



MARCHESINI
— GROUP —

SUSTAINABILITY REPORT 2020

WE PACK. WE LIVE. WE PACK LIFE.



INSPIRED BY THE
EXTRAORDINARY





OUR
BATTLE

IN A
BOTTLE

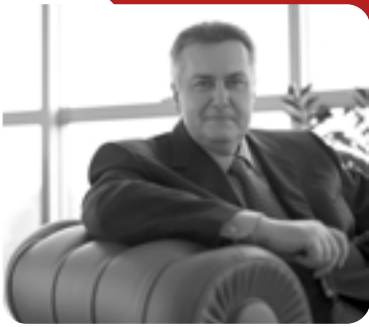


2020 will go down in history as "the year of Covid-19". Scientific research, with unprecedented responsiveness, has managed to produce vaccines against this pandemic in record time. The entire pharmaceutical sector supply chain was called upon to give the best of itself so that each process was ready for the greatest vaccination campaign of all time.

It was a unique concentration of research, hope for the future, humanity and a sense of community. It is the commitment of Marchesini Group in the face of a great challenge that we must take up together.

Today more than before.

This is our contribution to a better future.



Maurizio Marchesini
CHAIRMAN

DEAR STOCK HOLDER

We have now reached the sixth edition of our voluntarily published Sustainability Report to share how, even in the *annus horribilis* that was 2020, we gave our best to conduct our business to remain present and solid in the long term thanks to our constant search for the perfect balance between the resources at our disposal and the challenges of the markets where we operate.

The impact of Covid-19 on the Italian and international production system was sudden, with sweeping and destructive force. In Italy, the 2020 downturn was the most severe since industrial production figures were first recorded (1960). At the end of 2020, we are still languishing in the midst of a health crisis that is exerting a dramatic impact on the real economy, not just in Italy. The Italian Prime Minister's Decree of March 2020 ordered the closure of 57% of industrial activities, equivalent to 48% of production.

The containment and prevention measures introduced to limit the spread of Covid-19 produced a twofold disruption: on the demand side, with deferred consumer spending decisions, closure of a huge number of businesses (in the catering, hospitality, transport, culture and entertainment sectors), and the sudden disappearance of tourists; on the supply side, with the shutdown of a huge number of manufacturing companies, both by decree and to allow sanitisation of the workplaces of those companies that were allowed to remain operational. This combination of factors resulted in the worst possible scenario, causing the Italian economy to slump into a severe recession, the duration of which will depend on the time required to remove the emergency measures, which will occur only after completion of the vaccination programme.

Marchesini Group, as an essential supplier in the pharmaceutical sector, despite the general difficulties caused by the pandemic, continued to operate thanks also to the fact that we had already been implementing remote assistance tools for some time. In this regard, the limitations imposed by the lockdown hamper the need to access customer's plants to carry out machine maintenance. We have also set up a procedure for remote management of Factory Acceptance Tests (FAT), meaning the tests carried out by a team of technicians in order to ensure the machines comply with specifications and are validated before shipment. Despite the difficulties, the initiative proved a resounding success: we completed the procedure for more than a hundred machines and are committed to proceeding in the same direction.

The Group faced the impact of the pandemic with a resilient spirit, responding to the new requirements imposed by the emergency in a timely and flexible manner.

This difficult moment also allowed us to learn five extremely important lessons: the more open the level of collaboration, the easier it is to reach goals faster; the pre-Covid industry mantra of efficiency must be replaced by adaptability; there is a certain risk implicit in distance; the problems deriving from the previous three "lessons" can be faced more effectively and efficiently only by means of digital evolution and the application of artificial intelligence. To achieve this, we need to restore the central role of people: no technology ever created can possibly allow us to achieve these results without human input.

Maurizio Marchesini

Pietro Cassani
CHIEF EXECUTIVE OFFICER



Dear stake holders,

Despite the abrupt slowdowns of the Italian and international economy caused by Covid-19, Marchesini Group, which closed 2020 with revenues of more than 444 million Euro, carried out more than 100 virtual factory acceptance tests, making it possible to respect the delivery times of the machines and maintain a stable economic outlook for the company. In the same period, multiple initiatives worth more than €800,000 were also launched to safeguard the health of our people, including sanitisation measures, antibody tests, protective equipment, additional insurance policies and home educators.

The investments required for safety in the workplace were accompanied by several acquisitions, some of which to consolidate the production chain by buying into the capital of historic suppliers to boost competitiveness in the pharmaceutical and cosmetic segments. The first company we bought into is the Pianoro-based Carlo Corazza S.r.l., a historic brand that specialises in precision machining and special processes, with which Marchesini has a long-standing relationship. Another equity investment made in the manufacturing supply chain is that of FVM S.r.l., a small manufacturing company in Tuscany (Monteriggioni, Siena) that has been building automatic machines and components for the pharmaceutical and diagnostic sectors since 1992. With its entry into the Marchesini Group, FVM will consolidate its existing collaboration with the Marchesini-Corima division, one of the world's leading manufacturers of pharmaceutical filling and packaging lines for products including vaccines and anti-cancer drugs.

Auteco Sistemi S.r.l., a software company in Lombardy (Pavia) that was founded in 1985 and develops solutions in the field of automation, process control and workflow digitalisation, joined the Group. This acquisition, together with that of Argo Vision (a Milan-based startup specialised in artificial intelligence), which was acquired by our SEA Vision holding, forms part of the ever active strategy of interconnecting mechanical engineering with robotics and software, and manufacturing with digitalisation and artificial intelligence. The objective, which is one of the key elements of Industry 4.0 philosophy, is to transform production lines to allow centralized production control, internal and external tracking and sharing of process data and, finally, predictive maintenance operations.

At the end of 2020, the Beauty division extended the scope of the business with the arrival of Cosmatic, thus entering also the facial makeup segment: machines for lipsticks and powder products.

Despite a 2020 that will go down in the history books as the year of Covid-19, Marchesini's Beauty division grew both in terms of numbers and in the quality and range of its offering, integrating the process and packaging machines with inspection and control systems.

An essential evolution, pursued also by exercising a high level of resilience throughout the entire organisation due to our conviction that adopting ethical principles in our daily activities is an essential requirement and an opportunity to monitor our work, identifying areas in which improvements are still needed. We have reached an even more comprehensive understanding of the value of solidarity and environmental respect, with this sixth Sustainability Report confirming our commitment to improving the quality of life of our people and the world around us.

Pietro Cassani

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1 NO
POVERTY



2 ZERO
HUNGER



3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
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9 INDUSTRY, INNOVATION
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10 REDUCED
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12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



15 LIFE
ON LAND



16 PEACE, JUSTICE AND
STRONG INSTITUTION



17 PARTNERSHIPS
FOR THE GOALS

PREFACE

.....

To walk the floor of a Marchesini Group factory, as I have had the pleasure of doing, is to see and experience the future. Artificial Intelligence enabled robots use lasers to 3D print packaging materials with surgical precision, ensuring that those products we rely on for health and well-being are safe.

Workers are managing the machines and processes enabling a level of efficiency and output that would have been unimaginable decades ago. In another part of the factory, other workers are communicating with customers around the world using digital tools that enable people 10,000 kilometers away to collaborate in real-time with MG engineers, working as though they were sitting together at the same table. It looks like a scene from a science fiction movie from the 1980s.

There is an equilibrium at the Marchesini Group. It is a strong business with well-trained, highly expert workers and a customer base that knows that it can count on the MG for the long term. Since its founding, this equilibrium has defined the company and enabled it to grow from its roots in Emilia-Romagna into an indispensable supplier of global goods. Because of its global presence, it was once said that "the sun never sets on the British Empire." Today, the sun never sets on Marchesini Group.

This equilibrium is not felt everywhere in these days. The combination of environmental disasters that occur with increasing frequency as well as the health and economic stresses brought on by the COVID-19 pandemic has made more evident a disequilibrium that characterizes too much of our world.

In order for there to be equilibrium that sustains us over the future decades we must re-examine and revise our social contract. The social contract is one of the most basic features of human civilization. In every society across the world, people have worked for thousands of years to balance the rights and responsibilities of individuals with those of larger powers like states and corporations. The social contract is the accord that sets the balance. It defines the rights of citizens, governments, and businesses, as well as the duties they owe to one another.

The exact terms of the social contract are never set in stone, because it encompasses both the laws of a society and its unwritten rules. But the basic idea is simple: when humanity can come together and live and work as part of a society, we are vastly better than the sum of our parts.

And with its 2020 sustainability report, MG demonstrates once again that it is at the cutting edge of industrialization and a leading practitioner of stakeholder capitalism with a strategy that includes economic sustainability, social sustainability and environmental sustainability. In short, Marchesini Group is doing its part and more to ensure that its company and surrounding ecosystem is one with a healthy and well-functioning social contract, one that is felt in its home community of Emilia-Romagna and through its supply chain, and network of employees, suppliers and customers.

I congratulate and thank MG for sharing its story and strategy with such a depth of detail in this report so that it not only holds itself publicly accountable, but also allows others to learn from its example. Sunlight is a powerful disinfectant. And in the same way in which the sunlight streams through the windows into the factory of the Group, so too, does the sunlight of transparency voluntarily provided here by Marchesini Group help us understand how an industrial company can operate in a way that takes responsibility for the stewardship of our

communities and our planet. There is a level of detail in this report which demonstrates the full commitment of the enterprise to ensuring a more sustainable future.

At the heart of this commitment is innovation. For Marchesini Group, innovation is not a side project or division of the company. Innovation is continual and embedded into every aspect of its work. The state-of-the art automation strategies undertaken by the Group combines what is good from a business standpoint with what is good from a sustainability standpoint, making the business strategy and the sustainability strategy one and the same, a distinction without meaning.

By way of illustration, the automation strategy enables it to eliminate plastic from hydrocarbons, therefore making them more recyclable and ecological. Their use of data analytics and the most efficient machinery enables them to dramatically reduce waste of all types, including energy, chemicals and other industrial byproducts. The efficiency of their supply chain reduces their carbon footprint. Their social responsibility strategy demonstrates that a company that invests in its employees and its community is one that will generate the best outcomes over the long-term.

We are living in a time when the advance of technology and globalization is unsettling to many and making people question their virtue. We need positive models to show how automation can actually create more jobs; how advances in technology can reduce the output of waste and heal our environment; and how growing profitable companies can grow in partnership with their employees and partners, benefitting all stakeholders economically. This report is a demonstration of this kind of positive model and a great credit to Marchesini Group.

.....



ALEC ROSS

Alec Ross is an American author, entrepreneur and technology policy expert: he was Senior Advisor for Innovation to Secretary of State Hillary Clinton for the duration of her term as Secretary of State and he served as the Convener for the Technology & Media Policy Committee on Barack Obama's 2008 presidential campaign.

After leaving the Department of State in 2013 he joined the School of International and Public Affairs, King's College London as a Visiting Professor, Columbia University School of International & Public Affairs as a Distinguished Senior Fellow. Alec is a recipient of the U.S. Department of State Distinguished Honor Award, the Oxford University Internet & Society Award and the TriBeCa Film Festival Book of the Year Award. He was also named one of Foreign Policy magazine Top 100 Global Thinkers. He is the author of the New York Times bestseller *The Industries of the Future*, translated to twenty four languages, and named the 2016 Book at TriBeCa Festival.

He is Distinguished Visiting Professor at Bologna Business School.



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1.0

**METHODOLOGICAL
NOTE**

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1.0 METHODOLOGICAL NOTE

Marchesini Group¹ publishes its sixth voluntary Sustainability Report referred to 2020, highlighting the main environmental, social, and economic aspects characterising the company's operations, and drafted in compliance with the GRI Sustainability Reporting Standards², in accordance with the "Core" option.

The aim is to promote comprehension of the organisational model, the activities, the main risks and Group performance indicators in relation to the environmental and social aspects, matters related to personnel and to respect for human rights found to be of significance, taking account of the activities and characteristics of the company during 2020 (1 January - 31 December) as illustrated in the materiality matrix (see paragraph 1.2).

Once again this year, the Sustainability Report was drafted by the Corporate Social Responsibility function under the supervision of the Group CSR Manager who, in accordance with consolidated practice, made use of the process of participatory coordination of all the corporate functions operating in Marchesini Group. The reporting process was based on the information systems existing within the company (management control, accounting, quality, environment, internal audit, safety, personnel management, HR development etc.) which have been integrated with specific data collection and analysis tools. The information given complies with principles of materiality, relevance, accuracy, comparability, contingency and reliability.

¹ "Marchesini Group" (hereinafter the Group or Company) is construed as the organisational structure as shown in the image on page.42

² Global Sustainability Standard Board (GSSB), Amsterdam (NL), 2019.

1.1 APPROACH TO SUSTAINABILITY

The company has always understood the critical role played by the private sector in relation to sustainability on the local, national and international levels, and is increasingly engaged in the task of reconciling the achievement of corporate objectives with those of its stakeholders, including shareholders, customers, employees and local communities³.

The recent evolution of non-financial reporting legislation⁴ provides another opportunity for critical reflection on the economic, social, and environmental performance of companies and their contribution to the goal of sustainable development, which will have a primary role in the post-pandemic reconstruction phase.

Well in advance of the deadlines for the 17 Sustainable Development Goals (SDGs)⁵ of the Paris Agreement, and national legislation concerning non-financial reporting, Marchesini Group continues to promote its ethical and sustainable business strategy, which is based on the three pillars of economic sustainability, social sustainability, and environmental sustainability.

BUSINESS ETHICS AND INTEGRITY



ECONOMIC
SUSTAINABILITY



SOCIAL
SUSTAINABILITY



ENVIRONMENTAL
SUSTAINABILITY

In particular, the Group conducts all its operations in the awareness of its moral and social responsibility in relation to its stakeholders, in the conviction that the achievement of its business goals must be accompanied by compliance not only with its specific corporate values, but also with statutory legislation and general requirements of honesty, integrity, healthy competition, fairness, and good faith. Business ethics and integrity are at the core of Marchesini Group's daily operations and its medium and long-term sustainability strategy⁶.

³ Porter, M. E., & Kramer, M.R. (2011). The big idea: creating shared value. Harvard Business Review, 89 (1), 2.

⁴ Italian legislative decree no. 254 of 30 December 2016, "Harmonization of directive 2014/95/EU of the European Parliament and Council of 22 October 2014, amending directive 2013/34/EU concerning disclosure of non-financial and diversity information by certain large undertakings and groups" published in the Official Gazette of the Italian Republic, general series no. 7 of 10-01-2017.

⁵ United Nations General Assembly, A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development (2015).

⁶ See Code of Ethics, page 12.

1.1.1 ECONOMIC SUSTAINABILITY

Economic sustainability is the overriding aim of any business enterprise. For Marchesini Group, economic sustainability is synonymous with creating and distributing added value among shareholders and all the other parties participating in the value chain, including business partners, end customers, and local communities. To ensure the attainment of these ambitious goals, the Group is working to ensure continuous improvement of the reliability, safety and innovation of its offering of products and services, by means of careful vetting of vendors, ongoing high R&D investment levels, and adoption of sales strategies aimed at expansion in advanced sectors and strategic markets, both on the domestic market and internationally.

1.1.2 ENVIRONMENTAL SUSTAINABILITY

The Group is firmly convinced that awarding due consideration to the environment in all its business activities is a prerequisite to the fostering of harmonious coexistence between people, technology and nature, and that a commitment to sustainable development is a key variable in the company's operating strategy, inspired by the principles of energy conservation, reducing the impact of production systems, and full compliance with all the relevant legislation.

1.1.3 SOCIAL SUSTAINABILITY

Marchesini Group considers people as the linchpin of its success and believes that all business activities must be based on their protection and the development of their well-being, in full respect for cultural diversities. In particular, the pursuit of conditions of health & safety for its collaborators in the workplace is seen as essential; such conditions must be a priority aspect of each stage of the process, from machine conceptualisation and design to installation and provision of after-sales services, and they must involve collaborators, suppliers, sales staff and end customers. In recognition of its strong ties with the local reality, the Group is committed to supporting and implementing social and cultural initiatives designed to support local development in the areas in which it operates.



1.2 MATERIALITY MATRIX FOR 2020



Marchesini Group has implemented a materiality analysis process in order to assure correct representation and understanding of the Group's business, its performance trends and the impact of its activities in relation to environmental, social, and personnel related outlooks, and to sharing of its legacy of values.

The analysis was conducted in compliance with the following methodology:



1.2.1 IDENTIFICATION OF SUSTAINABILITY TOPICS

In order to identify the sustainability topics most closely linked to the sector in which Marchesini Group is active, an analysis was performed of the main sustainability frameworks recognised on the international level.

In addition, various internal and external sources were consulted, and also the main national and Community rules and guidelines concerning non-financial information⁷.



1.2.2 QUALI-QUANTITATIVE ANALYSIS OF THE TOPICS IDENTIFIED

In 2020 (as in 2018 and 2016), a survey was carried out to evaluate the materiality of the sustainability topics identified for Marchesini Group and its stakeholders. Specifically, this initiative saw the participation of a group of internal managers and various stakeholder categories (customers, suppliers and commercial partners, employees and their families, financial community, universities and research centres).

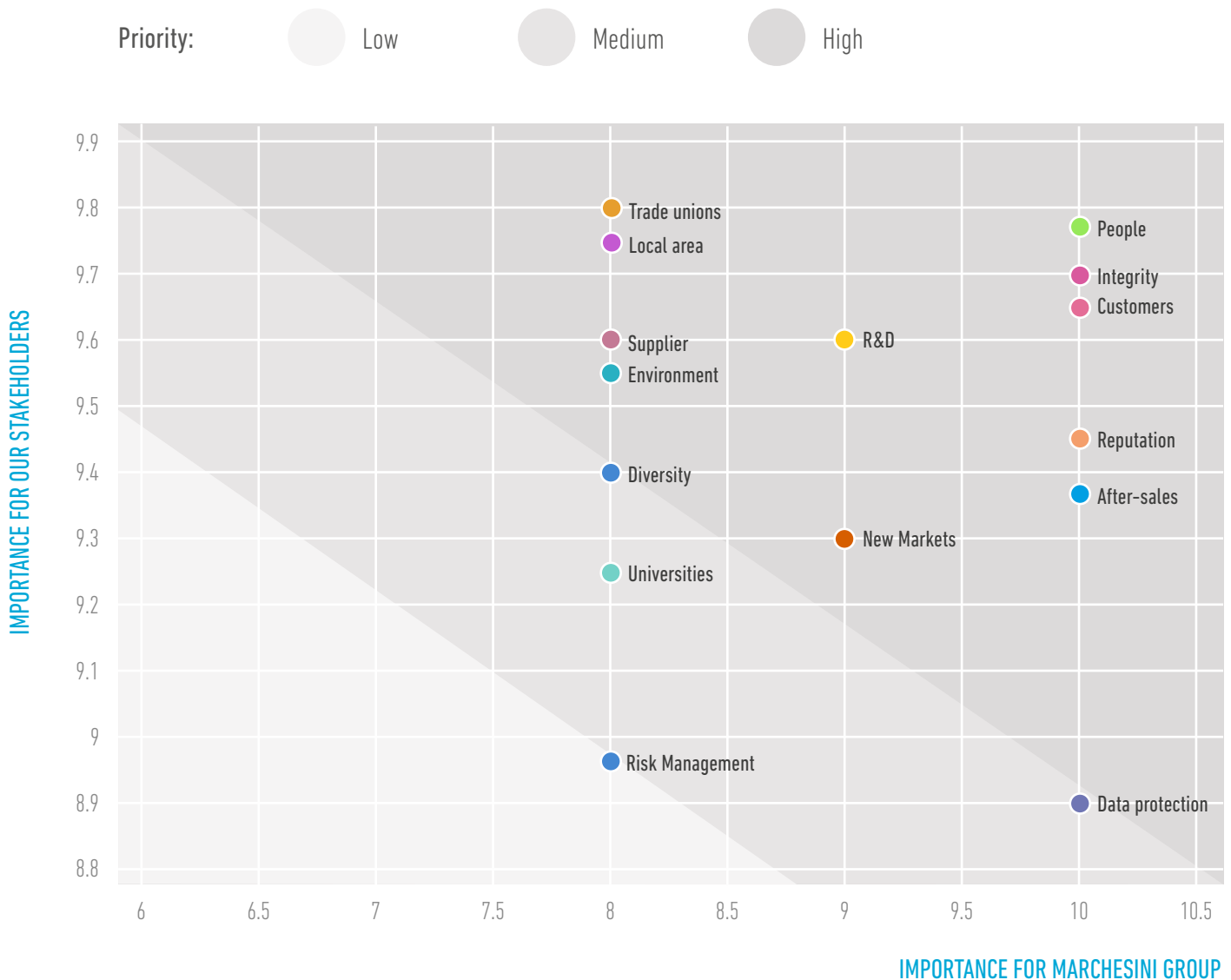
This assessment, which was carried out in consideration of economic, environmental and social impacts, both negative and positive, and also the expectations and decisional needs of the stakeholders in question, was later enriched by qualitative analysis, also in consideration of the context in which the Group works and the results of past stakeholder engagement initiatives.

⁷ including, for example, Italian legislative decree 254/2016, Directive 2014/95/EU, European Commission Communication "Guidelines on non-financial reporting" 2017/C 215/01 and the "Your guide to ESG reporting" document issued by the London Stock Exchange Group.

1.2.3 PROCESSING AND UPDATING OF THE MATERIALITY MATRIX

The valuations collected are shown in the materiality matrix. Specifically, the X axis shows the importance of the topics from the Group's perspective (internal analysis), while the Y axis shows the importance from the stakeholders' standpoint (external outlooks analysis).

With respect to the results for 2018, the 2020 analysis revealed substantial changes: compared to 2018, the stakeholders engaged assigned a higher level of importance to aspects concerning the local area, universities, trade unions, attention to the requirements of the workforce, ethical and reputational aspects, efforts to penetrate new markets, and data protection. This change is undoubtedly due also to the revised perception of certain variables during the period of the pandemic.

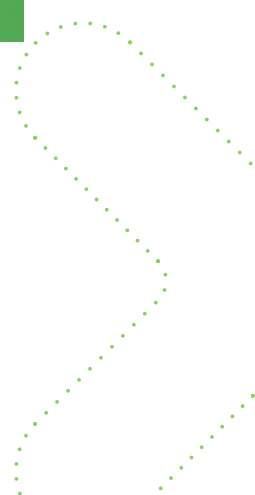




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2.0

**ABOUT
US**



2.0 ABOUT US



The registered office⁸ and administrative headquarters of Marchesini Group S.p.A. are located in Italy⁹. The company designs and builds personalised packaging machines and lines for pharmaceuticals and cosmetics, following an idea of Massimo Marchesini who built his first cartoner in a garage in Pianoro in 1974; thanks to mergers and acquisitions in the sector, over the years Marchesini Group gradually progressed from being a local enterprise to the position of a pocket-sized multinational.

Today, Marchesini Group addresses the full range of pharmaceutical and cosmetic industry product packaging requirements with single machines and complete lines for products such as ampoules, syringes, capsules, bottles, vials, blisters, tubes and mascara, up to final packaging in bundles and cartons, and palletisation at line end.

The majority of the Groups' production is concentrated on the construction of machines for the pharmaceutical sector. Marchesini Group is an important point of reference, not only for multinationals but also for small and medium sized enterprises operating in the sector, active in the area of generic drugs and pharmaceutical subcontracting.

Another production segment is destined to the cosmetics and cosmeceuticals sector, which Marchesini Group serves with its Beauty Division, offering innovative solutions for high-end product packaging solutions.

The end product – machines capable of packaging all types of pharmaceutical and cosmetic products – is a distillation of artisanal skills combined with robotics and technology, painstakingly designed and customised to meet the needs of each customer. This result is achieved thanks also to specialisation of the Group companies located in Italy, each focused on the design and construction of machines for packaging in specific production types, such as aseptic packaging (Corima division, Siena) and blisters (Blister & Farcon division, Carpi) or construction of machines for application of self-adhesive labels on a wide range of products (Neri Division, Barberino del Mugello).



⁸ The other Marchesini Group S.p.A. plants are located at Calderino di Monte San Pietro (BO), Carpi (MO), Cerro Maggiore (MI), Barberino di Mugello (FI), Monteriggioni (SI) and Latina (LZ).

⁹ Via Nazionale, 100 - Pianoro (BO).

Nearly 50 years from its beginnings, the Company remains firmly under the control of the Marchesini family to this day. In 2016, operational management was placed in the hands of an external manager, with the aim of allowing the company to become increasingly organised, gaining ascendancy on world markets and becoming ever more efficient in customer services, while also pursuing renewed growth by means of M&A strategies.

In relation to the social sphere of its business, Marchesini Group confirms its commitment and responsibility in relation to the people who work in the organisation and the people in the local communities in the areas in which it operates. The Group has built its history and success thanks to its ability to transfer the values, experience and loyalty to the company to incoming personnel, generation after generation. The “inspired by the extraordinary” concept underscores this value system, based on building the passion, motivation, and competence of employees so that they can become effective sources of creation of sustainable and enduring value.



The “Inspired by the Extraordinary” logo emphasises our vocation not to be standard, the real DNA of the Group.



TIMELINE





PIANORO (BO)

1980
M80

Cartoners

1981



1981

First participation
to INTERPACK
trade fair in Düsseldorf

**THREE-CHANNELS
TUBE CAROUSEL
GROUP**



CARPI (MO)
CALDERINO (BO)

1985
GAMMA

Blister machines

DI GAMMA

Blister machines

Marco Marchesini



1986

UK
Leighton Buzzard,
Bedfordshire



PIANORO (BO)

1987
2M

Filling division



MB440

First **Blister machine**



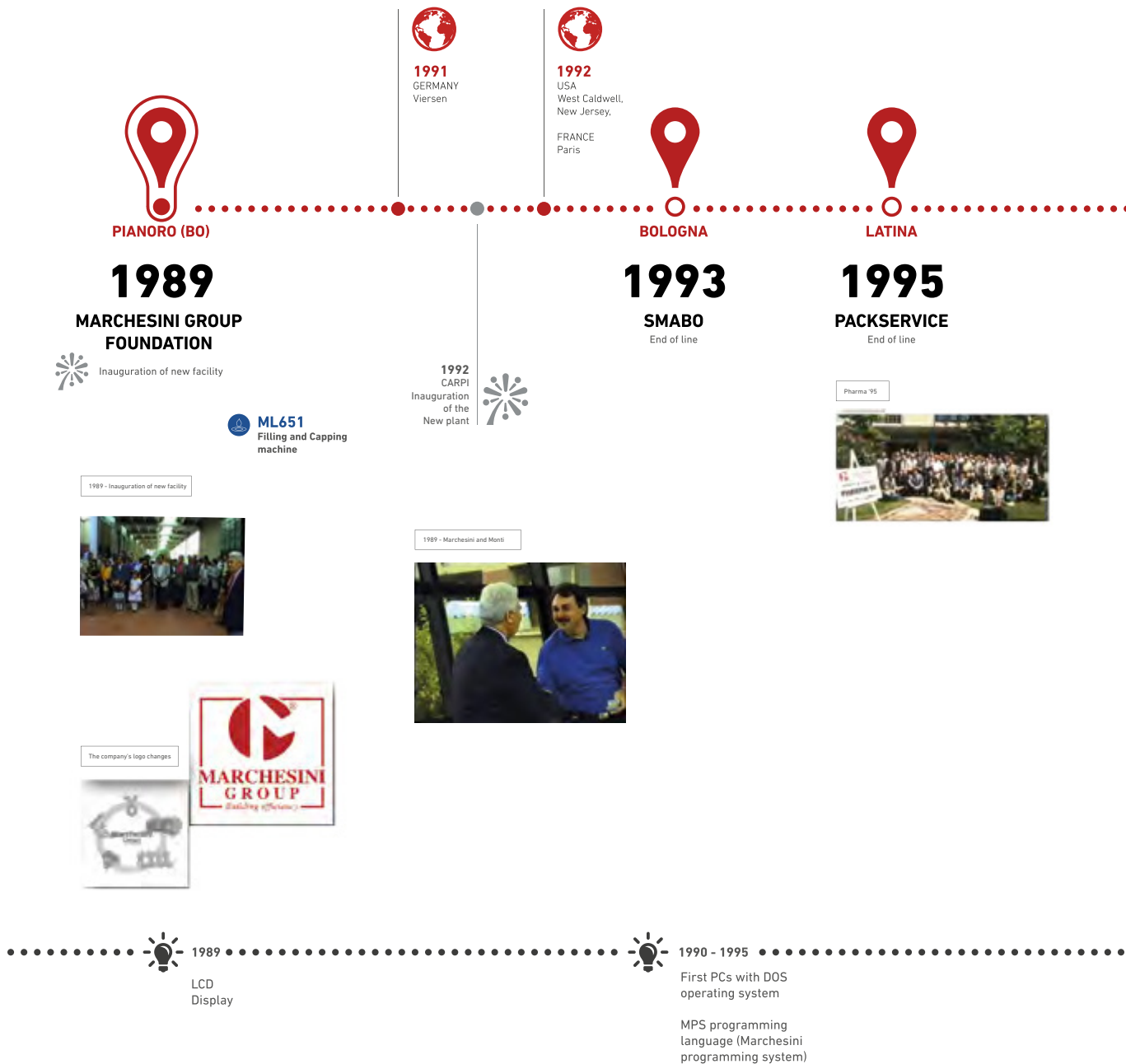
Fidenzio Sanmarchi, Junior designer



1983

First
PROGRAMMABLE
SYSTEM

TIMELINE





MILANO

1996

TONAZZI
Cosmetic solutions

1995
PIANORO
Pharma '95



MC820
First Casepacker

MP830
First Pallettizer

- Fixed motorized system
- Robotics is used for the first time at Marchesini

MCP840
First Casepacker-pallettizer

Monoblock machine with single electric and management system

MA155
Cartoner

- Automatic continuous motion machine
- Continuous motion single pusher
- Carton opening during product introduction on conveyor belt



1998
SCANDINAVIA
Malmo, Sweden



2001
BENELUX:
Bruxelles, Belgium



CARPI (MO)
BUDRIO (BO)

2002

FARCON
Thermoforming

CNC SRL
Blister tooling

TEAMAC SRL
Tea Bags machines

2000

PIANORO
Open house



Company expansion
and Inauguration
of the New
Logistic Centre



ML661
Linear filling machine with rotary capping system



MB430
New blister machine with Robocombi connection to the cartoner



MILLENIUM
Tube filling and closing machine for pharmaceutical sector



ROBOCOMBI
Pick and place Robot



2000
Introduction
of LINUX
operating
system

.....





2010

CHINA
Shanghai

ANDINA
Cali, Colombia



2013

BRASIL
São Paulo

2010



2010
PIANORO
Open House

Expansion
and inauguration
of the logistic centre

2012

Pharmaceutical
and cosmetic division of

PRB

End-of-line
packaging system



2012
ACHEMA



2013
Pianoro
Inauguration
of the new
manufacturing
facility



New automated storage
and retrieval system

2014



2014
PIANORO
Open factory

Rearrangement
of Headquarter
internal areas
40th anniversary
creation of GYM:
**GROWING
YOUNGER MUSEUM**

2015

Pharmaceutical
and cosmetic division of

MULTIPACK

End-of-line
packaging system



2015
ACHEMA
Official launch
INTEGRA 520V



2015
BARBERINO DI MUGELLO
New logistics centre
and factory expansion,
and new laser
cutting plant construction

**FIRST SYRINGE LINE
WITH NO CONTACT
SOLUTION**

**FIRST BLISTER
LINE "FAST"**

INTEGRA 300
First Compact
blister line

UNICA
Compact line
for syringe packaging

OPTO
Filling and
capping machine

RE
Rotary labelling machine

DEPYR
Sterilization tunnel

MINISTRATUS
pallettizer
**STICK PACK
NEW MSP560**
Intermittent-motion
vertical stickpacker

GIGACOMBI
Pick and place robot

BESTPOCKET
Automatic casepacker

**COMPACT 24
SYNCHRO**
Monoblock machine
for solid product counting
and vial capping

New **INTEGRA 220**
New **INTEGRA 320**
New **INTEGRA 520**
New **MA50/80** with new patents

VALIDA FTC12
counting machine

ML643
Filling & capping machine

EXTRAFILL
Automatic machine for Tub De-Lidding
and De-Lining, filling and stoppering
of syringes

INTEGRA 520V HIGHSPEED
New compact blister line

THE WACKER GROUP
BLISTEREVOLUTION
WACKEREVOLUTION

2013 - Automated storage and retrieval system



2010
ROMEO
Wireless tool to
control system
operational status
and size changeover



2014
NEW ROMEO
Wireless tool to
control system
operational status
and size changeover

.....





