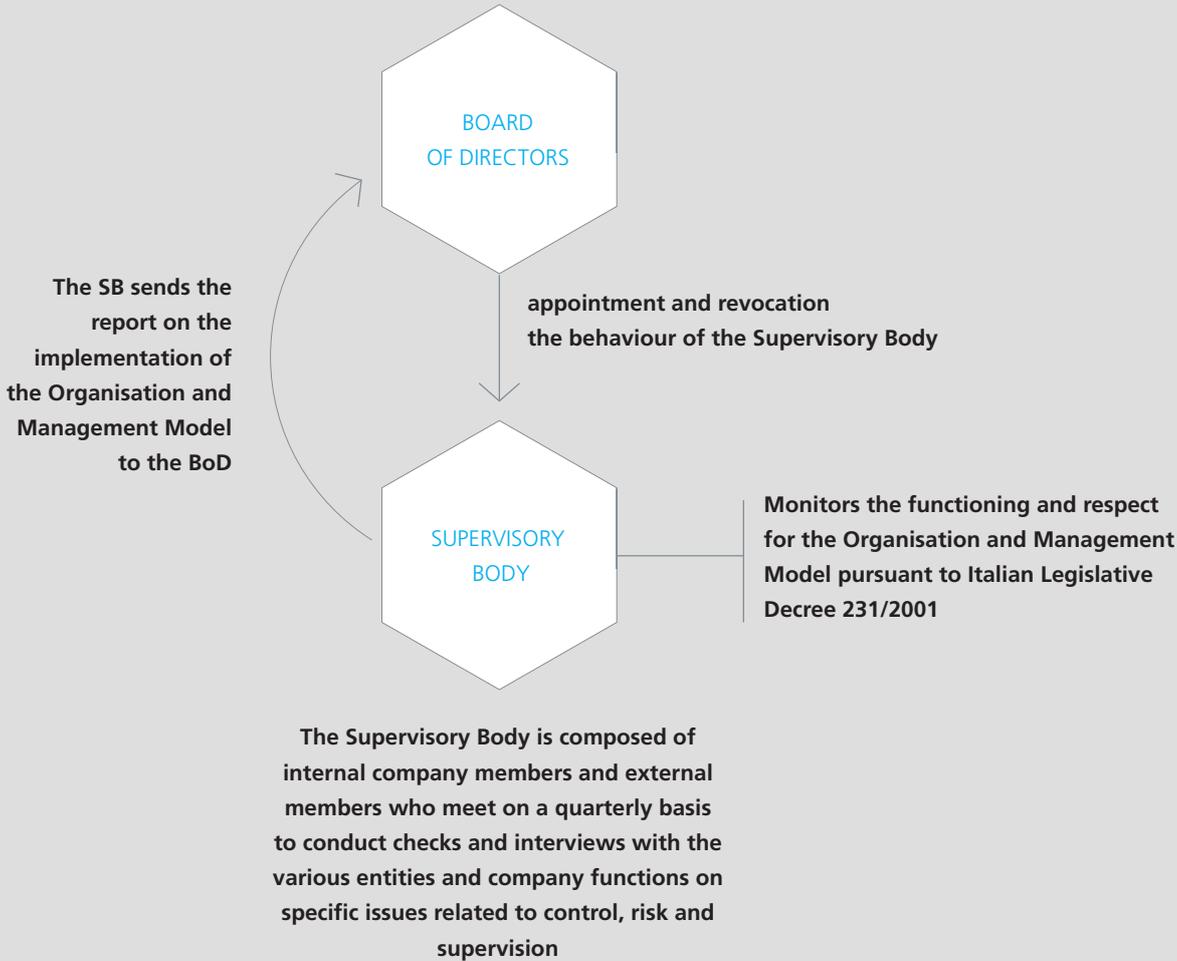
Providing effective information to recipients in relation to the rules and procedures to be observed in carrying out activities at risk and regarding the resulting sanctions that may be incurred by the recipients and/or System Logistics as a result of violations of the legal rules, regulations or internal provisions of the company;

Spreading a business culture based on legality and System Logistics' condemnation of any conduct not compliant with the law, the regulations, the internal provisions of the company and the provisions of Model 231;

Disseminating a culture of control and risk management;

Ensuring efficient organisation of the company, guaranteeing, in particular, the clear assignment of powers, transparency, traceability and explanation of decisions, controls (preventive and subsequent) of activities and the correctness and truthfulness of information (internal and external);

Promptly taking the necessary practical measures to improve efficiency in the performance of activities, ensuring compliance with the law, the regulations and the internal provisions of the company and by eliminating, or at least minimising, the risk of the predicate offences set forth in Italian Legislative Decree 231/2001 from being committed.



CONFLICTS OF INTEREST

Conflicts of interest could arise where private and professional interests overlap. System Logistics' actions are targeted at avoiding all conflicts of interest that may negatively impact the company.



2.3

**SUPPLIERS,
PARTNERS
FOR THE
FUTURE**



System Logistics is committed to supporting and applying principles such as the protection of human rights, the promotion of sustainability and fair employment conditions, respect for the environment and anti-corruption. Since the company also wishes its business partners to commit to applying these principles, System Logistics establishes long-term partnerships, characterised by openness, trust and commitment, with both its suppliers and its customers. Business relationships are only established when in line with the company's core values.

The company expects its business partners to adhere to the applicable standards, such as the OECD guidelines, the guiding principles of the United Nations on business and human rights and the ten principles of the UNGC (United Nations Global Compact), and to take steps to respect the most rigorous standards established in the Code of Conduct relating to suppliers.

System Logistics also requires its business partners to commit to actively monitoring and promoting respect for the fundamental principles in all their sites and in all their activities. This choice is the cornerstone of collaboration based on innovation, the desire to embrace change and constant commitment to success.

Purchasing management at System Logistics is split between two different functions: one deals with the supplies of sales components and the other is dedicated to managing services and sub-supplies of third party equipment (3PE). That is, those parts of the system that do not form part of the range of products created by the company but are an integral part of the system offered to the customer.



SUPPLY CHAIN

604

Total number of suppliers

THE VARIOUS TYPES OF SUPPLIERS

364

Suppliers
for custom
components

240

Suppliers
for custom
parts

589 (97.5%)

Suppliers located
in Italy

15 (2.5%)

Suppliers located
outside
Italy

When System Logistics says "local" it means Italian suppliers.

