



SUSTAINABILITY BALANCE SHEET 2020

TECNOTELAI®
Sempre Disponibile

*Tecnotelai's real success has always been **the confidence of our Customers and their ability to recognise the commitment and enthusiasm of people** who, in more than half a century of business, have worked hard to reach success for the brand.*

With this first Sustainability Balance Sheet we would like to show you our commitment, results achieved and objectives for future improvement. We are aware that there are important challenges to face they and require an effort and constant commitment focussed on many aspects at the same time. It will not be easy, but all of us at Tecnotelai will always do our best.

*Nevertheless we think the **results** achieved with this first Social Balance Sheet have been **positive**, despite all of the difficulties that occurred in 2020. It has been a very unusual year that forced us to completely resize and reorganise our lives and consequently also the company's business.*

*We believe that this document represents an **important starting instrument to manage and communicate our efforts to pursue real sustainable growth** with the strong conviction that transparency is a mandatory element for building trusting relationships with all our stakeholders and in the creation of long-term value.*

*From now on, **once a year**, we are committed to publicly reporting with a Sustainability Report.*

I hope you enjoy reading this,

*The Sole Director
Arch. Silvia Mazzolini*



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LETTER FROM THE SOLE DIRECTOR

Tecnolai

Dear Reader,

Talking about Tecnotelai means telling the story of our family which has been around for more than 60 years. The core of our company is its philosophy, the same principles and values as when it was founded, which have never changed and have evolved over time:

- **HONESTY AND TRANSPARENCY:** honesty and transparency are primary values that permeate our *modus operandi*, especially towards customers and suppliers.
- **CONFIDENCE:** we are committed to creating a culture that maintains confidence in our values, strategy and in day-to-day operations.
- **COMMITMENT:** we always use the best of our potential in what we do, dedicating the utmost care to our customers and placing a maximum focus on every detail.
- **RELIABILITY:** armed with an experience spanning more than 60 years in setting up work spaces,

over the years we have become a reliable and efficient partner able to meet any furnishing need for your company.

- **GROWTH:** Keeping our eyes open towards the future, identifying sectors and always being aware of innovation and new trends. Constant training of personnel plays a major role in this.
- **CREATIVITY:** day after day we forego automatic reactions, consolidated processes and conventional patterns to offer you a tailored service.
- **ETHICS:** we integrate our work with respect for and protection of all our stakeholders, manifesting an always active commitment vis-a-vis the social and activities to protect environmental resources.

Our culture is based on an accurate focus on quality and deep-seated respect for people who, from the small supplier to the end customer, are participants in



Tecnotelai's everyday success. The company's personnel remains at the centre, with their daily enthusiasm and commitment, they let our company be a **leader in the supply of industrial furniture**.

Tecnotelai's real success has always been **the confidence of our Customers and their ability to recognise the commitment and enthusiasm of people** who, in more than half a century of business, have worked hard to reach success for the brand.

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NOTES ON METHOD

INTRODUCTION

The Sustainability Report, here in its first edition for the year 2020, also constitutes the “Non-Financial Reporting Statement”, the document that meets the **non-financial information disclosure obligations contained in Italian Legislative Decree 254/2016**, et seqq.

However, we feel it is fundamental to explain that Tecnotelai is not one of the companies as per art. 1 of the aforesaid Legislative Decree, obligated to prepare this Statement, but nevertheless it felt it appropriate aimed at constant attention to social and environmental issues vis-a-vis its stakeholders, to prepare this **document that accompanies the Explanatory Notes that is part of the ordinary Financial Statements**.

This Report was prepared in **compliance with the GRI Standards** (*Global Reporting Initiative*):

The *Global Reporting Initiative* is a non-profit Organisation founded in 1997 in Boston and its aim is to create support useful for reporting the sustainable performance of companies and entities worldwide.

For this Social Balance Sheet a decision was made to adopt the **Core option** of the GRI standards, published in 2016 and printed in an Italian edition in September 2019.