PIANORO (BO)
PAVIA
ARIANO POLESINE (RO)
GORIZIA

2018

RINOVA

Refurbished machines

SEA VISION

acquisition of 48%
Vision systems

CREINOX

acquisition of 80%
Stainless steel components

SCHMUCKER

Automatic packaging machines

2018
PIANORO

Beauty Business Unit

Rapid Prototyping department



2017

CASTELMAGGIORE

Company expansion
and inauguration



2017 - CBS



PIETRO CASSANI
new Chief Executive
Officer of the company



2017
INTERPACK

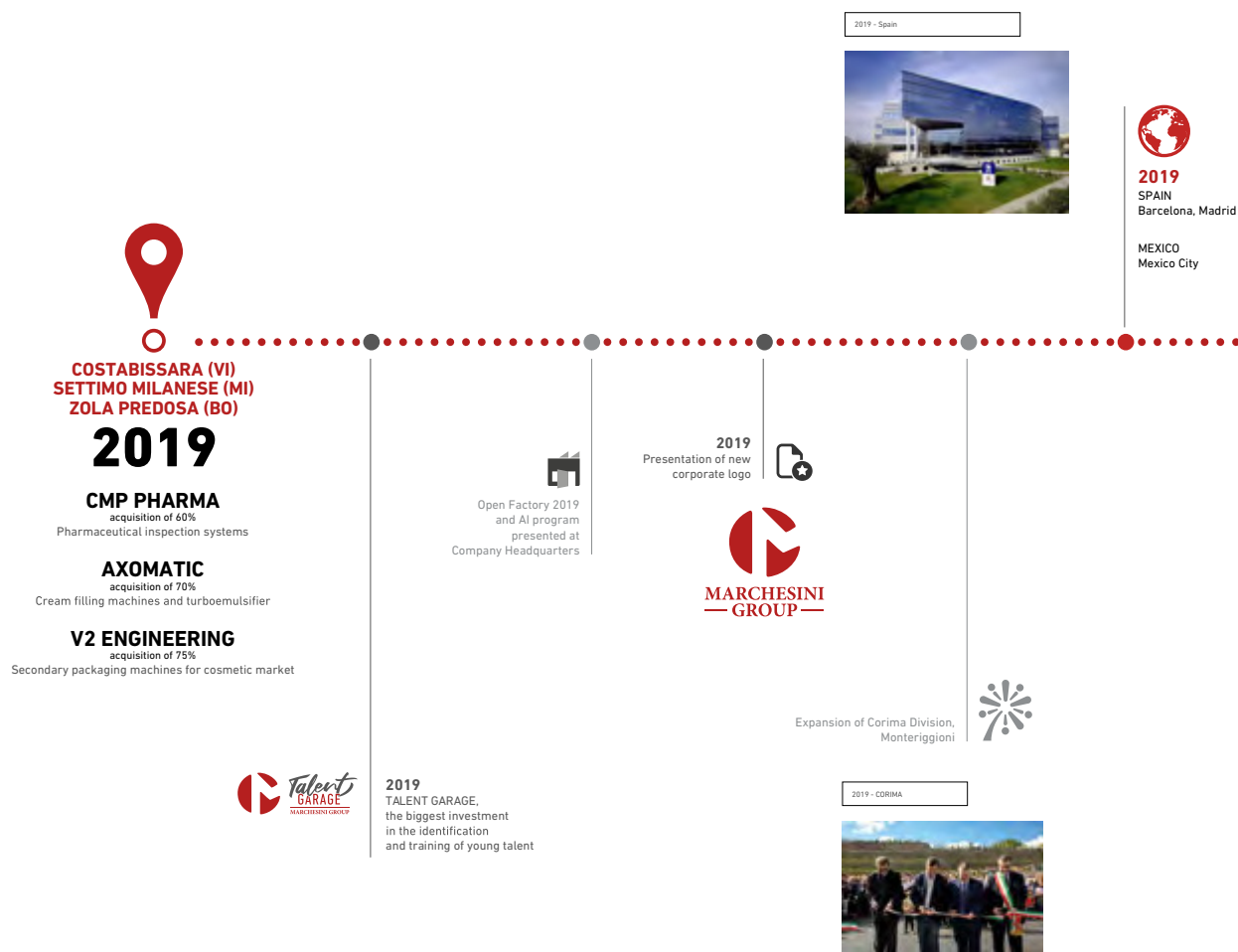
MA400 New - restyling
Continuous motion horizontal cartoner



TURBOMEK series
Turboemulsifier



TIMELINE





PIANORO (BO)
MONTERIGGIONI (SI)
PAVIA

2020

CARLO CORAZZA

acquisition of 15%
precision machining and special processes

F.V.M.

acquisition of 40%
automatic machines and components

AUTECO SISTEMI

acquisition of 70%
solutions in automation, process control
and workflow digitalisation

COSMATIC

acquisition of 60%
technologies for lipstick production
and cosmetic powder filling



2020
NEW COMPANY PHILOSOPHY



MARCHESINI GROUP



2020
X DAYS REPLACE EXHIBITIONS

2020
FAT, SAT
and Customer Care Services
have gone digital

MA260



Continuous motion high speed horizontal cartoners



RSF 24

Ampoules filling and sealing machine

MT Series



Stickpack forming and filling



RL-F 800

Rotary labelling machine

MSP560



Stickpack forming and filling



BL-A 3/418 CW

Cartons labelling machine

MST300H



Strip packing machine



FA 04 C

Wrapping and Overwrapping machine

EXTRAFILL 10



Filling Machine for nested syringes



INSPIRED BY THE
EXTRAORDINARY

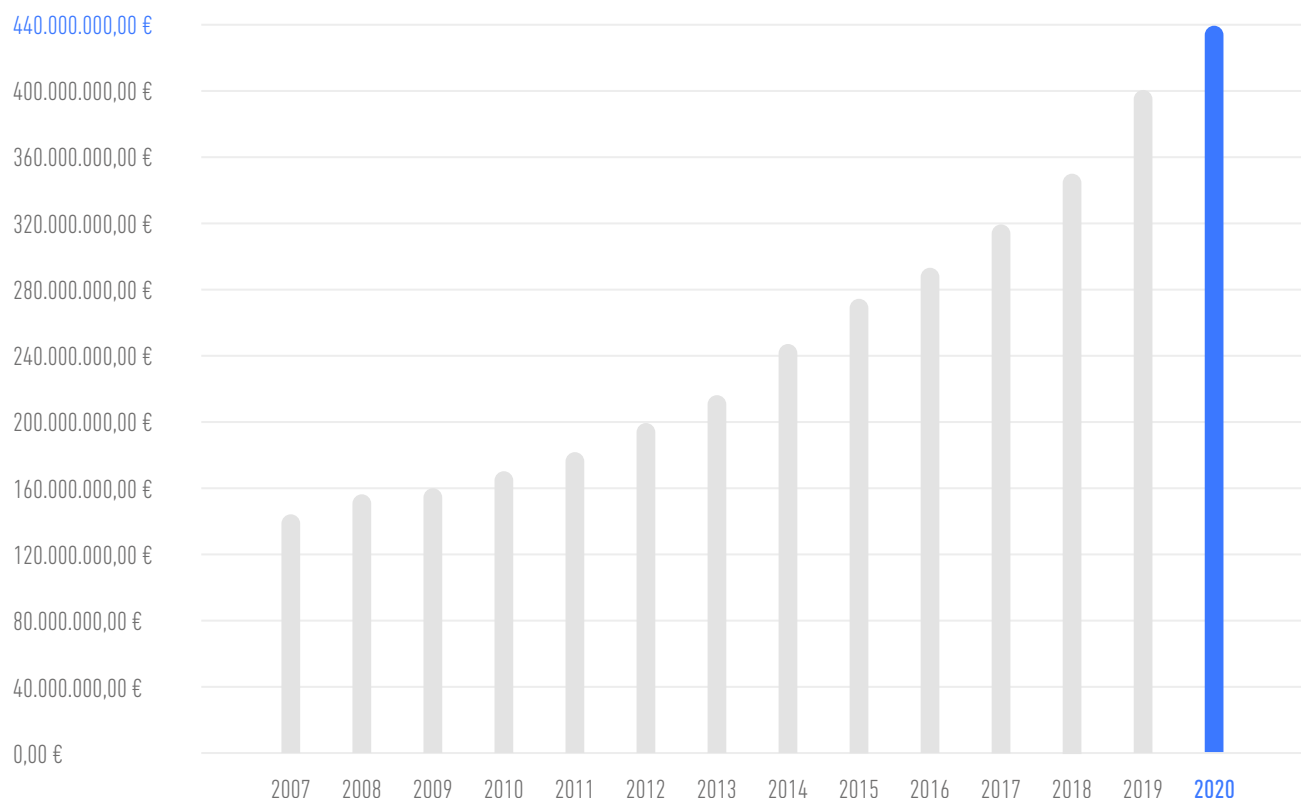
3.0

**HIGHLIGHTS
2020**

3.0 HIGHLIGHTS

2020

3.1 ABOUT US



3.2 MAIN FACTS & FIGURES

5,300 m³

AUTOMATIC STORAGE AND
RETRIEVAL SYSTEM

1,457

NEW FEEDING
GROUPS/YEAR

124,157

NEW DRAWINGS/
YEAR

133,112

SQUARE METRES
OF FACILITIES

559

ACTUAL
PATENTS

29

AUTOMATIC
WAREHOUSES

25

NEW MACHINES
IN 2020

3.3 PRODUCTION PLANTS

BO PIANORO

HEADQUARTERS & DUMEK

786



62,600



LIQUID FILLERS | SACHET FILLERS | CARTONERS |
OVERWRAPPING | MACHINES | CASE PACKERS | PALLETISERS
| COMPLETE LINES

SI MONTERIGGIONI

CORIMA DIVISION

130



12,000



WASHERS | DEPYROGENATION TUNNELS |
SYRINGE FILLERS | VIAL FILLERS | STERILE
VIAL FILLERS

MO CARPI

BLISTER&FARCON DIVISION

135



17,452



DEEP DRAW THERMOFORMERS | BLISTER

FI BARBERINO DEL MUGELLO

NERI DIVISION

189



10,340



LABELLERS | DEPYROGENATION
TUNNELS | WASHERS

MI CERRO MAGGIORE

TONAZZI VASQUALI DIVISION

58



7,000



TUBE FILLERS | JAR FILLERS | MASCARA FILLERS |
COUNTING MACHINES | ELEVATORS | FEEDERS

LT LATINA

PACKSERVICE DIVISION

45



4,400



STRIP FILLERS | RIGID TUBE FILLERS | CASE
PACKERS | FEEDERS

BO PIANORO

**RINOVA
S.R.L.**


24 

1,700 

REFURBISHED MACHINES

BO ZOLA PREDOSA

**V2 ENGINEERING
S.R.L.**

31 

1,520 

CARTONING MACHINES | OVERWRAPPING
MACHINES

GO ROMANS D'ISONZO

**SCHMUCKER
S.R.L.**


54 

4.800 

STICKPACK MACHINES | SACHET MACHINES |
PILLOW PACK MACHINES

MI SETTIMO MILANESE

**AXOMATIC
S.R.L.**

41 

9,500 

TURBOEMULSIFIERS | MELTERS | TUBE
FILLERS

VI COSTABISSARA

**CMP PHAR.MA
S.R.L.**

39 

1,150 

INSPECTION MACHINES

MB OMAGO

**COSMATIC
S.R.L.**

11 

2,000 

LIPSTICKS FILLING MACHINES



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4.0

**ECONOMIC AND
FINANCIAL
RESPONSIBILITY**

GRI 2016:

102-5 102-6 102-7 103-1 103-2 103-3
102-16 102-18 102-45 102-46 103-1
103-2 103-3 201-1

4.1 CORPORATE GOVERNANCE

Corporate governance is controlled by the Board of Directors, having the following members:

Maurizio Marchesini, Chairman of the Board of Directors and Company representative

Pietro Cassani, Director, Chief Executive Officer, and Company representative

Marco Marchesini, Director

Marinella Alberghini, Director

Giuseppe Monti, Director

Valentina Marchesini, Director

The Board of Directors is composed of:

Pedretti Barbara, Statutory auditor

Tonelli Alessandro, Statutory auditor

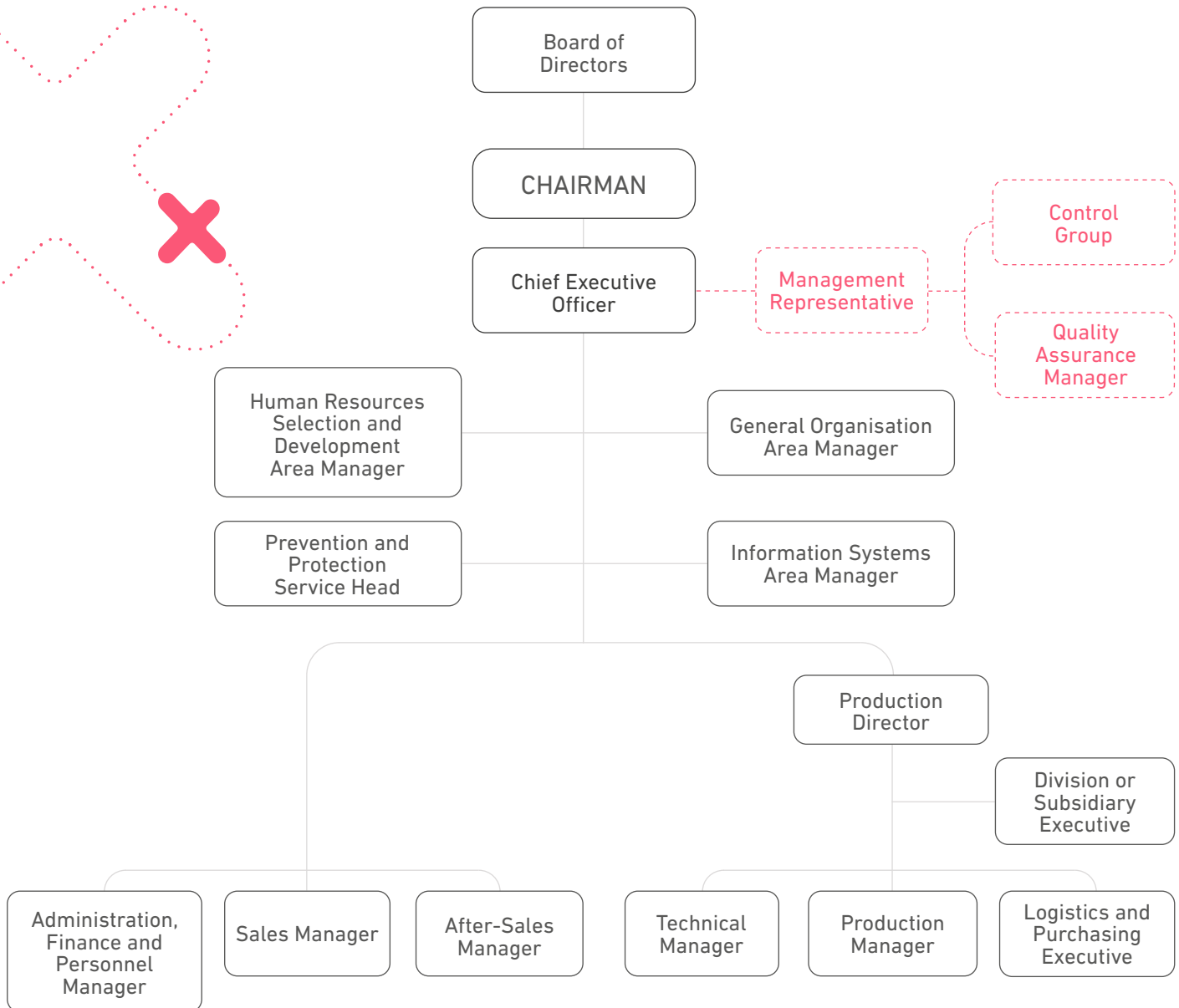
Tommasini Luca, Alternate auditor

Serantoni Marco, Alternate auditor

The independent auditing service is performed by KPMG S.p.A.



For operational management of the processes, the Board of Directors is supported by management organised as shown below:



Governance priorities include a commitment to transparency, a hallmark feature of Marchesini Group that is integral with and complementary to its daily operating activities.

And rather than treating commitments as simply written statements of intent, Marchesini Group proves its conviction with tangible actions, while business transparency is translated into comprehensive and truthful communications towards the company's internal counterparties and external stakeholders.

This culture of business transparency cannot be detached from other commitments characterising the Marchesini Group ethos, namely a commitment to normative compliance, prevention of occupational risk, always working in an ethical and fair manner, and a commitment to protecting the environment, in terms of production processes and products.

All these aspects are fundamental for the Group and are formally addressed in the Code of Ethics adopted in 2016¹⁰.

Sustainability of the Marchesini Group by means of its Governance is expressed in the adoption of the following Policies:

Corporate Social Responsibility Policy

Environmental Policy

Sustainable Procurement Policy

Conflict Minerals Policy

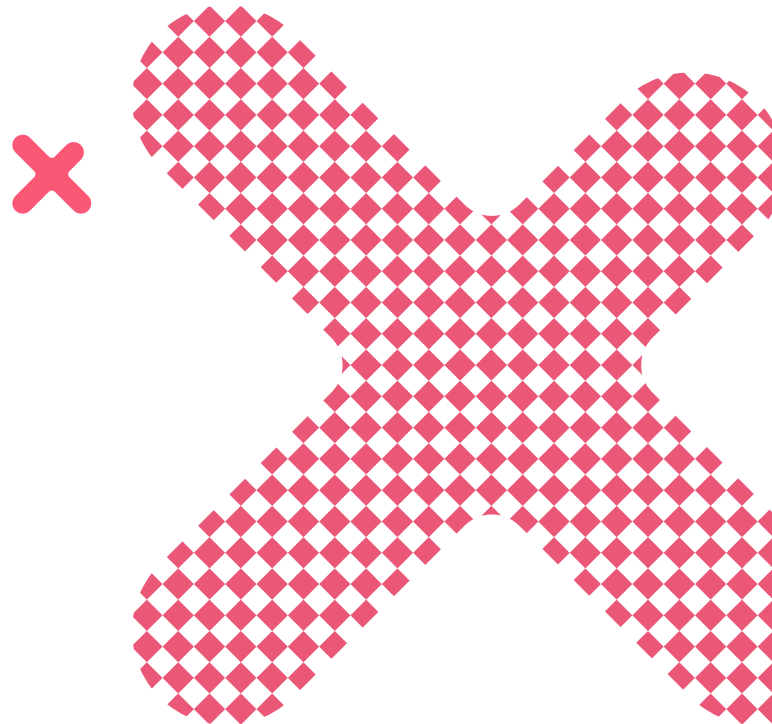
RoHS Policy (Restriction Of Use Of Certain Hazardous Substances)

REACH Policy (Registration, Evaluation, Authorization and Restriction of Chemicals)

Privacy Policy

Information Systems Policy

Social Media Policy



¹⁰ The Marchesini Group S.p.A. Code of Ethics is available in digital form on <https://www.marchesini.com/en/corporate-and-culture/our-values/code-ethics>

4.2 CORPORATE STRUCTURE¹¹



*OTHER EQUITY INVESTMENTS



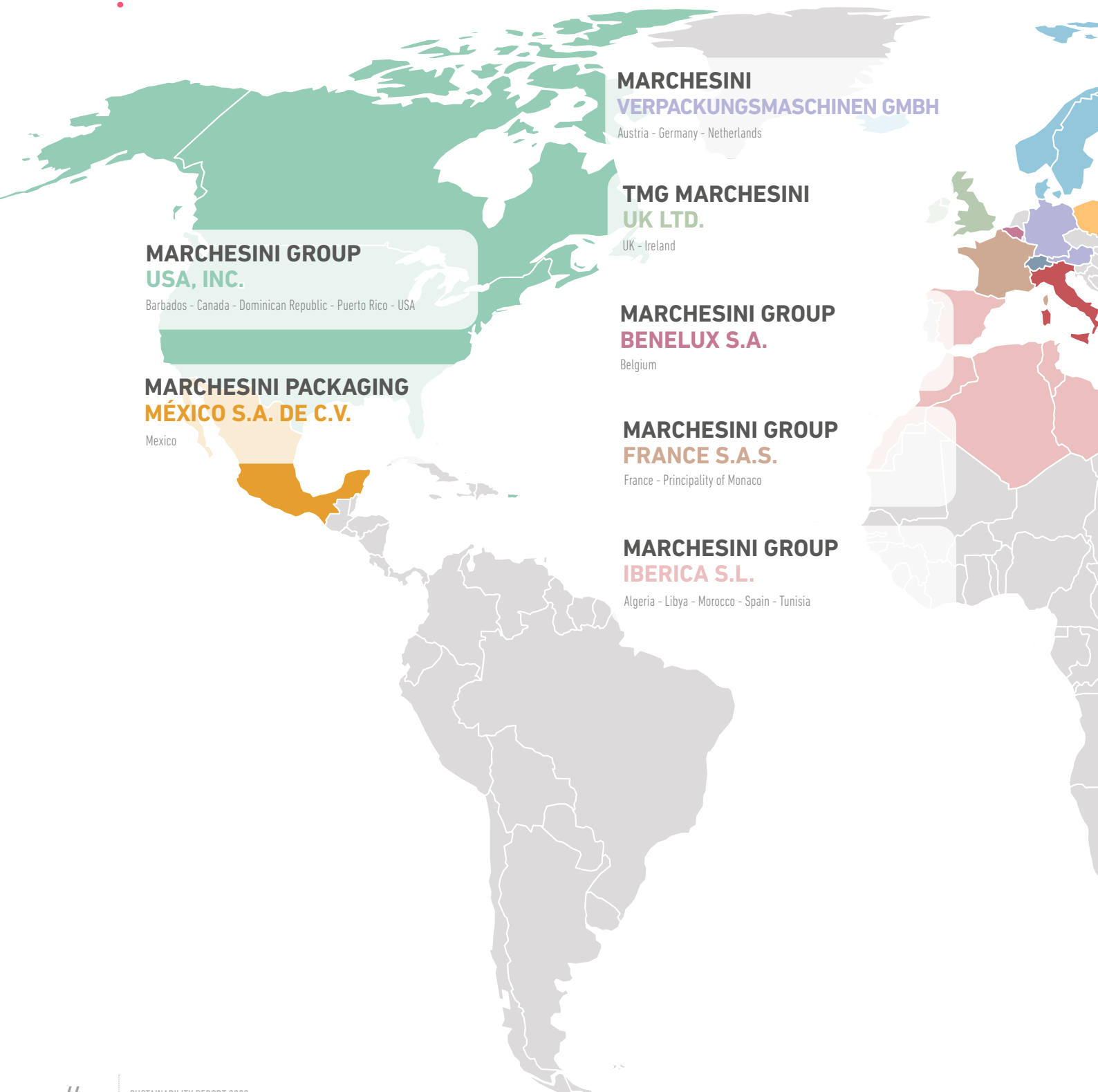
In a constantly growing Group, in addition to increasing the number of people, it is necessary to strengthen the network of relationships.



¹¹ At 31/12/2020

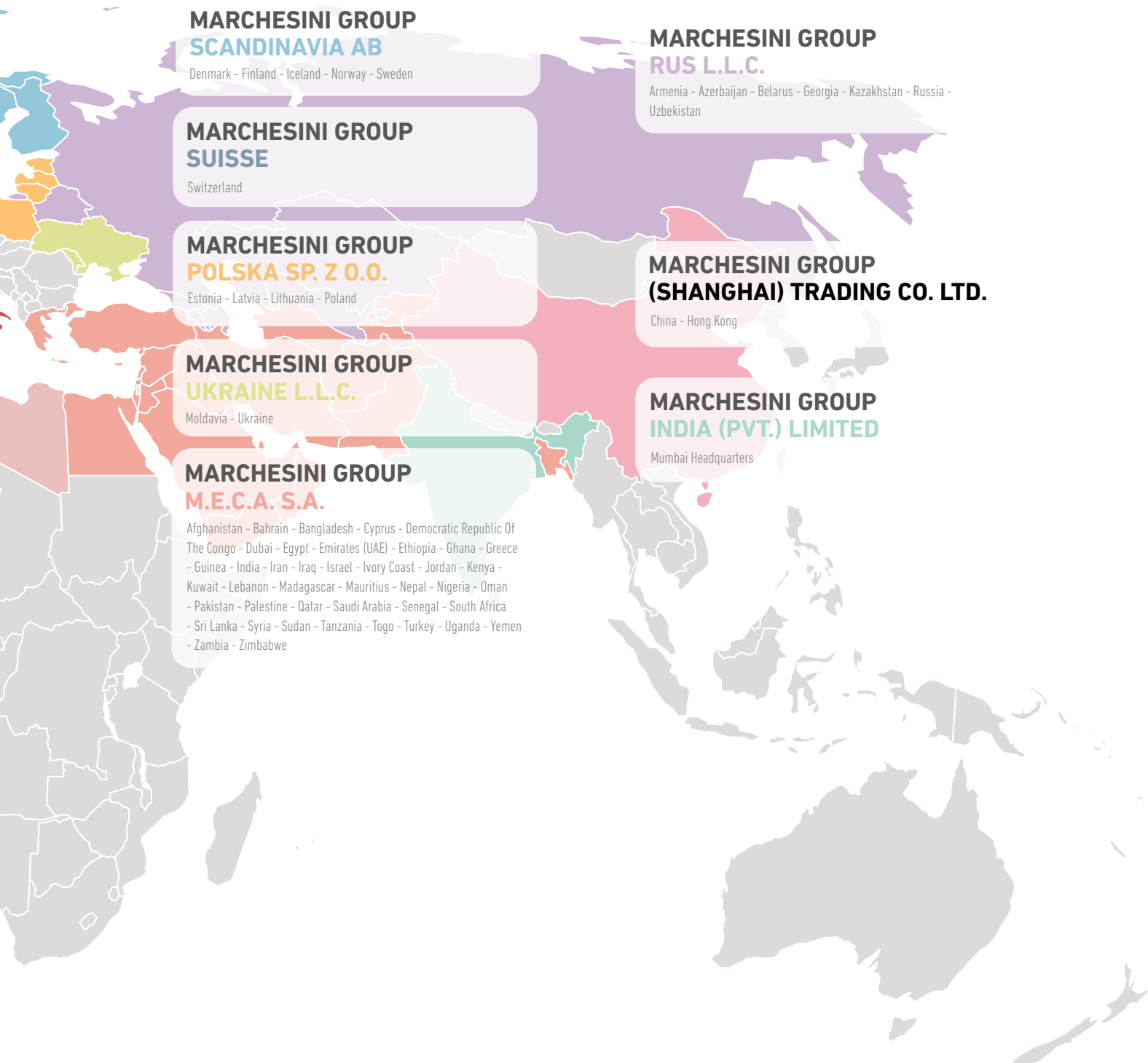
4.3 MARCHESINI GROUP IN THE WORLD

With an export share that stands constantly at around 85% of sales, Marchesini Group is a business with a strong international vocation.



In order to embrace this role and consolidate its worldwide presence, from its early years of operation, Marchesini Group has focused on creating a capillary sales network also beyond the shores of Italy.

Today, the Group sells its products in 116 countries worldwide and it is present in 68 countries with 14 subsidiaries in reference markets, one associated company and a network of 35 sales agencies that have grown side by side with the company to attest to the intention of working alongside our customers day after day.



4.4 ECONOMIC VALUE DISTRIBUTED TO STAKEHOLDERS

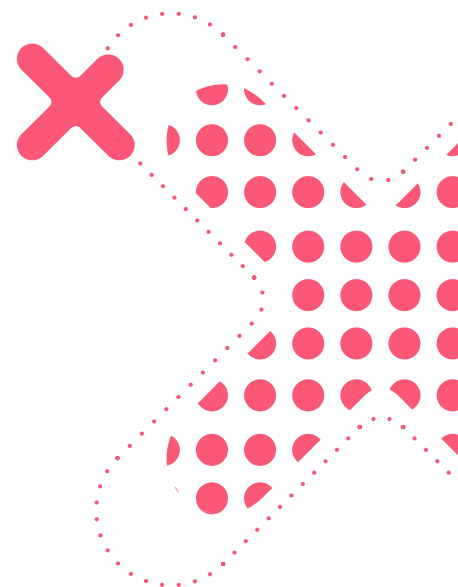
As from 2019, Marchesini Group decided to draft the Group consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS) adopted on the European level to guarantee comparable and high-quality accounting records.

The following data refer to the consolidated financial statements of Marchesini Group S.p.A. at 31/12/2020.

The revenue generated in the year stood at around € 444,4 million (+1,94 % compared to 2019).

The value generated by Marchesini Group S.p.A., which totalled approximately € 453 million in 2020, with an increase of 2,22 % compared to 2019, is calculated on the basis of GRI Standards. Of this amount € 85,25 million (+3,50 %) was withheld by the parent company, while € 367,9 million (+1,93 %) was distributed to the main stakeholders, in accordance with the following division:

- operating costs totalled € 201 million (+0,44%);
- payroll totalled approximately € 135,9 million, with an increase of 5,32 % compared to the prior year;
- lenders, shareholders and the public administration received a total amount of approximately € 30,4 million;
- donations, association grants and sponsorships to the community totalled around € 571 thousand (+47,5 % with respect to 2019).



2020

2019

Δ2020/2019

ECONOMIC VALUE GENERATED €/000

Revenues	444.384	435,910	1,94%
Other revenues	5.479	4,845	13,09%
Financial income	3.264	2,538	28,61%
Total	453,127	443,293	2,22%

ECONOMIC VALUE DISTRIBUTED €/000

Operating costs (purchases, services, investments)	201.021	200,150	0,44%
Payroll	135.886	129,024	5,32%
Return on capital	3.317	4,900	-32,31%
Remuneration of lenders	4.933	3,696	33,47%
Remuneration of the Public Administration	22.152	22,775	-2,74%
External gratuities and sponsorships	571	387	47,55%
Total	367.880	360,932	1,93%

ECONOMIC VALUE WITHHELD €/000

Amortisation, impairments and adjustments	27.869	28,010	-0.50%
Self-financing	57.378	54,351	5,57%
Total	85.247	82,361	3,50%

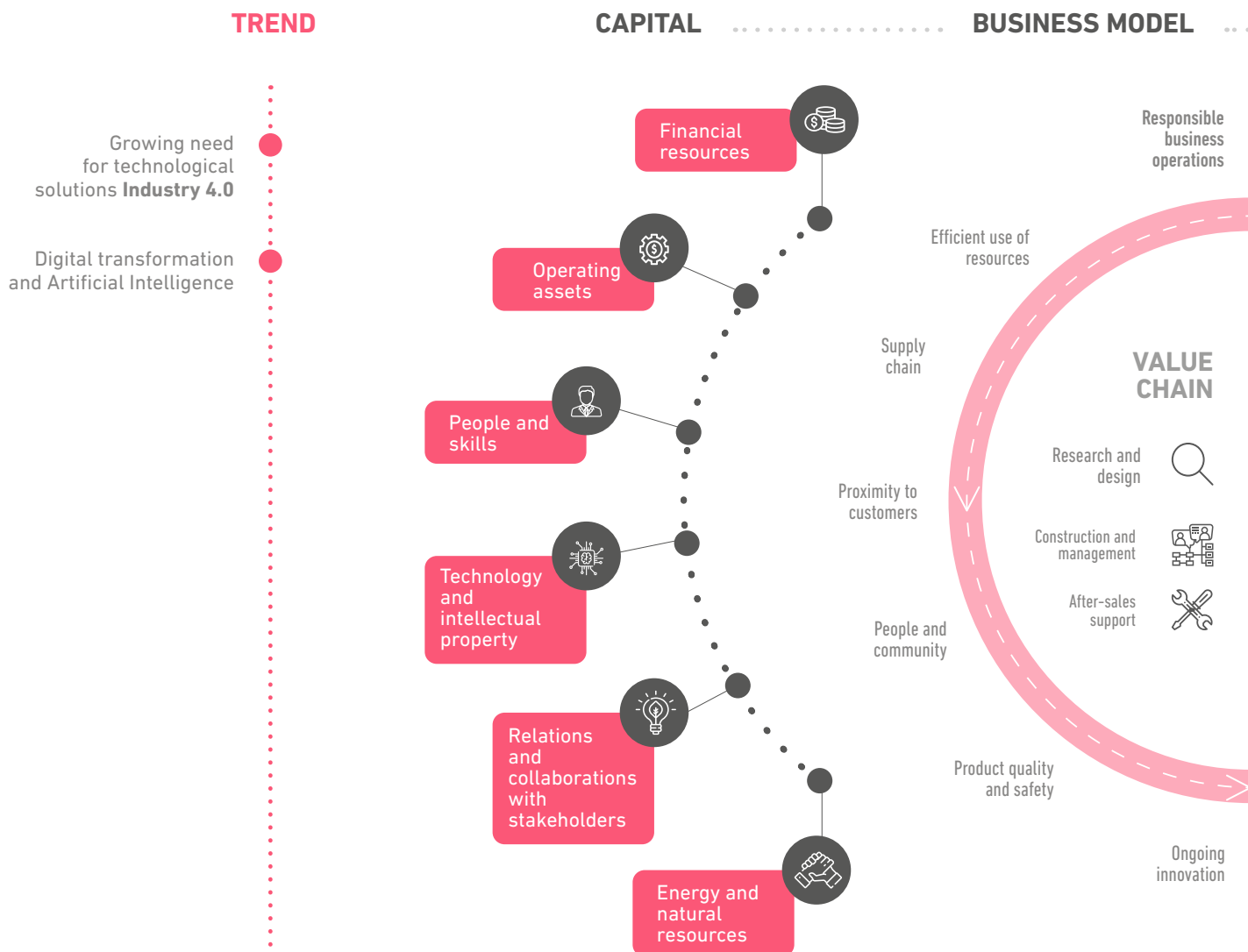
4.5 VALUE CREATION MODEL

Marchesini Group has been developing, building and managing high-tech packaging solutions for the pharmaceutical and cosmetic industry for almost 50 years, supplying stand-alone machines and complete lines.

The company operates in constantly evolving markets characterised by exceptionally high quality standards and the application of digital technologies and new discoveries in the field of science.

By means of the business model and management of its key levers, Marchesini Group contributes to technological, economic and social progress and to the achievement of the Sustainable Development Goals (SDGs) of the UN 2030 Agenda.

Marchesini Group's sustainability strategy, fully integrated in the Business Plan presented in December 2020,



is articulated around cross-business development guidelines, expressed in the form of specific operational commitments and objectives.

The effective pursuit of the defined guidelines and general consistency with the Business Plan are monitored by the Board of Directors. Aware of the need to adopt integrated approaches and multistakeholder collaborations in order to face economic, social, health-related, and institutional challenges, Marchesini Group contributes to the achievement of the UN 2030 Agenda SDGs through its strategies and operations.

In particular, Marchesini Group engenders positive impacts by:

- creating qualified employment opportunities;
- a commitment to diffuse the concept of scientific citizenship¹²;
- strengthening of the chain of SMEs;
- collaboration in the technological sphere;
- innovation processes;
- continuous improvement of products and solutions for its customers.

¹² The concept of scientific citizenship in Italy was first coined by sociologist Giancarlo Quaranta, who used the term for the first time in an article published in 2007, "Knowledge, responsibility and culture: food for thought on science communication", in JCOM (Journal of Science Communication), International School for Advanced Studies (SISSA) - Trieste.

RESULTS

IMPACTS AND SDGS

OPERATIONAL SCENARIOS



- Diffusion of scientific culture and promotion of STEM skills
- Qualified employment and growth of SMEs
- Competitiveness and economic, technological, and social development of local areas
- More innovative, sustainable, and efficient cities
- Physical safety and cyber security of local areas, cities, and people
- Monitoring and prevention of climate change and management of emergencies





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5.0

R&D AND
PRODUCT
INNOVATION



5.0 PRODUCT RESEARCH AND INNOVATION

R&D activities are a strategic variable affecting the competitiveness of all economic systems, since they make it possible to incorporate elevated knowledge contents in the production of goods and services, with positive impacts on overall economic results.

5.1 R&D

Marchesini Group has come to the understanding that an innovative and proactive approach is the main source of competitive advantage, in the technological sphere and beyond.

While resources¹³ (human, material, and financial) allocated to R&D were long viewed as the main input of the innovative process, and the single innovations introduced, often identified by patents, were seen as the technological output of formally defined activities of basic and applied research, in more recent times a less linear and deterministic vision of the innovative process has started to emerge. In this understanding, innovation is increasingly perceived as the result of incremental and cumulative learning processes to which it is often hard to ascribe specific innovations or technological outputs¹⁴. The people involved in the organisation must therefore be able to recognise and manage the components of the innovative processes that transform new ideas into projects and tangible, practicable and sustainable solutions in terms of new products and/or processes, in response to the changing needs of society and the market.

¹³ Malerba, F. (a cura di), 2000. Economia dell'innovazione. Roma, Carocci.

¹⁴ Fagerberg, J., Mowery, D.C. e Nelson, R.R. (a cura di), 2005. The Oxford Handbook of innovation. Oxford, Oxford University Press. Italian edition by F. Malerba, M. Pianta, and A. Zanfei, 2007. Innovazione. Imprese, industrie, economie, Roma, Carocci.

According to the latest ISTAT data¹⁵, spending on in-house R&D (meaning R&D conducted with company's own personnel and equipment) has followed an upward trend, reaching an average of 1.43% of Italian GDP, compared to a Eurozone average of 2.15%¹⁶.

However, a sharp downturn in R&D spending is envisaged for 2020 in the order of around 5%¹⁷, due to the crisis resulting from the Covid-19 pandemic.

Marchesini Group is convinced of the positive trade-off, considering identical ancillary conditions, between EBIT¹⁹, return on investments in R&D, and sales, as confirmed also by the European Commission¹⁸. The most forward-looking companies operating in high innovation intensity sectors are seeing sales growth once they start to up their R&D spending.

To produce single packaging machines and lines offering higher production efficiency and simultaneously assuring safe simplification of each stage of the packaging process is Marchesini Group's main objective in the area of innovation.

From the Group's perspective, innovation is focused on creating technological solutions that are not merely capable of constantly improving production performance, reliability, and sustainability of machines (in relation to their production and during their operation), and also on simplifying the activities of machine operators in order to guarantee well-being and safety in the workplace (see, for example, the application of factory integrated logistics). This is why a high level of attention is focused on intuitive use, ergonomics, and noise reduction. The exceptional level of integration between mechanical parts, electronics and software makes Marchesini Group machines "smart" and "collaborative".

In 2020 Marchesini Group invested approximately €17.5 million in R&D, equivalent to 3,9 % of generated value, a proportion that is significantly higher than the Italian and European average¹⁹.



¹⁵ STAT (2020). Report on Research and Development in Italy – period 2018-2020.