3PE AND SERVICES

556

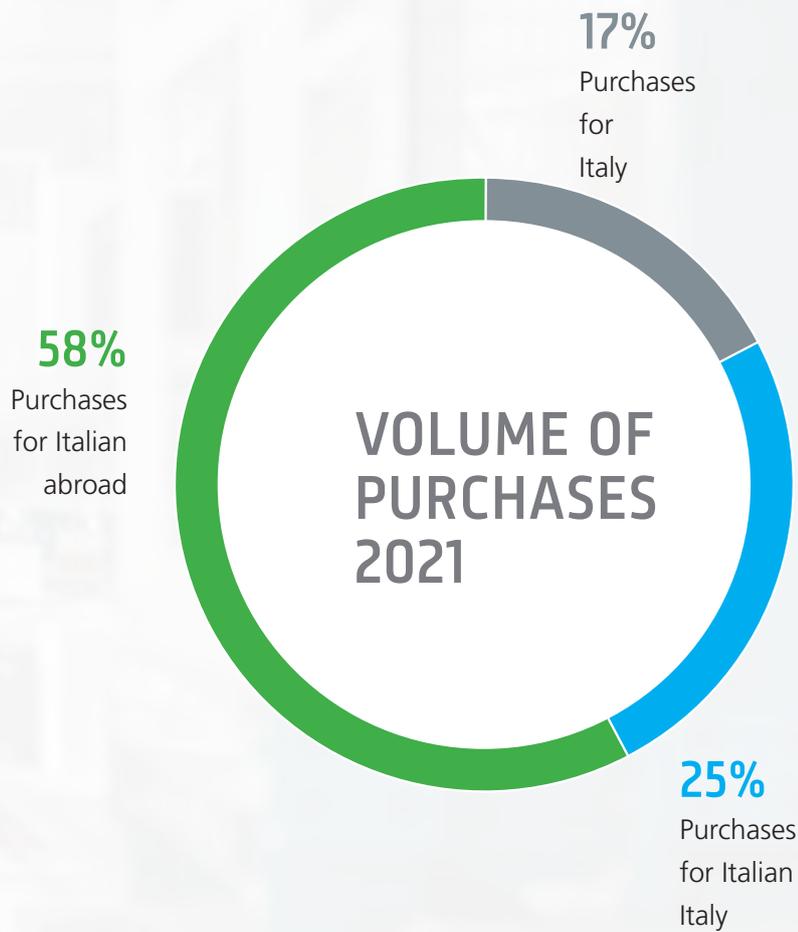
Total number of suppliers

485 (87.2%)

Suppliers located
in Italy

71 (12.8%)

Suppliers located
outside
Italy



THE NUMBER OF PURCHASE ORDERS TO ITALIAN SUPPLIERS AMOUNTS TO 5,578

At present, all suppliers at the phase of initial qualification and at the vendor rating phase, are asked for their positions regarding certifications ISO 9001, ISO 14001, ISO 45001; whether they are already certified and, if not, if they intend to be certified. However, as things stand today, said information does not prejudice use of the supplier but determines its insertion or not in a relevant category.



2.4

THE CUSTOMERS



System Logistics aims to establish and maintain relations with its customers based on consolidated partnerships and full transparency of information. System Logistics' objective is to satisfy their expressed and unexpressed needs and requirements. This awareness requires the continuous search for excellence in customer relations which can only be achieved by respecting the ethical values and the corporate procedures which provide the basis for them. System Logistics undertakes to always provide reliable information on its solutions and to market only safe and effective products, which undergo rigorous quality controls and are developed in compliance with the regulations and the "best practices" in force.

**System Logistics' modus operandi
is based on four main characteristics:**

COMPETENCES

40-years' experience in material handling and intralogistics. Our people have excellent knowledge of the industry in which the customer operates. This means they can propose tailor-made solutions to best manage the complexity of the customer's business.

HOLISTIC APPROACH

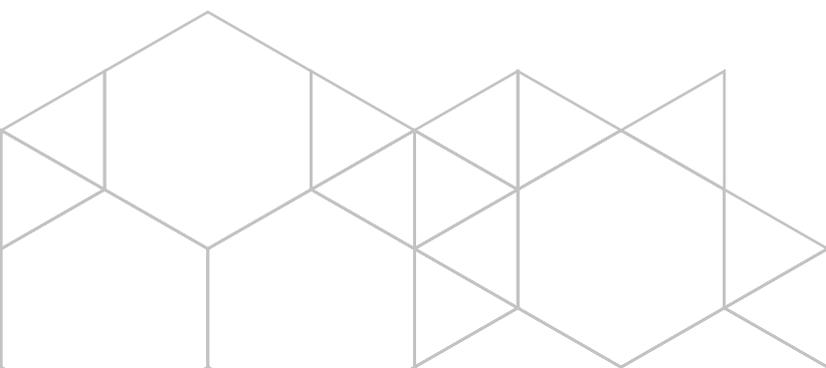
We know that our technology solutions can impact upstream/downstream our customers' organisation. For this reason, we always consider our customers' entire value chain and their short and long term targets, thus contributing to their profitable growth.

INNOVATION

Creativity capabilities and design innovation are the foundation of our success. Every year System Logistics invests in R&D activities, establishing valuable collaborations with world-class research centres, leading to innovative solutions that improve the quality of labour and the efficiency of the customer's production and logistics processes.

DYNAMISM

System Logistics is a young, lean and dynamic company; this enhances customer orientation and enables us to provide customers with rapid responses.





ORDER INTAKE

INTRALOGISTICS BUSINESS UNIT

€/1000	Dec. 2021	Dec. 2020	Dec. 2019
Europe and Africa Cluster	126,195	83,505	78,752
Middle East and Australia Cluster	27,377	19,853	12,490
America Cluster	68,955	84,833	86,665
DACH Cluster	81,876	21,180	71,393
Customer Service Cluster	27,818	21,552	23,707
TOT Order Intake	332,221	230,923	273,007