The **Core option** indicates that a report contains the minimum information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed. In addition to the information as per Legislative Decree 254/2016, the report contains additional information considered relevant and thus a decision was made to disclose it based on a principle of maximum transparency.

For the sake of completeness we feel it is opportune to explain that in accordance with what is governed by Legislative Decree 254/2016 and **GRI 101 - Foundation**, the topics to include in the social balance sheet are selected aimed at materiality for the company and the various types of stakeholders concerned in this Sustainability Report, in order to include elements with a positive impact and those with a negative impact in all areas: economic, environmental and social.

In terms of the **material dimension for Tecnotelai** it was determined based on the activity performed and the impacts it can have on each of the three areas above, obviously excluding those GRIs that due to their topic have no application in a commercial business and without production activity, like Tecnotelai.

While instead, in terms of the **material dimension for the stakeholders**, the various ways in which they are involved was used as a reference, for example in the case of employees and customers using questionnaires submitted to them. These will be discussed in the relative chapters.

This document was approved by the Shareholders' Meeting in accordance with regulatory provision of D.lgs. 254/2016, art. 7, par. 3; the above mentioned document has not been submitted to the company's auditor.

The observation period used as a reference was the **financial years closed on 31 December 2020**. For the purposes of comparison and reference unit of measurement occasionally comparisons were made with the previous financial years or with the two previous financial years, according to the recommendations of the various Reporting Indexes published in the GRIs used as a reference.

All of the information contained herein were obtained from internal documents or official communications, trying to maintain data uniformity and reducing estimates to a minimum.

For additional information or questions on the Sustainability Reporting please contact the internal person in charge at the following e-mail address: **bilanciosociale@tecnotelai.it**.

STRUCTURE OF THE SOCIAL BALANCE SHEET

This Social Balance Sheet is developed first with an introduction that depicts the company's overall profile, its history and the values it believes in, later going into detail and dealing with the following topics:

- **Economic Responsibility:** examining the most important *KPIs* and distribution of generated value;
- **Responsibility along the supply chain:** analysing in particular the origin of supplies, in light of an analysis of potential benefits for the local economy;
- **Responsibility towards people:** with a glance at promotion initiatives and development of human and professional value of employees, without neglecting recreation initiatives for living a better work experience;
- **Responsibility towards the Planet:** analysing the most significant impacts that the company under review produces in the use of water, materials and energy in performing its stated company purpose;
- **Declaration of the Sole Director:** this contains, *inter alia*, all of the initiatives outside of the company which are in line with the values that Tecnotelai wants to transmit in its relationships with *stakeholders*.

INDEX OF GRI CONTENTS

The following page shows the index of GRI contents in compliance with what is described therein. Any omissions under reported are due to shortcomings or difficulty in obtaining the necessary data or information. They will be revised and implemented during the next editions of the Sustainability Report.

GRI Standard	Year of publication	Information	Page	Omissions
GR 102 - GENERAL DISCLOSURES				
Organizational profile				
102.1	2016	Name of the organization	10	
102.2	2016	Activities, brands, products, and services	10	
102.3	2016	Location of headquarters	10	
102.4	2016	Location of operations	10	
102.5	2016	Ownership and legal form	14 - 15; 17	
102.6	2016	Markets served	10	
102.7	2016	Scale of the organization	10	
102.8	2016	Information on employees and other workers	26 and ff.	
102.9	2016	Supply chain	30 and ff.	
102.10	2016	Significant changes to the organization and its supply chain	30 and ff.	
102.12	2016	External initiatives	18; 40	
102.13	2016	Membership of associations	18	
102.14	2016	Statement from Senior Decision-Maker	4 - 5; 38; 39	
102.16	2016	Values, principles, standards, and norms of behavior	15 - 16	
102.18	2016	Governance structure	16 - 17	
102.40	2016	List of Stakeholder groups	19	
102.41	2016	Collective bargaining agreements	26 - 27	
102.42	2016	Identifying and selecting Stakeholders	24 - 25; 32 -33; 35 - 37	With reference to these GRI's, there is a lack of an actual materiality matrix, which will be developed by Tecnotelai in the next editions of the Sustainability Report
102.43	2016	Approach to Stakeholder engagement	24 - 25; 32 -33; 35 - 37	
102.44	2016	Key topics and concerns raised	24 - 25; 32 -33; 35 - 37	
102.46	2016	Defining report content and topic Boundaries	8 - 9	
102.47	2016	List of material topics	24 - 25; 32 -33; 35 - 37	A materiality matrix will be developed in future editions
102.50	2016	Reporting period	6	
102.51	2016	Date of most recent report	6	
102.52	2016	Reporting cycle	6	
102.53	2016	Contact point for questions regarding the report	17	
102.54	2016	Claims of reporting in accordance with the GRI Standards	6 - 7	
102.55	2016	GRI content index	8 - 9	
Economic performance				
103.1	2016	Explanation of the material topic and its Boundary	20 - 23	
103.2	2016	The management approach and its components	20 - 23	
103.3	2016	Evaluation of the management approach	20 - 23	