¹⁶ The incidence of R&D spending on GDP is one of the five indicators chosen by the Europe 2020 Strategy to monitor the progress made by individual countries with respect to the goals of intelligent, inclusive, and sustainable growth. In relation to the general goal of Europe 2020, aimed at increasing public and private sector R&D spending up to 3% of GDP, Italy established the target of reaching a level of R&D spending versus GDP of 1.53% in 2020. See ISTAT, op. cit.

¹⁷ ISTAT (2020), op. cit.

¹⁸ Earnings Before Interests and Taxes or "Reddito Operativo".

¹⁹ European Commission (2020), The 2020 EU Industrial R&D Scoreboard, Luxembourg: Publications Office of the European Union.

5.2 PRODUCT INNOVATION

Marchesini Group has been operating as a leader on the world level in its reference markets with the aim of reaching an ever greater level of automation and customisation of its machines/lines and the associated components, in order to penetrate every niche market with a comprehensive response to the requirements of customers, who are constantly seeking high performance plug-and-play and bespoke solutions to meet their specific needs.

Optimisation of the work cycle to minimise machine downtimes and increase productivity remains of critical importance in the packaging machinery sector, as does automation of the entire chain of production and the stations on the production line, from processing of raw materials up to packaging of the finished product. Also high speed and flexibility are essential elements for all packaging machines, in order to assure effective and efficient processing also of products that are diversified in terms of shape, weight and material. Especially in relation to packaging, our customers are increasingly focused on the need to reduce the use of petroleum-based plastics, so Marchesini Group works with them in the drive to guarantee machinability of more sustainable, recyclable and ecological packages, in addition to implementing higher efficiency electrical systems throughout their production lines.

A growing number of customers in the pharmaceutical industry are investing in automation strategies to improve the activities and services offered. In accordance with a 2017 study²⁰, around 50% of pharmaceutical companies and medical device manufacturers are following a policy of integration of their production lines automation, and will carry out overall equipment efficiency checks (OEE) on their machines, lines, and factories.



Machines for vial and syringe filling are originally from Tuscany, our Corima division boasts of 40 years of experience in the sector.

²⁰ <https://www.pmmi.org/report/2017-evolution-automation-report>
<https://www.universal-robots.com/about-universal-robots/news-centre/ifr-world-robotics-report-2017>

5.3 ROBOTICS, INTEGRATED AND VIRTUAL DESIGN, FOR SUSTAINABLE DEVELOPMENT



Modern production systems are increasingly open to robotics and integrated virtual design.

With its robots, which occupy pride of place in the company and form an integral part of the production of machinery for the packaging industry, Marchesini Group is an outstanding example of this concept: the company has been designing and building its production lines for years fully applying the concept of integrated automation thanks to the entire range of robots developed to date for production line tending duties, minimising operator risk and lowering production times.

The aim is to equip the robots AI, and it is based on the idea that systems can learn from the stored data of past experience, to identify models independently and make decisions with the minimum level of human intervention.

With the use of robots making systems increasingly efficient and safe, the Company is constantly seeking technological solutions capable of anticipating possible hazards and thus guaranteeing operator safety and protection.

Equipped with advanced control systems, the range of robots employed by Marchesini Group, developed and manufactured entirely in its plants, has reached a condition of perfect integration with its packaging machines.

In parallel with the evolution of automatic pharmaceuticals and cosmetics packaging, also the role of machine operators is undergoing a paradigm shift. The demand for specialised packaging machinery technicians and operators has outstripped the number of qualified resources in the job market. All too often the skills we are looking for cannot be found. Young people struggle to choose technical educational curricula and we need specialised technicians and engineers with good English language skills. This topic has been addressed several times, and the company has launched a several targeted initiatives over the years. We are seeking young people with school technical college diplomas and graduates in mechanical engineering, electronics and automation²¹.

Pharmaceutical and cosmetic companies are constantly on the lookout for effective and efficient methods of automating and increasing their production, opting for simple and easy to use systems as far as possible. This is the reason for our decision to re-design our HMIs to make them more intuitive and more intelligible to operators.



Robotics plays a crucial role in a packaging process. In this particular detail, the processing is carried out on a syringe nest.



²¹ 26 January 2021 The Russian Sputnik V vaccine, produced on Marchesini machines in Saint Petersburg, interview with Marchesini Group S.p.A. HR Manager Valentina Marchesini. <https://www.bolognatoday.it/cronaca/vaccino-russo-sputnik-marchesini.html>

5.4 A LOOK INTO THE FUTURE: PACKAGING MATERIALS

There are many activities linked to sustainable development in the pharmaceutical and cosmetic packaging industry, and some time ago Marchesini Group implemented an eco-sustainable materials identification process to avoid the increasingly widespread problem of pollution caused by non-biodegradable plastic waste that is not only affecting our own lives, but also the marine ecosystem and the lives of future generations.

This is the context in which the R&D team is examining the feasibility of replacing plastic, within the limits of statutory legislation²², with materials that can at least partially reduce the impact of plastic packaging on our ecosystem.

Research into plastics is constantly evolving, especially in relation to environmental impact and sustainability.

We need to make a distinction at this point: the “green” materials that can currently be used in packaging can be subdivided into two broad categories:

Bio – base: materials such as bioplastic that are entirely or partially made from vegetable biomass, and hence of organic biological origin without using materials from fossil sources (coal and petroleum). Some bio-based materials are biodegradable, while others are not, despite their green credentials.

Biodegradable and compostable: bioplastics have new chemical structures. Here we find biodegradable polymers, the majority of which are also bio-based. The materials in this group have different properties and must therefore be chosen in accordance with the properties required of the finished product. It must be remembered that the industrial scale production of these materials is recent (less than 10-20 years in the majority of cases) so they require ongoing studies in order to achieve improved properties in line with market demands. The polymers in this category that are currently on the market include:

²² Pharmaceutical packaging must guarantee: • Perfect adaptability to the medicinal product, to safeguard product integrity and eliminate the risk of penetration of external agents; • Effective resistance to external environmental conditions, with special regard to the need for primary packaging capable of withstanding light and air; • Adequate protection of the pharmaceutical product; the primary package must have specific characteristics to guarantee protection of the pharmaceutical product during the various phases of transportation; • Correct communication concerning the contents and the methods of administration.

The pharmaceutical packaging legislative framework is defined by: • Directive 2001/83/EC of the European Parliament and Council of 6 November 2001 on the Community code relating to medicinal products for human use, published in the Official Journal of the European Community no. L311/118 of 28-11-2001. • Directive 2004/27/EC of the European Parliament and Council of 31 March 2004 amending Directive 2001/83/EC on the Community code relating to medicinal products for human use, published in the Official Journal of the European Community no. L136/34 of 30/04/2004. • Italian legislative decree no. 219 of 24 April 2006 Implementation of directive 2001/83/EC (as amended) concerning a Community code relating to medicinal products for human use, and directive 2003/94/EC, published in Official Gazette no. 142 of 21 June 2006 - Ordinary Supplement no. 153. • Italian legislative decree no. 274 of 29 December 2007 Corrective provisions to legislative decree no. 219 of 24 April 2006, implementing directive 2001/83/EC concerning a Community code to relating to medicinal products for human use, published in Official Gazette, General Series no. 38 of 14-02-2008. • Commission Delegated Regulation (EU) 2016/161 of 2 October 2015 supplementing Directive 2001/83/EC of the European Parliament and of the Council laying down detailed rules for the safety characteristics appearing on the packaging of medicinal products for human use, published in the Official Journal of the European Community no. L32/1 of 09-02-2016.

PLA (polylactic acid) Bio-Based Film is the new generation of bio-based bio-oriented flexible packaging materials made from polylactic acid (PLA). Polylactic acid (PLA) is a biopolymer capable of providing environmental benefits, since it is made from renewable resources. The film is made by polymerisation of lactic acid originating from dextrose (sugar) obtained from crops such as maize, cassava, sugarcane, or beet.

Bio-PET, which is made from experimental bio-based polymers, is ideal for bottles and containers for pharmaceutical capsules and tablets. These films are made from sustainable resources, while offering the same technical properties as fossil-based HDPE / LDPE. This natural HDPE / LDPE can be easily integrated in the recycling chain in the same way as conventional HDPE / LDPE, making it a smart choice for responsible packaging solutions.

MATER-BI® forms part of the bioplastics family, similar to conventional plastic but with a completely different chemical composition. The bioplastic is made exclusively from vegetable components, maize starch in this case. The biodegradation process of this material, which is performed by micro-organisms, produces water, carbon dioxide, and methane. Mater-Bi is compostable and certified and it can be a viable option for packaging items to help recycle any residual food waste contents for composting rather than assigning it to landfill or incineration. In the context of a controlled biological recycling collection programme, Mater-Bi® can be used also to replace packages that are hard to separate and recycle on a commercially sustainable basis and can hence help to increase the quality and purity of traditional plastic waste collection, which is economically attractive for industrial recycling.



The much demonised plastic can keep its leading role in packaging processes, as long as it is biodegradable and comes from the recycling of other polymers.

Fossil – base: these are petroleum derived plastics but, unlike newly created products, we are speaking of regenerated materials sourced from the municipal or industrial waste recovery circuit by means of the monomaterial sorted waste collection system.

Polypropylene, which can be reused as a virgin material up to three times, is a new frontier in the green materials sector. An analysis was carried out in 2001 of the life cycle of a paracetamol product packaged in a PP blister, examining the environmental effects deriving from production and from packaging. The results showed a significant difference between aluminium / PVC blisters and monomaterial PP. With PP blisters, global warming potential is reduced by 80% compared to conventional Al / PVC blisters. PP blisters have additional benefits such as reduced weight and lower production costs.

In recent years, consumer awareness in relation to reduced environmental impact solutions has grown significantly also in the pharmaceutical sector. Consumers now expect to find these credentials in the technologies employed to produce and package pharmaceutical products. A study²³ shows that 50% of Swedish consumers are willing to pay 10% extra for a more eco-friendly product.

Non-biodegradable 100% recyclable: some bioplastics have a chemical structure that is identical to that of conventional polymers made from fossil sources. In fact, a bio-based polyethylene made from sugarcane (called a bio-based PE) and a classic PE, made from fossil resources, will have the same molecular structure and very similar technological characteristics. Bio-based PE however has the benefit of being made using a renewable, non-fossil, and sustainable resource.

100% regenerated PE-LD: made only from clean and homogeneous processing scrap to offer the utmost transparency and the minimal risk of release or interaction with the packaged products. This material is not suitable for direct contact with foods. It can be further recycled and its potential for use is theoretically infinite.

Post-consumer recycled plastic: obtained by recycling waste packages, sourced mainly from the commercial and industrial circuit. This characteristic makes it possible to obtain a high-quality product with consistent properties over time. Packages of this type have comparable characteristics to those of virgin plastic and they are managed by a system that makes it possible to track their use and document the end-of-life collection and recycling phases. The PE film is a 3-layer co-extrusion made from post-consumer recycle, with different finishes and additives in accordance with consumer requirements.

From the previous year the pharmaceutical sector started to examine the possibility of using plastic for certain applications. In fact, the development was announced in Italy²⁴ of the first package (a vial) made with “pharmaceutical and food grade” PET entirely made from regenerated polyester, with no deterioration of physical or mechanical properties compared to virgin PET thanks to careful monitoring of the sources of procurement. The recycled PET used also offers excellent transparency and a low level of contaminants. This is a major step forward in the highly conservative and hyper-regulated realm of the pharmaceutical-medical industry.

The aim of companies in the sector is to obtain European Pharmacopoeia certification by 2023 for a broad range of sustainable packaging solutions that are currently already employed for cosmetics and nutraceuticals, including 100% biobased polyethylene containers (made from bioethanol, known as 'green polyethylene') and BioPET bottles, currently 30% biobased, but in the not too distant future also made entirely from renewables.

The development of more sustainable plastic packages forms part of a broader sustainability strategy, with the following objectives to be accomplished in the context of the strategic plan:

- Increased use of recycled materials, from 2% to 30% in all packaging produced;
- Replacement of single-use packages with biodegradable solutions, as far as compatible with market requirements;
- Greater energy saving during production, on the new plastic injection moulding machines (-50%), in factory lighting (-30%) and in the new glass furnaces (-20%).

²³ D. Tighe (2019), Willingness to pay a price premium for sustainable products in the Nordics 2018

²⁴ rPET e bioplastiche nel pharma, in Polimerica, 10 Maggio 2019, polimerica.it

5.5 THE MECHANICS OF PAPER TRAYS

Rather than restricting its efforts to applying solutions that already exist on the market, Marchesini Group has developed and patented paper tray applications capable of supporting plastic tray technology.

Application examples are given below:



Since 1974 Marchesini Group has focused on secondary packaging. Paper tray represents the real added-value known by costumers for both its sustainable design and for being tailor-made on the product.

5.6 ALUMINIUM CHIPS RECOVERY

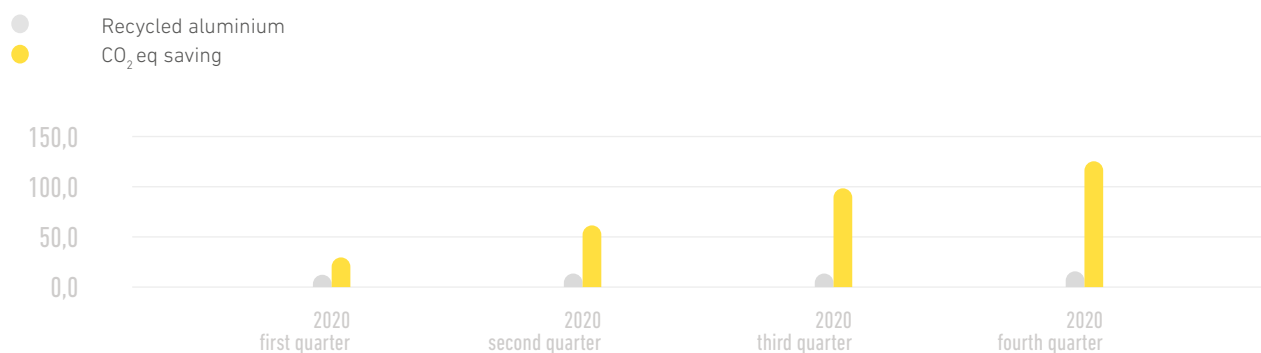
Special attention is devoted to aluminium in relation to material recovery²⁵.

The Calderino production plant, which handles the production of aluminium components, is equipped with one of the world's most innovative plants for the collection of processing scrap which, by means of dedicated suction systems, is transferred to a briquette press. This solution, apart from offering a major benefit from the standpoint of dimensions, is also viable from the economic perspective because this format facilitates storage and transport to conversion companies.

Around 90% of the aluminium on the market derives from the recovery of secondary raw material, with a significant reduction in costs, energy usage, and environmental impact.

In 2020 alone, aluminium recovery and recycling in Marchesini Group led to a reduction of around 130 tCO₂eq of avoided atmospheric emissions to produce the same quantity of aluminium from mineral mining activities²⁶.

Aluminium recovery and recycling (t) and tCO₂eq avoided 2020



Aluminium, specifically processed in one of our plants is one of most attentive waste.



²⁵ Even though it is one of the most abundant metals in the Earth's crust, aluminium is rarely present in the pure form in nature and is frequently found in combination with other elements from which it must be separated by means of carbon reduction and electrolysis procedures.

²⁶ https://www.minambiente.it/sites/default/files/archivio/allegati/emission_trading/tabella_coefficienti_standard_nazionali_2011_2013_v1.pdf

5.7 INNOVATION, EFFICIENCY AND ENERGY SAVING

Marchesini Group has long been promoting an increase in the sustainability of its technological solutions throughout their entire life cycle, from design and production to disposal:

- ✕ in the management of integrated logistics, with a reduction of the movement of components and the use of electric vehicles for handling²⁷;
- ✕ in the use of recycled (plastic and aluminium) and eco compatible (water-based coatings) materials in the production phases;
- ✕ in the possibility of reconditioning used machines to give them a new lease of life²⁸;
- ✕ in additive manufacturing, a fully customized production model thanks to the use of 3D printers.

Through time, the production of complex and customised parts with conventional manufacturing methods was found to be extremely expensive and time consuming, and was deemed to be longer compatible with the growing needs of the current packaging manufacturing industry. Additive manufacturing has made it possible to overcome these problems and adopt a customised production model, drastically reducing the times necessary to obtain parts and producing the precise quantities required in an economically viable manner.

It is important to stress how this on-demand production capability is useful also for maintenance and repair requirements. With packaging machines installed at the facilities of customers all over the world, the company can print customized replacement parts on-demand, quickly and without having to consider minimum quantity requirements. This not only allows Marchesini Group to provide its customers with spare parts in record times, it also eliminates the need for costly facilities for the storage of stocks.

The use of rugged thermoplastic materials such as FDM Nylon 12CF filament or ULTEM™ 9085 resin in place of metal components made with conventional machining methods has allowed us to reduce the weight of some parts by at least 30%. This not only increases the speed of movement and productivity of the robot for the benefit of customers, it also reduces the rate of deterioration. These 3D printing materials comply with the specific standards in the sector, making it possible to extend the use of this technology to an even greater number of production applications, thus further innovating the products offered to customers.

Marchesini Group is using additive manufacturing also to produce parts and components for applications that call for the combination of two or more materials. An excellent example of this technology is the production of forceps for handling lightweight objects such as leaflets or the smallest jars. With advanced multi-material 3D printing capabilities we can produce complex designs that combine hard materials and soft rubber-like materials in a single print operation, a result that would normally be possible only with multiple processes with higher costs and greater use of time.

²⁷ More eco compatible solution, because from 2019 Marchesini Group S.p.A. uses electricity exclusively from renewable sources, see page. 81

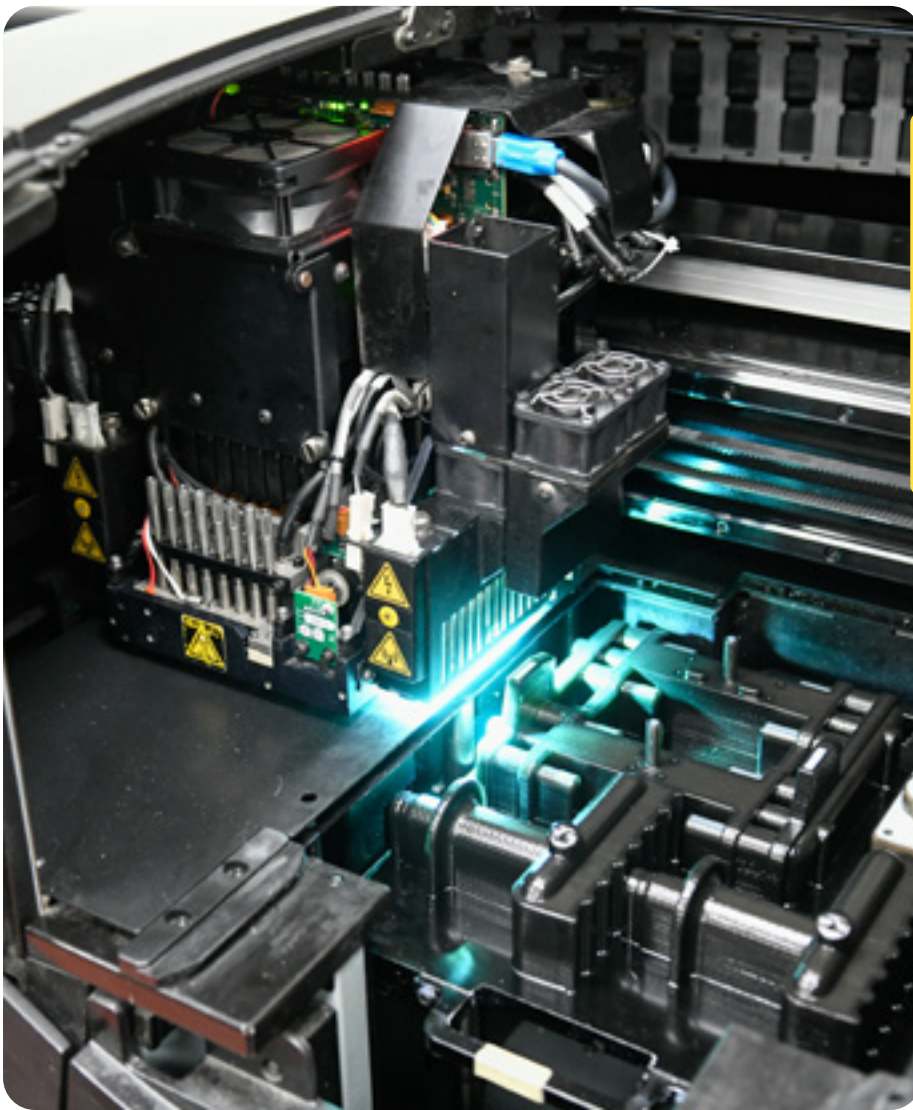
²⁸ Solution supplied by Rinova S.R.L., See: page. 90

The bank of 3D printers in the Marchesini Group additive manufacturing department is currently working round the clock.

Additive manufacturing today is an integral part of Marchesini Group's production – in 2020 we clocked up a total of 22,200 hours of operation, equivalent to an average of almost 67 hours/day.

In addition, Marchesini Group has started using linear electric actuators in place of classic pneumatic pistons. In general, in simple movement applications electric actuators are more practical. In pressing operations, the most efficient technology from the energy standpoint depends on the intensity of the process force and the duration of the operation. An electric actuator uses one third of the energy (25 Ws) of a pneumatic actuator (78 Ws). For the type of use of these actuators on Marchesini Group machines, this translates into a major advantage from the energy standpoint and in terms of movement control. Deciding to switch from a pneumatic system to an electric system is no simple matter. Assessment of the existing systems and utilisation requirements is of fundamental importance when choosing the type of actuation system. Whether the aim is higher efficiency or reduced maintenance, there is no doubt that technological progress and rising demand make electric actuators a valid and competitive option for the replacement of pneumatic actuators in the majority of applications. The use of electric actuators, especially in the case of use of machines for medium and large production volumes, is an example of a response to demands for more environmentally friendly plants in terms of reduced energy usage and lower CO₂ emissions and, even though electric actuators are more expensive than simple pneumatic cylinders and pneumatic actuators, the cost is offset by the lower Total Cost of Ownership (TCO) of electric actuators and linear motors.

Another solution adopted by Marchesini Group is that of using networked motors to allow energy recovery.



The Industry 4.0 has lead to the construction of a department of more than 1000 m² dedicated to rapid prototyping.

5.8 INNOVATION IN SERVICE

Before the initial appearance of the effects of the Covid-19 pandemic, Marchesini Group was already implementing after-sales service digitalisation projects.

With the limitation of personal travel both in Italy and in other countries, these initiatives were found to be essential for business continuity, especially for technical assistance which, limited to urgent online interventions, company management decided to supply free of charge for the full duration of the coronavirus emergency.

5.8.1 X-SERVICE

In 2020 more than 250 hours of remote service were supplied, thanks to the implementation of live assistance, teleservice and MIMO activities.

X-service



Live assistance: the Marchesini Group Remote Assistance Application reduces the distance between parties, guiding the customer's technicians in the solution of technical and/or production problems.

With a smartphone or a pair of smartglasses we can see what the technicians are doing on the machine and support them in real time by means of:

- ✦ **Interactive video calls:** by means of a dedicated application for chats, file sharing, and video calls, which can be integrated at the request of the customer with additional augmented reality functions;
- ✦ **Smart Issue Follow-up:** more than 110 engineers in the field worldwide can follow each session step by step in remote mode, with access to all the plant documentation;
- ✦ **Secure Cloud:** the Remote Assistance Application works on peer-to-peer architecture that guarantees the utmost security of the data handled. Moreover, the application server is the property of Marchesini Group.



Teleservice: connecting to the HMI of our plants makes it possible to solve a vast range of problems and faults thanks to the Marchesini Group integrated diagnostic system.

By means of the teleservice function, the machines on our customers' sites can be accessed from Marchesini HQ in real time to provide support for diagnostics and service status by means of:

- ✦ **Prompt Failure Analysis:** once the connection has been established, the technician can work remotely on the HMI, with the exception of the start, stop, and reset functions, which must be controlled by the on-site operator;
- ✦ **Live Troubleshooting:** thanks to the Marchesini Group proprietary diagnostic system a connection can be established for teleservice for instant identification of process problems on the machines while they are running;
- ✦ **Secure Connection:** the Teleservice function operates over a VPN Tunnel connection that readdresses the machine HMI to the MG server, thereby guaranteeing absolute security of the processed data.



MIMO (Marchesini Inspection Monitoring): thanks to the video monitoring system connected to a proprietary framework of digital triggers, MIMO makes it possible to "capture" problems and their context automatically on specific machines and/or lines.

With this suitcase we can get a clear view of sequences of incidental problems that are frequently difficult to intercept, identify, isolate and analyse while the machine is running:

- ✦ Detect any anomalous situation: video monitoring makes it possible to "capture" the context of the problem automatically with 100 FPS FHD video;
- ✦ The application is simple and safe to install, plug-and-play, and operates over a VPN Tunnel connection;
- ✦ It allows the Customer Team and the MG Team to monitor each HMI camera/teleservice from the same Marchesini Web Platform.



5.9 DIGITALISATION SERVING SUSTAINABLE DEVELOPMENT

Virtual Commissioning: the practice of reproducing the physical behaviour of a machine or plant in a virtual manner by means of a software solution applied to its Digital Twin. The final goal of the emulation is to test all the designed elements and their automations, making it possible to test the software development in order to remove system errors before starting component construction and the entire manufacturing process. Virtual Commissioning makes it possible to reduce lead times thanks to the facility for parallel management of design stages that would otherwise be sequential.

Condition Monitoring & Predictive Maintenance: meeting growing production requirements with existing equipment and facilities while continuing to reduce costs in order to deliver the maximum return on assets (ROA) is a key objective for industrial enterprises. Organisations need to identify the sweet spot between availability and use of resources. Condition Monitoring and predictive maintenance collect and analyse diagnostic information in real time from all production resources of the plant in order to make better resource management decisions and optimize operations.

Valida and NIR: these are integrated control and inspection systems developed with Marchesini Group company SEA Vision, capable of intercepting nonconforming products without having to stop the machines, with a consequent increase in Overall Equipment Efficiency (OEE).

Virtual Room and Design Review in Virtual Room: analysing and reviewing projects is an essential stage of many projects. The availability of technology that allows this process to be performed in remote connection mode is a key passage to allow the various design teams to respond together to crucial questions, clarify hypotheses, and seek feedback and a wide spectrum of recommendations without having to travel around the world.

Remote Factory Acceptance Tests (FAT) and Site Acceptance Tests (SAT): application of virtual reality and the availability of adequate sensors and cameras have transformed remote technical acceptance of plants from the realm of science fiction to reality, making it possible to overcome the limitations imposed by anti-Covid regulations while eliminating the distance between the Company and its customers. Developing an integrated mobile system capable not only of real time monitoring of production progress status but also of constantly recording the state of machine health through the use of a specific video surveillance system, allows Marchesini Group technicians to retrace the causes that generated a specific malfunction, even though they are in a different physical space.

During acceptance tests efforts are focused on creating a total customer experience: audio and video connections and real time data retrieval from the machines allow rapid and efficient interaction, to the point that we are now evaluating the opportunity of adopting these technologies also in the post-Covid phase when assistance could increasingly become a key element, both in the design stage and for commissioning and after-sales assistance.

Remote commissioning of a machine or a complete automated line from a remote location – a process starts from the (FAT) and extends to the following SAT (site acceptance test), is a typically delicate and complex phase, that includes assembling the machines in the customer's plant followed by start-up, and testing. Training the customer's technicians in relation to correct assembly of single components, guiding the operators – who may not be trained for management of a particular machine type – in commissioning production lines, is the new frontier in the world of assistance, supported by the widespread diffusion of the latest 4.0 technologies.



This path is guided by the principle of customer intimacy, which allows Marchesini Group to work alongside its customers in this shared challenge, capitalising on the investments made in recent years into new types of machines and plants equipped with advanced sensor technology.

A total of 120 remote FATs and 30 remote SATs were completed in 2020.



5.10 TOTAL COST OF OWNERSHIP



In recent years, purchase procedures of new machines and assistance and maintenance services have seen a growing level of attention devoted to a specific Key Performance Indicator (KPI): the Total Cost of Ownership (TCO).

TCO is hardly a new concept: from the 20th century to the present a series of different procedures have been used to evaluate this parameter, but the modern understanding of the concept dates back to 1987, when the Gartner Group consultancy firm developed and promoted the TCO to assess IT infrastructure costs²⁹.

This indicator derives from a financial procedure that estimates all costs, direct and indirect, of the entire life cycle of the asset and allows companies to decide whether or not to make a purchase in a more comprehensive manner than simply considering the purchase price.

Because it makes it possible to optimise the times and costs of multiple procedures, TCO evaluation offers tangible benefits for customers:

- ✕ Comparing multiple suppliers; with a TCO based supplier assessment system it becomes possible to measure and assess the various performance parameters of the supplier and choose the best solution.
- ✕ Identifying the potential for optimization: TCO makes the cause-effect relationship more visible
- ✕ Increasing the understanding of cost vectors throughout the company: reducing costs and sharing information for cost optimisation.
- ✕ Providing support in the purchase decision: evaluating the Total Cost of Ownership is essential in order to make a rational choice when making decisions or comparing alternative solutions.

Increasing the transparency and responsibility of the organisation, for customers and also for suppliers, brings several intangible benefits:

- ✕ It improves internal communication in the company because it makes it possible to base decisions on sets of consistent data and clear arguments, reducing conflict in the organisation.
- ✕ It strengthens the negotiation process: TCO evaluation can produce benefits for both parties.
- ✕ Useful for product development and sale: from the perspective of potential customers considering the production/sale aspect and applying the TCO method makes it possible to analyse the company's positioning in the competitive arena.

Various different methods have been developed to analyse the TCO in a variety of different contexts and sectors, but they were difficult or impossible to apply indiscriminately because each manufacturing context is different as are the methods of processing the data required for effective TCO measurement.

Marchesini Group therefore developed its own TCO calculation method, coordinating an ad-hoc project developed with the Department of Management and Management Engineering of the University of Bologna. Following an in-depth analysis of the historic economic-financial data concerning all types and models of machines produced over its almost fifty years of operations, an algorithm was developed to calculate TCO expressed as a percentage of the sale price, at the time of a request for an estimate.

The Total Cost of Ownership is thus supplied on request of the customer, who needs only to communicate the time horizon of use of the machine or the type of assistance or maintenance it intends to apply.

²⁹ Ellram, L. M., & Siferd, S. P. (1993). Purchasing: The Cornerstone of the Total Cost of Ownership Concept.

5.11 QUALITY MANAGEMENT SYSTEM

Marchesini Group S.p.A. has been ISO 9001 certified for almost two decades. The latest ISO 9001:2015 certificate was issued in March 2020 and it is valid until 2023.

The company is subjected to an annual supervision audit by the reference organisation (SGS in our case).

The Marchesini Quality Management System is structured in accordance with logic that has proven to be winning. In 2010, at a time when most companies were setting up “off-the-shelf” Quality Systems imposed from above, meaning defined by management and “endured” by personnel, Marchesini was building a system that was compiled in the field by the very Managers and Operators responsible for the Company's Processes. A bottom-up criterion, which started to produce positive results from the word go, integrating the operating procedures in the system in a comprehensive manner. The project was guided first of all by Company Management assisted by the Quality Area and managers from each function.

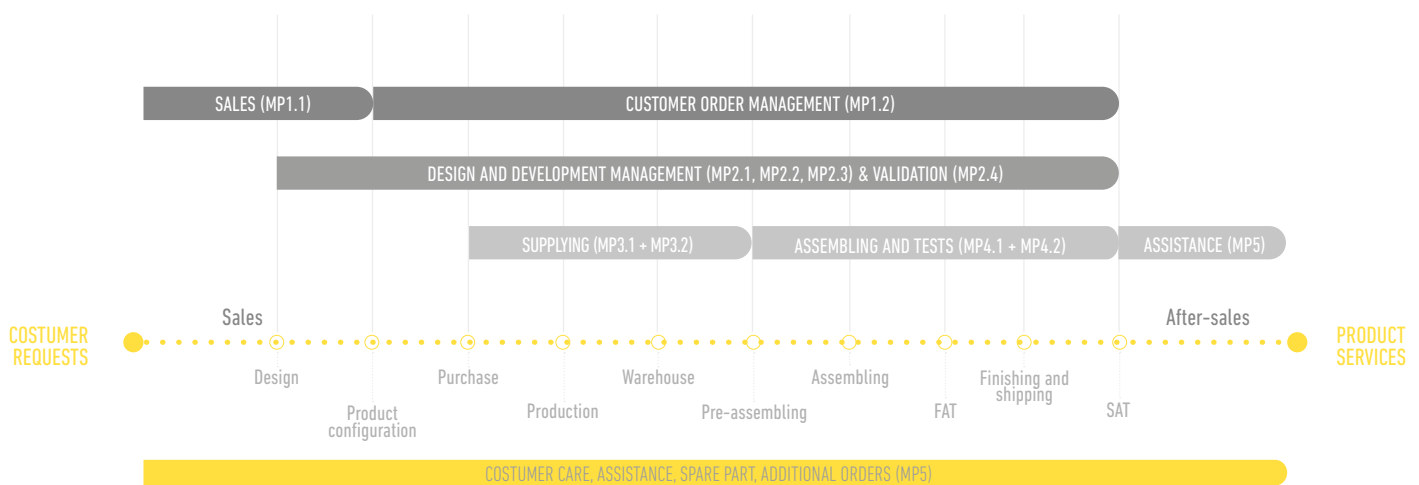
The purpose of ISO 9001 Certification in Marchesini Group is:

“ Design, Production, Installation, and Assistance of primary and secondary packaging Machines and Lines in the Pharmaceutical, Food, Cosmetic, and Generic sectors ”

The organisation is defined in the company organisation chart, in which each area has specific functions. Interaction between all functions and people is of critical importance for the realisation of all our activities.





Implementation of the quality system was accompanied by definition of the reference processes of each area and their interactions. It follows that we have Macro Processes (MP) identifying the company areas and broken down in detail in specific Sub Processes (SP):

The whole process starts with the sales area (MP1.1) that has direct contact with the Customer; once the order is secured the UAO department (MP1.2) transforms it into a Product File to transmit the information towards the interior of the company. The design section, both mechanical (MP2.1) and electronic (MP2.2), interacts together with Documentation (MP2.3) and Validation (MP2.4) throughout the project. Once the technical design specifications have been defined, the Purchasing and Production Department (MP3.1) sources all the parts and components, which are stored in the warehouse (MP3.2). Mechanical Assembly (MP4.1) and Electrical Assembly (MP4.2) then handle assembly and testing of the machines before Acceptance Testing in the presence of the Customer. Once the machine has been delivered, the entire After Sales service is at the disposal of Customers for new offers (MP5.0), Technical Assistance (MP5.1), Spare Parts (MP5.2) and new/supplementary sizes (MP5.3).



The Quality Management System objectives are set down in the internal document “Marchesini Group Quality Manual”. This definition establishes Corporate indicators and Process indicators, their reference thresholds and associated monitoring. These indicators (System KPIs) are closely connected to Customer Satisfaction, as prescribed also in the Quality Policy document. The two main objectives to be pursued are Customer Satisfaction and Continuous Improvement.

5.12 INTERNATIONAL CONFORMITIES

COUNTRY	COMPLIANCE
 EUROPEAN UNION	Marking and Certification of Machines in accordance with the "EC" Machinery Directive. We always apply the CE mark to our machines, even outside the EU (even when not mandatory)
 CUSTOMS UNION (Russia, Belaruss, Kazakhstan, Armenia, Kyrgyzstan)	Marking and Certification of Machines in accordance with the "EAC" Technical Regulations
BRAZIL	Conformity and Certification in accordance with standard "NR12"
  USA CANADA	Conformity, Components and Certification of the Electrical Cabinet at MG. Certification of the installation on the customer's site
TURKEY	Electrical Equipment Certification
SAUDI ARABIA	Electrical Equipment Certification CoC Certification (ex - SASO)
MOROCCO	Electrical Equipment Certification VoC certification
IRAN / SYRIA / RUSSIA / CUBA / NORTH COREA	"Dual Use" Technical Classification

5.13 BEYOND CUSTOMER SATISFACTION: CUSTOMER INTIMACY

Since its beginnings, Marchesini Group has been a customer-centric company³⁰, so it not only offers its customers an excellent mix of products and services, it also supplies a positive pre- and post-sales experience.