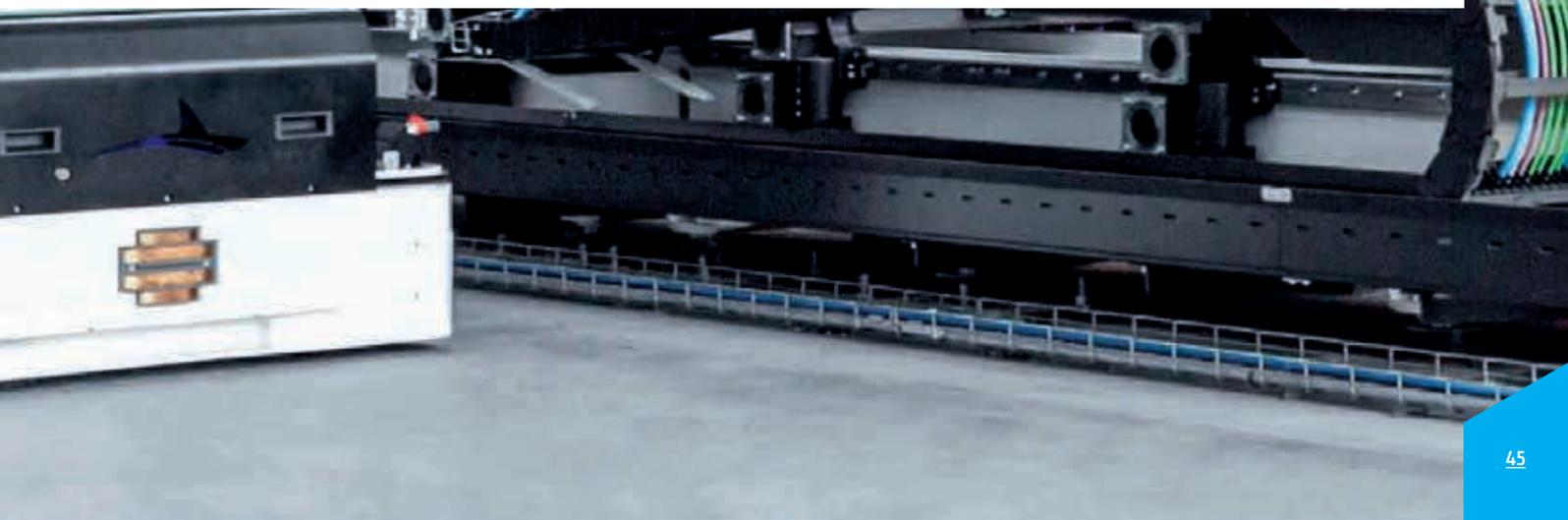


The **System & Machinery Safety** function deals with ensuring the safety of users of the company's technologies, supporting business development and promoting their constant innovation. The department operates in a context of binding legislation, technical rules, standards and good practices which must be taken into consideration well in advance to ensure the success of a project.

100% of the designs sold and installed by System Logistics undergo a preliminary check by the System & Machinery Safety function with respect to the Machinery Directive, its Essential Safety Requirements and the product technical standards applicable from time to time.

In System Logistics, customers have a partner that fully meets their expectations and that is able to provide safe, functional and efficient systems at competitive costs.

Over the last two years, no cases of product non-conformity were verified which involved the imposition of penalties by the public control bodies.



3



CARE THE FUTURE

System Logistics, in line with the important strategy defined by the parent company Krones, which aims to pursue the objective of Agenda 2030 relating to the reduction of the "Corporate Carbon Footprint" and "Product Carbon Footprint", is making efforts to achieve economic, environmental and social sustainability objectives.



The objectives of the Climate Strategy 2030 are as follows:

- ▶ **REDUCTION OF THE CORPORATE CARBON FOOTPRINT, I.E. SCOPE 1 + SCOPE 2 CO₂ EMISSIONS BY 80% BY 2030**
- ▶ **REDUCTION OF THE PRODUCT CARBON FOOTPRINT, I.E. SCOPE 3 CO₂ EMISSIONS BY 25% BY 2030**
- ▶ **REDUCTION IN WATER CONSUMPTION BY 10% BY 2030**
- ▶ **REDUCTION OF 10% IN HAZARDOUS WASTE BY 2030**

In order to solidify the Climate Strategy 2030, early in 2021 System Logistics embraced the ambitious project of Regione Emilia Romagna "Mettiamo radici per il futuro" (Let's put down roots for the future"), which not only tackles climate change, but gives the urban areas and manufacturing districts of the Region a new sense of competitiveness and makes them more attractive.

By building a strong green infrastructure, System Logistics has set aside a large part of the outdoor spaces of the new headquarters for the planting of thousands of trees and shrubs: in fact, in March 2021, a total of **1,210** trees were planted.

**Hornbeam
Trees**

980

**Hornbeam
Trees**

230

A project which aims to guarantee even higher standards of environmental quality and comfort for the headquarters and, at the same time, contribute to the social objectives which focus on the well-being of the entire community, like improvement in the air quality of the district and tackling climate change.

As regards environmental protection, the company constantly monitors its impact, through a regular analysis of the atmospheric emissions generated by its production activities and through controls on the waste produced. Thanks to these widespread and constant activities, over the years System Logistics has managed to achieve and maintain the objective of certification according to the 3 regulatory standards: **ISO 9001**, **ISO 14001** and **ISO 45001**.



MATERIALS AND PACKAGING

System Logistics has acquired, from external suppliers, materials for packaging, including paper/cardboard, wood and plastic for an order quantity of 2,434 units, divided into:

- ▶ **PLASTIC**
327 UNITS
- ▶ **PAPER/CARDBOARD**
5 UNITS
- ▶ **WOOD**
2,101 UNITS
- ▶ **METAL**
1 UNIT

The data provided were retrieved from the orders.

ENERGY

CONSUMPTION CONSUMPTION WITHIN THE ORGANISATION

System Logistics moved to a new headquarters (LogHouse) in Fiorano Modenese at the end of 2020, which boasts new and high-efficiency technologies and systems. In compliance with the parent company's Climate Strategy, a Carbon Action Plan has been prepared for the 2022-2025 three-year period, which incorporates a series of initiatives to reduce energy consumption.

In 2021, a great deal of attention was focussed on the energy efficiency of the headquarters: in fact, attempts were made to find the best settings for civil installations, to ensure the right level of comfort of the environments, at the same time optimising energy consumption. Significant investment was also made by System Logistics in installing and activating the photovoltaic system on the roof of the building, which entered into operation in March 2021. Thanks to its nominal power of 475 kW, the company was able to actively contribute to the production of renewable energy.

**Consumption
of electricity - 2021**

1,119,902 KWH

**Electricity
sold - 2021**

141,308 KWH

**Production
of electricity - 2021
from photovoltaic power**

604,025 KWH

**Electricity
self-consumed - 2021**

462,717 KWH

**Emissions
CO₂ emissions:**

105 T

The sustainable energy produced by the photovoltaic system enables System Logistics to cover approximately 33% of its energy needs.



WATER, WATER WITHDRAWALS AND DISCHARGES

At the current state of play, System Logistics uses water resources for two distinct purposes: civil uses (toilet facilities and domestic water, automatic dispensers, cafeteria, fire safety, etc.) and irrigation uses. In the first case, the water used comes from the local water supply network, while in the second case water is drawn from a dedicated well located within the confines of the company. In the case of water for civil uses, all resulting waste-water flows into a public sewer while irrigation obviously does not generate waste-water.