201.1	2016	Direct economic value generated and distributed	22	
201.4	2016	Financial assistance received from Government	23	
Responsibility towards people				
103.1	2016	Explanation of the material topic and its Boundary	24 - 29	
103.2	2016	The management approach and its components	24 - 29	
103.3	2016	Evaluation of the management approach	24 - 29	
102.8	2016	Information on employees and other workers	26 and ff.	
401.1	2016	New employee hires and employee turnover	27; 43	
403.7	2016	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	28 - 29	
403.9	2016	Work-related injuries	29	
404.1	2016	Average hours of training per year per employee	28	
405.1	2016	Diversity of governance bodies and employees	26	
Responsibility towards the supply chain				
103.1	2016	Explanation of the material topic and its Boundary	30 - 34	
103.2	2016	The management approach and its components	30 - 34	
103.3	2016	Evaluation of the management approach	30 - 34	
204.1	2016	Proportion of spending on local suppliers	32 - 33	
414.1	2016	New suppliers that were screened using social criteria	32 - 33	Omitted the percentage of new suppliers, future impacts will be better described during the next editions
401.2	2016	Negative social impacts in the supply chain	33	
416.2	2016	Incidents of non-compliance concerning the health and safety impacts of products and services		No reports of non-compliance were received from clients during the reporting period
Responsibility towards the Planet				
103.1	2016	Explanation of the material topic and its Boundary	35 - 37	These aspects will be better evaluated during the next editions
103.2	2016	The management approach and its components	35 - 37	
103.3	2016	Evaluation of the management approach	35 - 37	
301.1	2016	Materials used by weight or volume	35; 45	
301.2	2016	Recycled input materials used	35; 45	
301.3	2016	Reclaimed products and their packaging materials	35; 45	
302.1	2016	Energy consumption within the organization	36; 45	
302.2	2016	Energy consumption outside of the organization	37; 45	
302.3	2016	Energy intensity	36; 45	Items (a), (b), 2,5,1,2,5,2 of this disclosure are missing
302.4	2016	Reduction of energy consumption	36 - 39	Item (a) of this disclosure is missing

COMPANY IDENTITY

COMPANY'S PROFILE

Tecnotelai Srl represents a solid company in the world of industrial and office furniture.

It has always been present in the municipality of Castel Maggiore, where its registered office and operating headquarters are located. The company possesses **more than 50 years of experience in the industrial and office furniture sector**, and is able to offer custom products and ancillary services to the sale, aimed at satisfying the widest range of needs.

For the past several years the company has only covered the commercial chain of the sector, preferring to offer a higher quality service and instead contact suppliers, mostly local, for the goods it intends to sell.

Tecnotelai is a company that in addition to its own brand, used for the products that are part of industrial furnishings, also comprises the **DAM** brand, primarily dedicated to designing office spaces and furniture and lastly the **UNICA** brand, the core of an ambitious development project for foreign markets.