The Group's marked propensity for creating highly customised technical solutions underscores another quality that makes MG a leader in its markets: customer intimacy³¹.

Customer intimacy is a prerogative of companies that work to a tailor-made formula, striving constantly to meet specific requirements of their customers, which typically tend not to eschew value optimisation in a single transaction but rather establish a relationship of trust with a supplier, who thus assumes more the status of a preferred partner.

This implies that, in order to increase customer satisfaction and the perception of the value received from Marchesini Group, in addition to regular monitoring of the main service indicators, i.e. efficiency, reliability and timeliness, other KPIs are monitored, shown by experience to be more significant in the evaluation of customer satisfaction. The KPIs in question are:

- ✕ single machines and lines delay index;
- ✕ single machines and lines non-quality costs index;
- ✕ after-sales global deliveries delay index;
- ✕ customer response times index for After-Sales requests;
- ✕ customer audit, complaints and customer claims management results;

This activity has been found to be essential and the attention devoted to general performance improvement is highlighted by the "after-sales non-quality³² costs" synthetic KPI, which stood at a satisfactory 1.05% of the cost of the shipped product in 2020, a percentage that reflects a further performance improvement versus 2019.

RICAVI	2016	2017	2018	2019	2020
% MACHINES NON-QUALITY	1,54%	1,06%	0,73%	0,68%	0,65%
% AFTER-SALES NON-QUALITY	3,82%	3,01%	3,00%	1,96%	1,05%

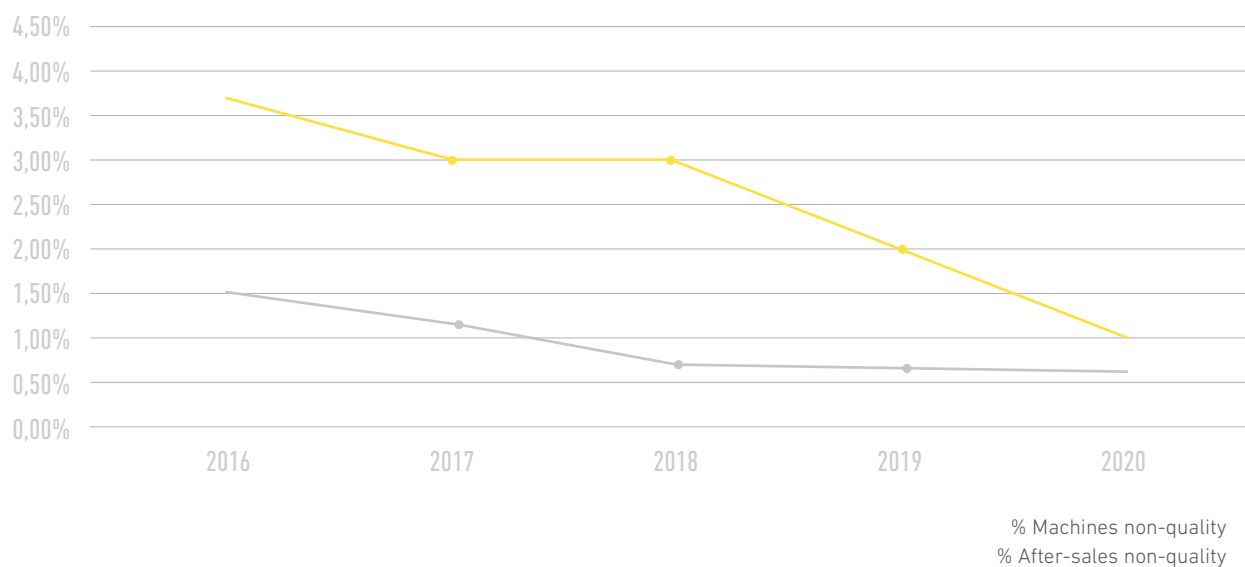
³⁰ Bonacchi, Massimiliano and Perego, Paolo, Pulling the Right Levers to Enable Customer Centricity: The Role of Organizational Architecture (May 1, 2015). Available at SSRN: <https://ssrn.com/abstract=2601461> or <http://dx.doi.org/10.2139/ssrn.2601461>

³¹ Treacy M., Wiersema F. (1997) The Discipline of Market Leaders: Choose Your Customers, Narrow Your Focus, Dominate Your Market, The New York Times Bestseller, Basic Books.

³² "Non-quality costs" are costs incurred by the Group to resolve any factors arising after sale that reduce the efficiency or functionality of the machines guaranteed to customers. The annual amount of such costs is correlated with total production costs.

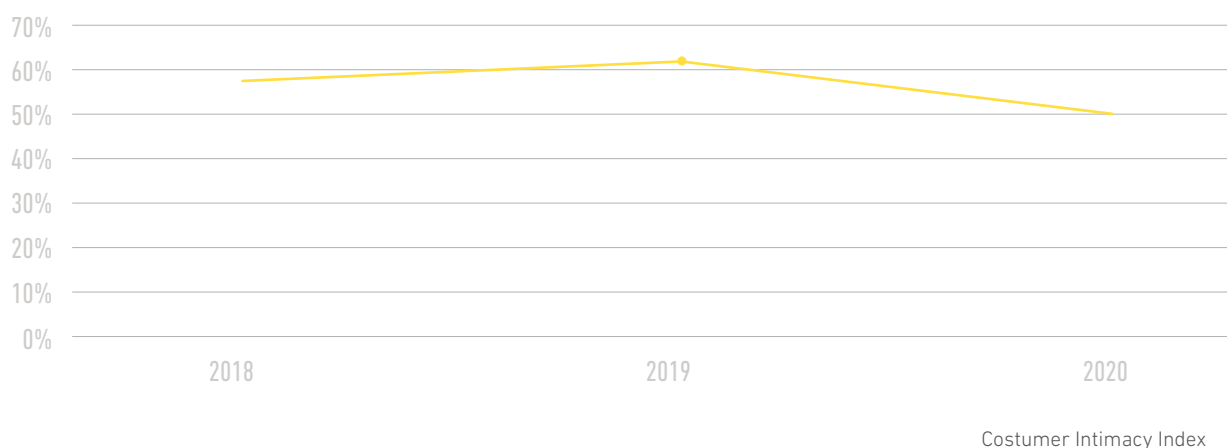
Trend

Machines and After-Sales “Non-Quality” index



With reference to Customer Intimacy, Marchesini Group measures this parameter with an index (Customer Intimacy Index) that considers the number of modifications (customisations, design adaptations) requested by the customer after releasing technical reserves and before the Factory Acceptance Test, correlating this number with the number of machines shipped in the year.

Customer Intimacy Index



The Customer Intimacy Index indicates that in the last three-year period, one machine every two on average was subject to further customisations requested by the customer, in addition to those agreed before the production launch.



INSPIRED BY THE
EXTRAORDINARY

6.0

**THE SUPPLY
CHAIN**





6.0 THE SUPPLY CHAIN

Marchesini Group adopts a responsible approach³³ for management of the entire procurement chain, from small local businesses to large multinational organisations, building relationships that extend beyond the sphere of mere sales transactions and promoting lasting and mutually beneficial collaboration with the most qualified partners who share the company's principles.

It is in the Group's interest to employ appraisal tools to check the fitness of vendors in view of the continuity of the business relationship; this attention is expressed both on the ethical level and in relation to matters linked to the quality and safety of products. For this reason, relationships with vendors are developed in complete transparency, based on the matters defined by the General terms of supply applied to all contracts, by any qualitative provisions, referenced directly in the orders and regarding activities that the vendor must perform to assure finished product quality, and by the Code of Ethics, which includes specific references to respect for human rights, environmental protection and workers health and safety.



Logistics has revolutionised in the first half of 2019, fifteen vertical warehouses optimised the precious space of Pianoro's Headquarters for the storage of mechanical components.



³³ 2019 saw the adoption of the Policy for procurement sustainability, see 2019 Sustainability Report, page 55.

There are approximately 600 main production suppliers with which Marchesini Group collaborates in the context of its business activities. In 2020, the Group recorded around €84 million for purchases of materials, commercial components, components made to specifications, and other categories related to manufacturing supplies. The geographical distribution of suppliers is however significant only for components made to specification, since it is not possible to establish precisely the place of production of “commercial” components and catalogue components.

With regard to components made to specifications, the value of purchases made in 2020 was around €82 million. The geographical distribution of the suppliers of such products, all strictly made in Italy, tends to be concentrated in the areas surrounding the production plants, with around 72% in the area around of the Headquarters. The Group’s decision to concentrate a large part of its supplies locally is not only due to the logistic benefits but also to the desire to contribute, directly and indirectly, to supporting social development of the area and the surrounding communities.



6.1 RAW MATERIALS

Consumption of raw materials in 2020 totalled approximately 260 tonnes, with an increase of 9% with respect to 2019, essentially due to the increased use of contract manufacturing for parts production compared to 2019.

As expected, consumption of plastic increased and an additional increase is forecast for 2021 because the first part of the new plastic processing plant is currently being installed in the Calderino factory.

However, it should be noted that on a historical basis consumption has never been linear and has always followed a fluctuating trajectory.

CONSUMPTION	2020	2019	2020/2019
Ferrous metals	258.956	237.546	9%
Non-ferrous metals	207.540	196.675	6%
Miscellaneous plastics	71.843	61.025	18%
Total	538.339	495.246	9%

Considering the average density of wood as 300 kg/m³ made it possible to calculate the kg of material consumed 2020 and 2019, comparing the values obtained as shown in the following table:

CONSUMPTION	2020	2019	2020/2019
Wooden packing materials	1.066.988	998.613	7%
Paper and cardboard packing materials	24.341	23.184	5%
PET film	4.104	5.589	-27%
Totale	1.095.433	1.027.386	7%

Consumption of machine packing crates fell due to the difficulties imposed by the pandemic, which led to delays in several deliveries. Conversely, consumption of pallets for the warehouse increased due to the implementation of an inverse logistics service with companies supplying machining operations to specifications. Pallets with collars were prepared for each supplier and used to deliver blank workpieces and collect finished parts. The inverse logistics service made it possible to reduce the consumption of pluriball (PET) by 27%.

Consumption of materials used in the prototyping department fell in 2020, mainly due to a change in the materials employed. The use of titanium and resin for 3D printing increased, while consumption of steel and ABS was lower³⁴.

Consumption of the two printer types is as follows:

CONSUMPTION	2020 (kg)	2019 (kg)	2020/2019 (kg)
ABS plastic for 3D printer	692.104,27	846.925	-18%
Metal for 3D printer	101,3	66	53%
Total	692.206	846.991	-18%

The Group has continued to promote the principles set down in the Code of Ethics in selecting suppliers, using the utmost diligence to check the origin of materials³⁵ and the processing methods used: as soon as a supplier enters into a relationship with the Group, in addition to the provisions of the Quality Manual and the technical specifications, it must also adopt the values in the Code of Ethics.

Despite the limitations due to the Covid-19 pandemic, 19 supplier site audits were carried out in 2020, with positive results.



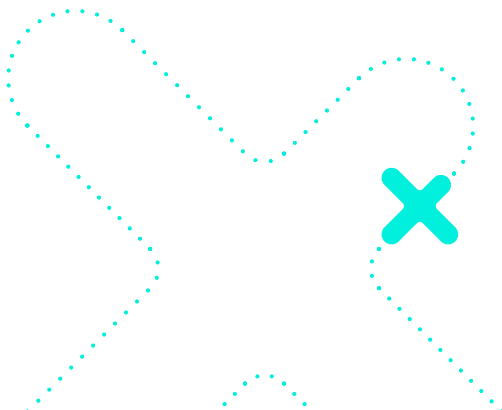
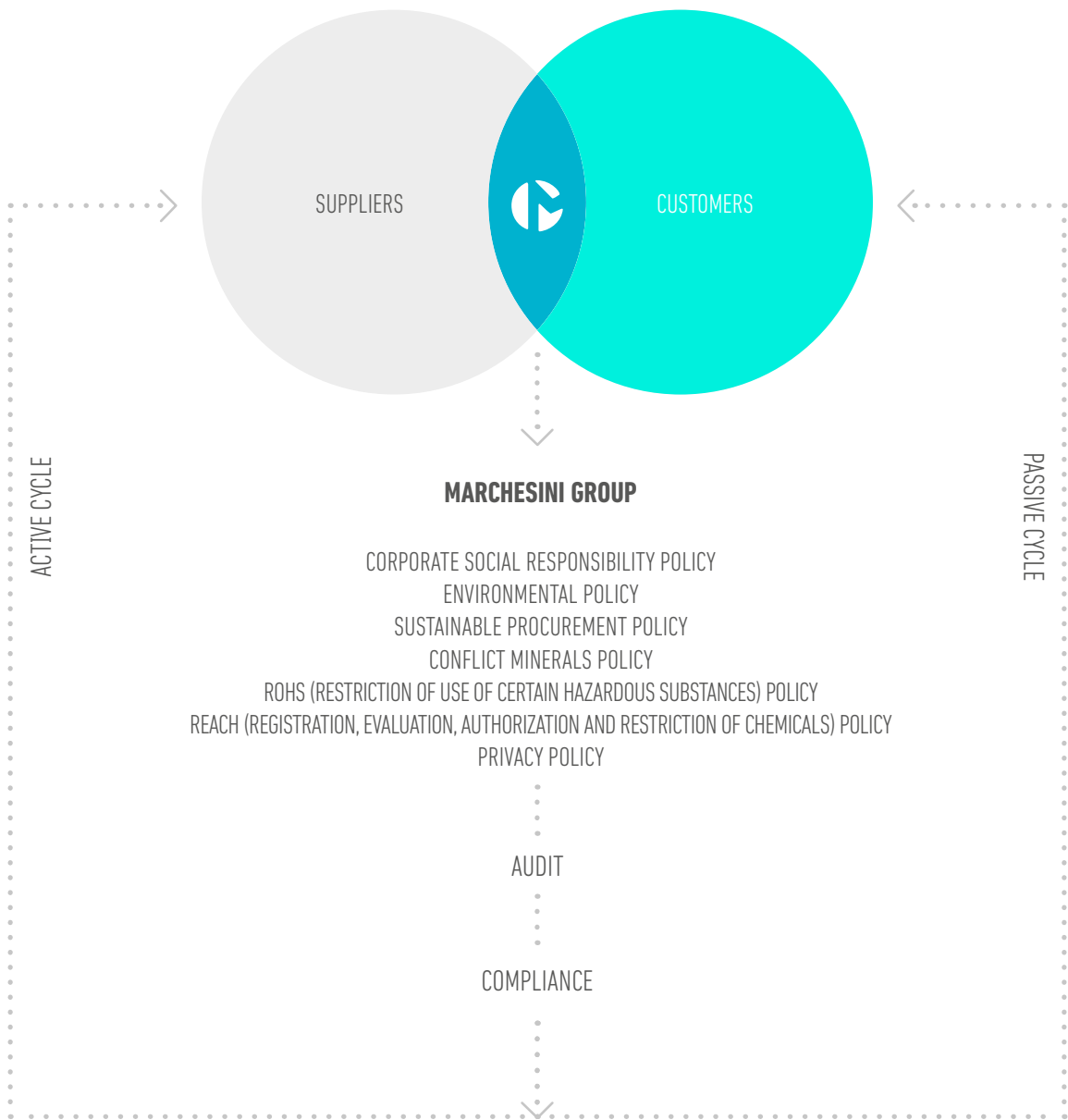
From the left, some component prototypes in various materials and 3D printers.

³⁴ ABS plastic density 1.03 g/cm³. ULTEM 9085 plastic density 1.34 g/cm³.

³⁵ On 1 January 2021 European Parliament and Council Regulation (EU) 2017/821 of 17 May 2017 will be enforced throughout the Union, establishing obligations in relation to the diligence requirements in the procurement chain for EU importers of tin, tantalum and tungsten, their minerals, and gold, deriving from conflict zones or high-risk zones. In line with the values expressed in its Code of Ethics, the Marchesini Group supports the opposition of violence, human rights violations, and environmental degradation caused by mining and sale of various minerals from the delimited geographic zone defined as "Conflict Region", which includes the Democratic Republic of the Congo (DRC) and bordering countries. Until the European Regulation comes into effect, the Marchesini Group has decided to act in compliance with US law concerning requirements in relation to the disclosure and publication of "conflict minerals" as indicated by the 2010 "Dodd-Frank Wall Street Reform and Consumer Protection Act". Manufacturers taking part in this initiative are subject to the requirement to disclose whether or not their products contain metals mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and bordering countries, where mineral mining may directly or indirectly finance human rights violations or benefit armed groups in the countries in question.

SUPPLIER ENGAGEMENT

- SUPPLIERS
- CUSTOMERS





7.0

ENVIRONMENTAL
RESPONSIBILITY

GRI 2016:

103-1 103-2 103-3 302-1 305-1
305-2 305-5 306-2 303-1

7.0 ENVIRONMENTAL RESPONSIBILITY

From the perspective of the Marchesini Group, environmental responsibility is expressed by means of an all-embracing approach aimed at preserving natural resources, attempting to avoid wastage, construed in the broadest possible sense, and offsetting it with recycling, responsible purchase and use of materials for a far reaching eco-compatible vision aimed at minimising environmental impacts connected to its business operations.

The company is therefore committed to the constant search for the most suitable solutions to guarantee responsible use of resources and a reduction of energy consumption through the ongoing improvement of its environmental performance, promoting the engagement and awareness raising of the entire management structure and workforce in a culture of shared responsibility, supplying the necessary resources and training.

First of all, the Group aims to guarantee respect of statutory environmental legislation in all matters concerning its internal operations. The Group also aims to collaborate with the Public Authorities and develop relationships of reciprocal trust with employees, customers, suppliers and, by monitoring environmental parameters, the organisation sets the ultimate goal of reducing all forms of pollution and environmental impact in line with its growth targets.

In particular, the organisation undertakes to:

- adopt all preventive approaches available to reduce pollution;
- optimise consumption of energy resources;
- use exclusively electricity generated from renewable resources;
- guarantee compliance with statutory legislation by the entire organisation;
- award priority to waste management companies committed to recovery/recycling;
- adopt the appropriate corrective/preventive actions whenever the need arises;
- disseminate a culture of sustainability and environmental respect throughout the entire organisation.

7.1 ENVIRONMENTAL MANAGEMENT IN THE MARCHESINI GROUP³⁶

In line with the Environmental Policy, the Group bases its strategic action on three pillars:

SAVING NATURAL RESOURCES

Producing better, consuming less energy and fewer resources, optimising management of environmental aspects (resources, water, waste, raw materials) to leave future generations with a less impoverished and more viable environment. The commitment assumed is to revise Marchesini products, redesigning and studying them to reduce their environmental impact in terms of longer duration, greater flexibility, energy saving, and enhanced recyclability of components.

REDUCING THE IMPACT OF PRODUCTION SYSTEMS

Marchesini Group has made a commitment to review and re-design processes and technologies that prevent and/or reduce environmental impact. This will be possible only by applying the best operating techniques and guaranteeing rational and efficient use of energy resources and raw materials.

LEGISLATIVE COMPLIANCE

Marchesini Group's undertaking to comply with environmental legislation constitutes a mandatory step and it is also an expression of the maturity reached by the production plants and the MG governance system, guaranteeing sustainable use of natural resources and waste management. Compliance with the applicable statutory legislation and the assessment and implementation of proactive projects on these topics is entrusted to the Environment and Safety Department.



The aerial view of January 2020 shows the recent enlargement of Pianoro's Headquarters including the Beauty Division and Dumek.



³⁶ The data shown in this section are referred to Marchesini Group S.p.A.

7.2 ENERGY

Virtuous behaviours are promoted throughout the Group aimed at reducing energy consumption linked to the daily requirements of employees for their work activities; in addition, investments have been ongoing on devices capable of reducing wastes, e.g. during shutdown periods (night-time, weekends, public holidays), and high energy efficiency plants, also in replacement of low efficiency legacy systems.

The electricity used by the Group is mainly linked to feeding production cycles in the plants and, to a lesser extent, to offices and services. Total electricity consumed in 2020 corresponds to around 1,838 Toe³⁷, up by around 1.4% with respect to 2019. The increase is mainly connected to the company's growth and the gradual decommissioning of gas fired heating systems in favour of heat pumps.

The undertaking to provide the most people-friendly workplace possible³⁸ with maintenance of microclimatic comfort conditions (heating and air conditioning) in all the Group's manufacturing plants and offices, accounts for around 50% of total energy consumption.

Total energy consumption in terms of toe (tonnes of oil equivalent) in 2020 was almost unchanged with respect to 2019 (+0.4%): the rise in electricity consumption due to the increase in production and employees and extension of factory space was offset by the reduced use of the fleet of company cars due to the pandemic.

Conversely, emissions in terms of equivalent tonnes of carbon dioxide were reduced overall to zero (see paragraph 7.5). This was possible thanks to the achievement of the goal of using exclusively electricity generated from renewable sources³⁹.

CONSUMPTION	TEP			tCO ₂ EQ		
	2020	2019	20/19	2020	2019	20/19
Direct energy	452	490	-7,7%	1.076	1.293	-17%
Gas for heating	296	280	6%	702	663	6%
Other heating fuels	0	1	-100%	0	2	-100%
Fuel for automotive use	156	209	-25%	374	628	-40%
Indirect energy	1.878	1.850	2%	0	0	0
Total electricity	1.838	1.812	1,4%	0	0	0
Electricity self-generated by photovoltaic systems	40	38	5%	0	0	0
Total	2.330	2.340	-0,4%	1.076	1.293	-17%

³⁷ Toe represents the quantity of energy released by the combustion of one ton of crude oil, equal to approximately 42 GJ. The value is established conventionally, given that different types of crude oil can have different calorific values with several different conventions being currently used.

³⁸ Marchesini Group Code of Ethics, page 26.

³⁹ The use of electricity completely from renewable sources is a significant objective whose achievement was possible thanks to the "green energy option" and guarantees of origin (G.O.). Guarantees of origin (Directive 2009/28/EC) are nominal European certificates that attest to the renewable origin of energy consumed. The certification is based on the injection into the grid of a quantity of renewable energy equivalent to the consumption of energy for which the Company requests certification. The guarantee of origin certificate (G.O.) is issued by Gestore dei Servizi Energetici (GSE). Each guarantee of origin certificate issued by GSE in relation to the energy injected to the grid, in compliance with Directive 2009/28/EC, has the value of 1 MWh.

7.3 WASTE

Higher efficiency in the use of materials in production processes translates into reduced costs, fewer waste materials sent to landfill, and less processing scrap, all resulting in beneficial effects on the environment.

For these reasons, the Group promotes responsible management of materials and waste, with special attention devoted to the treatment and disposal of hazardous wastes.

The Environment-Safety Department is responsible for guaranteeing compliance with statutory legislation concerning the management of storage, transport and disposal of hazardous and non-hazardous waste. In the context of ongoing improvement and efficiency upgrading of production systems, Marchesini Group maintained the proportion of waste consigned to landfill to below 10%, increasing the recovery proportion accordingly.

	2020 (t)	%	2019 (t)	%	Δ2020/2019
Waste forwarded for recovery	905	73%	911	72%	-1%
Waste forwarded for energy generation	167	13%	238	19%	-30%
Waste forwarded for disposal	167	13%	114	9%	46%
Total	1238	-	1263	-	-2%

Most of the Group's waste products comprise materials used for testing in the production cycle of automatic machines and consist of miscellaneous packaging, paper packages and pharmaceutical products (mainly placebos). In 2020 a significant increase was recorded in the "other waste" and "other demolition waste" captions due to waste originating from the Corima Division septic tank, scrapping of a forklift truck, disposal of previously stored panels and approximately 5 tonnes of demolition waste resulting from the Pianoro HQ extension project.

Conversely, waste fluids, exclusively from the part washing process and cold machining operations, are stored and then disposed of in compliance with statutory regulations. No waste fluids are released into drains or sewers.

In detail:

	2014	2015	2016	2017	2018	2019	2020
Non-hazardous waste (t)	864	703	748	753	907	967	1011
Hazardous waste (t)	221	217	252	191	231	296	227
Total (t)	1085	920	1000	944	1139	1263	1238

More specifically:

	2020 (t)	%	2019 (t)	%	Δ2020/2019
Packaging	515	42%	547	43%	-6%
Drugs	182	15%	240	19%	-24%
Metals	191	15%	212	17%	-10%
Raw materials processing department waste	192	16%	132	10%	46%
Emulsions	41	3%	44	3%	-8%
Water-based solutions	68	5%	63	5%	7%
WEEE	7	1%	15	1%	-52%
Other wastes	37	3%	8	1%	359%
Other demolition waste	5	0%	1	0%	393%
Total	1238	-	1263	-	-2%

Waste production by type

- 2019 (t)
- 2020 (t)

Other demolition waste

Other waste

WEEE

Water-based solutions

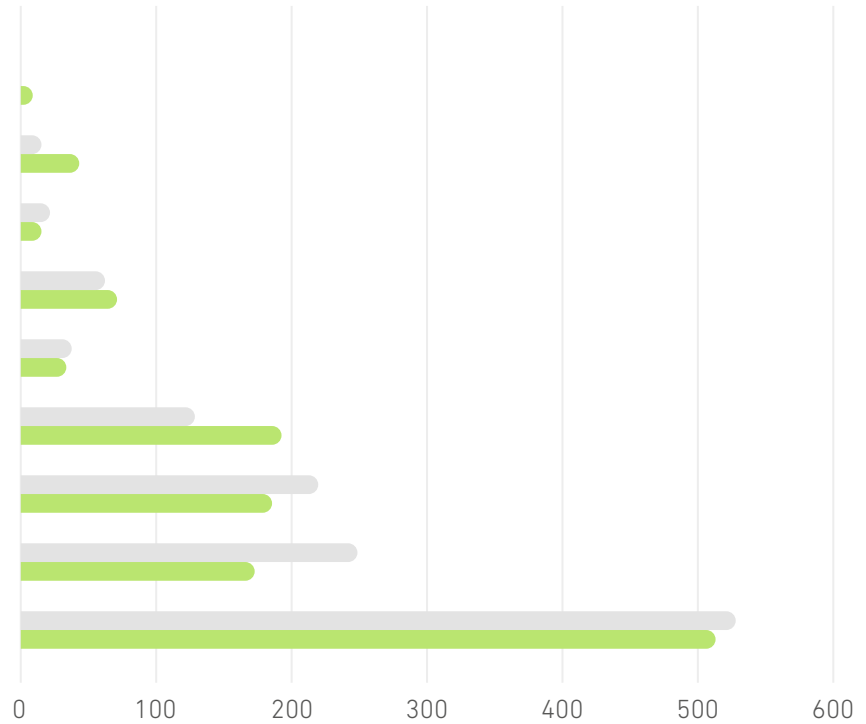
Emulsions

Processing departments waste

Metals

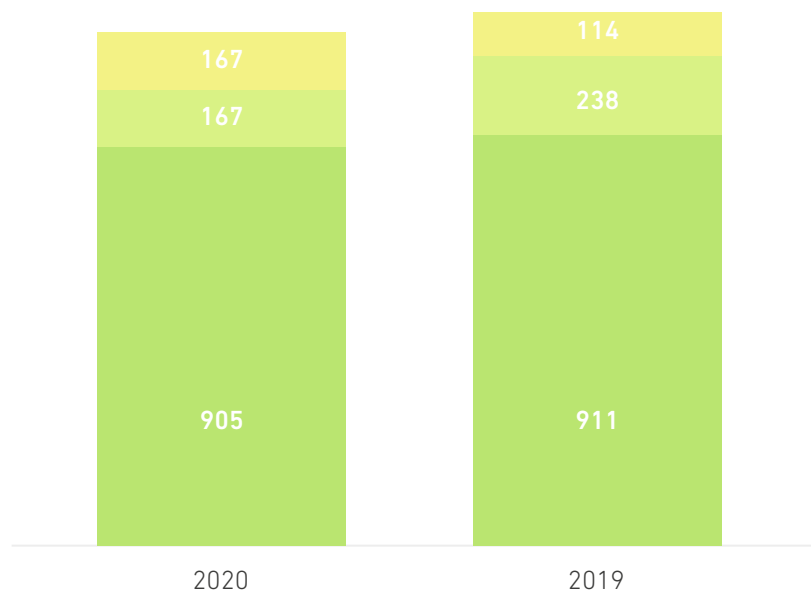
Drugs

Packages



Quantity of waste by final treatment

- Waste for reuse (t)
- Waste for waste-to-energy (t)
- Waste for disposal (t)



7.4 WATER



Even though it does not use large quantities of water in its production cycles, the Group is committed to developing strategies to improve responsible management of water in recognition of the importance of this precious resource for the well-being of the general population.

Water resources management is handled by the Maintenance, safety and environment department which, among many other activities, provides legal support for the implementation of relevant new standards and regulations.

Use of water resources is largely the result of normal consumption for domestic hot and cold water uses. With regard to production, water is mainly used for wash-downs during machine testing and commissioning procedures. To date, the water used in the production process is consigned to specialised recycling companies for disposal.

Water withdrawals in 2020 totalled 30,323 m³, with an increase of 17% compared to the 2019 value, due to the increase in the workforce and the surface area occupied by the Company.

	2020	2019	Δ2019/2018
Water withdrawal from the public water mains	30.323	25.982	17%



Water is the most precious good of our planet and we are committed to preserve it.

7.5 CARBON FOOTPRINT



The Product Carbon Footprint (PCF), expressed in tCO₂eq⁴⁰, considers total emissions of all phases of the product/service life “from cradle to grave” in relation to the Global Warming Potential⁴¹ of carbon dioxide (CO₂).

PCF value calculation starts from the constituent materials procurement and treatment phase, proceeding to consider material processing phases and article production, up to transport to the customer and even extending, when relevant, to cover product use and disposal.

The company carried out the study in order to:

- identify the significant aspects in terms of climate change effects of the factories included in the company perimeter in order to reduce and/or mitigate them;
- monitor variations in climate related impacts;
- the study considered all direct emissions (Scope 1) and indirect emissions (Scope 2)⁴² of greenhouse gases associated with the factories included in the scope of the study.

Data collection was carried out using the following methods:

- preparation of forms to collect the processed data divided according to the different Scopes;
- coordination and discussion meetings at the Pianoro headquarters (BO);
- requests for additional information and data by means of telephone contacts or emails.

With regard to the greenhouse gas emissions of an organisation, the GHG⁴³ Protocol classifies GHG emissions under three headings:

- scope 1: direct GHG emissions from owned or controlled sources;
- scope 2: indirect GHG emissions from the generation of purchased electricity or the portion of electricity self-produced and consumed;
- scope 3: all other indirect GHG emissions not within scopes 1 and 2.

Since the measurement of emissions in this latter category is currently not mandatory but rather at the discretion of the organisation, the survey was restricted to scopes 1 and 2, for which the activity data were established based on information in utility bills or company fleet fuelcards.

⁴⁰ tCO₂eq is a unit of measurement that allows combined weighing of different greenhouse gases with different climate change effects. For example, one ton of natural gas, which has a global warming potential (see note 23) 21 times greater than that of CO₂, is recognised as 21 tons of equivalent CO₂. This makes it possible to compare different gases when considering their contribution to the greenhouse effect.

⁴¹ The Global Warming Potential (GWP) expresses the contribution to the greenhouse effect of a greenhouse gas in relation to the effect of CO₂, the reference potential of which is equal to 1. Each GWP value is calculated for a specific time interval (generally 20, 100 or 500 years).

⁴² Greenhouse Gas Protocol.

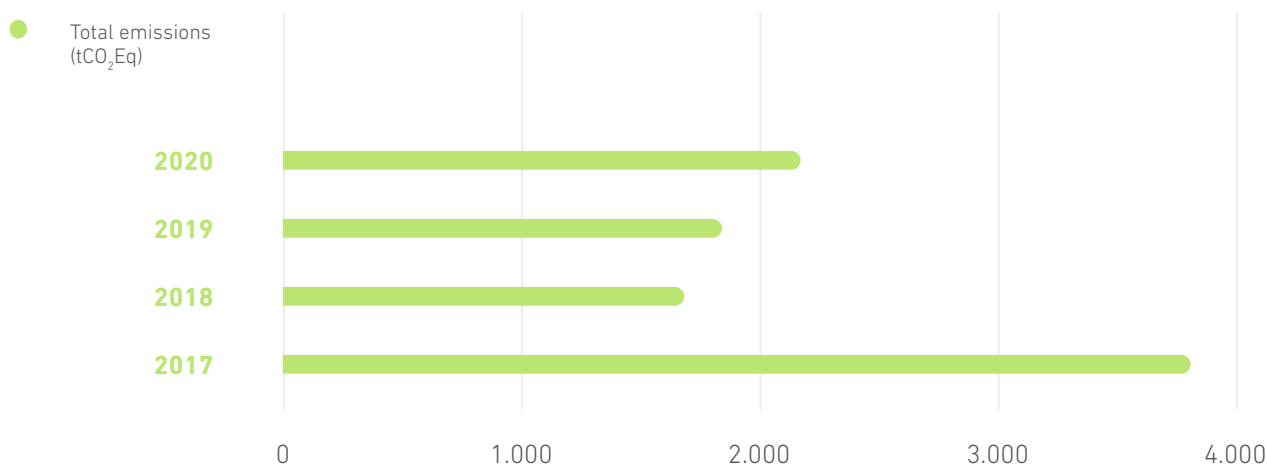
⁴³ GHG (Greenhouse Gases) are gases responsible for creating the greenhouse effect.

2020 was accompanied by a 25% overall increase in emissions due to the leakage of refrigerant gas caused by the failure of several air conditioning systems.

On the other hand, emissions due to electricity generation continue to be reduced to zero due to the exclusive use of electricity from renewable sources also in 2020.

		2017	2018	2019	2020
EMISSION FACTORS		tCO ₂ EQ	tCO ₂ EQ	tCO ₂ EQ	tCO ₂ EQ
SCOPE 1	Direct emissions for operation of plants and machinery				
	Heating, other fuels	2	1	2	0
	Company cars	391	464	678	510
	Refrigerants	101	437	328	874
	Heating, natural gas	664	674	663	702
Total Scope 1		1.158	1.575	1.671	2.086
SCOPE 2	Indirect emissions from energy consumption				
	Electricity	2.502	0	0	0
Total Scope 2		2.502	0	0	0
Total emissions		3.660	1.575	1.671	2.086

Total emissions (tCO₂Eq)



The Marchesini Group's sensitivity in relation to the reduction of its carbon footprint also concerns the purchase of consumables and products such as gadgets for employees and customers. Starting from the assumption that the emission of greenhouse gases and production of wastes linked to daily hydration is a frequently underestimated parameter, especially for a community of almost 2000 individuals, action to minimise the corporate carbon footprint was taken directly on the simplest of daily practices by supplying each member of staff with an aluminium drinking flask.

24BOTTLES



RAW MATERIAL AND
PRODUCTION
+ 0,459 Kg CO₂



PACKAGING
+ 0,043 Kg CO₂



TRANSPORT
+ 0,04 Kg CO₂

**24BOTTLES
CARBON FOOTPRINT**
+ 0,543 Kg CO₂



24Bottles is carbon neutral.

All CO₂ emissions originating from production, packaging and transport of each single 24Bottles are offset by means of **international reforestation projects.**

Moreover, thanks to the use on its sites of hand towels made from recycled Tetra Pak⁴⁴ packaging material, in 2020 Marchesini Group avoided atmospheric emissions of around 10.5 tCO₂eq.