**Water withdrawn from
the water supply network - 2021**

3,596 M³

**Groundwater withdrawal - 2021
(for irrigation of green areas)**

5,911 M³

It should be noted that no water of any kind is used in the manufacturing processes carried out at the company. Rainwater in waterproof areas flows into an irrigation channel located outside the site. These waters are not contaminated as there are no chemicals, waste or activities that can alter their qualitative characteristics. Washing water for industrial flooring, backwashing of water softeners, the discharge of condensation of the thermal plant and the compressed air tank are all collected and transferred as waste. In the case of the external sites managed by System Logistics, no water is used for any type of activity.

WASTE

Operations in 2021 confirms that everyone behaved diligently and were highly sensitive to the topics of recycling and the disposal of materials. Highly significant results were achieved in terms of the production of hazardous and plastic waste, which is constantly falling. It was a different story for undifferentiated paper and wood waste, which instead recorded a slightly increased ratio:

**Hazardous waste
disposed in 2021**

6,201 KG

**Waste intended
for disposal in 2021**

7,880 KG

**Non-hazardous waste
disposed in 2021**

225,781 KG

**Waste intended
for recovery in 2021**

224,102 KG

The company produces some types of hazardous waste which are potentially subject to the legislation governing the transportation of dangerous goods; the quantities disposed from time to time are always within the limits set for exemption from the ADR regulations.



EMISSIONS

As regards Scope 1, System Logistics uses natural gas (and therefore issues CO₂) to heat the production area and the offices and in the process of painting of the trellises produced in the Carpentry Department. In addition, System Logistics has roughly 85 vehicles between machines and vans (all diesel-powered), used partly as individually-assigned vehicles provided as benefits to some employees and partly as service vehicles for reaching customers' premises. The 2019 data refer to the old facilities, while the 2021 data refer to the new headquarters.

**Gas consumption
for heating - 2021**

197,903 SM³

**Gas consumption
for carpentry department - 2021**

11,554 SM³

**CO₂emissions
2021**

718 T CO₂

**CO₂emissions - 2019
(reference year)**

535 T CO₂

Scope 2 takes into account the indirect greenhouse gas emissions due to the production of the electricity purchased and used by the company.

**CO₂emissions
2021**

288 T CO₂

**CO₂emissions - 2019
(reference year)**

174 T CO₂

For the other indirect emissions of GHG (greenhouse gases) (Scope 3), the data are unavailable for 2021 and are at the study phase.

System Logistics does not produce harmful substances for the ozone layer either regularly or occasionally. However, the company does have refrigeration units for office air conditioning; these units contain the following quantities of refrigerant gases:

**R410A
528.5 KG
GWP* 2088**

**R32
4.2 KG
GWP 675**

In 2021, these gases were not replenished or replaced.

*Global Warming Potential (GWP expresses the contribution to the greenhouse effect of a greenhouse gas relating to the effect of CO₂)

BIODIVERSITY AND PROTECTED AREAS

The site which houses System Logistics' headquarters was purchased in 2018; it was previously used as agricultural land and there were no prior production activities that could have polluted the land or released contaminants. The site is not situated in a protected area or in the vicinity of protected areas.

A suitable area has been created for the collection and temporary depositing of waste in a covered, waterproof area to exclude any contamination of rainwater and the soil.

The acoustic environment of the area surrounding the company headquarters is predominantly characterised by the noise from traffic circulating on the near-by road network and, secondly, by industrial emissions. In terms of municipal acoustic zoning, the site is placed in Class V (predominantly industrial areas) but presents surrounding areas in Class III (mixed areas).



MOBILITY AT SYSTEM LOGISTICS

As a result of the growing attention on environmental issues in 2021, the decision was taken to launch a process of efficient management of internal corporate mobility:

Appointment, in February 2021, of [System Logistics' Mobility Manager](#)

Drafting and presentation to the municipality of Fiorano of the [Home-Work Commute Plan](#)

following the administration and analysis of an on-line questionnaire sent to all employees and associates.

[Bike to work](#)

Company participation in the BtW project which provides incentives to employees who travel to work by bike

European Sustainability Week

System Logistics has also enthusiastically signed up, for the first time in 2021, to the European information and awareness-raising campaign whose 2021 edition launched the slogan "Muoviti sostenibile, in sicurezza e in salute" (move sustainably, safely and healthily). System Logistics signed up to the initiative for the first time in 2021 and took the opportunity to invite all employees to test sustainable mobility solutions for one week: by bike, using public transport or by car with colleagues, and all participants were offered breakfast each morning at the company's premises. More than 50 employees took part in the initiative.

Activation of [JOJOB](#)

System Logistics also encouraged all employees to use the Jojob app, which enables them to cut the costs and emissions associated with commuting and enhancing cohesion between employees, from an environmental, social and economic perspective.



SUSTAINABLE GIFTS

In December 2021, System Logistics decided to gift a water bottle to all people operating at LogHouse. A small initiative in support of environmental sustainability related actions that the organisation is promoting in-house. In addition, part of the proceeds from the production of the water bottles will be donated to water.org, a non-profit organisation that works to deliver clean, safe, affordable and convenient water to all people worldwide, the sixth objective of Agenda 2030 for sustainable development.