With the first two brands the company is mainly aimed at retailers specialised in the industrial and office furniture sectors, where it can boast solid commercial relations, with certain solutions that are instead offered to the end customer.

The **UNICA** brand is a line by itself, mainly dedicated to luxury furniture potentially reserved for award-winning restaurant chains and high end hotels.

The solutions offered by Tecnotelai range from work desks in sheet metal to industrial scaffolding, and includes toolboxes, forklifts, ladders and another 2500 products ready to be delivered.

Thus Tecnotelai proposes a **unique and unparalleled offer on the national and international scenario**, in terms of the vast range and services for companies.

Armed with its experience, right from its origins, the company bet on the value of **customer service**, both in the preliminary phase with on-site surveying and photo reproductions of the furnished spaces and with personnel dedicated to after sales service. Thanks to its **plentiful stock** the company is able to offer a prompt delivery service, along with transport and assembly managed by highly qualified people.

In addition to diversification and quality of the offered products and services, its distinct features include its widespread presence in Italy, connection with local suppliers, and quality of its employees' work.

A FEW COMPANY FIGURES...

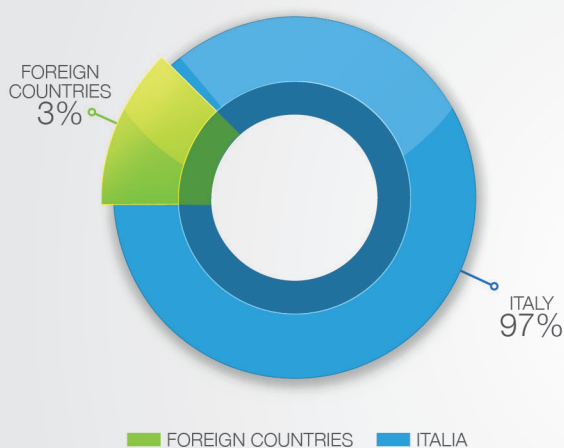
In terms of the human component, the company currently has 37 people stably employed at the company's head office.

From an economic-corporate stance, domestic revenue in 2020 represented 97% of the total, while the remaining 3% is covered by the foreign market. In detail, the company's business is basically divided into two product families:

- **TECNOTELAI industrial furniture** for the current year accounts for 89% of the total;
- **office furniture** (DAM line), which instead constitutes the remaining 11%.

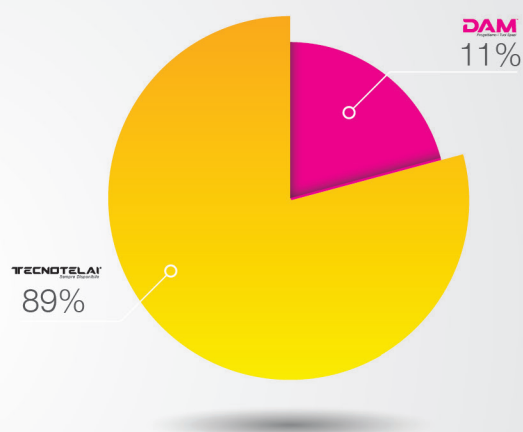
No sales were reported for the UNICA luxury line in 2020. It is currently undergoing a promotional campaign, not just in Italy, but also abroad.

GRAPHICAL REPRESENTATION OF 2020 REVENUES DIVIDED BETWEEN THE ITALIAN AND FOREIGN MARKETS



PRODUCT FAMILY

Proportion between the incidence of industrial furniture (Tecnotelai) and office furniture (DAM) for 2020.



TECNOTELAI®
Sempre Disponibile

DAM™
Progettiamo i Tuoi Spazi

Tecnotelai is a product range suited for **any work environment**, from common areas (canteens, gyms, dressing rooms) to factories, trying to satisfy every need: trolleys, storage of materials, secure cabinets and tanks for liquid waste.