CERTIFICATE OF ENVIRONMENTAL SAVING

Considering the quantities of products ordered in 2020, Marchesini Group helps to:



RECOVER 404 477
Tetra Pak* beverage cartons (1 litre capacity)



SAVE 203 TREES
of medium size**



AVOID EMISSION
into the atmosphere of 10,579.5 kg of CO₂e***

⁴⁴ Tetra Pak packaging material is composed of a layer of paper with plastic film on the outside and aluminium on the inside. The paper portion is made from wood and cellulose and is bonded to the aluminium layer and to a thin film of polyethylene by means of a heat process without the use of adhesives. This final layer makes the carton impermeable and suitable for preserving food products.

7.6 RINOVA: MARCHESINI GROUP'S RESPONSE TO THE CIRCULAR ECONOMY

The sense of responsibility towards the environment, combined with the desire to offer customers an affordable product with the same quality and reliability levels as new products, is certified by the third year of activity of Rinova S.r.l., the Group company set up to refurbish used original Marchesini Group machines and lines.

Starting from a used original component, subjected to a process of dismantling, cleaning, regeneration, refitting and final testing⁴⁵, the Group can bring new life to previously used machines, resulting in multiple benefits for customers. In terms of savings, prices are reduced by as much as 50% compared to a new component and, as for the other components, also regenerated replacement parts are covered by a 100% warranty and offer the same quality and reliability specifications. The recovery of previously used components is also a gesture of respect and awareness for our environment because it leads to savings in energy consumption and reduction of waste.

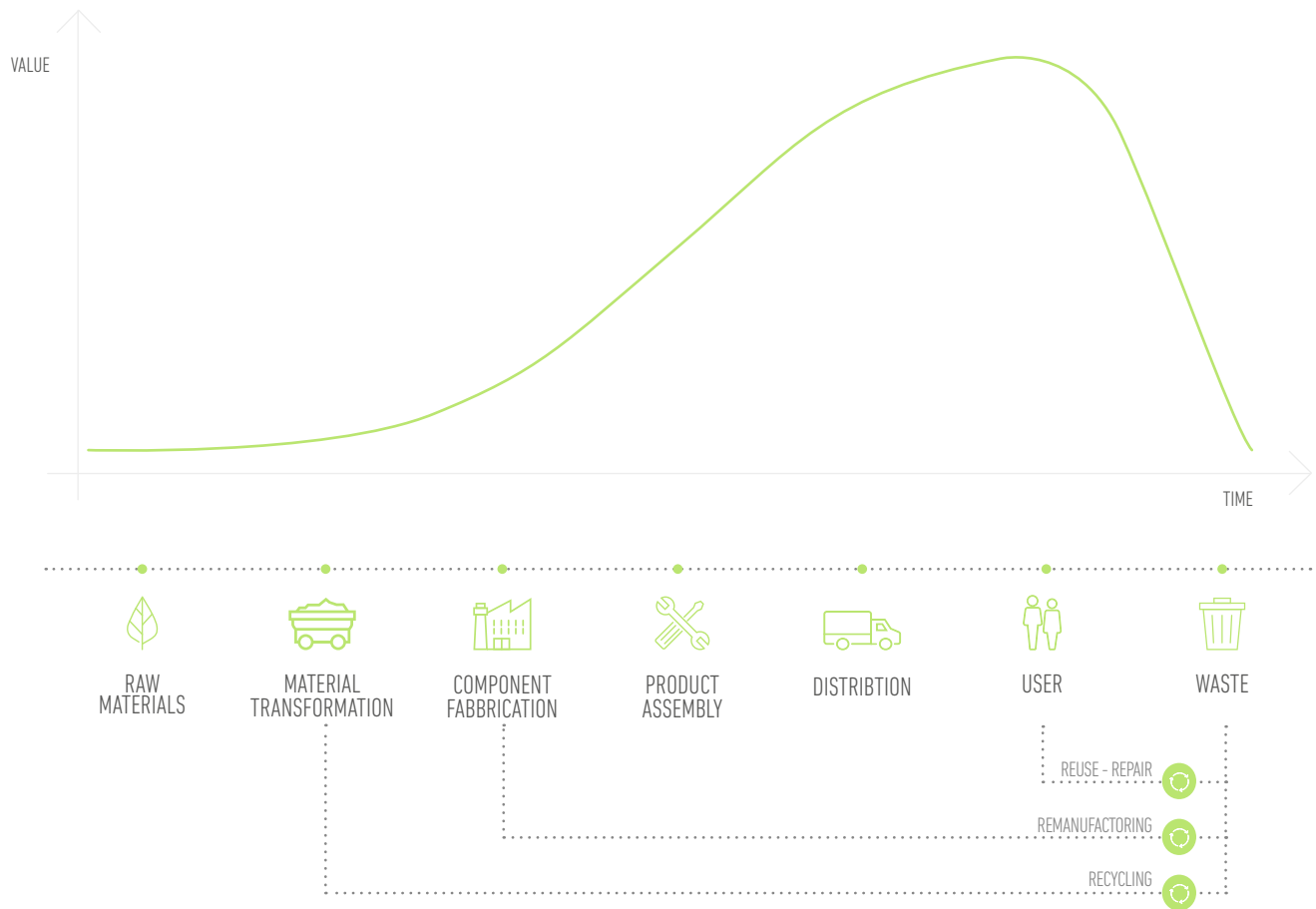
Remanufacturing is therefore not just a new production paradigm, but also a new business model based on the "second life" of materials, which can potentially make the production of assets more advantageous in economic and environmental terms.

The practice of remanufacturing involves disassembly of the used product and restoration by replacing components in order to preserve the original design specifications; for the consumer the resulting product must be considered on a par with a new machine.

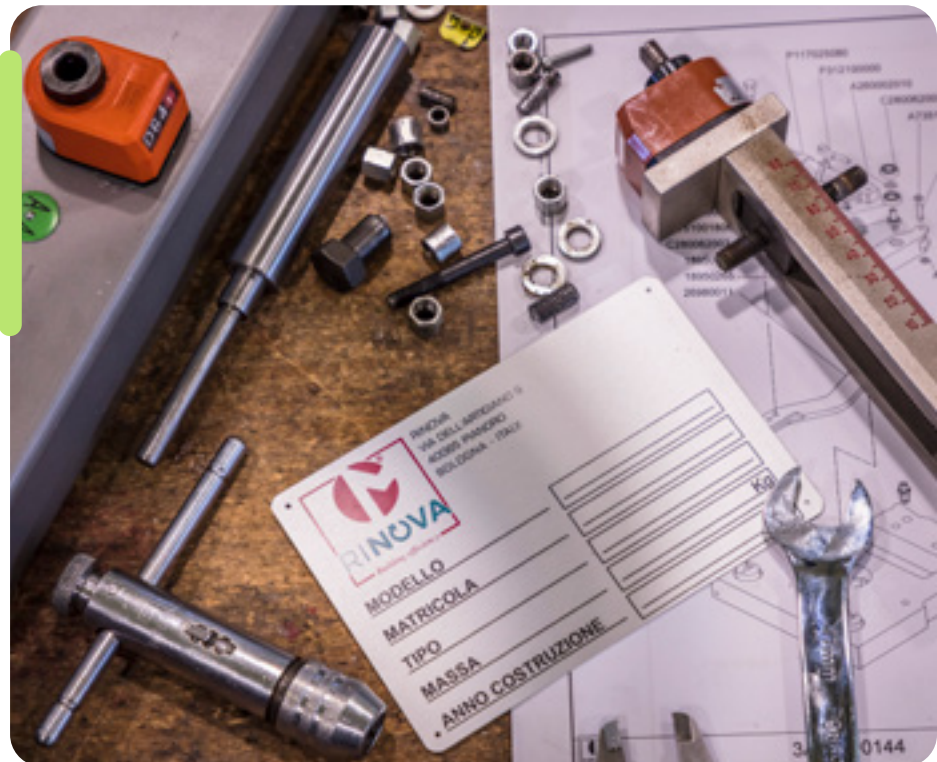
In remanufacturing, the original added value of the raw materials used for the first version of the product, is regenerated.

Remanufacturing is defined by three main factors; firstly, the useful life of products is extended thanks to maintenance, regeneration, repair, and upgrading processes. Secondly, these products can be easily disassembled in order to replace or refurbish components as required, and to protect the recyclability and reusability of the materials. Finally, the value added, in terms of manufacturer, energy, and materials, can be completely recovered.

⁴⁵ If machines subject to the regeneration process lack the necessary certification, they can also be made code compliant during the refurbishing process.



RINOVA S.r.l., founded in 2018, is the brand of the Group specialised in reconditioning and selling of used Marchesini Group machines.





INSPIRED BY THE
EXTRAORDINARY

8.0

SOCIAL
RESPONSIBILITY

GRI 2016:

102-8 102-13 103-1 103-2
103-3 401-1 404-3 412-2 403-2

8.0 SOCIAL RESPONSIBILITY

Marchesini Group is committed to looking after its people, facilitating their personal and professional development, creating initiatives to grow skills, know-how and competences. All individuals must be guaranteed equal opportunities in terms of training and career advancement, in line with criteria of merit and the results achieved.

We believe in the force of collaboration between people; that is why we promote effective collaboration based on shared values, objectives and methods and supported by passion for the job. Relations between people must be characterised by constant and reciprocal exchanges of ideas in relation to work duties and behaviours, with the aim of consolidating a culture of feedback.

Appraisal of the performance of each individual must consider not only the milestones reached but also how results are achieved, rewarding integrity, honesty, passion, dynamism, enthusiasm and innovative thinking.



Constant coaching: these are the keywords for the insertion and training of human resources.



8.1 OUR PEOPLE: OUR SUCCESS

At 31/12/2020 Marchesini Group⁴⁶ had a workforce of 2,045 (+ 9.7%⁴⁷ compared to 2019), human capital represented by STEM profile workers in the measure of 80%⁴⁸.

The workforce reflects a level of generational diversity that facilitates the exchange of experience and skill sets, with:

- 90% employed in factories in Italy;
- 65% between 19 and 45 years of age;
- women totalling 17%, + 0.5% versus 2019, in line with average rates in the sector;
- 99% of staff are on open-ended contracts;
- 64%⁴⁹ with a high school diploma;
- 22%⁴⁹ university graduates.

The employment contract applied is the National collective agreement of 5 February 2021 for workers in the mechanical engineering and plant installation industry.

The skills and know-how of Marchesini people are a legacy to be grown, promoted, and passed down to the new generations. That's why the company promotes new modes of exchange and cross-contamination inside the Group and towards the exterior, to forge ties between institutions, universities, business schools, state schools and the job market, attracting talent and supporting orientation of young people towards STEM disciplines.

Promoting STEM activities is a key investment for Marchesini Group in relation to the goal of meeting the growing demand for skills and qualified personnel for the business sector, while creating positive fall-out for all high technological intensity sectors.

The attention devoted to people is also expressed by means of employee welfare support projects⁵⁰ and social and cultural initiatives⁵¹ which strengthen the Marchesini Group's presence and dialogue in the local area and consolidate its industrial vocation and historic legacy.

⁴⁶ Marchesini Group S.p.A. and subsidiaries, see the chart on page. 42

⁴⁷ Increase resulting from new recruits and new company acquisitions. Considered under current conditions, new recruits increased by 6% compared to 2019.⁴⁶ Marchesini Group S.p.A. and subsidiaries, see the chart on page

⁴⁸ STEM, Science, Technology, Engineering and Mathematics, refers to science and technology disciplines and the associated educational courses.

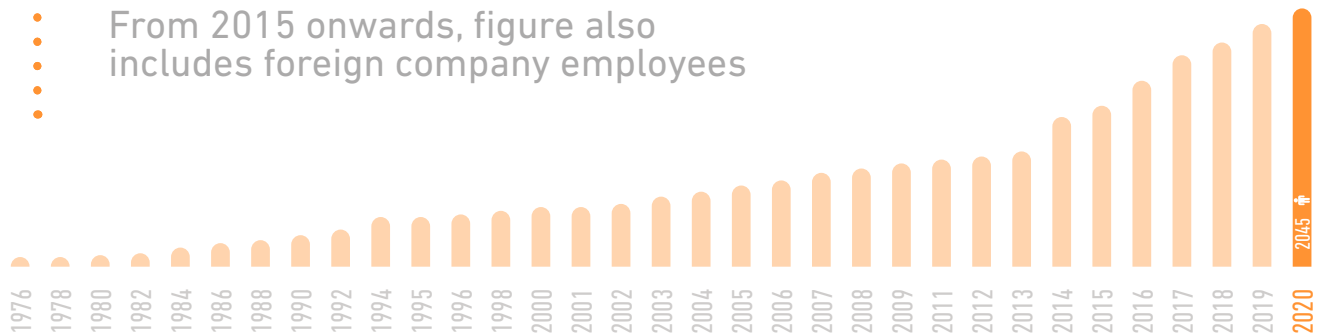
⁴⁹ Data referred to MARCHESINI GROUP S.P.A., C.B.S. S.R.L., C.B.S. 3DESIGN S.R.L., DUMEK S.R.L., RINOVA S.R.L., SCHMUCKER S.R.L. (including Gopack D.O.O.), TECNOTRATTAMENTI S.R.L. and TECNOVERNICI S.R.L.

⁵⁰ See page 107

⁵¹ See page 113

8.2 WORKFORCE AND ORGANISATIONAL STRUCTURE⁵²

From 2015 onwards, figure also
includes foreign company employees



2020	Men	Women	Total
MARCHESINI GROUP spa	1150	220	1370
C.B.S s.r.l.	47	4	51
C.B.S 3DESIGN s.r.l.	3	-	3
DUMEK s.r.l.	9	4	13
RINOVA s.r.l.	20	4	24
SCHMUCKER s.r.l. (*)	73	12	85
TECNOTRATTAMENTI s.r.l.	24	3	27
TECNOVERNICI s.r.l.	5	1	6
AUTECO SISTEMI s.r.l.	14	6	20
AXOMATIC s.r.l.	37	4	41
C.M.P. PHAR.MA s.r.l.	34	5	39
C.N.C. s.r.l.	42	1	43
COSMATICS s.r.l.	8	3	11
CREINOX s.r.l.	13	1	14
OMAC s.r.l.	40	4	44
P.M.M. s.r.l.	8	1	9
STUDIOPACK s.r.l.	9	2	11
V2 ENGINEERING s.r.l.	25	6	31

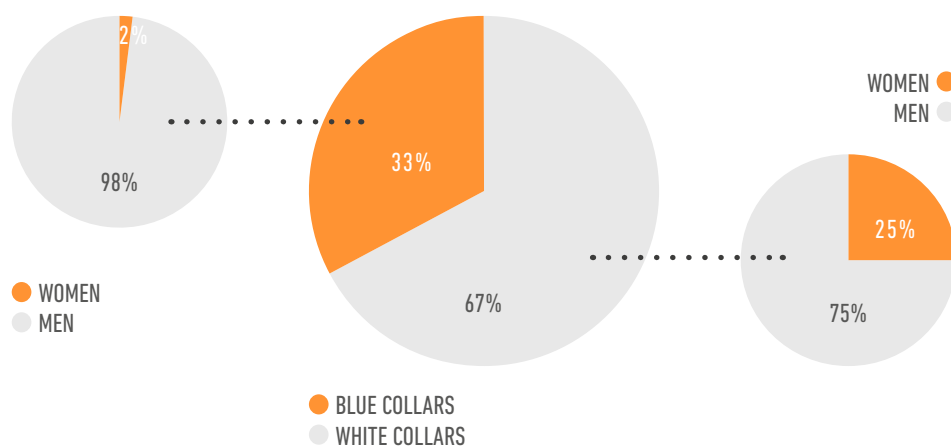
⁵² Unless otherwise indicated, the data shown below are referred exclusively to Marchesini Group S.p.A. and its Italian and foreign subsidiaries.

* Including subsidiary Gopack d.o.o.

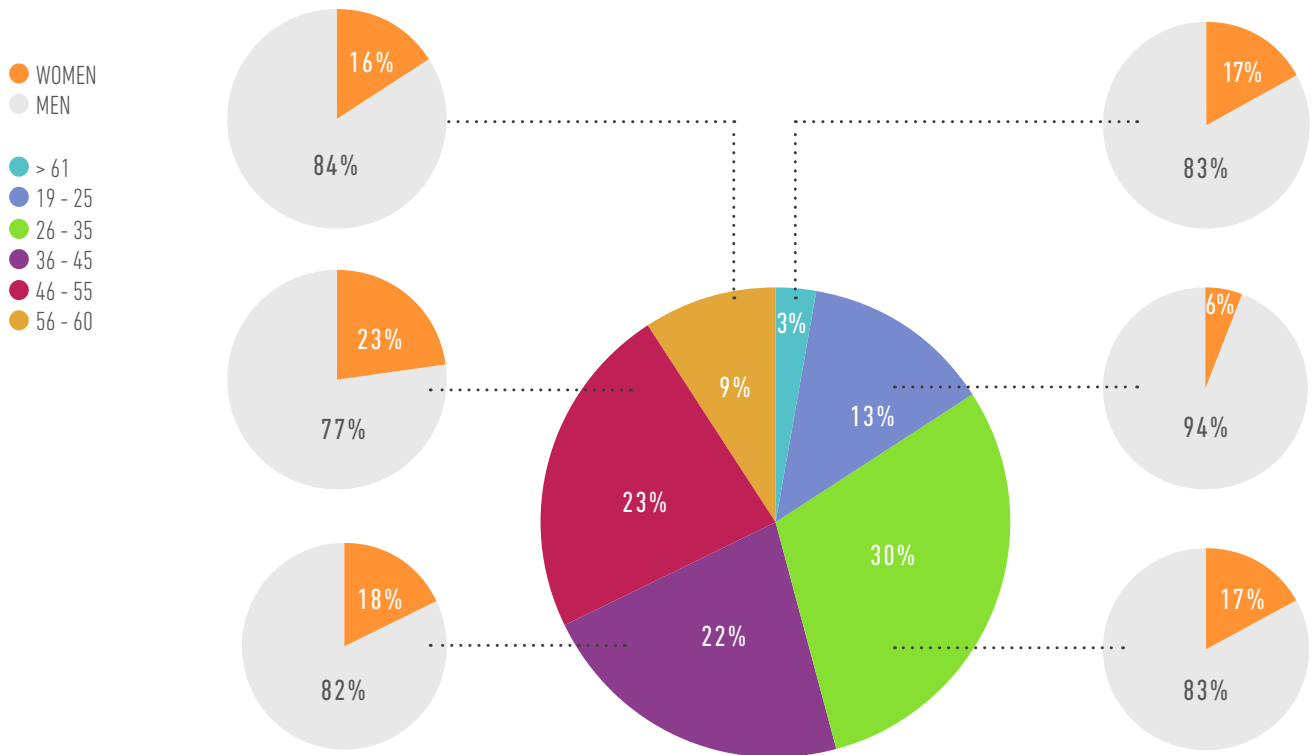
TMG Marchesini UK LTD	16	5	21
Marchesini France S.A.S	18	9	27
Marchesini Group Scandinavia AB	3	1	4
Marchesini Group Benelux S.A.	3	2	5
Marchesini Verpackungsmaschinen Gmbh	20	6	26
Marchesini Group USA, Inc	20	5	25
Marchesini MECA SA	2	1	3
Marchesini Group India PVT Ltd	3	-	3
Marchesini Group (Shanghai) Trading Co.Ltd.	9	3	12
LLc "Marchesini Group Rus"	8	7	15
"Marchesini Group Ukraine" L.L.C.	1	4	5
Marchesini Packaging Mexico SA De CV	7	3	10
"Marchesini Group Polska Sp. Z o.o.	5	3	8
Marchesini Group Iberica SL	27	12	39
TOTAL	1703	342	2045

* Included the control Gopack d.o.o.

Breakdown by gender and age group:

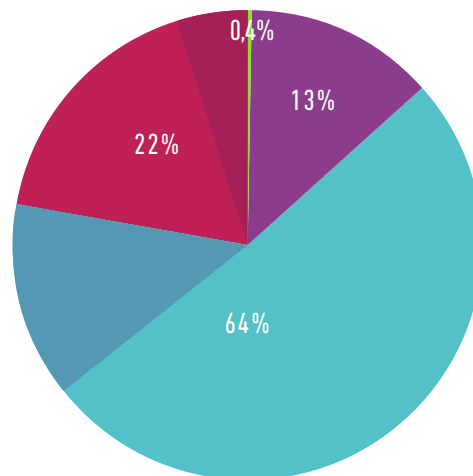


8.2.1 BY AGE GROUP

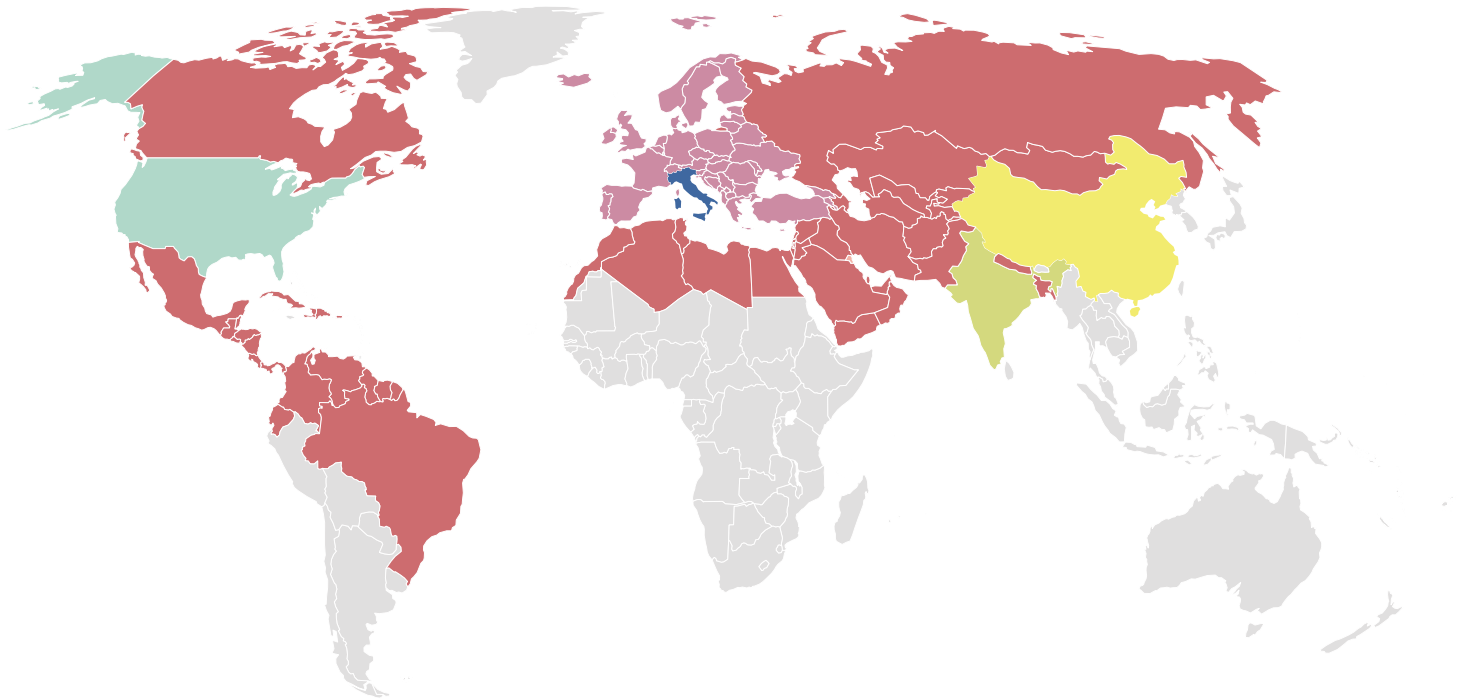


8.2.2 BY EDUCATIONAL QUALIFICATION

- ELEMENTARY SCHOOL CERTIFICATE
 ● MIDDLE SCHOOL CERTIFICATE
 ● SCHOOL LEAVING CERTIFICATE
 (80% IN STEM SUBJECTS)
 ● DEGREE
 (80% IN STEM SUBJECTS)



8.2.3 BY GEOGRAPHICAL AREA AND MARCHESINI FACTORIES



	2020	2019	Δ%2020/2019
Italy	1.842	1.686	9%
Europe	150	139	8%
USA	25	23	9%
China	12	13	-8%
India	3	3	0%
Rest of the world	13	9	44%
	2.045	1.873	9%

Distribution of Marchesini Group S.p.A. employees by site:

	2020	2019	Δ%2020/2019
Marchesini Group Pianoro (BO)	773	737	5%
Marchesini Group Calderino (BO)	30	29	3%
Marchesini Group Imola (BO)	9	8	13%
Marchesini Group Carpi (MO)	135	130	4%
Marchesini Group Cerro Maggiore (MI)	58	56	4%
Marchesini Group Latina (LT)	45	40	13%
Monteriggioni (SI)	130	123	6%
Barberino del Mugello (FI)	189	192	-2%
	1.369	1.315	4%

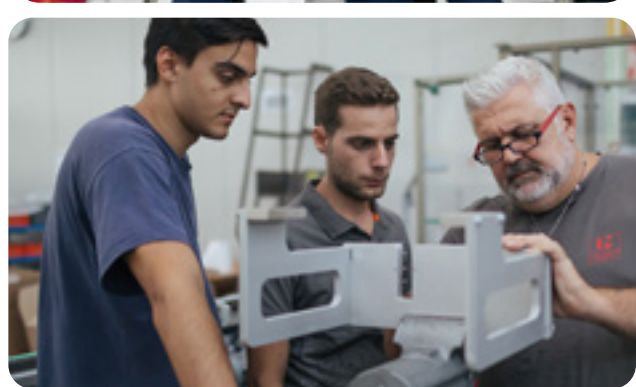
8.3 INVESTING IN PEOPLE



The Group's personnel are encouraged to grow professionally, assisted by resource management processes, incentives, and motivation building.

This is the background to the continuing initiatives in the areas of:

- ✕ **Talent acquisition:** to identify potential recruits among school-leavers and graduates;
- ✕ **Training and development:** management and professional development activities;
- ✕ **Performance management:** personnel performance appraisal programme based on careful reasoning and contextualisation of results achieved.



Working in team is one of the most required skills by our recruiters.

8.3.1 TALENT ACQUISITION

“ All too often, we are unable to find the professional skill sets we need. Young people are reluctant to choose technical education programmes, and we need specialised technicians and engineers with a good knowledge of English. This topic has been addressed repeatedly, and the company has carried out several targeted initiatives on its own account over the years. We are seeking school-leavers from technical colleges and graduates with degrees in mechanical engineering, electronics and automation⁵³. ”

As in the specialised mechanical engineering sector, finding suitable human resources for integration in an organisation like Marchesini Group remains a critical aspect from the strategic perspective. This situation is hard to resolve in Italy⁵⁴ because it is mainly due to the business-education gap and the idiosyncrasies of the Italian education and training system.

Marchesini Group has therefore defined its talent acquisition strategy with the aim of moving beyond the concept of mere recruiting, which compares to talent acquisition as do tactics (short-term actions) to strategy (long perspective planning)⁵⁵. Recruiting is a talent acquisition subset and it includes sourcing, curricula screening, interviews, assessments, selection and hiring and, in companies like those of Marchesini Group, also initial onboarding activities. Talent acquisition cannot occur without the recruiting stage, but recruiting can be carried out without a defined talent acquisition strategy.

Talent acquisition implies a more efficient candidate-centred process that is easier to manage in relative terms (once the process has been set up and launched). The process is cyclic rather than linear: instead of being simply aimed at filling a temporary need for staff, it looks ahead and seeks to lay the foundations to ensure that similar positions can always be filled in the future, and Marchesini Group intends to improve it constantly in order to strengthen all areas of the company, relying on the skills of the more experienced men and women in the team, combined with the enthusiasm of people at the beginning of their career.

The key strategies implemented by the Group to attract and select talent include many activities carried out in liaison with Italian Universities.

Marchesini Group has traditionally cultivated solid relations with the local technical institutes in its operating areas, in order to select the best candidates, keen to embark on a professional career starting from the school-leaving stage. In this context, specific recruiting activities are carried out with the aim of meeting young people about to sit their diploma examinations and invite them to attend a recruitment open day at the company, tailored to reflect the types of professional profiles being sought.

In 2020, Marchesini Group took part in 9 Career Day events organised at the most important universities in Italy. These initiatives are promoted by the institutions to facilitate direct and “informed contact” with key players in the manufacturing and business world. Thanks to this activity the recruitment department was able to vet the curricula of some 733 candidates. Of these, 113 were deemed to be suitable for further investigation and 13 candidates (7.7% of suitable applicants) were hired.

⁵³ Bologna Today, the Russian Sputnik V vaccine, produced on Marchesini machines in Saint Petersburg, interview with Valentina Marchesini, 26 January 2021.

⁵⁴ Rusconi G., Colmare lo skill gap per sostenere lo sviluppo: università e imprese a braccetto (bridging the skill gap to support development: universities and companies hand in hand), Il Sole24Ore 13 July 2020.

⁵⁵ Baid, P and Rao, A.R. (2006) Employer Branding, Concepts and Cases, ICFAI University Press, Hyderabad.

8.3.2 TRAINING & DEVELOPMENT

- Marchesini Group recognises that placing people at the centre allows them to understand the attention focused on their professional project, guaranteeing motivation and self-engagement, synonyms for awareness and responsibility.

The corporate culture concerning the people who work with the company in various capacities supports the “person centric” concept based on the conviction that personal development is decisive for success of the Group and also as a motivational instrument.

The fundamental role of the HR Management team is to align the operating model, processes, and skills of personnel with the strategies delineated by the company. Focus and attention are directed towards the person, talent, empowerment, loyalty, pathways for personal growth, and the acquisition of new skills, in a life-long learning scenario.

All corporate strategies adopted by the Marchesini Group are inextricably linked with a People Strategy that considers the need to align the organisation with a vision/mission to improve the corporate climate and identify training needs. In this sense, measuring the potential of key figures in the company is the first step towards identifying the skills that are lacking in relation to the role and recognising/rewarding talent.

Creating value and seeking a competitive advantage is possible only thanks to the combination of human, organisational, and physical capital, but to retain this positive difference requires the ability to interpret and anticipate market requirements, planning actions and defining change management strategies. The people in charge of human resources therefore become strategic partners⁵⁶ of top management for their responsibility in defining and developing human capital.

Investing in staff career development⁵⁷ has several advantages:

- ✗ It taps into unexpressed potential: career interviews often produce unexpected results in relation to concealed ambitions and talents. Due to past market situations and high levels of unemployment, many people find themselves working in roles that are beneath their potential
- ✗ It helps the company to prepare skills for the future: in an increasingly uncertain and volatile situation, with new competitors emerging suddenly and technologies that are developing ever faster, the capacity to react fast changes on the market guarantees greater resilience and enhanced adaptability of projects in relation to strategy shifts.
- ✗ It attracts new talent: a company that invests in the development of its staff and has a positive approach to career development will readily attract Millennials, who are among of the best and brightest recruits.
- ✗ It aids engagement and commitment: the best way to retain talent and secure the constant commitment of personnel is the ability to create valid opportunities for career development in a positive atmosphere. If staff understand that the company is genuinely interested in people development, they feel more engaged, recognised, enthusiastic, and part of the team, and are more willing to go the extra mile whenever necessary.
- ✗ It favours promotions and placing the right people in the right positions: investing in the development of personnel with regard to their empowerment and improvement helps to promote internal growth of personnel who can occupy positions of ever greater responsibility.

⁵⁶ Liker J., Convis G. (2015), Toyota ay per la lean leadership. Raggiungere e mantenere l'eccellenza in azienda, Ed. Hoepli.

⁵⁷ Maxwell J. C. (2016), I 5 livelli della leadership. Massimizza le tue potenzialità per scalare la piramide del successo, Ed. Gribaudo.

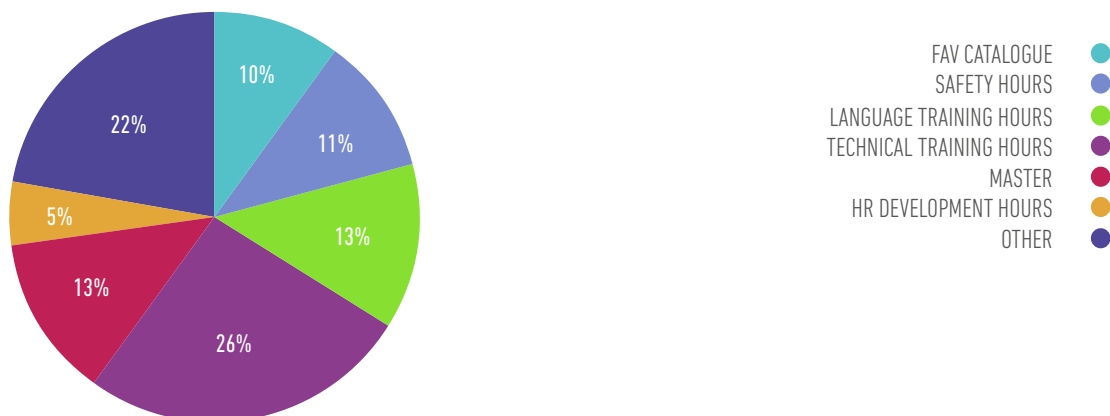
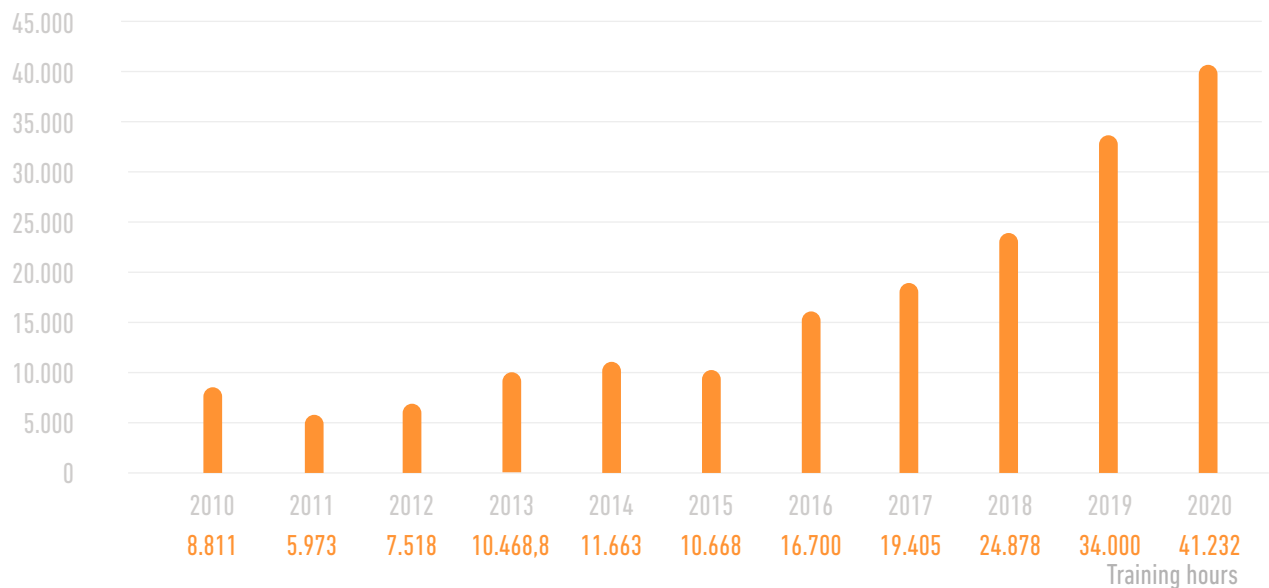
In Marchesini Group, this process is managed in five stages:

- Analysis of training requirements;
- Planning of the training program, with special attention paid to the financial budget and definition of time frames;
- Management of courses/pathways;
- Assessment of results obtained, analysis of “new” behaviours and “new” services;
- Development of strategic operational opportunities.