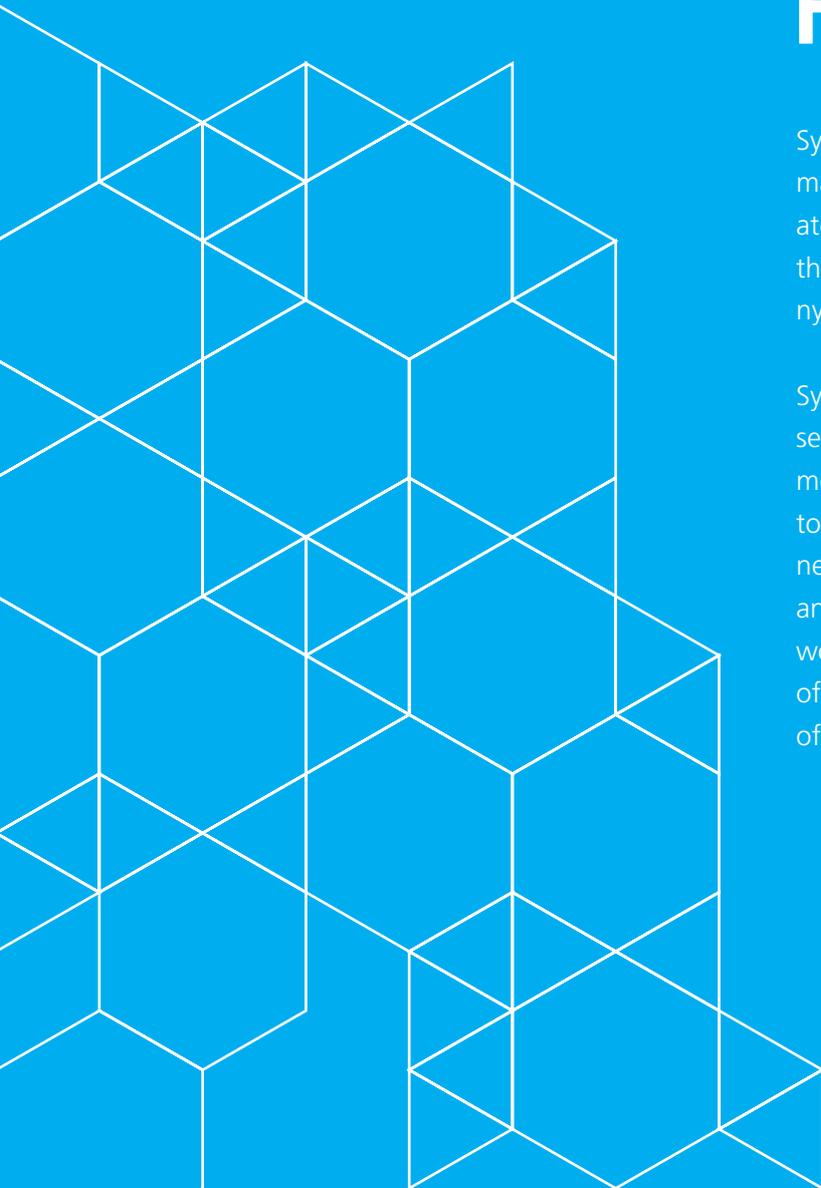
4



CARE THE PEOPLE

System Logistics is a company made of people, many hired decades ago and others fresh graduates, but who all offer the market innovation and the typical quality of made in Italy and the company's trademark.

System Logistics' people strongly believe that research and development are fundamental elements and allow the company to respond to customers ever-more attentive to technology and in need of genuine improvements in performances and the working conditions of its employees. The work produced is based on the company's wealth of know-how and is developed through the skills of the individuals within work groups.



361 EMPLOYEES

on open-ended contracts
of which 304 men and 57
women

57

temporary agency staff, of which 52 men and 5 women, primarily assigned to production operator, warehouse operator and field specialist jobs

There are no seasonal trends which mean the number of employees varies greatly during the year and the company makes use of ongoing advisory services, especially in the technical area.

NEW HIRES AND TURNOVER

A total of 38 staff were hired in 2021 (10.5%) of which 20 under 30 years old, 16 between 30 and 50 years old and 2 over 50.

Of the 38 new staff hired, a total of 28 are men and 10 are women; 36 are Italian, one is Colombian and one Albanian.

By contrast, 25 people left the company, a turnover rate of 6.7%, of which 9 under 30 years old, 14 between 30 and 50 years old, 2 over 50; 17 are men and 8 are women; 23 are Italian, 1 Chilean and 1 Indian.

PARENTAL LEAVE

In 2021, 20 employees were entitled to and used parental leave, of which 9 men and 11 women. During the reference period, 17 employees returned to work after the end of their leave period, of which 9 men and 8 women. A total of 20 employees are still employed 12 months after their return to work.

The salary rate is 100% for mandatory maternity and paternity leave, 50% for optional maternity and paternity leave up until the 1st year of the child's life (supplementary contract provision, better than the legal provision), 30% after the child's first year.



TRAINING

System Logistics is aware that people are key to the company's success, thanks to their know-how and the wealth of knowledge and skills. For this reason, it recognises the importance of personnel training and development, constantly encouraging the continuous improvement of technical know-how and soft skills related to each company role. The training plans and development policies help to enhance the potential of each individual based on their needs and those of the team they belong to and allow them to competitively pursue the corporate strategic objectives.

Training is provided during normal working hours, in particular courses which are mandatory by law and financed courses; in relation to e-learning, training courses assigned by managers can be attended during working hours or not, depending on the needs and workloads, in order to encourage flexibility and organisational autonomy.

THE VALUE OF PEOPLE

In particular, through the Human Resources department, System Logistics has, over time, implemented and developed a number of useful tools for pursuing the objectives of attracting, motivating, developing, and retaining personnel, hence increasing the value of the most strategic corporate assets: people.

In 2021, System Logistics implemented multiple initiatives to pursue, manage and optimise these three areas:

- ▷ **ATTRACTION
(TALENT ACQUISITION TEAM)**
- ▷ **ENGAGEMENT
(PEOPLE DEVELOPMENT TEAM)**
- ▷ **RETENTION
(PLANNING, REWARD
& COMPENSATION)**

THE PROJECTS

PERFORMANCE APPRAISAL

Digitalisation of processes, remote working, e-learning, increasingly more interfunctional and international projects, are the clearest trends taking hold at the larger companies: System Logistics has decided to proactively tackle these challenges by reviewing some strategic processes. As regards the latter, the **Performance Appraisal** tool and process were reviewed, which involved 359 employees. In terms of skills, the process objective was achieved through a course that involved the entire company management through Focus Groups based on corporate values, whose work was then validated by the CEO. Again in relation to the "Skills Model", various courses are getting under way which involve all employees in the Performance Appraisal process, both with direct responsibility for people (People Managers) and without (Individual Contributors). In 2021, 22.5 hours of training per employee were provided.

TALENT PROGRAMME

System Logistics constantly grows together with its people and thanks to them; for this reason, it strongly believes in the importance of breeding talents and giving them the opportunity to show their worth and grow in an innovation-driven company.

The HR department has been taking part, for several years, in events and fairs organised by higher education institutes, organisations and universities, on the look-out for talented young people full of enthusiasm, a penchant for team work and standout skills.

For this reason, System Logistics offers various internship programmes in its areas and departments geared towards training the professionals of the future.

The Talent Programme plays a very important role in System Logistics' strategy, in the belief that on-the-job training, practice and sharing of know-how are key factors in becoming a qualified professional. In fact, the programmes are organised to help talented young people express, improve and enhance their potential, by promoting cross-functional and interdepartmental training.