DAM is the modern and dynamic division of Tecnotelai dedicated exclusively to **office furniture**. More than 50 years of experience supporting companies and professionals who need to furnish their spaces enable it to propose innovative and effective furniture solutions. DAM designs work environments with passion and professionalism in compliance with your needs.



Luxury Bespoke Tables

In the concept of this new line of products destined for **luxury environments** such as Award-Winning Restaurants and Prestigious Hotel Chains, precious materials such as glass and steel are perfectly combined in an innovative, 100% Italian design that eliminates barriers between spaces, between rooms and between the same buildings.

Recognitions in this sector were quick to arrive; on **26 September 2018 UNICA** at the prestigious **ADAM – Brussels Design Museum**, won the silver

PAPAVERI
Fioriture Collection



ALLINEAMENTI
Orbita Collection



medal for **European Product Design Award 2018**, awarded for the design of the bookcase JINN, which is part of the “**Le Mille e Una Notte**” collection.

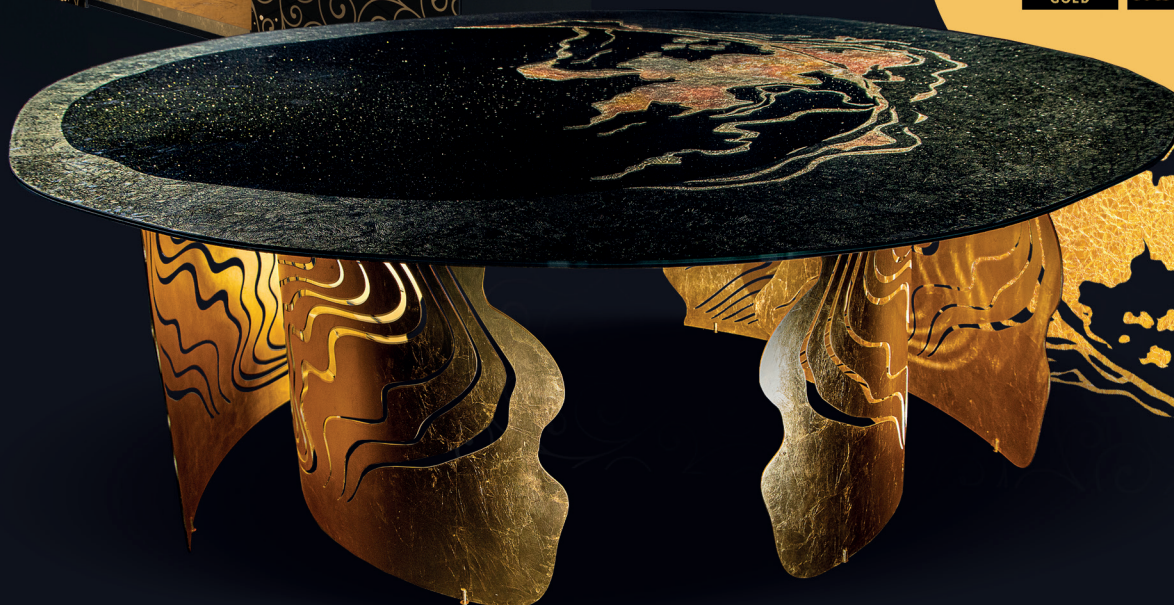
On **22 November 2018** **UNICA** received the **GOLD MEDAL** at the **London Design Award 2018**, participating in the prestigious international competition “**London Design Award**” with the table **Papaveri**.

On **28 June 2019** the **Papaveri** table, from the **Fioriture** collection, received the **Silver A ‘Design Award 2019** in the **Luxury Design Category** from the **International Design Academy**, while the **Eclisse** collection, with the table **Apogeo-summa** was awarded the **New York Design Award 2019**.

More recent recognitions arrived with the **Orbita** Collection, **Allineamenti** table that was first awarded with the **Paris Design Award 2019** and, in 2020 with the **Melbourne Design Award**.