Training of our people guarantees continuous innovations, reliability and quality of the products and services in the Group's offering, and it is structured in order to provide a wide-ranging and inclusive offering, oriented towards involving professional roles at all levels.

This philosophy is rooted in the Groups' conviction that solid and continuous growth through time can be achieved only by making targeted investments in developing and refining the skills of its workforce.

In 2020 the Group supplied more than 41,232 training hours to its employees, + 21% compared to 2019, confirming an upward trend.



MORE THAN 70% OF THE TRAINING WAS CARRIED OUT VIA DISTANCE LEARNING

8.3.2.1 TALENT GARAGE

- Training in Marchesini Group is construed as an opportunity for development of new actions to provide the company with the possibility of innovating and reinventing itself continuously.

In 2020 Marchesini Group launched the “Talent Garage” project, effectively inaugurating its new Academy. The initiative – the most significant Group investment aimed at research and training of youth talent in the Bologna area and nationwide – has already produced a series of structures, initiatives and agreements with schools and universities aimed at creating ad hoc training pathways for existing and future personnel.

A new structure therefore, designed from the ground up as a talent lab. A place where skills are absorbed by working alongside the most highly skilled staff in the organisation. A continuous training workshop, intended not just for talented young people but rather for the entire company population, forming part of an exceptional project of discovery and personal qualification.



TALENT GARAGE is:

- onboarding training of new recruits and upskilling of personnel during their career;
- creation of advanced training courses for specific company roles, in the classroom and on the job, in order to hone professional skills;
- identification of new talent to be recruited to the Company in response to changing market demands;
- consolidation of relations with schools and universities;
- partnership with the best training centres to guarantee a catalogue of top-quality courses.

The course catalogue, with more than twenty-five qualifications at the disposal of personnel, arises from the ten-year partnership with Fondazione Aldini Valeriani, historically specialised in technical training of the Bolognese Packaging Valley. The key factor is that of attention to strengthening the incoming skills of young technicians and engineers, without disregarding soft skills in a world where speed and precision of communication is of critical importance. Much space has been devoted to strengthening resilience, with tips and useful advice for stress management and mindfulness, in addition to the normal focus on management skills.

In parallel with the catalogue, specific tailor-made courses are organised, dedicated to single departments or roles that are needful of more in-depth input in relation to specific theoretical skills.

The activity provided by the Talent Garage on behalf of the various company divisions, is composed of:

- **targeted training:** the company or an external institute supplies indoor or outdoor, live or e-learning training courses, concerning specific skills or issues considered to be essential for managers or operators;
- **self-development:** awareness is created by outlining the characteristics that a person in a given position must necessarily possess and then having the person fill in a self-assessment questionnaire;
- **coaching:** a widely used technique to assist managers, team leaders, and workers in general to develop, improve and strengthen their capabilities: human and professional, relational, communicative, problem-solving, and in terms of goal accomplishment;
- **mentoring:** methodology to transfer skills and disseminate information thanks to the support of internal persons with long experience;
- **job rotation:** company technique that involves periodic changes in the role of staff members to spread an understanding of all stages of the company process; divided into vertical rotation (roles with rising levels of responsibility), horizontal rotation (roles at the same level), international, and inter-functional rotation (across different operating areas).

In this sense, one of the lynch pins of the Talent Garage has been the launch, in the first half of 2020, of a major training programme in liaison with the Bologna Business School, i.e. Bologna University's management faculty, which will allow 34 staff members to secure a master in business administration (MBA) at the end of a 15-month course. The selected participants – aged from 27 to 48 and occupying different positions in the company – were added to the further ten staff members who have already been awarded an Executive MBA by the BBS.

The aim of this project, which will be repeated after the first edition and in which Marchesini Group has invested more than €300,000 is to provide future managers of the Emilia-Romagna "Packaging Valley" with a comprehensive educational background⁵⁸.



⁵⁸ The term Packaging Valley refers to the main Italian companies of a sector that surpassed a total sales figure of 8 billion euro for the first time in 2019 (Ucima data).

It is likewise useful to mention the recent Employer Branding campaign, focused on boosting the attractiveness of Marchesini Group for talent on the job market; the new personnel app, designed to facilitate individual updating, awareness of welfare issues, and integration in the company; more focused communication of Welcome Days reserved for new recruits; finally, a new e-learning portal, which is growing thanks to the qualified input of talented young people who are transforming our corporate know-how into training nuggets capable of supporting all personnel, thus complying with the learning mechanisms of the upcoming generations and allowing each member of staff to follow a targeted training programme based on his/her skills and career pathway.

Despite the difficulties of current times, Marchesini Group never ceased its training activities: the classroom spaces were rapidly upgraded to deliver distance training, carried out in complete safety.

8.3.2.2 THE “unfuturoalmassimo” SCHOLARSHIP PROGRAMME

- The Talent Garage project is supported by a series of related initiatives,
- especially “unfuturoalmassimo”, the annual scholarship programme named
- after the company's founder, Massimo Marchesini.

A grant of between €400 and €4,000 each for the Group's personnel and their children who

- are enrolled in or have gained a diploma with merit from secondary schools with STEM curricula;
- are enrolled in or have graduated from STEM degree courses;
- have secured an academic Master in STEM disciplines.

starting from the 2019/2020 academic year.

Following a selection procedure, 22 scholarships were assigned in 2020 for an overall amount of €31,350, of which:

- 13 scholarships awarded to students or school leavers of STEM specialised secondary schools for the total amount of €7,150;
- 9 scholarships awarded to undergraduates or graduates of STEM degree courses for the total amount of €24,200.

8.3.3 PERFORMANCE MANAGEMENT

- Appraisal of the performance of each individual must take into account not
- only the milestones that have been reached but also how the results were
- achieved, rewarding integrity, honesty, passion, dynamism, enthusiasm and
- innovative thinking⁵⁹.

This assumption lies at the basis of the Group's process of assessment of individual performance and professional growth, which is construed as the completion of the training process in the Marchesini people development strategy.

⁵⁹ Code of Ethics, page 25.

The basic principles of the assessment process adopted by the Group recognise as key factors the definition of the objectives and expectations of each individual in relation to the corporate vision, sharing of the same, assessment of the results achieved and preparation of a development plan.

In a context wherein the size of the Group is increasing constantly, it is essential to be able to manage HR processes organically, using functional tools that integrate and standardise the Human Resources management and development processes on Group level, including the administration of data concerning personnel, and the selection, training and assessment processes also of companies whose human resources are not managed directly.

All is nonetheless underpinned by an awareness that the people involved in the organisation are not reactive merely in relation to economic considerations, but also in relation to complex conditions of the social (needs and expectations) and work (remuneration) experience, and also the job conditions in terms of independence, responsibility, prospects for promotion, etc.⁶⁰.

For more than six years, i.e. from the time of implementation of the l'IMPORTANT project, the crucial element in the Group's human resources performance review process is motivation, i.e. the energy that feeds the dynamic of individual behaviours and actions, directs them and orients them towards the achievement of general and specific goals⁶¹.

The model adopted for operation of this corporate process is not simply a "tool" used to align managerial resources in relation to the Company's objectives, rather a process that must allow human resources to be managed and developed with the goal of:

- integrating human capital in the organisational system and bringing it into line with the company's objectives and factors of success;
- improving vertical communication (supervisor - collaborator, collaborator - supervisor);
- highlighting organisational development needs (change of roles, career plans, personal goals, shadowing, classroom training, etc.);
- rewarding the best personnel (in accordance with the company's remuneration policies).



Valentinawill tell you more about the goals achieved in the "Express Yourself" section <https://www.marchesini.com/it/azienda-cultura/persone/express-yourself>.

⁶⁰ Galimberti, V., Psiche e Techne, Feltrinelli, Milano, 1999.

⁶¹ Quaglino, G.P., Voglia di fare, motivazioni per essere nell'organizzazione, Guerrini e Ass., Milano, 1999.

8.4 WELFARE IN MARCHESINI GROUP

Corporate welfare is a set of benefits and services designed to exceed the equivalent purely monetary component in salaries in order to support the employee's income and improve his/her private and professional life.

Marchesini Group has been pursuing measures in this area for some time, launching initiatives in recent years such as the company catering service⁶², support for nursery school fees for workers not resident in the local municipal area⁶³, the "Ci pensa la mensa" initiative⁶⁴ (takeaway meals booked at the canteen at super low prices and collected at the end of a work shift) and programmes for the prevention of certain types of cancer, pursued in liaison with the non-profit Fondazione ANT.

Also in 2020, despite the anticovid restrictions, all Marchesini Group S.p.A. employees were able to make use of the majority of the benefits provided in prior years, including:

- ✕ The supplementary pension plans offering;
- ✕ Medical and healthcare insurance policies;
- ✕ Agreements with external partners for concessionary supplies of products and services for personnel at special rates (entrance fees and products at discounted prices at theatres, gyms, publishing groups and stores);
- ✕ Corporate welfare plan;
- ✕ Delivery of medicines to the company⁶⁵;
- ✕ MG Locker⁶⁶, company mailbox service for deliveries of parcels and online purchases;
- ✕ Marchesini "Wash & Dry", affiliated laundry and ironing service⁶⁷.



Especially during the lockdown the laundry service was appreciated.



⁶² The corporate catering service is managed at Group level for all Group companies.

⁶³ Initiative set up exclusively for the municipality of Pianoro (BO) where the Group's headquarters are located.

⁶⁴ Initiative implemented exclusively for the municipality of Pianoro (BO) where the Group's headquarters are located.

⁶⁵ Service set up at the Headquarters, Barberino di Mugello, and Monteriggioni, suspended from March 2020 due to the Covid emergency.

⁶⁶ Initiative set up at the Headquarters and the factories in Carpi (Modena) and Barberino di Mugello (Florence).

⁶⁷ Set up at the Headquarters

Also in 2020, the on-site osteopath service proceeded in the periods allowed by anticovid regulations, with treatment sessions for staff at special reduced rates, one day a week⁶⁸ with more than 140 treatment sessions provided in the year.

Thanks to our patronage of the Bologna Municipal Theatre Foundation⁶⁹, the Group was able to launch an ambitious project: "Marchesini Group at the Opera". From the beginning, the initiative was aimed at "adopting" an opera in the theatre programme, with the choice for 2020 falling to La Bohème by G. Puccini, directed by Graham Vick, in the programme for December 2020, but suspended due to the lockdown.

Marchesini Group therefore arranged with the Superintendency of fine arts to set aside an allotment of tickets for its staff, family members and friends for the general rehearsal of the premier performance. Even though the Covid-19 related lockdown put the season on hold, around 200 people made use of this opportunity to attend Tristan und Isolde by Richard Wagner and Puccini's Madama Butterfly.

In addition, thanks to a donation made to the Baby BoFè initiative of Bologna Festival for 2020, the season was enhanced with the addition of several initiatives for children, with the use of around 50 tickets.



After the stop due to the lockdown, on June 2021 the initiative "Marchesini Group all'Opera" in collaboration with Fondazione Teatro Comunale di Bologna starts again.



⁶⁸ Set up at the Headquarters

⁶⁹ See page. 145

8.4.1 CORPORATE WELFARE PROGRAMME

From the corporate welfare standpoint, the exceptional year of Covid-19 can be summarised in several precise moments of its growth path⁷⁰:

- ✗ on the institutional level, the limit for tax exemption on corporate welfare goods and services was doubled⁷¹;
- ✗ awareness of the programme among workers has improved;
- ✗ the cohesion of company communities, threatened by the new working methods and further disparities, with the risk of creating fragility at a time of intense market competition, played a key role. The need for renewed engagement, motivation, and a sense of belonging is more than evident;
- ✗ the importance of the company's social reputation was emphasised due to the collective attention for the actions or omissions of companies for the well-being of their reference communities. Socially relevant interventions via corporate welfare initiatives generate positive results in relation to the internal and external perception of the company.

These are decisive aspects that highlight the way in which corporate welfare can play a significant role, also in the complex challenges facing companies and workers in the Covid-19 era.

The Group has maintained its voluntary corporate welfare programme⁷² launched in 2016 via a multiservice platform that was completely revised in 2020, resulting in improved usability.



REDUCED COST
FOR THE COMPANY

100 € Example of **value disbursed**



MORE VALUE FOR
THE EMPLOYEE

Welfare 100

Performance bonus 140

Liberality 140

Welfare 100

Performance bonus 80

Liberality 60

⁷⁰ 4th Censis-Eudaimon report on corporate welfare Companies, Workers and corporate welfare in the great post Covid-19 transformation, March 2021 https://www.censis.it/sites/default/files/downloads/4%C2%B0%20Rapporto%20Censis-Eudaimon_Sintesi.pdf

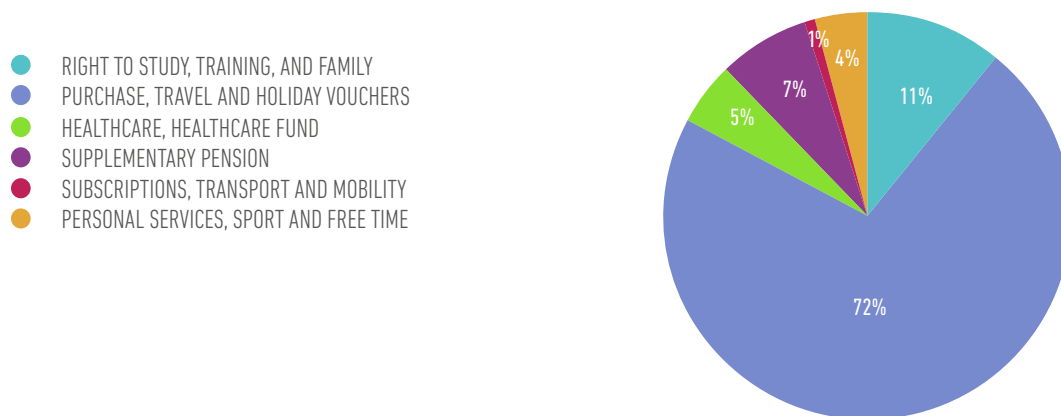
⁷¹ Decree Law no. 104 of 14 August 2020 entitled Urgent measures to support and relaunch the economy, published in Official Gazette no. 203 of 14 August 2020, Ordinary Series no. 30, converted with amendments by Law no. 126 of 13 October 2020 (in Ordinary series no. 37, of Official Gazette of 13/10/2020, no. 253).

⁷² This new remuneration system, which is increasingly popular in all business sectors, has allowed Marchesini to introduce a system of services to support its personnel in the amount of 200 euro per capita, with tax breaks for the company and the employee (so called "leva fiscale" introduced by the mentioned stability law for 2021, Law no. 208 of 2015 entitled Provisions for the formation of the annual and multiannual State budget (2016 stability law), published in the Official Gazette of the Italian Republic, general series no.302 of 30-12-2015 - Ordinary Supplement no. 70.)

Alongside the voluntary welfare plan, in accordance with the provisions of the supplementary agreement amending the existing CCNL collective agreement in the sector, also for 2020 Marchesini Group has provided its employees with an offering of welfare assets and services for a total value of €200, to be used by 31 May 2020⁷³.

In 2020, each employee was therefore granted a welfare budget of €400, to be used on the “marchesinigroupwelfare” multiservice portal on the Edenred Easywelfare platform, in order to take advantage of a basket of services subdivided by area of activity: education, mortgages, health, pensions, family, sport, shopping, subsidies and a host of additional areas. Offered in a single provider full outsourcing formula, the intuitive service, which comes with a dedicated assistance channel, was used by 1401 registered employees (96.2% of potential entitled users). With a single platform, it is the user who chooses the preferred use for the welfare amount placed at his or her disposal.

The Corporate Welfare amount at the disposal of the Group's staff⁷⁴ in flex-benefit mode in 2020 (up to 31/05/2021) totals around €700,000 of which around 80% had been spent at 31/12/2020, subdivided as follows:



⁷³ Entitlement to this offer of welfare goods and services is granted to employees with a valid employment contract at 1 June or who are anyway hired within 31 December of each year, on the condition that they have passed the probation period and are not on unpaid or paid leave (for sickness, reasons of study, etc.) for the entire period 1 June - 31 December.

Moreover, workers hired with a fixed-term contract must have worked for at least three consecutive months in each calendar year (1 January - 31 December).

For part-time workers, the value of the aforementioned welfare instruments is not adjustable in relation to their reduced contractual working hours.

In relation to workers on staff leasing contracts, based on the principle of non-discrimination set down in art. 35, first comma, of Italian legislative decree no. 81 of 15 June 2015, the companies in question will inform the staff leasing agency of the contents of the renewal agreement in relation to welfare.

As from 1 January 2020, the Mechanical Engineering and Plant Installation Industry National Collective Agreement of 26 November 2016 entered an extended validity period and hence it continues to exert the same effects defined by the respective contractual rules. In particular, in relation to welfare, as from 1 June 2020 employees will be given access to welfare instruments for the amount of €200, to be used within 31 May 2021.

For simplified application of the contractual rule, by way of example the parties have shared a list of welfare instruments and related terms to gain access to the advantageous taxation and national insurance rules.

In the meantime, the option of allocating the €100, €150 and €200, established respectively for 2017, 2018, 2019 and 2020 to the Cometa Fund or MetaSalute Fund, even for a single year, in accordance with the rules and methods provided by the Funds in question, has been expressly granted.

In this case, and also in view of potential changes to the current legislative conditions, the above values must be inclusive of any tax or national insurance costs to be borne by the company.

Conversely, any commercial or administrative costs deriving from the activation or management of the welfare services cannot be deducted.

⁷⁴ Limited exclusively to Marchesini Group S.p.A. companies Dumek, Rinova

In 2020 the Group overall allocated around €1.5 million to corporate welfare, distributed as shown in the table below:

	2020	2019	Δ%2020/2019
Distribution of benefits via the multiservice platform	560.000	428.363	31%
Platform service cost	25.700	25.700	=
Company canteen	881.377	1.322.340	-33%
MG Locker	10.307	6.600	-
Postural gymnastics, Yoga and Pilates	-	4.030	-
Totale	1.477.384	1.787.033	-17%

There was a 17% reduction in expenditure in 2020 due to the reduction of the canteen service caused by anticovid regulations.



Another internal service like the laundry; the locker has allowed the smoothness of services in the company, especially during the pandemic.



8.5 COMMUNICATION AND ENGAGEMENT ACTIVITIES

Marchesini Group has always considered internal communication to be important, but never as in 2020, when it proved to be an essential tool in relation to the Covid-19 pandemic.

In this context, aware of the fact that the main route to managing the company's work teams without involving leadership or other "controlling" factors, must inevitably pass by way of an oft ill-used practice: communication.

Each MG staff member is first and foremost a fan of the company, which is why employees must be treated exactly as though they were customers. No organisation that communicates ground-breaking ideas, corporate welfare, and technological innovation, will be well regarded by its employees if these adjectives do not describe its core identity and are not a true reflection of its values. Customers purchase purely for convenience, while fans purchase as an expression of trust, potentially spending twice the amount, with a greater propensity to overlook errors and promote the company among their peers. We can therefore intuit the importance of converting customers and employees into fans.

Providing information is necessary to ensure that people identify with the company and share the values and strategies and the procedures and methods for correct execution of production activities.

In addition, communication is an important enabling factor for change: active participation and sharing ideas makes it possible to overcome resistance to change, whether related to internal requirements or environmental contingencies, and to underscore and share activities, projects and milestones reached and surpassed with the workforce.

Communication is of key importance to create a work environment that is dynamic and motivated towards the achievement of shared goals; it is a tool that makes it possible to align personnel with the company's strategic goals and allow them to participate also in events occurring in other areas of the Group. Transparent relationships characterised by reciprocal trust, can be created by exploiting adequate communication systems.

In addition to the revised company Intranet, the Marchesini app giving staff smartphone access to tools to facilitate activities in the workplace (canteen reservations, timestamps, etc.) is fully operational since the beginning of 2020, with contents on sport and free time, a virtual marketplace and a host of additional features to maximise familiarity with the Company and with their co-workers.



8.6 LOCAL INITIATIVES

The expression “local area” does not refer to the geographical space or pedological aspects of the terrain, but rather to a living and highly complex entity, the result of synergic co-evolutionary processes between human settlement (organised along cultural lines) and environment (organised along geological and biological lines) ... Each area is thus a location that incorporates the concepts of time and prolonged duration and possesses an identity, a soul, and a creative force⁷⁵.

It is in these terms that Marchesini Group understands the area in which it conducts its operations, and it is this awareness that determines the specific relationship between company and local development long before this concept started to attract the attention that it currently garners in the economic debate. From a passive and indiscriminate entity, the local area has become an actor of development and a new company stakeholder. In this context, as a result of its interpretation of corporate social responsibility, the company has never seen itself as a sealed system with respect to the expectations, interests and needs of the local area but rather as an attentive listener to the real needs of the environment and communities that surround it and as a driver of development.

8.6.1 HOME EDUCATORS

When living through an emergency such as the one caused by the Covid-19 pandemic, the first action that can be taken by those wishing to offer assistance is to place their own resources or abilities at the disposal of others:

from the start of the Coronavirus emergency Marchesini Group listened carefully to all the requests for help received, especially those arriving from our staff, in line with the values expressed and shared in our Code of Ethics and in our Sustainability Report⁷⁶.

Faced with the worsening of the health situation due to the pandemic and the consequent lockdown extended to the entire country on 9 March 2020, while on the one hand, in consideration of its core business Marchesini Group was among the sectors that was allowed to remain in operation, on the other hand a large number of the families of its personnel were faced with objective difficulties created by the closure of all schools in Italy, of all levels and types, including public and private institutions. This situation, in the case of underage children, especially when other family members (often grandparents) were unavailable, made it necessary for one parent to take time off work to look after the children, also in consideration of the fact that the schools had progressively adopted distance learning methods (online) and pupils had to be supported and monitored during their lessons, in their homework, and in their periodic assessments.

The Company immediately realised it was required to manage a major problem: out of the 249 thousand women who lost their jobs in 2020, some 96 thousand were mothers with underage children. Of this latter number, 4 out of 5 have children under the age of five: these are the mothers who, due to the need to look after younger children, were obliged to give up their jobs or were dismissed by their employers⁷⁷.

⁷⁵ The definition is proposed by Alberto Magnaghi in “Il territorio come soggetto di sviluppo delle società locali” (the territory as a subject of development of local companies), a talk given at the “Development in question” conference, Macerata University, 2006.

⁷⁶ “[...] attention to their well-being and protection of diversity are a constant commitment for the Group” (Code of Ethics, p. 24) and “[...] Our People: our success.” (2019 Sustainability Report, page 77).

⁷⁷ This is the picture that emerges from the 6th Report “Le Equilibriste: la maternità in Italia 2021” (“The Tightrope Walkers: maternity in Italy 2021”), Save the Children www.savethechildren.it.

The idea was that of forming small groups of children at a home offered, sometimes in rotation, by parents of one of the children, where they would be placed in the hands of a qualified home educator. How to meet these needs, in order to prevent one or sometimes both parents from being forced to stay at home to follow and care for their children in this difficult period?

The limitations set out in the Italian Prime Minister's Decree imposing the lockdown led to more restrictive limits, so it became necessary to use an educator for each child or group of siblings in the same family unit.

The recourse to a territorial cooperative, Cooperativa Sociale Società Dolce, made the initiative an immediate possibility, since their educators are professionally qualified and in possession of all the necessary authorisations. The educators provided by the cooperative are highly skilled and they frequently provide their service during pre-school and post-school revision hours. The families that needed this service requested it week by week, stating the days and times in which the educator was to attend the specified home.

The project, which was developed and implemented in the Emilia-Romagna and Tuscany factories, make it possible to supply around 10,500 home education hours, which means 10,500 extra working hours allowed for the parents of school-age children and 10,500 hours of employment of qualified educators, with the possibility of reaching a positive conclusion of an academic year destined to go down in history. It also provided a valid example of the company's resilience in relation to the Sars-Cov2 pandemic and a contribution to attenuate the gender gap caused by a cultural legacy, that remains all too prevalent, wherein the mother is assigned the role of childcare even when, as an employed worker, she has to make use of holidays or leave in order to perform the duty.

The initiative earned Marchesini Group the first prize in its category of the 6th edition of the Emilia-Romagna Region Responsible Innovators Award.



Some frames taken from a news report from TGR about our initiative "Educatori a domicilio" (Home Educator).

8.6.2 OTHER LOCAL AREA PROJECTS

- In the Bologna area in particular, site of the Group's headquarters, the
- Company maintains close relations with the main technical colleges and high
- schools for the sciences, with Alma Mater Studiorum – University of Bologna, the University of Modena and Reggio Emilia and the University of Ferrara.

In the Bologna area in particular, site of the Group's headquarters, the Company maintains close relations with the main technical colleges and high schools for the sciences, with Alma Mater Studiorum – University of Bologna, the University of Modena and Reggio Emilia and the University of Ferrara.

Moreover, in Bologna, the company has long nurtured a relationship with the B.V. di San Luca Salesian Institute and with the Aldini Valeriani Sirani senior high school, involving the transmission of specialised technical competences by sending some of its top personnel for teaching sessions and supplying unused mechanical components for experiments directly on the part.

Another initiative in which the company is participating actively is Fondazione Istituto Tecnico Superiore⁷⁸ Meccanica, Meccatronica or, for brevity, the ITS Maker foundation of Bologna and Siena. The ITS MAKER Foundation operates in the area of tertiary instruction, in compliance with the programming of the offering of the regional network of Polytechnics, assuring training at the post-secondary level of technicians with higher skill levels than national averages, able to meet demand from the mechanical engineering, mechatronics, automotive and packaging sectors. The Foundation also supports integration of training chains (education and professional technical training) and the economic and manufacturing chain with special reference to professional technical hubs and measures for innovation and technological transfer to small and medium-size companies. It works to elevate the technical, technological and scientific culture with the aim of building, qualifying and upgrading technical-professional competences, promoting the orientation of young people and their families towards careers in the technical field.

Another initiative of major social relevance, both due to its value and to its results, is the “Fare Impresa” project in Dozza S.r.l., in which Marchesini Group holds a 30% stake. The idea of building an enterprise in the Dozza prison in Bologna in order to assist the rehabilitation in civil society of individuals in objective conditions of disadvantage, applying the principles of “solidarity sourcing”, took its first tentative steps in 2008. Today, a little more than ten years down the line, the FID project is a unique experiment in Italy, born out of a profitable relationship between professional training, business enterprises and the institutional sphere. The formula consists in creating a fully-formed social enterprise in Bologna prison – following a technical training programme provided by the Aldini Valeriani Foundation – in the context of the production of Marchesini Group, G.D. and IMA with the aim of training resources who can then enter the job market, providing inmates with stable and enduring employment opportunities that can be put to good advantage once they have finished serving their sentence. FID operates like any other small company, with terms of employment in line with the national bargaining contract agreed between the unions in the sector and with the benefit of having a relatively protected market because it is effectively composed of the self-same organisers of the operation.

⁷⁸ Higher technical institutes (ITS), introduced into national law by the Italian Prime Minister's Decree of 25 January 2008, containing Guidelines for reorganisation of the higher technical training and education system and the constitution of higher technical institutes, published in the Official Journal, General Series no.86 of 11-04-2008, represent the cornerstones of the reorganised complex system of higher technical education and training based on participation and cooperation. Higher technical institutes, which can be set up based solely on the provisions of the territorial training offer plans of the Regional administrations, connect public institutions and interested private individuals in view of the goal of a shared result, compliant with concrete socioeconomic requirements of the area and of the Country.

The training process makes use of a well-attended group of tutors, people who have worked in the company for a lifetime and have then preferred to remain at “the works” once they reach retirement age, choosing to devote their experience to the upcoming generations and thus becoming “teachers”. The technical contents communicated are aimed at acquiring the know-how and professional skills necessary for mounting and assembly of mechanical parts and construction of simple components. Contents also include the topic of health and safety in the workplace. The real innovation of FID lies in the formula used, which requires an investment in the human capital concerned, deemed to be capable of revolutionising past questionable rehabilitation experience in a prison environment while continuing to pursue the company’s core business, but with an added ethical value. A best practice that extends far beyond a question of philanthropy. The “founding partners” chose to interpret their role through this initiative, placing the project’s extraordinary social values and a strong sense of responsibility towards the community in which they operate ahead of the notoriety of the brands represented by each, in the hope that many more companies will join in the future to swell the ranks of FID supporters.

8.6.3 MARCHESINI GROUP RECEIVES THE UNHCR AWARD “WELCOME WORKING FOR REFUGEE INTEGRATION” - III EDITION

- In 2020 Marchesini Group S.p.A. received an award from the UN agency for refugees, UNHCR, with the logo Welcome – Working for Refugee Integration, for having facilitated the employment of two refugees and for having supported their process of integration in Italy.

In this manner, UNHCR chose to certify the contribution of companies towards a more inclusive society in relation to people forced to flee their homes due to conditions of war, violence and persecution.

Because the concept of Made in Italy does not only refer to exceptionally high-quality products, but also the social values of hospitality, diversity, and Italian entrepreneurship, that are capable of inspiring the world, not merely in commercial terms but also on the human level.



Sanououlen Keita and Nouhoum Kone are 23 and 25 years old and come from Mali.



8.7 HEALTH AND SAFETY⁷⁹



Marchesini Group respects and adopts the requirements to work in safety defined by the specific regulations in force in Italy and in the countries in which the Company operates.

Active prevention of the risk of injury and protection of health are stated aims of Marchesini Group's safety policy, which calls for the adoption of management systems in compliance with standards and activities of awareness raising and ongoing training for employees, including employees seconded to other countries, contractors and service suppliers operating on the Group's sites.

The attention paid to people is also expressed in the search for solutions to improve the well-being of employees and to promote their work-life balance.

Health and safety of personnel are essential conditions calling for special attention, through the adoption of preventive measures, technological development, training, and continuous monitoring. All business activities are conducted in line with statutory legislation concerning occupational health and safety in accordance with the precepts of the Code of Ethics and the Safety Policy.

In addition, the Group guarantees the highest possible safety standards for operators by means of organisational and management measures, and also through technical solutions, constant alignment with the latest technologies, and the creation of training courses.

With reference to the Group's Italian companies, the safety management system requires the presence of all the necessary functions, in line with the relevant legislation. In this context, Health and safety executives (HSE) and Health and safety officers (HSO) have been appointed for each of the production units, inside or outside the company, in compliance with the applicable legal parameters.

To guarantee adequate representation of workers within the Safety management system, employees are required to elect Health and safety representatives (HSR), responsible for representing staff during trade union meetings to discuss the topics in question and any actions to be taken.

14 injuries were logged in 2020, up by 40% compared to 2019. No fatal accidents occurred. The increase in the severity coefficient is due to the occurrence of two injuries of greater seriousness than usual, one of which occurring during travel and one at the company's premises.

In compliance with the relevant statutory legislation⁸⁰, education and training programmes have been developed in the areas of occupational safety, first aid, fire-protection regulations, the consequences of alcohol and narcotics, specific risks associated with various job descriptions, and environmental aspects, even if not mandatory according to local legislation.

In terms of each operating unit, the Group provides its employees with training courses concerning the environment and safety, calibrated to match the duties of individual workers. The courses may concern correct management of mechanical or electrical risks or risks originating from handling chemicals, or instructions to follow in order to minimise environmental impact (e.g. for waste handling activities).

⁷⁹ Exclusively for Marchesini Group S.p.A.

⁸⁰ Italian Legislative Decree no. 81 of 9 April 2008 - Text coordinated with Italian Legislative Decree no. 106 of 3 August 2009, Implementation of article 1 of law no. 123 of 3 August 2007 concerning the protection of health and safety in the workplace. Official Gazette no. 101 of 30 April 2008 - Ord. Suppl. no. 108 Supplementary and corrective decree: Official Gazette no. 180 of 05 August 2009 - Ord. Supplement no. 142/L

In line with customary practice, Safety Meetings concerning the Group's Italian sites were held also in 2020. The following topics were discussed during the meetings:

- injury statistics for the previous year;
- safety training and information activities;
- consumption trend of personal protective equipment;
- actions performed since the meeting of the previous year;
- measures and improvements planned for the current year;
- risk assessment;
- health surveillance activities.

The Group's proactive approach to these matters allowed the company to submit an application to INAIL to exploit the reduced premium facility, and INAIL granted a reduction⁸¹ of the 2020 premium corresponding to a lower cost of around €35,000.

With special reference to injury statistics⁸², the following table shows data for the period 2006-2020 with details of the frequency rate⁸³ and severity coefficient⁸⁴.



In the production sector too the use of PPE is fundamental for employees' safety.

⁸¹ INAIL rewards companies that have been operational for at least two years that carry out works to improve the safety and hygiene conditions in the workplace with a "discount" defined as "rate variation for prevention" (OT/24), in addition to the minimum contributions provided for by the relevant legislation (legislative decree 81/2008, as amended). The "rate variation for prevention" reduces the premium rate applicable to a company, resulting in a saving on the premium due to Inail. Based on the Italian ministerial decree of 3 March 2015, which revised the text of article 24 of the ministerial decree of 12 December 2000, as successively amended by ministerial decree 3 December 2010, the rate reduction is recognised in a fixed amount in relation to the number of workers-year for the period.

⁸² Restricted to the Italian sites.

⁸³ The injury frequency rate measures the incidence of injuries per thousand hours that have occurred in a given period, sector and geographical area, in relation to the number of hours worked in the same period, sector, and geographical area. The coefficient is multiplied by a thousand (10^3) in such a way as to avoid values that are numerically too small.

This coefficient is of general validity and, since it is standardised in relation to the period, sector and geographical area, it is useful for making comparisons using these three parameters. In calculating the frequency of injuries, reference can be made to three different categories rather than to the overall total: • Injuries that have caused a temporary disability • Injuries that have caused a permanent disability • Fatal injuries

⁸⁴ Measures the severity of injuries expressed in standardised days of absence per thousand hours worked. The coefficient is multiplied by a thousand (10^3) in such a way as to avoid values that are numerically too small.

This coefficient is of general validity and, since it is standardised in relation to the severity category, it is useful for making comparisons of all types.

Injury rates

	No. of injuries (1)	Total no. of injury days (2)	No. of hours worked (3)	Average no. of workers (4)	Incidence coefficient (5)	Frequency coefficient (6)	Severity coefficient (7)
2006	19	336	1.082.203	617	3,1	17,6	0,31
2007	14	153	1.088.232	630	2,2	12,9	0,14
2008	10	151	1.113.089	631,5	1,6	9,0	0,14
2009	10	233	1.101.066	634	1,6	9,1	0,21
2010	18	280	1.134.353	653	2,8	15,9	0,25
2011	9	262	1.140.037	665	1,35	7,9	0,23
2012	10	213	1.178.203	690	1,45	8,5	0,18
2013	10	132	1.231.057	713,81	1,40	8,1	0,11
2014	9	137	1.281.318	736	1,22	7,0	0,11
2015	8	197	1.355.667	771	1,04	5,9	0,15
2016	7	99	1.391.612	808,91	0,87	5,0	0,071
2017	6	82	1.762.077	1009	0,59	3,4	0,047
2018	16	425	1.948.574	1086	1,47	8,2	0,218
2019	10	176	2.228.472	1259	0,79	4,5	0,079
2020	14	496	2.378.738	1363	1,03	5,9	0,209

Key

(1) Only workers who have missed more than 1 working day (including the day on which the injury occurred).

(2) Total days of absence from work due to the injuries as at point (1)

(3) Total hours worked in the year.