INTERNAL JOB POSTING

For System Logistics, know-how is a key factor for success and internal mobility, both horizontal and vertical, plays a decisive role: this relates to job opportunities in Italy or abroad, whose objective is to enhance the skills of individuals and, at the same time, create value for the company.



TALENT REFERRAL

With a view to enhancing the quality of the personnel in the organisation and their know-how, System Logistics has introduced a programme targeted at finalising and simultaneously regulating the methods for recommending candidates for open positions at the company.

In the event the process of selection of the recommended candidate ends with him/her being hired by the company, the employee who referred him/her will receive a bonus, through a credit that can be spent on the Edenred platform in the form of company welfare.

LEARNING MONTHLY CHALLENGE

Life-long learning has become increasingly more important in the constantly changing job market. The ability to adapt, grow and evolve depends on the aptitude to learning and the ability to concentrate. Constant learning, and not just at school, is important because it makes it possible to access a series of attractive job benefits, boosting productivity and career opportunities.

Indeed for said reason, in 2021, System Logistics and the corporate Academy launched **Learning Monthly Challenges**, composed of short video clips and various daily activities geared towards promoting and supporting the development of this positive habit.

TEAM BUILDING

System Logistics boasts employees who know how to team build, who share many passions and whose desire to engage in team building is always on show. These activities can only make everyone's work more effective and create groups with clear and shared objectives. Over the years, various activities have been organised in-house by individuals and then shared with the group and strongly encouraged by System Logistics (e.g. trips to the mountains, social dinners). In 2021, System Logistics organised the "LogPeople in Viaggio" initiative, cancelled since 2019 due to the Covid-19 pandemic, which took place in Riva del Garda and where various recreational activities for participating employees took place.

LOGPEOPLE SURVEY

At System Logistics, the opinion of its employees is crucial. In July, System Logistics' HR department conducted the annual LogPeople Survey 2021 for the second year running, targeted at all employees. The purpose remained unchanged from the previous edition: highlighting the organisation's strengths and weaknesses, as seen through the eyes of those working at the company, in order to take steps to make improvements".

Therefore, the survey collected feedback from employees, completely anonymously, on 46 aspects of life in the world of System Logistics. The responses, processed by the HR team, produced the results that will guide the company's strategic choices by listening to the employees.

Thanks to the survey conducted, System Logistics clearly identified two focus areas for the company: **quality of technical training and opportunities for sharing and involvement between People Managers and colleagues.**

SMART WORKING

For System Logistics, environmental sustainability and people's lives are essential values, whose cornerstone is flexibility of working hours and of the work method, based on mutual trust and individual responsibility. This new work approach makes it possible to ensure a better work-life balance and, of no less importance, to have a positive impact on the environment.

To support this philosophy, System Logistics definitively confirmed the Smart working project, which provides the possibility of working from home according to new requirements. Smart working is now a long-established tool used in System Logistics.

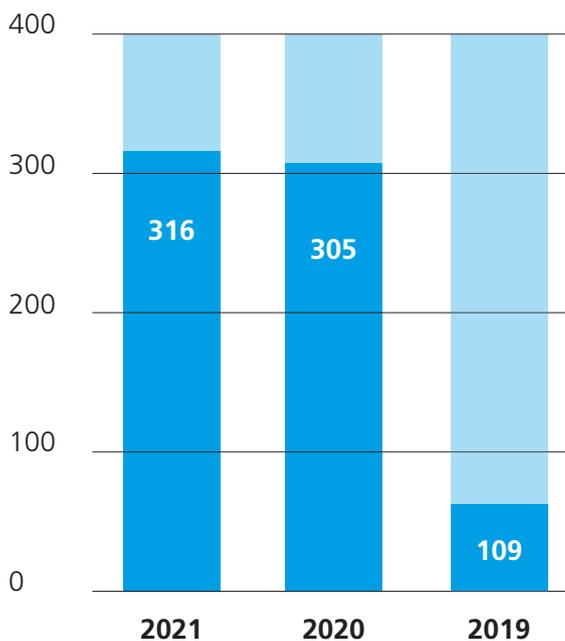
This is because the company believed in switching from smart working in an emergency situation, in 2020, to ordinary and structural smart working, an element of the corporate identity and a tool to be offered to all employees to improve well-being at work and performances.

The current figures on the use of smart working at the company tell us that all employees are using this tool consistently with these objectives, demonstrating a flexible and responsible mentality. In terms of possible overall use for the entire company of roughly 35% of workable hours per week (taking into account that smart working cannot be used for some jobs), the average use is approximately 20%.