JINN
Le Mille e
una Notte
Collection



APOGEO
Eclisse Collection





A SHORT FAMILY HISTORY

Tecnotelai's history took root during the 60s, from a business idea of Mr. Daniele Mazzolini, who saw taking over a small artisan business for the production of work furniture, an opportunity to create **allied businesses for the supply of industrial furniture** known for their quality-price ratio advantage.

The business was initially undertaken as a sole proprietorship, and quickly progressed into a partnership.

The 70s and 80s were characterised by a **major investment in territorial resources**, both by creating the current main building, and through the creation and consolidation of strategic partnerships with companies that are part of the local business community.

At the beginning of the 90s changing market requests led to making very important decisions: first the company was created that bears the name Tecnotelai by conferring the industrial furniture business from the parent company SIDAM, then production activity was outsourced in order to give priority to commercial activity and to promote an **all-inclusive service and better quality**, and lastly the DAM line was created dedicated entirely to office furniture. Towards the end of the decade, this evolution led to a **major renovation job** of the main building with the creation of large spaces for sales and a show room to display the vast line of products.

The dawn of the twenty-first century witnessed an **important change in the company's top management**: the Board of Directors resigned and architect Silvia Mazzolini, daughter of the creator of

Tecnotelai, took the office of Sole Director in 2012. Right from the beginning she tried to integrate original techniques in the company, involving the activities of company life 360°: the internal reorganisation included the organisational-managerial aspect, environment and improvement of work relationships.

The UNICA line was created under the new management in March 2017 and with it the company set an even more ambitious goal for itself: exportation of luxury furnishings, a sector where Tecnotelai is proud of being a **promoter and spokesperson of Made in Italy worldwide**.

Lastly, in 2019, faced with the changes and mutations of the Italian business class, a decision was adopted to implement the Social Balance Sheet for 2020 in order to respond to changes in market and stakeholder needs: in the past 17 years, the number of listed Italian companies that have adopted Sustainability Reporting went from zero in 2000 to 112 in 2017¹.

¹Source: "Sostenibilità aziendale e sviluppo professionale – corporate governance e risk management" CNDCEC document of 31 July 2019

COMPANY VALUES

The company aware of its role and recognising its responsibilities works in compliance with the following main principles and ethical values:

MADE IN ITALY: Tecnotelai's company purpose is to offer high quality products combined with Italian production traditions, able to preserve its craftsman soul, eye for details even with vast scale production..

CUSTOMER CARE: the customer is accompanied and assisted right from the initial contacts to the after-sales phase. In particular, thanks to two spacious show rooms situated at the head office and surveying and three dimensional representation, the customer is able to preview the final result. In addition, the assistance service by a dedicated technical teams is always at the customer's side, even after delivery/installation.

TIMING: a **15,000 sq.m. warehouse** supplied with ready-to-deliver goods, makes it possible to satisfy the entire domestic market, guaranteeing faster delivery times.

SUSTAINABLE DEVELOPMENT: a continual investment in innovation, in compliance with the principles and ethical values the company is known for. Particular attention is given to the concept of sustainable development, which has become a crucial part of the company's philosophy.

COMPREHENSIVE APPROACH: The experience Tecnotelai has gained over the years lets it offer a catalogue of products that includes **2,500 items**. Thus customers can rely on a privileged contact, including in the installation phase and for later changes, for a 360° service.

LOCAL SUPPLIERS: In a historic period where enterprises deny their origins and often transfer their production in an attempt to lower costs, Tecnotelai decided to buck the trend and made major investments to relaunch quality production in their area; this is confirmed by the presence of almost all suppliers in the area where the Company was founded.

VALUE OF PEOPLE: A person is not just a fundamental element so that the company can work, he also constitutes a value to listen to: understanding needs means understanding the work environment

better, and to be able to implement conduct that improves the quality of work.

ENVIRONMENTAL AWARENESS: For Tecnotelai running a business means doing it responsibly, fully aware that all daily choices, decisions and actions involve employees, customers, suppliers and the territory where it works, they are intimately connected to each other: that is the origin of the value to respect the environment, one of the main aspects that distinguishes the Company's work.