(4) Arithmetic mean between the number of workers in the workforce from January to December of each year

(5) Calculated in accordance with the formula: no. injuries/no. workers x 100

(6) Calculated in accordance with the formula: no. injuries/no. hours worked x 1,000,000

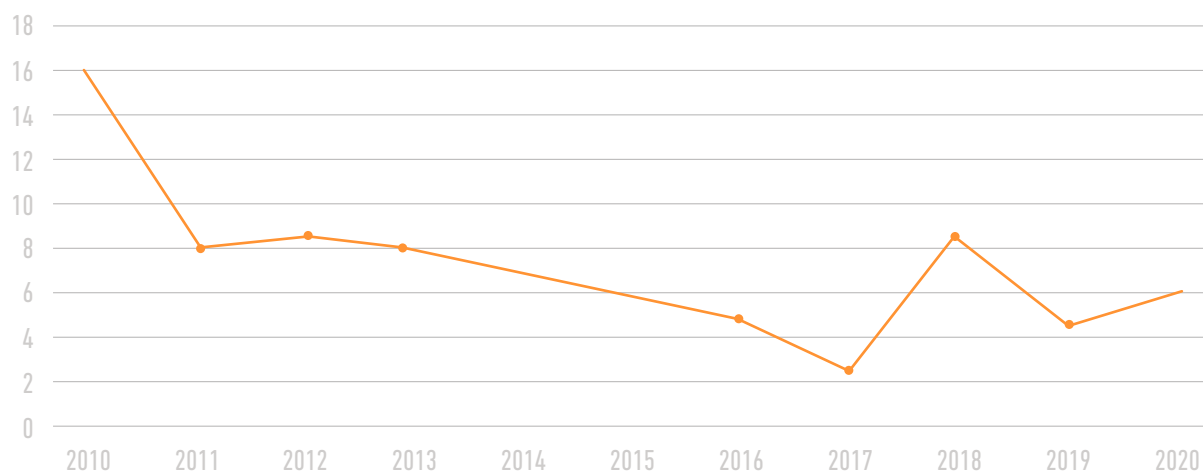
(7) Calculated in accordance with the formula: total no. days of duration/no. hours worked x 1,000

In calculating the severity of injuries, rather than the overall total, reference can be made to three different categories into which severity is expressed in standardised days of absence:

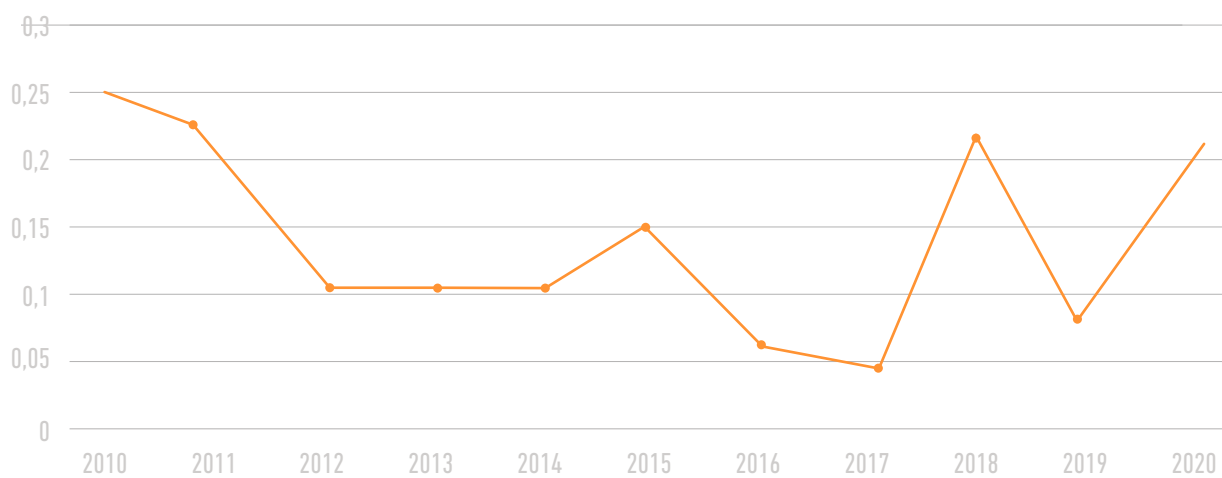
- Injuries that have resulted in temporary disabilities, in which the severity coincides with the number of days of absence
- Injuries that have caused permanent disabilities, in which the severity is calculated by multiplying the invalidity score of each case by 75, and it is expressed in the number of standardised days of absence
- Fatal injuries, in which the severity is calculated by multiplying each fatality by 7,500 (corresponding to the average number of working days throughout the entire lifetime of a worker), and it is expressed in the number of standardised days of absence.

The overall total is calculated as the sum of standardised days of absence for each of the three categories.

Frequency coefficient



Severity coefficient



8.7.1 COMMITMENT AGAINST THE SPREAD OF CORONAVIRUS

- The health emergency affecting the entire world, which is effectively still ongoing, constitutes a major challenge and has forced us to take action to
- make an abrupt change in working practices and routine activities.

Our company organisation has been revolutionised to deliver all the necessary actions to protect the health of the employees, customers and suppliers who typically orbit around Marchesini Group on a daily basis.

This programmatic action has proceeded in parallel all over the world, thanks to our dense network of branches, with the maximum possible operational continuity in production, Customer Service, installation, technical assistance, maintenance, and spare parts.

Our QHSE team has worked tirelessly, relying on the contribution of the entire MG community, to implement all the anti-Covid-19 procedures required by current regulations⁵ to protect the health of all. Marchesini Group invested more than €800,000 in the anti-covid operation, which consisted of the activities described below.

⁵ Statutory Italian legislation, at 31/03/2021, is as illustrated below, following a reverse timeline:

1. Italian Prime Minister's Decree of 2 March 2021 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 22 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency", decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 15 of 23 February 2021 entitled "Further urgent provisions concerning travel in Italy for containment of the COVID-19 epidemic emergency". (21A01331) (Official Gazette, general series no. 52 of 02-03-2021 - Ordinary Supplement no. 17).

2. Italian Prime Minister's Decree of 14 January 2021 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 22 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency", decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 2 of 14 January 2021 entitled "Further urgent provisions concerning containment and prevention of the COVID-19 epidemic emergency and holding of the 2021 elections". (21A00221) (Official Gazette, general series no. 11 of 15-01-2021 - Ordinary Supplement no. 2).

3. Italian Prime Minister's Decree of 3 December 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 22 May 2020, entitled: "Urgent measures to deal with the COVID-19 epidemic emergency" and of decree-law no. 33 of 16 May 2020 converted, with amendments, by law no. 74 of 14 July 2020, entitled: "Additional urgent measures to deal with the COVID-19 epidemic emergency" and decree law no. 158 of 2 December 2020, entitled: "Urgent provisions to deal with the health risks connected with the spread of the COVID-19 virus". (20A06767) (Official Gazette, general series no. 301 of 03-12-2020).

4. Italian Prime Minister's Decree of 03 November 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 25 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency". (20A06109) (Official Gazette, general series no. 275 of 04-11-2020 - Ordinary Supplement no. 41).

5. Italian Prime Minister's Decree of 24 October 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 25 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency". (20A05861) (Official Gazette, general series no. 265 of 25-10-2020).

6. Italian Prime Minister's Decree of 18 October 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 25 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency". (20A05727) (Official Gazette, general series no. 258 of 18-10-2020).

7. Italian Prime Minister's Decree of 13 October 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 25 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency". (20A05563) (Official Gazette, general series no. 253 of 13-10-2020).

8. Law no. 35 of 22 May 2020. Conversion to law, with amendments, of decree law no. 19 of 25 March 2020, entitled "Urgent measures to deal with the COVID-19 epidemic emergency". (20G00057) (Official Gazette, general series no. 132 of 23-05-2020).

9. Decree-law no. 34 of 19 May 2020 "Urgent measures concerning health, support for employment and the economy, and social policies connected to the COVID-19 epidemic emergency". (20G00052) (Official Gazette, general series no. 128 of 19-05-2020 - Ordinary Supplement no. 21) notes: Enforcement of the measure: 19 May 2020.

10. Italian Prime Minister's Decree of 17 May 2020 "Implementation provisions of decree law no. 19 of 25 March 2020", entitled "Urgent measures to deal with the COVID-19 epidemic emergency", and of decree law no. 33 of 16 May 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemic emergency". (20A02717) (Official Gazette, general series no. 126 of 17-05-2020).

11. Decree law no. 33 of 16 May 2020 "Additional urgent measures to deal with the COVID-19 epidemic emergency". (20G00051) (Official Gazette, general series no. 125 of 16-05-2020) notes: Enforcement of the measure: 16 May 2020.

12. Italian prime minister's decree of 26 April 2020 "Additional implementation provisions of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency, applicable to the entire country". (20A02352) (Official Gazette, general series no. 108 of 27-04-2020).

13. Italian prime minister's decree of 10 April 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020, entitled Urgent measures to deal with the COVID-19 epidemic emergency, applicable to the entire country". (20A02179) (Official Gazette, general series no. 97 of 11-04-2020).

14. Italian prime minister's decree of 1 April 2020 "Implementation measures of decree law no. 19 of 25 March 2020, entitled Urgent measures to deal with the COVID-19 epidemic emergency, applicable to the entire country". (20A01976) (Official Gazette, general series no. 88 of 02-04-2020).

15. Decree law no. 19 of 25 March 2020 "Urgent measures to deal with the COVID-19 epidemic emergency". (20G00035) (Official Gazette, general series no. 79 of 25-03-2020) notes: Enforcement of the measure: 26 March 2020.

16. Italian prime minister's decree of 22 March 2020 "Additional implementation provisions of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency, applicable to the entire country". (20A01807) (Official Gazette, general series no. 76 of 22-03-2020).

17. Decree Law 17 March 2020, no. 18 "Measures to reinforce the national healthcare service and economic support for families, workers and companies in relation to the COVID-19 epidemic emergency". (20G00034) (Official Gazette, general series no. 70 of 17-03-2020).

18. Decree-law no. 14 of 9 March 2020 "Urgent measures to reinforce the national healthcare service in relation to the COVID-19 emergency". (20G00030) (Official Gazette, general series no. 62 of 09-03-2020) notes: Enforcement of the measure: 10 March 2020.

19. Italian prime minister's decree of 9 March 2020 "Additional implementation provisions of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency, applicable to the entire country". (20A01558) (Official Gazette, general series no. 62 of 09-03-2020).

20. Italian prime minister's decree of 8 March 2020 "Additional implementation provisions of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency". (20A01522) (Official Gazette, general series no. 59 of 08-03-2020).

21. Law no. 13 of 5 March 2020, Conversion to law, with amendments, of decree law no. 6 of 23 February 2020, entitled urgent measures for containment and management of the COVID-19 epidemic emergency. (20G00028) (Official Gazette, general series no. 61 of 09-03-2020).

22. Italian prime minister's decree of 4 March 2020 "Additional implementation provisions of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency, applicable to the entire country". (20A01475) (Official Gazette, general series no. 55 of 04-03-2020).

23. Decree law no. 9 of 2 March 2020 "Urgent measures to support families, workers, and companies in relation to the COVID-19 epidemic emergency". (20G00026) (Official Gazette, general series no. 53 of 02-03-2020) notes: Enforcement of the measure: 2 March 2020.

24. Italian prime minister's decree 1 March 2020 "Additional implementation measures of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency". (20A01381) (Official Gazette, general series no. 52 of 01-03-2020).

25. Italian prime minister's decree of 25 February 2020 "Additional implementation provisions of decree law no. 6 of 23 February 2020, entitled Urgent measures in relation to containment and management of the COVID-19 epidemic emergency". (20A01278) (Official Gazette, general series no. 47 of 25-02-2020).

26. Decree Law no. 6 of 23 February 2020 "Urgent measures in relation to containment and management of the COVID-19 epidemic emergency". (20G00020) (Official Gazette, general series no. 45 of 23-02-2020 - Enforcement of the measure: 23.02.2020).

1. INFORMATION AT THE BASIS OF EVERYTHING

Protecting the health and safety of our staff, customers, and suppliers is an absolute priority. We believe that correct and constant information lies at the basis of a solid and effective plan, which is why we prepared a series of information signs and displayed them in all areas of the company, to ensure absolute compliance with the rules in force.

2. ENTRY INTO THE COMPANY OCCURS IN CONDITIONS OF COMPLETE **SAFETY** FOR EMPLOYEES ...

Every morning we check all incoming employees on site to ensure they do not show any of the typical symptoms of Covid-19. Daily screening is guaranteed by the person in charge of measuring body temperature.

3. ... AND FOR CUSTOMERS, SUPPLIERS, AND EXTERNAL PERSONNEL

We welcome customers, suppliers, and external personnel in full compliance with the regulations. As for employees, we ensure that also external personnel are not presenting with Covid-19 symptoms. Before entering company premises, external personnel are intercepted and temperature checked at the reception desk. After being provided with PPE, the entry is recorded by means of the terminals located in the reception area, which are sanitized after each use.

4. HAND **HYGIENE** IN ALL COMPANY AREAS

Never before as at current times have we had to learn the importance of constant hygiene of the hands, which are a means of spreading the virus with dangerous consequences. The company has therefore been equipped with disinfectant gel dispensers in all the most heavily trafficked areas, next to relaxation spaces, offices, meeting rooms, canteens, and production areas, so that those entering the spaces in question can do so hygienically and safely.

5. CONSTANT **CLEANING** AND **DISINFECTION** OF THE PREMISES

All areas of the company, indoors and out, are cleaned and disinfected every day by a team of professionals in order to protect employees, customers, suppliers, and external personnel.

6. AT WORK WITH ALL THE NECESSARY **PPE**

As required by the regulations in force, we imposed the condition that access to, presence in, and movement around all areas of the company is possible exclusively for persons wearing a face covering. This is mandatory in the offices and also in the production areas. Employees have been provided with a personal touch pen to be used on the time-keeper screens and are periodically supplied with a fresh PPE kit containing the daily face masks and a disinfection kit with denatured alcohol so they can keep their workstation constantly sanitized.



7. AWARE USE OF COMMUNAL SPACES

Avoiding gatherings is one of the most important practices to avoid the spread of Covid-19. We therefore studied each area of the company premises to ensure everyone can occupy Marchesini sites in complete safety, without violating the rules for social distancing of at least 1 or 2 metres⁸⁶. We identified the maximum number of occupants for each space, displaying it on signs wherever necessary; we issued instructions to prevent the use of co-workers' workstations, limit movements in company areas as far as possible, and avoid holding meetings if the required social distances cannot be maintained. Some offices were completely redesigned in order to maintain the necessary distance between co-workers.

8. LIMITED INTERNATIONAL TRAVEL

From the very start of the pandemic, one of the first measures put in place was to restrict international travel to only those cases calling for technical assistance that could not be provided with alternative methods⁸⁷. Due to the multinational nature of our organisation it was a heavy blow to be obliged to suspend meetings with customers in far removed locations. However, the health of our employees is a priority at all times so through time we developed alternative means to stay in touch with customers outside Italy by means of video conferences, supplying remote assistance and doing all in our power to circumvent the necessary physical isolation.

9. KNOW WHAT TO DO IN CASE OF NEED

A procedure was drafted containing a detailed description of the conduct to adopt in the case of co-workers and collaborators with disease symptoms and the actions required if a confirmed or presumed case of infection is flagged, in relation to the determination of any "close contacts" and the consequent communications to be made. Roles and duties within the organisation are clearly defined and each member of staff is informed of the corporate functions responsible for managing health emergencies. This makes it possible to reassure everyone that they can work serenely.

10. COMPANY ORGANISATION

Already from February Management took steps to coordinate measures of prevention and protection of collaborators of all companies in the Marchesini Group. The General Organisation department, with the QHSE team in close liaison with the medical officer, monitors correct application of the government regulations and company procedures on a daily basis, in order to advise the management on actions to be taken in the light of the constant revision of government edicts. At the end of holiday periods collaborators were also offered antibody tests and molecular swab tests.

⁸⁶ Italian Prime Minister's Decree of 3 November 2020 "Additional implementation provisions of decree law no. 19 of 25 March 2020", converted, with amendments, by law no. 35 of 25 May 2020, entitled "Urgent measures to deal with the COVID-19 epidemiological emergency", and of decree law no. 33 of 16 May 2020, converted, with amendments, by law no. 74 of 14 July 2020, entitled "Additional urgent measures to deal with the COVID-19 epidemiological emergency" (Official Gazette general series no.275 of 04-11-2020 - Ordinary Supplement no. 41) states that the social distance to be generally maintained is 1 metre. In situations in which it is necessary to momentarily remove face coverings, the safety distance increases to 2 metres.

⁸⁷ See page 62.

8.8 PERSONAL DATA PROTECTION

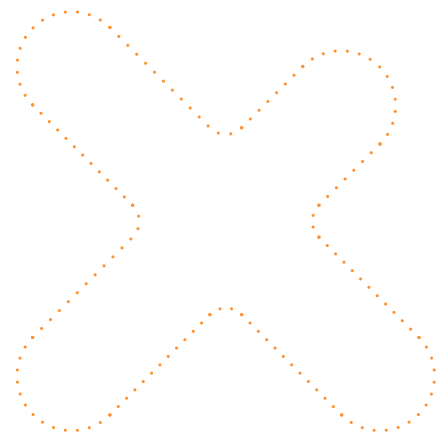
Long before the GDPR came into force Marchesini Group was aware of the fact that protecting the personal data entrusted to it for various reasons (processing) is a prerequisite of whoever treats, retains, and processes data in implementation of the “protection by design” and “protection by default” concepts expressed by EU Regulation 679/2016.

Custody of data, safeguarding of data in consideration of the consequences of data processing that is not in line with statutory regulations for prevention of data breaches, and data processing, has emerged from the intangible world of theory to enter the sphere of responsibility in the realm of Corporate Social Responsibility.

In keeping with the spirit of the law, Marchesini Group presented the 2020 update of its Privacy Policy. This operation became necessary in the light of

- ✗ the changes in the Group's structure that took place following the incorporation and acquisition of new companies;
- ✗ the setting-up, at the supply stage, of an electronic invoicing and filing service, in accordance with the directions given by the Agency for Digital Italy (AgID);
- ✗ the setting-up, with the HR management system, of a process for the acquisition and integration of the psycho-aptitude profiles of applicants, new recruits and existing employees;
- ✗ measures taken⁸⁸ to combat the SARS-COV2 pandemic (also called Covid-19 or Coronavirus).

Following the third revision of the 2018 version of its Privacy Policy, Marchesini Group S.p.A. is even more convinced of the insight it first had when the General Data Protection Regulation (GDPR) was published in 2016, believing it to represent, not just another formal obligation to be imposed on enterprises, but an opportunity for further innovation, of the group as a whole and, in particular, its organisational structure and its competitive strength.



⁸⁸ Provided for by decree law no. 19 of 25 March 2020, converted, with amendments by Italian Law no. 35 of 25 May 2020 entitled “Urgent measures to deal with the COVID-19 epidemic emergency”, and decree law no. 33 of 16 May 2020, converted, with amendments by Law no. 74 of 14 July 2020 and Italian Prime Minister's Decree dated 13 October 2020 “Further provisions implementing Italian decree law no. 19 of 25 March 2020”, converted, with amendments, by Law no. 35 of 25 May 2020, entitled “Urgent measures to deal with the COVID-19 epidemic emergency”, and of decree law no. 33 of 16 May 2020, converted, with amendments by Law no. 74 of 14 July 2020, entitled “Further Urgent measures to deal with the COVID-19 epidemic emergency”. Published in the Official Gazette, general series no. 253 dated 13/10/2020, and by the “Joint protocol regulating the measures for combating and containing the spread of the COVID-19 virus in workplaces” between the Government and social partners signed on 14 March 2020 and revised on 24 April 2020, by appendix no. 12 to the Italian Prime Minister's Decree dated 13/10/2020.

8.9 RELATIONSHIPS WITH INSTITUTIONS

- Marchesini Group participates actively in the sphere of associations in Italy through its membership in several associations and institutions to promote not only industrial and cultural development, but also the dissemination of sustainability and innovation.

INSTITUTION

CONFINDUSTRIA Emilia Area Centro

UNI, National Italian Standards Organisation

CEI, Italian Electrotechnical Committee

UCIMA, Italian Union Of Automatic Packaging Machinery Manufactures

ASSOCIAZIONE FARMACEUTICI INDUSTRIA

COSMETICA ITALIA - National Association Of Cosmetics Companies

AIDAF - Italian Family Business Association

FEDERMECCANICA

The Group collaborates with the several institutions and associations with “the utmost transparency, clarity and integrity, in order to avoid partial, distorted, ambiguous or misleading interpretations”⁸⁹, in full compliance with statutory legislation and in respect of the public nature of the function.

⁸⁹ Code of Ethics, page 32.



9.0

COMMITMENT FOR
THE COMMUNITY

9.0 COMMITMENT FOR THE COMMUNITY

A YEAR OF SUSTAINABILITY

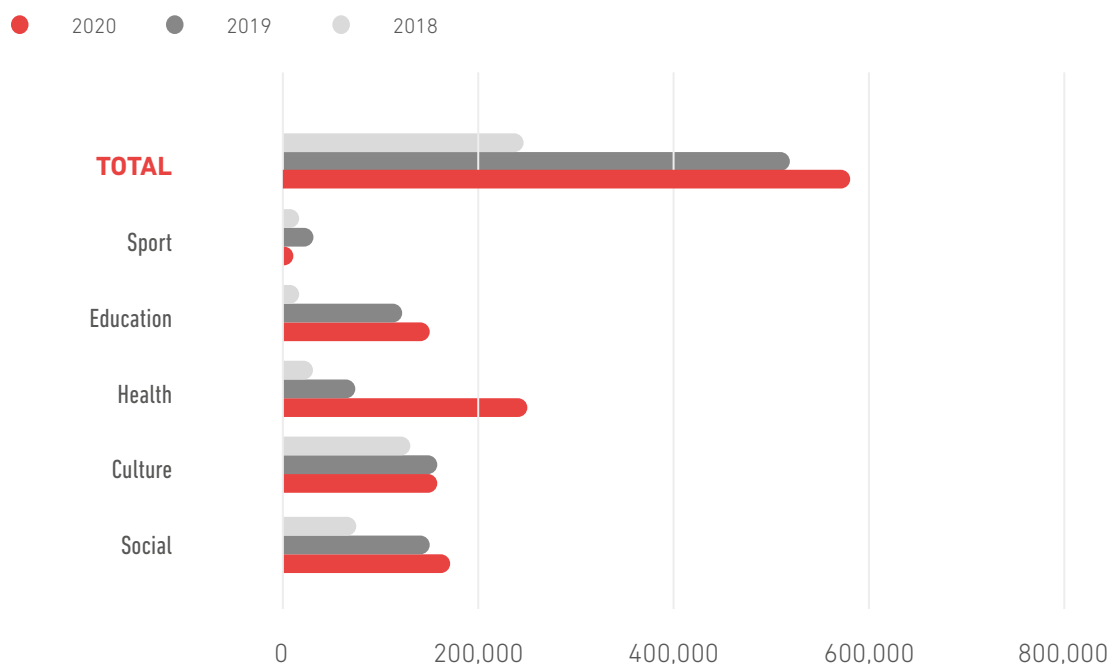
Doing business in a manner that is “radically linked to the promotion of sustainable development, with special reference to protection of the environment and to the bond with the social contexts in which the Group operates”⁹⁰, is a fundamental aspect Marchesini Group’s approach to sustainability.

This takes the form of economic support for social, cultural, and artistic projects and activities and scientific research, which are evaluated during the year, and the attention with which the Company views this activity has resulted in the creation of Fondazione Marchesini ACT Avanguardia, Cultura e Territorio (High-tech, Culture, and Local area), which has been operating since March 2021.

One of the essential criteria followed in the assessment of requests for economic support is the impact on the areas in which the Group’s plants are located or the interests of particular stakeholder clusters.

This results in a virtuous circle, which further motivates the Group to cultivate participation and an active role in such relationships and to participate tangibly in projects and initiatives of public interest.

In the awareness that relations with local communities constitute the starting point for the creation of value around the company and for the economic, social and cultural development of the areas in which it operates, in 2020 Marchesini Group allocated around €590,000 (14,4% more than the amount disbursed in 2019), with the following breakdown:



⁹⁰ Code of Ethics, page 30 et seq.

Details of the most significant direct interventions⁸⁷ of 2020 are given below.

9.1 SOCIAL

FONDAZIONE THEODORA ONLUS

2020 CONTRIBUTION **2.000 EURO**

ECONOMIC SUPPORT FOR ACTIVITIES OF THE "DREAM DOCTORS"

BIMBO TU

2020 CONTRIBUTION **10.000 EURO**

SPONSORSHIP FOR THE "PASS - RECEPTION AND SOLIDARITY SERVICES HUB FOR CHILDREN, FAMILIES AND CITIZENS"

DOPO DI NOI FOUNDATION (BO)

2020 CONTRIBUTION **2.400 EURO**

SPONSORSHIP OF THE PROJECT "CASA SAN DONATO"

ARCO ASSOCIATION

2020 CONTRIBUTION **20.000 EURO**

SPONSORSHIP FOR RECOVERY ACTIVITIES, PEER ACTIVITIES AND CO-DESIGN CO-CONSTRUCTION.

A.S.D. AIA SPORT ONLUS

2020 CONTRIBUTION **2.000 EURO**

SPONSORSHIP OF THE ASSOCIATION FOR THE "IN SELLA ALLA VITA" PROJECT

ANTONIANO - COVID EMERGENCY

2020 CONTRIBUTION **10.000 EURO**

SPONSORSHIP FOR THE "INSIEME PER LE FAMIGLIE" PROJECT

SAINT BARTHOLOMEW PARISH

2020 CONTRIBUTION **100.000 EURO**

SUPPORT FOR URGENT MAINTENANCE OF SAN BARTOLOMEO CHURCH

WE WORLD ONLUS

2020 CONTRIBUTION **2.000 EURO**

FOR THE FUNDAMENTAL RIGHTS OF EVERY HUMAN BEING, ESPECIALLY WOMEN AND CHILDREN

POLISPORTIVA SPORT 2000

2020 CONTRIBUTION **1.000 EURO**

2020 SUMMER CAMPS

SAN DOMENICO CENTRE

2020 CONTRIBUTION **5.000 EURO**

PATRONAGE OF CATHOLIC CULTURAL ACTIVITIES

AMICI DI MARIELE

2020 CONTRIBUTION **5.000 EURO**

SPONSORSHIP OF THE "INCLUSIONE" PROJECT

HAPPY HAND

2020 CONTRIBUTION **3.000 EURO**

SPONSORSHIP OF THE ASSOCIATION TO STAGE THE YEARLY "HAPPY HAND" EVENT

FRANCISCAN FESTIVAL

2020 CONTRIBUTION **2.000 EURO**

OVERCOMING MULTIPLE CRISES: IDENTITY, POLITICAL, VALUES, ENVIRONMENTAL

DON MARIO CAMPIDORI FOUNDATION

2020 CONTRIBUTION **3.000 EURO**

SPONSORSHIP OF THE "FAMIGLIA DELLA GIOIA" PROJECT

SAN RUFFILLO PARISH

2020 CONTRIBUTION **2.000 EURO**

BRISTOL TALK

9.2 CULTURE

BABY BOFÈ 2020

2020 CONTRIBUTION **8.000 EURO**

PROMOTION AND ORGANISATION OF ACTIVITIES IN THE MUSIC, MUSICAL PERFORMANCE, DRAMA AND BALLET SECTOR

MUNICIPAL THEATRE FOUNDATION

2020 CONTRIBUTION **80.000 EURO**

DISSEMINATE MUSICAL ART, EDUCATING THE COMMUNITY, PRESERVE THE HISTORIC-CULTURAL LEGACY OF THE THEATRE AND KEEP THE ITALIAN OPERATIC AND SYMPHONIC TRADITIONS ALIVE. (BO)

DEPARTMENT OF THE ARTS

2020 CONTRIBUTION **5.000 EURO**

ARCHIVIO DEL CANTO - COLLECT AS MANY BOOKS ON THE SUBJECT OF OPERA SINGING AS WE ARE ABLE TO SOURCE AND MAKE THEM AVAILABLE IN A SINGLE PLACE.

CULTURAL ASSOCIATION

2020 CONTRIBUTION **5.000 EURO**

MESSA IN MUSICA CULTURAL ASSOCIATION - A MASS IN THE BASILICA OF SAINT PETRONIUS

ORCHESTRA FILARMONICA

2020 CONTRIBUTION **50.000 EURO**

2020 SEASON SPONSORSHIP

10TH CONCORSO PIANISTICO

2020 CONTRIBUTION **5.000 EURO**

10TH "ANDRE BALDI" INTERNATIONAL PIANO COMPETITION

9.3 HEALTH

IL BENE FOUNDATION

2020 CONTRIBUTION **10.000 EURO**

SUPPORT FOR THE ORGANISATION'S DIAGNOSTIC AND TREATMENT ACTIVITIES

ISTITUTO ORTOPEDICO RIZZOLI

2020 CONTRIBUTION **30.000 EURO**

SPONSORSHIP OF THE "MULTIMEDIA MULTI-CENTRIC ARCHIVE OF MUSCULOSKELETAL SARCOMA IN THE PAEDIATRIC AGE"

POLYCLINIC FOUNDATION

2020 CONTRIBUTION **200.000 EURO**

SANT'ORSOLA POLYCLINIC FOUNDATION - PIÙ FORTI INSIEME

ANT ITALIA FOUNDATION

2020 CONTRIBUTION **5.000 EURO**

ANT ITALIA NON-PROFIT FOUNDATION - CANCER PATIENTS DURING COVID

9.4 SPORT AND EDUCATION

GALAVERNA 2020

2020 CONTRIBUTION **5.000 EURO**

AMATEUR RUN IN MEMORY OF ALICE GRUPPIONI

⁸⁷ Contributions of more than €1000.



The mission of the Theodora non-profit foundation is to support children in hospital and their families, offering counselling and an opportunity for emotional expression and play, with a visit by the “Dream Doctors”, professional artists hired and trained by the foundation to work in a paediatric hospital environment. Marchesini Group’s patronage has allowed the Dream Doctors to look after the “healthy part” of children in hospital, meaning the part that is always keen to play, fantasise and laugh. In Bologna, the foundation operates at Policlinico S. Orsola Malpighi and the Bellaria hospital.

On a worldwide level, Theodora is present in 7 countries in addition to Italy: Switzerland, France, UK, Spain, Belarus, Turkey and Hong Kong; in Italy, the organisation is present in 11 cities and 17 hospitals, helping more than 5 thousand children every year.

FONDAZIONE THEODORA NON-PROFIT ORGANISATION

2020 CONTRIBUTION: 2,000 euro
Economic support for activities of the “Dream Doctors”



With its support of AIA Sport non-profit organisation, Marchesini Group aims to contribute to continuation of the activities of the association also in this difficult time.

The project for an introduction to horse riding "In sella alla vita", addressed to people with acquired motor disabilities in the care of the Bologna health authority Multiple Sclerosis Centre of Bellaria Hospital and the patients at the Montecatone Rehabilitation Hospital, netted multiple awards and positive appraisals from all the partners involved (both from patients and from the two reference rehabilitation teams) highlighting the enormous significance and positivity of the proposed experience.

In fact, the MS Centre team confirmed the importance that horseback riding has for these individuals, both in terms of rehabilitation, with the associated improvements in balance, core strength, arms coordination and especially mood improvement and increased propensity to open up and socialise. To prove these claims a trial was set up with the University of Bologna to evaluate the benefits that horseback riding can produce, also in terms of improving sleep patterns for MS sufferers.

A.S.D. AIA SPORT NON-PROFIT ORGANISATION

2020 CONTRIBUTION: 2,000 euro

Sponsorship of the association for the "In sella alla vita" project

Sport 2000 offers activities for all ages: from baby swimming courses (0-3 years) to independence exercises for seniors. Training courses organised: swimming (infants, children, adults, people with disabilities, pregnant women), water gymnastics, fitness, volleyball, tennis. Summer Centres are held every year for more than 200 young people. The courses are held in various sports centres in the municipality of Pianoro and other districts. In addition to the courses, the association organises sports activities (swimming, volleyball, and tennis) for more than 200 young people. For several years the association has been holding swimming courses for disabled people, children, and adults. This project, called Acqua senza Frontiere, is extremely expensive to run due to the one-on-one lessons. However, it offers the opportunity for even the most disadvantaged people to experience the benefits of motor activities in water. There is also a project that is run jointly with the local health authority, offering rehabilitation for sufferers of Parkinson's disease and those afflicted with low back pain with sciatica.



POLISPORTIVA SPORT 2000 AD SUMMER CAMPS 2020

2020 CONTRIBUTION: 1,000 euro
Summer camps 2020

FRANCISCAN FESTIVAL

2020 CONTRIBUTION: 2,000 euro

The Franciscan Festival aims to rediscover, communicate, actualize and give tangible form to the values of Francis of Assisi, in the conviction that they can help to overcome the various types of crisis – identity political, values, environmental – that have become a feature of our daily lives.

In fact, Saint Francis continues to attract both religious and non-religious admirers, who are fascinated by the culture of respect (for others, for oneself, and for creation) that Italy's Patron Saint personifies.

To transmit, also to the most distant, the Franciscan values of brotherhood, humility, charity, dialogue, and peace, the event organiser Movimento Franciscano dell'Emilia-Romagna decided to adopt a "festival formula", creating an event to provide an occasion to take to the streets, among people making connections and engaging in open discussion, in the manner of Saint Francis.

THE FRANCISCAN FESTIVAL STYLE:

In the streets, among the people, to provide an answer to the deeper motive behind the event; Resilient, capable of adapting to change; Gratis, free access; Friendly, created to promote connection, feedback and dialogue; Diffused, continues throughout the entire year; In relation, involves in programme construction activities.



BIMBO TU

2020 CONTRIBUTION: 10,000 euro

Sponsorship for the "Pass - Reception and Solidarity Services Hub for children, families and citizens"



When a child becomes ill the entire family gets sick; Bimbo Tu offers psychological support for children and their families, to help them feel at home in hospital: for Bimbo Tu the all-round support of children and their families is a serene path of healing towards a disease-free future. During hospitalisation of children in the infant neurosurgery and neuropsychiatry departments of the Bellaria hospital of Bologna, the mothers live in the hospital with the young patients while the rest of the family experiences the pain for the situation from a distance.

The Reception and Solidarity Services Hub for children, families and citizens is designed to function as a point of reference not only for the families of paediatric patients of the Bellaria Hospital but for the entire community of San Lazzaro and Bologna. The centre will be the fulcrum of a host of activities, benefiting from multi-purpose spaces, always devoting special attention to energy saving and sustainability from the environmental, social, economic, and health perspectives.

The strengths of the Hub will be:

Free access to the facility for the primary beneficiaries: families of sick children, with the aim of reducing the anguish, as far as possible, of parents, grandparents, brothers and sisters, all of whom become involved in the illness of their loved one;

Creation of activities and services for citizens. For example, with activation of after-school clubs and summer camps. Covering the cost of these services will make it possible to guarantee free access for the primary beneficiaries;

The creation of a space dedicated to the Risonanza Amica service: a mock-up Tesla zero field MRI toy that allows children to gain familiarity and confidence with the machine by playing with it and interpreting a role of fantasy in which the patient is the one in charge of proceedings.

These three major strengths will be integrated in a virtuous circle that will allow the unprecedented creation of a space for connecting and swapping stories that can help people experiencing the dramatic scenario of a seriously ill child to feel less alone.

The Hub also provides an opportunity to bring these family units together and combat the breakdown of family ties.

ANTONIANO - COVID EMERGENCY FUND

2020 CONTRIBUTION: 10,000 euro

Sponsorship for the "Insieme per le famiglie" project



We are facing an unprecedented emergency in which more vulnerable sections of society are finding it ever harder to satisfy their basic needs of food, shelter, and medical assistance.