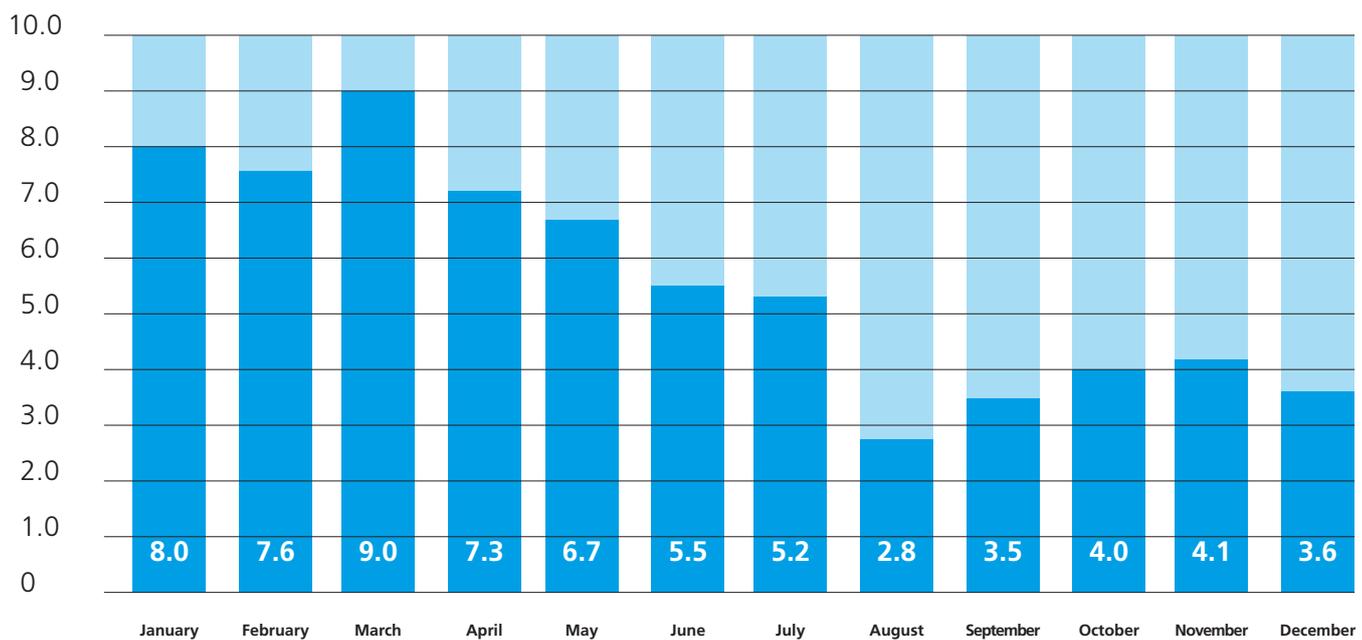


System Logistics Personnel using Smart Working

316 out of a total of 390, or 81%



Average days of Smart Working per participant



WOMEN IN THE COMPANY

System Logistics pays close attention to ensuring there is an inclusive and equal working environment. In fact, innovation and inclusiveness are strengths that enabled System Logistics to win the Welfare Champion 2021 award, having set itself apart, among other things, in terms of inclusion and the commitment demonstrated in increasing the percentage of women and young people in the company workforce, simultaneously improving its corporate welfare. System Logistics also fosters professional growth by supporting internal mobility, and has been a pioneer in work flexibility, introducing smart working well before the pandemic.

A range of Gender Equality initiatives have been implemented:

▶ PARCHEGGIO ROSA (CAR PARK FOR WOMEN)

during pregnancy

▶ 50% SALARY TOP-UP

during optional maternity

▶ GRANTING OF PART-TIME

employees and temporary agency staff who are breastfeeding have the possibility of requesting continuous hours during the breastfeeding period until the child has reached the age of 1. When the child has reached the age of 1, the company recognises, for a maximum of 6 continuous months, the possibility of requesting reduced hours with the granting of part-time consisting of 6 hours per day, also carried out continuously.

BASIC SALARY RATIO AND REMUNERATION OF WOMEN COMPARED TO MEN

TRAINEES
100%

EMPLOYEES
85%

MIDDLE MANAGERS
91%

EXECUTIVES
73%



CORPORATE WELFARE

In compliance with the provisions of the CCNL (national collective labour agreement) for the Metalworking Industry, in order to promote work-life balance initiatives, strengthen purchase power and consolidate the healthy corporate environment, System Logistics has provided its employees and their families with a Welfare plan managed through the “Edenred” on-line platform.

THE RESTAURANT

The company restaurant was unveiled in 2021, entrusted to CIR FOOD, which bears the following two hallmarks:

- local character, given the privileged use of local products, certified DOP, IGP, PAT, Km 0;
- biodiversity owing to the predominant use of seasonal and local products to ensure the protection of the biological and genetic diversity of foods.

Totally plastic-free: glasses, ceramic dish-ware and steel cutlery reduce the production of waste. The self-service drinks dispensing system helps reduce the environmental impact of waste from water packaging and packaged beverages and their transportation. At the same time, special attention is focussed on cutting paper use: in fact, the menu can be consulted through Appetie, in dematerialised form, and trays are made of resin

obtained from natural materials, 100% recyclable, which enables the company to avoid the use of disposable table mats.

The eating area has been designed carefully to create zones that meet the different needs: large tables that encourage interaction, high benches with stools, one-to-one spaces, standard tables, lounge areas. On the first floor, connected by a direct staircase and overlooking the restaurant, there is a business lounge area and a client area for reserved lunches.

The pizzeria has also been in operation in the cafeteria since September 2021.

SYSTEM LOGISTICS HAS PEOPLE AT ITS CORE

System Logistics signed up to the “Azienda Cardioprotetta” project in 2021; for this reason, two defibrillators were purchased, and 20 employees trained, distributed between the various departments.

OCCUPATIONAL HEALTH AND SAFETY

System Logistics' corporate mission, which stems directly from one of the four key "Care" values, is to "improve health and safety in the workplace" and continue to improve the "culture of safety" which is part of the company's DNA.

In addition to being ISO 45001 certified, System Logistics **has adopted an internal company Prevention and Protection Service**, which deals, among things, with the assessment of the risks to which employees and temporary agency staff are exposed, health and safety training and health supervision.

The Prevention and Protection Service is responsible for the documentary qualification of all contractors and sub-contractors operating on behalf of the company at the different sites in Italy and abroad, carrying out inspections both at the corporate headquarters and at the customers in which the systems are installed; during the year, 70 audits of this type were conducted, all subject to specific reports. The data on accidents that occurred involving company personnel and the relevant ratios in 2020 and 2021 are reported hereunder. No reports of occupational illness were recorded in the same period.

2021

5 ACCIDENTS

with 81 lost days
and 655,898 hours worked

7.6

Frequency
rate

0.12

Frequency
rate

2020

3 ACCIDENTS

37 lost days
and 738,744 hours worked

4.1

GRI
rate:

0.05

GRI
rate

System Logistics has 3 RLS (Workers' Safety Representatives); it is thanks to their constant contribution and a long-established and direct relationship that the company manages to identify and resolve situations and near-misses that otherwise could go unnoticed.



EMPLOYEE TRAINING ON HEALTH AND SAFETY

The Prevention and Protection Service organises all health and safety training for company personnel, by employing qualified and trusted instructors and therefore fully aware of the unique company characteristics.

In addition to the general and specific training established by law, the Prevention and Protection Service also organises courses for the acquisition of specific qualifications for the entire company (forklift, aerial work platforms, fall protection harnesses, first aid, fire safety).

In addition to this training provided to fill the previous gaps of newly hired staff or to acquire the necessary qualifications to fill the company role assigned, at the end of each year, the Prevention and Protection Service establishes the health and safety training plan for the following year, based on the necessary expiries and updates. In order to simplify said task, the Prevention and Protection Service uses a specific software program which records all training activities and archives the relevant certificates.