Hundreds of people have seen a significant worsening of their conditions over the pandemic period. The homeless have been left without options for safe shelter, without the familiar soup kitchens and night canteens where they could eat, without anywhere to shower and attend to their personal needs.

Families with insecure jobs or working on the unregulated market have seen their income reduced to zero so they have been unable to provide for themselves or their children.

In this dramatic situation, the Antoniano association has attempted to guarantee continuity of all assistance services, adapting in line with the provisions designed to limit the health emergency.

Hygiene kits and food were given out to anyone making a request (and not only existing service users).

The number of meals distributed daily increased from 130 to 180. The food is dispensed in the monastery cloisters from Monday to Sunday, while the families who used to attend the evening canteen received food parcels at their homes.

The social workers maintain the closest possible contact with the people they had been following, and offer telephone assistance, shopping vouchers, and psychological support.

In response to a rise in the demand for assistance, all the production activities that were covering part of the expense before the pandemic (cinema, theatre, courses for children, music productions and television shows) were forced to close.

SAN DOMENICO CENTRE

2020 CONTRIBUTION: 5,000 euro

Patronage of Catholic cultural activities

The San Domenico Centre was set up in Bologna in 1970 thanks to the initiative of founder Fra Michele Casali. The centre is a Catholic non-profit association which, by means of conferences, debates, symposia, seminars and other forms of cultural communication, aims to spread the principles of the Catholic faith and address ethical, philosophical, religious, artistic and topical matters; all themes addressed with a continuous discussion between ideas, constantly focusing on matters that bring people together rather than those that set them apart.

The words of Pope John Paul II, which he expressed on the foundation's tenth anniversary, describe the spirit of the San Domenico centre in full: "A provident cultural association, a living presence and Christian witness in the city and diocese of Bologna, worthy of praise and open to other voices in a spirit of collective dialogue".



The project concerns two 85 sq. m apartments with a communal room of 30 sq. m in which weekly afternoon and daily workshops are held, programmes with preschools and primary schools and weekends of engagement between people with disabilities, young people, volunteers and families.

In particular, with the sponsored project the workshops were doubled (from two to four), it was possible to bring in an additional 12 disabled people, and it was also possible to expand the network of participating volunteers and hire two new staff.

The aim is to reach a condition of self-sustainability in the first three years of activity, which will be possible especially with the kitchen workshop and sale of its products, in addition to a possible increase of the beneficiaries and employment possibilities of disabled or occupationally disadvantaged persons.

Despite the pandemic period, to date it has been possible to: engage a total of 30 people in disability situations; expand the network of volunteers involved (around 12 young people and adults), allow the participation of 8 voluntary workers in situations of fragility either due to age or conditions; increase the engagement of labour resources.

A selection of the results achieved: increase from 60 to 80% of coverage of costs through self-financing; career path proposals for some disabled young people participating in the workshops.



FONDAZIONE DON MARIO CAMPIDORI NON-PROFIT ASSOCIATION

2020 CONTRIBUTION: 3,000 euro

Sponsorship of the "Famiglia della gioia" project



In 2002, thirteen parents with disabled children set up Fondazione Dopo di Noi Bologna to provide an answer to their most pressing concern: "What will happen to our children after we are gone?"

Since that time the foundation has supported more than 500 families, offering the sensitivity and professional skills needed to face the many problems that the "after we are gone" scenario elicits. "Where will they live? Who will look after them? Who will manage the savings we will leave?"

All questions that call for consistent and interconnected answers.

Fondazione Dopo di Noi guides families in the gradual creation of a "life project" for their disabled family member, following all aspects, from care to legal and economic matters. When necessary, the foundation carries out projects for alternative accommodation with respect to the parents' home, always promoting collaboration between the family, public institution and private sector social structure.

The activities concern three main areas:

- Living outside the home
- Personalised journeys and support for parents
- Consultancy and legal information

FONDAZIONE DOPO DI NOI BOLOGNA NOT-PROFIT ORGANISATION

2020 CONTRIBUTION: 2,400 euro
Sponsorship of the "Casa San Donato" project



The church of San Bartolomeo di Musiano (Pianoro) is the remnant of a monastic complex with records dating back to the year 981.

With regard to the location of the complex, from its foundation the monastery stood on the Tuscany road, one of the main communication routes between the Po Valley (and the Bologna district in particular) and the southern slopes of the Apennines. This has been amply documented since the 11th Century, but the road has undoubtedly been carrying out its important function of connection with Tuscany since the Dark Ages. It was a strata that, apart from in numerous documents, is recorded from the end of the 11th Century in a map dated 1085, in which between the boundaries of a group of properties purchased from private citizens, we also find the public road qui pergit a Musiliano^{92, 93}.

In addition to being a prestigious historic, architectural and artistic heritage site in Pianoro, where the Group has its headquarters, it is also a church of special significance for the Marchesini family.

The disastrous condition of the church building calls for urgent major restoration and structural consolidation works, which the parish is unable to finance without outside help.

SAN BARTOLOMEO PARISH (MUSIANO)

2020 CONTRIBUTION: 100,000 euro
Support for urgent maintenance of San Bartolomeo church

⁹² 11th century maps of the Bologna district, 1085 March 3, no. 348, pages 697-699.

⁹³ Zagnoni, R., The San Bartolomeo di Musiano monastery in the Middle Ages (981-1307), previously published In San Bartolomeo di Musiano, Abstracts of the study day (Pianoro, 15 October 2005), "Documents and studies of the Deputation of Italian History for the provinces of Romagna", XXXVIII), Bologna, at the Deputation of Italian History, 2008, pages 31- 95, disseminated in digital form by Alpes Appenninae - www.alpesappenninae.it

Mariele Ventre was a tireless and inspired woman who was used to getting the job done; she was strict and demanding, ensuring that each child was committed to their studies; she made the effort to understand the needs of each child, discovering their potential; then, once she had understood, she made sure each child realised his or her full potential and reached those all-important results.

In San Pietro in Casale, in the province of Bologna, there is a place where children from 6 to 11 years of age can experience school in an "old and new" way. It seems impossible to keep these two visions together, but those who attend the "Mariele Ventre" school know that this challenge is met and overcome day after day. From the start, the school became a place of hospitality, especially for children with special educational needs: children with disabilities and/or learning difficulties; children from difficult backgrounds; children from difficult school experiences with severely damaged self-esteem in need of recovery. The first thing required for such children is an "educational assistant" to help the teacher so that children with difficulties can work with their peers and progress with their educational development. The progress made in school was incredible... and it was not limited just to these special needs children.

IN...CLUSIVE education as a method is used to guarantee participation of all the children in a learning process because they are people and not because they are in a special category: it's the "art of blending" different skills, propensities, and abilities, using the class as an educational community.

Another strength is the synergy between school, family, and specialists. To do all this, since we are a home school not entitled to any form of government subsidy, we need contributions from the private sector. Our "IN...CLUSIONE" project was developed precisely for this purpose: to find a source of economic support so we could allow children with special needs and their families to choose our school. The presence of a special child is a precious asset for all. The possibility of choosing an "IN...CLUSIVE" school should be open to all.



AMICI DI MARIELE

2020 CONTRIBUTION: 5,000 euro

Sponsorship of the "Inclusionione" project

SAN RUFFILLO PARISH – BRISTOL TALK

2020 CONTRIBUTION: 2,000 euro

The Bristol Talk programme – hosted by TRC Bologna – originated in the Bristol Community Centre and is produced by the Parish of San Ruffillo. The programme, which is half-way between a conference and a talk-show, is designed as a container for an in-depth look at Bologna's culture, society, and economy.

TRC Bologna, transmitted on digital terrestrial channel 15, is the most popular local station, with more than 125 thousand daily contacts. A success due mainly to the high level of attention devoted to information, with more than 6 hours of live broadcasts every day in the news segments and features dedicated to sport, the economy, and society to speak about Bologna and Emilia-Romagna.

The topics addressed during the meetings are of social/cultural relevance and with a solid connection to the city and the local area.



L'ARCO ASSOCIATION

2020 CONTRIBUTION: 20,000 euro

Sponsorship for recovery activities, peer activities and Co-design Co-construction.



L'ARCO is a non-profit organisation founded in 2017 with the aim of promoting the recovery of persons with mental illness or social anxiety.

Thanks also to the Marchesini Group sponsorship, in 2020 the Association was able to provide 35 individual recovery programmes simultaneously, thus increasing the potential offering of its services and the contribution of facilitators.

L'Arco also consolidated the experience of the courses, allowing several qualified experiences of training for facilitators and intensifying relations with organisations in the area, both related and unrelated, with the aim of helping to promote a culture of respect, reciprocity, and trust in the possibility of recovery of all those affected.

The association will continue to consolidate its network with its institutional partners (municipal council, local health authority, third sector institutions, business enterprises) to obtain feedback also from these sources in relation to the nature and effectiveness of its activity: starting from its independence, L'Arco intends to assist with the promotion of social integration and well-being, maintaining relations of "correspondence" with various reference parties of the urban community.

WE WORLD ONLUS

2020 CONTRIBUTION: 2,000 euro



For more than 50 years WeWorld has been engaged in Italy and worldwide to ensure that the fundamental rights of all human beings, especially women and children, are recognised and respected, opposing poverty, violence and injustice, and promoting sustainable and lasting human development pathways while respecting the environment. It reaches 7.2 million direct beneficiaries in 27 countries with 158 active projects, thanks to the work of 1,688 professionals and volunteers and the support of 30,000 donors and 13 main partner companies.

With 111 emergency and development projects in the south of the world, the actions of WeWorld are diversified based on the specific context of the community and area in which it operates: the endemic problems of perennial war, displacement and forced migration in the Middle East; the Libyan detention centres; drought, ethnic conflicts, organised crime and Jihadi terrorism in Africa; violence in South America; food and climate crises in Haiti and Guatemala; people smuggling and child brides in Asia. The commitment of the organisation involves guaranteeing the right to water, food, health and education and the dignity of each individual. It provides consolidated support for sustainable socio-economic development, reinforcing the capacity of the most fragile parties and opposing the causes and effects of climate change and it is among the primary international actors providing aid in response to emergencies.

In Italy, We World is active with social programmes providing direct help to fight violence against women and educational poverty, especially in the suburbs of big cities such as Milan, Turin, Rome, Naples, Caserta, Palermo and Cagliari. It also provides support for transient migrants at Ventimiglia.

The association also conducts activities of Education for Global Citizenship and Awareness by organising festivals, debates, advocacy, fundraising and communication campaigns on a large number of the key topics of Agenda 2030 for Sustainable Development, reaching more than 3 million people in Italy and Europe.

HAPPY HAND

2020 CONTRIBUTION: 3,000 euro

Sponsorship of the association to stage the yearly "Happy Hand" event

The Willy The King Group "WTKG" is an association named after Willy Boselli, who has been promoting social events for people with special needs for many years. Every year, by means of the "Happy Hand - Games without frontiers" event, the Group aims to remove the barriers separating Olympic and Paralympic sports so that spectators focus on the people involved, rather than on their abilities or disabilities.

The event is a sports and social inclusion festival, with the spotlight on abilities and disabilities, with Olympic sports offered together with Paralympic sports and opportunities for co-penetration between the disciplines in the belief that this approach will open the way to a new cultural understanding of disability. Using sport as a means of bringing people together and sharing, it is increasingly important to devote attention and sensitivity to the topic of disability, offering "strength" and motivation for all those who start out with a physical disadvantage.



The aims of The Bologna Festival non-profit Association are promotion and organisation of activities in the sector of music, musicals, opera and ballet. Bologna Festival has been organising and producing music events since 1982, especially in the classical music sector. In nearly forty years of operations the Association has hosted the most important orchestras in the world with their conductors, famous soloists and top chamber ensembles, always keeping alive the symphonic vocation that identified it from the beginnings and extending the activity to include more obscure repertoires and audience awareness raising aspects. The programme has been extended over the years: the traditional "Grandi Interpreti" series dedicated to the classic-romantic repertoire executed by the most acclaimed international artists has been joined by the "Talenti" programme, a space open to promising young musicians on the European concert circuit and "Il Nuovo l'Antico", devoted to the pre-classical period, the twentieth century, contemporary music, and cultural explorations. Bologna Festival has also created a specific programme for children: "Note sul Registro", listening skills project for students, meeting the educational needs of the local area, promoting inclusion and socialisation, and "Baby BoFè", a classical music programme for children between the ages of 3 and 11, with specifically developed performances in relation to their attention levels and understanding. Each piece is structured in accordance with a theatrical and musical formula that draws from the repertoire for instrumental ensembles, for soloists, or for the great operatic and ballet traditions, with the creation of libretti, scenes, and costumes, direction and choreography specifically conceived for each production. The aim is to familiarise children with the world of music with a targeted offering, composed of matinees for families and morning performances for schools.



BABY BOFÈ 2020

2020 CONTRIBUTION: 8,000 euro



The fire that destroyed the Bologna Malvezzi Theatre in 1745 marked the start of the history of the Bologna operatic theatre. After the fire, the city commissioned a new operatic theatre built in stone in the baroque style in vogue in the period under the direction of Antonio Galli Bibiena. On 14 May 1763 the Municipal Theatre opened its doors to the public with the initial execution of *The Triumph of Cloelia* by Gluck in the presence of 1,500 spectators out of a total urban population at the time of 70,000. Since that time, the Municipal Theatre rose to fame thanks to the exceptional quality of the performances it hosted and the fame of the artists who frequented it, from Mozart to Rossini and Giuseppe Verdi.

Together with the three main seasons (Opera, Dance, Symphonic), there are many collateral activities that reflect, in a highly visible manner, the central role of the theatre in relation to the city and the region, notably activities of an educational and informative nature and the School of Opera, dedicated to training and promotion of young artists and technicians.

In addition to these activities, the municipal theatre foundation is highly committed to organising international tours and taking part in top tier events including the Rossini Opera Festival of Pesaro and the Festival Verdi of Parma and Busseto.

Apart from the spectators, the Municipal Theatre today is increasingly open also to the world of production and companies based in Bologna or that wish to exploit the important commercial, industrial, and exhibition opportunities offered by the city.

With 1,100 contracts with artists every year, more than 260 staff and more than 240 opening days each year (for around 100,000 spectators in total), the Bologna Municipal Theatre has solid ties with the local area and with its audience.

The Bologna Municipal Theatre Foundation is dedicated to disseminating musical art, educating the community, preserving the historic-cultural legacy of the theatre and keeping the Italian operatic and symphonic tradition alive.

MUNICIPAL THEATRE FOUNDATION

2020 CONTRIBUTION: 80,000 euro



Archivio del Canto is a research centre operating within the Department of Arts (Bologna University). The primary mission of the Archive is to collect as many books on the subject of opera singing as possible and make them available in a single space.

The second mission is to promote original research into opera singing, promoted by the presence in the same location of a specialised library of unparalleled excellence.

The third mission is to promote, by turn, young researchers who have gained a research Doctorate (PhD), either by financing a new research project or by publishing the results in print.

In 2020, probably due to the unprecedented historical moment, Archivio del Canto received only the economic support of Marchesini Group, which was used to gain access to the "research funds" offered by Bologna University.

The three most important results obtained in 2020 thanks to the co-financing offered by Marchesini Group were:

- acquisition of a bequest of around 500 volumes on opera singing, the property of a recently departed actor from Ravenna;
- publication, via the Libreria Musicale Italiana publishing house, of a volume penned by Paolo De Matteis entitled "Musica e gesto nel teatro mozartiano" (music and gesture in mozartian theatre);
- activation of an annual research fellowship to conduct an investigation of Antonio Bernacchi, an 18th century Bolognese opera singer, awarded by public competition to Valentina Anzani.

DEPARTMENT OF THE ARTS ARCHIVIO DEL CANTO

2020 CONTRIBUTION: 5,000 euro

The Messa in Musica Cultural Association, formed in September 2014, chose to develop its activities around the performance of sacred musical works in sacred settings or places that are anyway of artistic-architectural significance. The peculiarity of the Association lies also in its ability to combine other art forms, such as dance and poetry, with music.

The association was created with the aim of filling a cultural void. Bologna, UNESCO creative city of music with more than 300 musical events, like many other places in Italy was lacking a sacred music festival to provide the opportunity to hear the masterpieces in this repertoire within the setting of sacred places. The activity of the Association is characterised also by the excellence of the musicians. Musicians are selected time by time for their dedication, professionalism, and renown in the context of our area.

From 2014 to date "Avvento in Musica" has produced twenty-five titles of sacred music, from the better-known masterpieces such as Petite Messe Solennelle by Rossini, Missa Papae Marcelli by Palestrina (Missa pro Papae Marcelli) and Mozart (Coronation Mass) to exceptionally rare pieces by contemporary composers (Misa Criolla).

The aim, among others, is to recover the power of a tradition that was deeply rooted in the Christian/Western culture that underpins our society.

The Association has extended its actions, participating in the initiatives promoted by the Bologna City Council Culture Department with projects such as "Concerti in Abbazia" and "Linno alla gioia", with live music and original dance choreography. The projects carried out in this context were all crowned with success. Messa in Musica was therefore also able to promote the cultural legacy of outstanding locations in the Bologna area.

In October 2020, the feast of St. Petronius, patron saint of Bologna, was celebrated by the presentation of a new work specifically commissioned by the Association from maestro Marco Taralli (1967), which was performed and offered to the city in co-production with the Bologna Municipal Theatre, which readily adhered to and shared the important project created by the Association.

The Mass for Saint Petronius was first presented to citizens and sponsors, and then performed in the Basilica during the religious function, thus renewing a tradition that had been gradually abandoned in our country, over the years, despite the wealth of the repertoire of sacred music, especially of Italian origin, which had always been a part of liturgical practice in the last millennium.

Celebration of the Mass accompanied by the performance of a complete and original opera, which includes parts of the Ordinary (Kyrie, Credo, Sanctus, Benedictus, and Agnus Dei) was also an opportunity to renew, from the artistic perspective, the depth of secular spirituality, which is deserving of recovery and rediscovery, also through the immensely evocative nature of the Basilica of Saint Petronius, site of the most important religious and civic events of our city.



MESSA IN MUSICA CULTURAL ASSOCIATION - A MASS IN THE BASILICA OF SAINT PETRONIUS

2020 CONTRIBUTION: 5,000 euro

BOLOGNA PHILHARMONIC ORCHESTRA

2020 CONTRIBUTION: 50,000 euro

2020 season sponsorship

Also in 2020 Marchesini Group sponsored the Bologna Philharmonic Orchestra, created in 2008 at the behest of the professors of the Orchestra of Bologna Municipal Theatre.

The Philharmonic Orchestra has always offered concert cycles at the Auditorium Manzoni Theatre of Bologna, in collaboration with the best international artists and musicians, immediately achieving the status as one of the most important venues in Italy and consistently achieving a full house.

Over the years, the Philharmonic has worked with soloists such as Gerd Albrecht, Philippe Entremont, Gidon Kremer, Alexander Lonquich, Louis Lortie, Mischa Maisky, Ivo Pogorelich, Alexander Romanovsky, Baiba Skride, and Daniil Trifonov, under the baton of Michele Mariotti, Sir Neville Marriner, Mikhail Pletnev, and Alexander Vedernikov, to name but a few. Always attentive to young talent, the Philharmonic helped the young conductor Aziz Shokhakimov rise to prominence.

In February 2014, Hirofumi Yoshida became the artistic director of the Philharmonic, with the fruits of this collaboration emerging immediately in the orchestra's first Japanese tour. In fact, since 2014 the Philharmonic has been invited to Japan every year to perform in the Country's most prestigious concert venues, including the Suntory Hall in Tokyo. Relations with Japanese audiences were further strengthened thanks also to the successful tour of September 2017, which touched on the cities of Tokyo, Yokohama and Kyoto.



10TH “ANDRE BALDI” INTERNATIONAL PIANO COMPETITION

2020 CONTRIBUTION: 5,000 euro



An international piano competition reserved for all young players, divided into six categories (category A reserved for middle school students following a musical curriculum, will be held on 31 May), category B up to 11 years of age, C up to 13, D up to 16, E up to 23 and G up to 35), with the presentation of a vast repertoire.

The tenth edition came to a close on 7 June 2020 with the concert of the winners at the San Rocco Oratory.

In addition to the cash prizes for each category, the overall winners of categories E and F were engaged for 9 award concerts.

FONDAZIONE IL BENE NON-PROFIT ORGANISATION

2020 CONTRIBUTION: 10,000 euro

Support for the organisation's diagnostic and treatment activities



Fondazione Il Bene, together with all its associations, places the focus on assistance and help of all those who, faced with serious illnesses such as Multiple Sclerosis, struggle to deal with the consequences alone. The foundation is designed to act as a point of reference and a constant source of assistance for the physical and psychological support of patients and their families. One of the priorities is to help patients understand that they are not alone and that they can rely not only on the healthcare facilities but on entire communities ready to offer their support. Fondazione Il Bene acts through its associations to reach patients directly and improve or alleviate their conditions.

At the present time, in which social relations are fading, the foundation does its utmost to continue to operate despite all the anti-Covid restrictions imposed, because the need to support people with limited access to the facilities and services it provides has never been greater.

The patients served by the il BENE Centre are more than 2000, of whom 1300 suffer from multiple sclerosis, 400 from myasthenia and 400 from rare diseases.

This activity is guaranteed thanks to the work of 80 volunteers, who supply more than 9000 hours of service every year.

The Rizzoli Orthopaedic Institute of Bologna, founded in 1896, is an international point of reference in the development of orthopaedic practice. The high-level therapies are the result of ongoing scientific research with transfer of the results into clinical practice. Integration between departments and workshops makes it possible to achieve an overview of the pathologies and to constantly test new treatment options.

Since 1981, Rizzoli has been classified as a Research Hospital, recognised by the ministry of health for its advanced research activities and its impact on the international scene.

As an integral part of the Emilia-Romagna health-care system, the Rizzoli institute is also a Bologna University teaching hospital.

With its RIT-Research, Innovation and Technology department, it is part of the Tecnapolo of the Regional High-Technology Network: laboratories specialised in technological transfer and research applied to the industrial sector.

The Rizzoli-Sicilia Department of Bagheria (Palermo), created from a memorandum of understanding between the Emilia-Romagna Region and the Sicily Region, has been active since 2012.

The Rizzoli department employs some 1400 people among orthopaedicians, anaesthetists, rheumatologists, radiologists, internists, biologists, engineers, biotechnologists, physicists, chemists, statisticians, pharmacists, nurses, physiotherapists, radiology technicians, laboratory technicians, assistance personnel, and technical and administrative staff.

The clinical activity concerns the entire sphere of orthopaedic-traumatological practice. The work is based on clinical and translational research programmes: the hospital and workshops together cover the most innovative sectors of physiology and pathology of the musculoskeletal system.

The Research Approaches assure integration of clinical-scientific translational paths with reference to four areas: Oncology, Regenerative and restorative medicine, Innovative and prosthetic surgery, Inflammatory, infectious, degenerative, and genetic pathologies.

It hosts the Emilia-Romagna Musculoskeletal Tissue Bank and the Register of Orthopaedic Prosthetic Implantology (RIPO). The institute is a Coordinating Centre of ERN BOND, the European reference network on rare bone disorders.

Regenerative and restorative medicine, stem cells, tissue engineering, 3D design and printing for reconstructions and customized prosthetics, innovative surgical techniques for the most complex procedures, reconstruction of ligaments and cartilage, inflammatory, infectious, degenerative, and genetic pathologies, multispecialist care of bone cancers, and treatment of the most complex paediatric orthopaedic disorders are just some of the sectors in which the Rizzoli Institute is engaged for orthopaedics of the future.

ISTITUTO ORTOPEDICO RIZZOLI

2020 CONTRIBUTION: 30,000 euro

Sponsorship of the "Multimedia multi-centric archive of musculoskeletal sarcoma in the paediatric age"



On 9 March 2020 the Foundation launched the "Più forti insieme" (stronger together) project to support the Bologna hospitals and personnel engaged on the front line in the response to Covid-19. Healthcare equipment was purchased for almost 1 million euro, and services were created for patients and, especially, for personnel, with vouchers for babysitters, free accommodation in hotels, taxi rides for 1 euro, and home delivery of shipping during the lockdown. All the information concerning the actions put in place is published on www.piufortinsieme.it.



SANT'ORSOLA POLYCLINIC FOUNDATION PIÙ FORTI INSIEME

2020 CONTRIBUTION: 200,000 euro



The support of private donors and companies was and remains absolutely indispensable to continue to offer protection to thousands of fragile individuals with a cancer diagnosis that has made them even more vulnerable to the threat of Covid-19. In fact, during such a challenging year, ANT physicians, nurses, and psychologists always guaranteed continuity of access to specialist assistance at home, supplied to the homes of more than 3,000 people in over 30 Italian provinces from the north to the south of the country, every day, free of charge, and in conditions of absolute safety.

ANT faced the upheaval of the past year with passion and resolve, thanks to its solid underlying values and its highly structured organisation. The priority is to continue to guarantee a service that is indispensable to an enormous number of citizens. Regardless of the epidemic, home assistance for chronic patients and fragile elderly persons emerged clearly as a winning formula in terms of patient protection, economic sustainability, and level of satisfaction among families.

ANT ITALIA NON-PROFIT FOUNDATION – CANCER PATIENTS DURING COVID

2020 CONTRIBUTION: 5,000 euro



Remember how it feels to wake up on a winter morning and look out of the window at a landscape clad in white? We're not speaking of snow, but that light covering of frost that forms on the fields and trees due to the evaporation of ground moisture that subsequently freezes due to the low temperature conditions. This is referred to as "galaverna".

And it is precisely this meteorological phenomenon that gives the name to the foot race held at the end of January, winding through the hills of Pianoro in the province of Bologna, site of the Marchesini Group headquarters.

Each participant can choose his or her preferred route: 3.5 – 6.5 – 10.5 – 16.0 – 20.0 km on metalled roads, dirt tracks or "cavedagne" (footpaths) and participate at a running or walking pace or even using Nordic walking poles. The only limit is that the chosen route must be completed within the term of 4 hours.

The takings of the initiative were donated to Cucciolo – the Bologna Association of the parents of premature children.

GALAVERNA 2020 AMATEUR RUN, IN MEMORY OF ALICE GRUPPIONI

2020 CONTRIBUTION: 5,000 euro





INSPIRED BY THE
EXTRAORDINARY

10.0

**CHARITABLE
ACTIVITIES OF
COLLABORATORS**

10.0 CHARITABLE ACTIVITIES PROPOSED BY MARCHESINI GROUP COLLABORATORS

Marchesini Group has a long tradition of promoting voluntary work carried out by its staff, in the conviction that it can provide an enriching and rewarding experience from many perspectives⁹⁴.

This approach has led to the consolidation of a procedure in which the Company doubles all funds collected through actions promoted by its employees.

In 2020, following the major earthquake that occurred in the Mugello zone in the province of Florence, where Marchesini Group has one of its production plants (Neri Division) and several warehouses, the Group's employees decided to depart from the earlier decisions and donate the majority of the takings of the customary Christmas lottery to the Barberino di Mugello Pro Loco organisation, to help deal with the emergency situation afflicting the local population.

The remaining amount was subdivided into equal parts between AIL, the Italian association against leukaemia-lymphoma and myeloma of Udine and the Bibli-os association, the purpose of which is to support child patients of Policlinico S. Orsola Malpighi in Bologna and their families, through reading.

The amount donated, totalling €9,540, was doubled as usual by Marchesini Group Management, which donated €9,540 to the same cause, bringing the total amount of Group support to €19,080.

752 Marchesini Group employees participated in the "Dona un'ora di lavoro" (donate an hour of work) initiative, raising funds for two projects by the prime minister's office - Civil Defence Department and to the Italian Red Cross for the Coronavirus emergency.

In 2020 a total amount of €23,650.98, was disbursed, corresponding to 1,374 hours of work, subdivided as follows:

- × €5,027.32 to "Sempre con voi", the fund to support the families of healthcare workers who lost their life in the fight against the Coronavirus. At the end of 2020 the amount collected totalled €12,522,143;
- × €5,027,33 allocated to the purchase of PPE, respirators, ventilators, medical-surgical products, and fit-outs for ICU rooms. At the end of 2020 the amount collected stood at €170,587,507, of which €167,782,465 of outbound bank transfers, subdivided into €15,403,650 for ventilators, €146,419,502 for PPE, €998,400 for PCR test kits and €4,960,913 for transport expenses;

⁹⁴ In psychological research projects that concerned the topic, the most widely recognised model, which identifies six classes of motivation for volunteerism, is the "functionalist" model of Snyder et al. (Omoto, Snyder, 1995; Clary et al., 1998; Snyder, Omoto, Crain, 1999; Stukas, Snyder, Clary, 1999; Snyder, Clary, Stukas, 2000; Snyder, Omoto, 2001): • values: expresses the presence of humanitarian interests for others. • understanding: makes it possible to put into practice skills, capabilities and knowledge that would otherwise remain unexpressed. • social: allows significant relationships with others. • career: makes it possible to achieve benefits for your career. • protection: protects the self from senses of guilt for having greater good fortune than others or to deflect attention from personal problems. • enhancement: the positive resources of the self are employed to build self-reliance and self-esteem. • values: expresses the presence of humanitarian interests for others. • understanding: makes it possible to put into practice skills, capabilities and knowledge that would otherwise remain unexpressed. • social: allows significant relationships with others. • career: makes it possible to achieve benefits for your career. • protection: protects the self from senses of guilt for having greater good fortune than others or to deflect attention from personal problems. • enhancement: the positive resources of the self are employed to build self-reliance and self-esteem.

- ✕ €13,596.33 to the Italian Red Cross which has supported the families most affected by the pandemic with the “Il Tempo della Gentilezza” project, by:

- delivering medicines and essential goods to the home
- distributing shopping vouchers and food parcels
- providing psychological support

In the “second wave” of the pandemic at the end of 2020, the commitment of the CRI volunteers continues with:

- activities in response to the health emergency by means of outpatient services, emergency-urgent care, secondary transport via the network of volunteers and its large fleet of vehicles;
- social emergency activities in response to new forms of poverty and social exclusion, to support the most vulnerable members of society through economic contributions and distribution of food parcels, blankets, and pharmacological support for the homeless;
- psychological support services and medical consultancy to protect personal stability and psychological-physical well-being to deal with situations of difficulty, uncertainty, and isolation.



EMERGENZA CORONAVIRUS



The Covid-19 pandemic has profoundly influenced the fund destination set up for 2020.

EMERGENZA COVID-19







INSPIRED BY THE
EXTRAORDINARY

11.0

**SENSE OF
COMMUNITY**

11.0 THE “SENSE OF COMMUNITY” IS AN INDEX USED TO ASSESS THE SOCIAL IMPACT OF MG'S CSR

At such a delicate and critical time as that caused by the ongoing pandemic, Marchesini Group felt the need to find a method of measuring the impact of the generated value shared with the community through support for the actions described in the section entitled “A year of sustainability”.

This approach is essential for the company in order to better comprehend the value, not merely in economic terms, of its contribution to the support of local projects. This is possible by creating and monitoring an indicator capable of expressing and describing the “sense of community” derived from the concept introduced by Seymour Sarason⁹⁵ and integrated by John Puddifoot⁹⁶ with the territorial links variable.

In order to calculate⁹⁷ the “Sense of community” indicator, a range of different variables was considered, some of which taken also from the latest “General census of industry and services - Data on non-profit institutions” carried out by ISTAT⁹⁸.

The index, the value of which ranges from 0 to 100, is a synthesis that expresses the qualitative-quantitative intensity of the response to the need of the institutions asking Marchesini Group for economic support. For 2020, the first year in which this index has been applied, the result is 34, while in 2019 it was around 32⁹⁹.

⁹⁵ Sarason, S.B. (1974). The Psychological Sense of Community. San Francisco: Jossey Bass.

⁹⁶ Puddifoot, J.E. (1996). Some initial considerations in the measurement of community identity. In Journal of community psychology, 24, pp. 327-336.

⁹⁷ In 2020 MG supported several associations and, thanks to their contribution in providing the necessary information, we were able to construct this index.

The data collected and processed refer to:

e = contribution made by Marchesini Group S.p.A.

E = total funds collected by individual associations

u = user base of individual associations

U = average user base of a non-profit association with nationwide diffusion

The following values were calculated:

e% = economic contribution of MG

u% = social contribution of single associations

p = people supported by MG

To establish the economic contribution of MG (e%) the amount devolved by Marchesini Group S.p.A. (e) was placed in relationship with the total funds collected by the association (E): $MG \text{ distribution} / \text{Total funds collected by the association}$

To determine the social contribution of an association (u%) its user base (u) was placed in relationship with a constant representing the average user base of an association with nationwide diffusion (U): $\text{Association user base} / \text{Average user base}$

To establish the number of people effectively supported thanks to the economic contribution of Marchesini Group S.p.A., the Association's User Base (u) was multiplied by the Economic Contribution (e%) that Marchesini Group devolved in 2020. At this point, these items were added together to find the total number of people effectively supported: $\sum_{i=1}^{i=20} (\text{User base} * \text{Economic contribution})$

To calculate the “Sense of Community” index a weighted average (Economic contribution weight = 0.7 and Association social contribution weight = 0.3) was calculated of the economic contribution (e%) and the association's social contribution (u%).

⁹⁸ http://dati-censimentoindustriaeservizi.istat.it/Index.aspx?DataSetCode=DICA_N14S. The 2011 census of non-profit institutions (the most recent available) shows non-profit institutions and their local units at 31 December 2011. Non-profit institutions are legal-economic entities with or without corporate legal status, of a private nature, that produce goods and services that may or may not be intended for sale and that, based on statutory legislation or on the institutional regulations, can distribute, also indirectly, profits or other earnings other than remuneration for services rendered, to the parties who set up the institution or to the quota holders. This edition of the census engaged 474,765 non-profit institutions entered into a pre-census list by Istat by integrating existing administrative and statistical sources. The measurement captured various aspects of the non-profit sector, notably the peculiarities in relation to organisational structure, actions carried out, and services provided, networks of relations set up, human and economic resources employed, type of users, communication tools, fundraising methods. The census showed the number of recipients of the services distributed in each institution based on the type of need. It should be noted that recipients may be counted multiple times if they have used services distributed by different non-profit institutions.

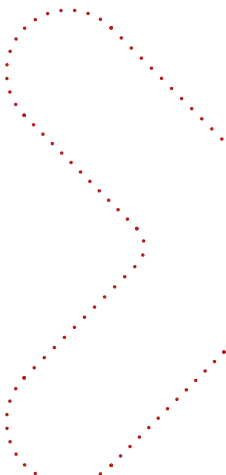
⁹⁹ Calculation performed using exclusively available data.



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12.0

CREDITS



12.0 CREDITS

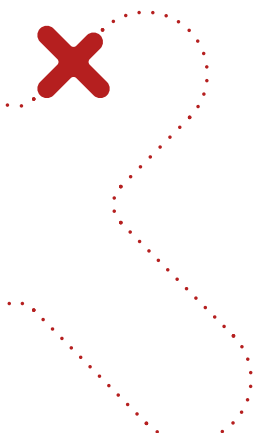
As for the previous editions, the Marchesini Group 2020 Sustainability Report is a project that engaged the entire company horizontally, coordinated by the Corporate Social Responsibility Manager, with the essential collaboration of the managers and teams of the following functions:

Administration, Finance & Personnel Management
After-Sales
General Organisation
HR Selection & Development
Logistics & Purchasing
Marketing & Communications
Production
Prevention & Protection Service
Quality Assurance
R&S
Sales
Technical

with the support of the Talent Garage team.

The graphic design of this edition is the work of the Marchesini Group Corporate Social Responsibility and Marketing & Communications functions, developed and created by Paolo Della Casa of Frida's.

This 2020 Sustainability Report is printed on eco-friendly paper that comes from responsibly managed forests also from the point of view of CO₂ sequestration. Its manufacturing process is exemplary in terms of responsibility and energy efficiency.





MARCHESINI
— GROUP —