HEALTH SUPERVISION

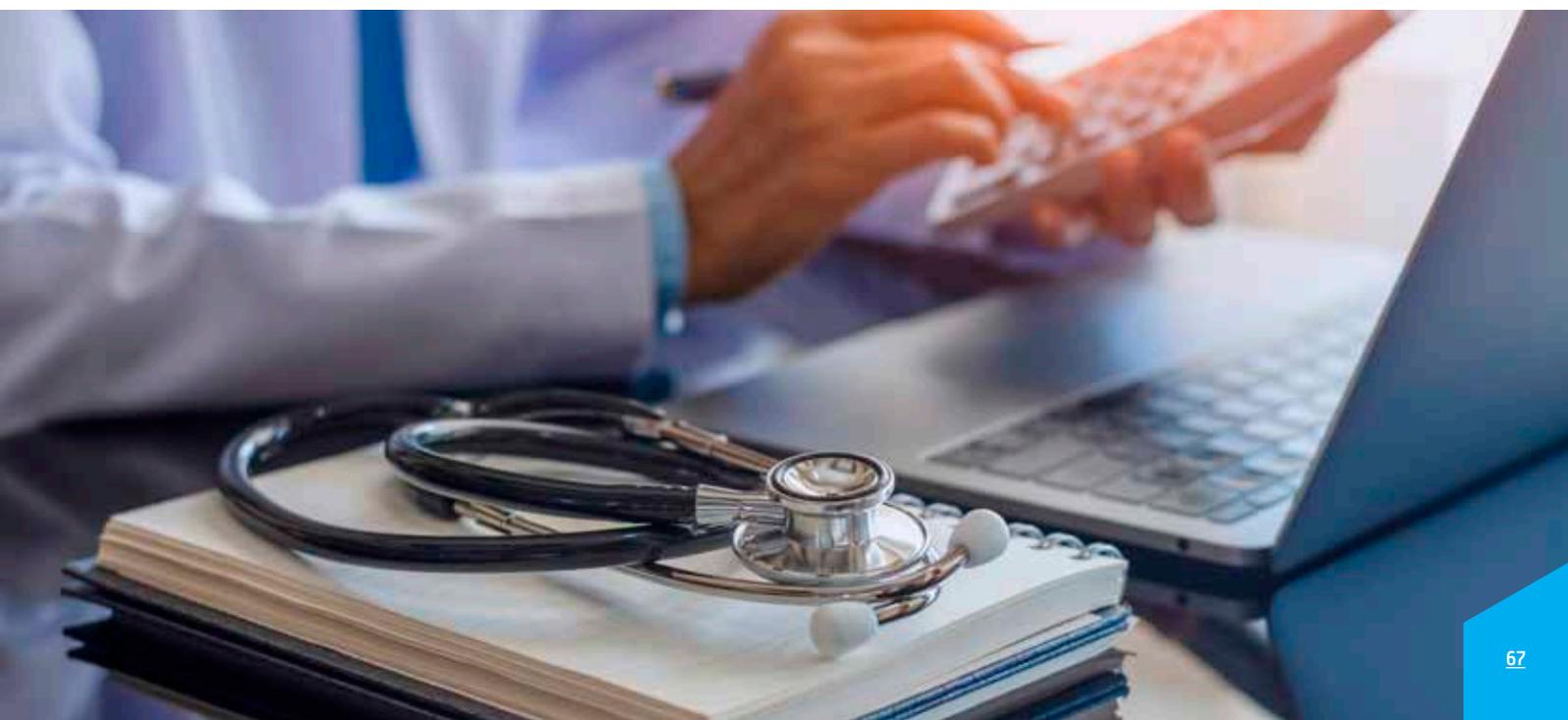
A doctor's surgery was set up at the new company headquarters for medical check-ups, also used as an infirmary and a support area for First Aid officers.

The organisation of medical check-ups is managed by the Prevention and Protection Service, which does this on the basis of a software programme that keeps track of the check-ups, specific examinations and the relevant expiries. Check-ups are carried out during working hours and in the workplace by a Company Doctor who has been working with the company for more than 15 years; the doctor does not reside at the company permanently, but goes there to conduct preventive or regular medical check-ups or carry out inspections of the work environments.

A total of 77 preventive medical check-ups were carried out in 2021, as well as 126 medical check-ups and 5 visits on request.

SUPPLEMENTARY HEALTH ASSISTANCE

In accordance with the provisions of the CCNL (national collective labour agreement) for the Metalworking Industry, renewed in 2021, all workers on the workforce are signed up to the Supplementary Health Assistance Fund MètaSalute, established for the purpose of providing additional benefits on top of those provided by the National Health Service. To said end, provision is made for a grant of Euro 156 per annum, fully payable by the company, including coverage for dependant family members.





4.1

OUR
ATTENTION
TO THE
LOCAL AREA

Sustainability for System Logistics also actively and constantly embraces the aspect of relations with local communities and charitable causes.

The objective is to adopt sustainable behaviour at all levels, with all entities that System Logistics interacts with.

Care, commitment and integrity are part of the vision and the company has decided to extend these values to the world that surrounds it, and not just at work, because it firmly believes that in order to be able to talk about sustainability and the future, we need to actively do our part also through small but constant and meaningful initiatives.



Unfortunately, with the advent of the pandemic, the many initiatives in support of the area and the local community, in particular those relating to training and the internships of young people at the company, came to a standstill.

Outside of the LogHouse, there is a world where we can also make a small contribution to making a difference, the important thing is to believe in ourselves and do it from the heart. The company supports the **ASEOP** (Associazione Sostegno Ematologia Oncologia Pediatrica Onlus) and the **Associazione Nondasola Onlus**.

By promoting the #carethepeople policy, System Logistics is the Title Sponsor of the professional sporting activity of an employee on the Paralympic fencing team, who started his professional career a few years ago and is currently registered at a club in Modena. For System Logistics, supporting him in his passion means dedicating itself to the social and community life aspects of the sport. The company carries values that obligate it, on a daily basis, to help give everyone the possibility to better themselves.

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OBJECTIVES



ETHICS

- Increase the efficiency of materials and optimise the use of raw materials in view of the circular economy
- Start a process of supplier evaluation and selection based on sustainability criteria.

EMPLOYEES AND WORKPLACE SAFETY

- Bring the number of workplace accidents to zero and the resulting days lost of personnel
- Contribute to reducing the number of accidents of contractors operating on behalf of System Logistics

MARKET

- Adopt the best technological solutions to reduce the energy consumption of our products and plants

ENVIRONMENT AND ENERGY

- Reduction of CO₂ emissions from the consumption of natural gas, electricity and fossil fuels by 80% (base 2019) by 2030
- Reduction of water consumption by 10% (base 2019) by 2030
- Reduction of hazardous waste by 10% (base 2019) by 2030
- Implement sustainable mobility by ensuring 30% of the company fleet is electric by 2025
- Doubling of the potential of the photovoltaic plant by 2024
- Installation of at least 15 charging columns for electric vehicles by 2024

COMMUNITY

- Expand and structure donations and sponsorships in the area and the local community
- Organise meetings with the local community and other companies in the area on the issues of sustainability and green mobility

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GRI
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A MEMBER OF THE KRONES GROUP

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