FAIRNESS AND TRANSPARENCY: Every transaction is reported correctly and traceable, and subject to periodic auditing by the Sole Auditor or Supervisory Body for the audits as per Legislative Decree no. 231/2001.

OUR MISSION

Tecnotelai proposes a **unique and unparalleled offer on the national and international scenario**, in terms of its **wide range and services for industrial companies**.

A vast range of industrial furniture products ready for delivery, connected to each other by a common thread of assistance, transport and assembly services.

Through the **Unica** brand, the Company proposes itself as a benchmark of artisan knowledge that distinguishes *Made in Italy* throughout the world, an objective pursued by distributing products with a unique style, which **transform spaces into an intense and exciting experience**: thus revealing thanks to its *know-how* and an experience that spans over more than half a century, a maturity that lets it be a spokesperson for Italian elegance in the world.

OUR STRATEGY

The company proposes itself on the market with elegant products and top quality materials; **an eye for detail** is one of the characteristics that sets our technical staff apart from others, starting from the conception phase to **after-sales** with on-site assistance. Customer loyalty, gained by supplying only **Made in Italy** products, represents the strongest asset that has always marked Tecnotelai's approach.

Lastly, one of the company's main objectives includes **implementation and monitoring of its services at logistics level**, which is the key to the performance qualities that the company aims to maintain at the aforesaid high standards.

OUR ETHICAL VALUES

Tecnotelai's focus dedicated to ethics is seen by its adoption, since 2016, of a **Code of Ethics** and the Organisation and Control Model pursuant to Legislative Decree 231/2001, with which the Company acts as spokesperson for a series of values. Specifically, it safeguards the principles of **meritocracy, non-discrimination and continuous employee training**, it agrees to treat its commercial partners observing the values of fairness, loyalty, protection of competition and rejection of potential conflicts of interest. The Company is committed to working **responsibly and transparently** in relations with the public administration.

THE VISION

Tecnotelai proposes to become a national leader in the distribution of furniture products for industry, acting as a sole contact for the most demanding customer.

GOVERNANCE AND ORGANISATION

Tecnotelai's family roots are still very evident, even within the company's social composition: the company is subject to a **controlling investment** at 98% of the shares by the SIDAM S.p.A. real estate company, the owner of the building where Tecnotelai

conducts its business. The parent company is controlled in turn by the same family which has managed the company over the years.

In terms of the governance model, the enterprise adopts the traditional administrative system that entails the presence of a **Sole Director, namely the architect Silvia Mazzolini** who took over from the founder in 2012.

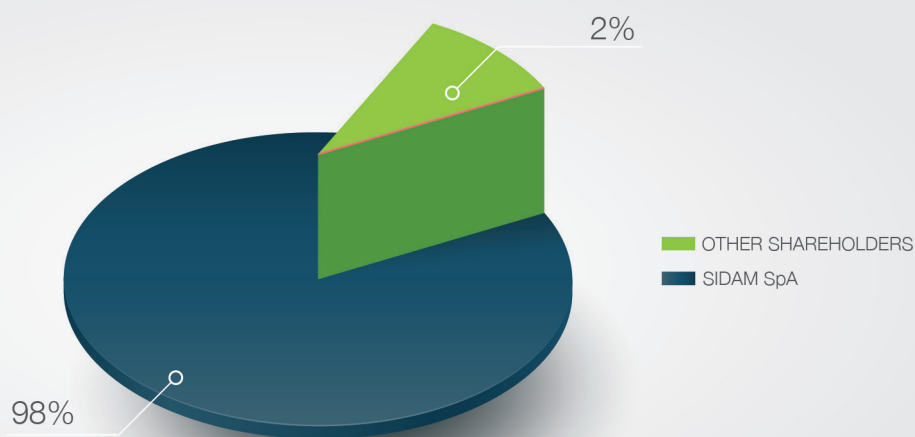
A **Sole Auditor** is also present, recently appointed by the shareholders' meeting, who takes care of accounting audits.

In order to ensure complete compliance with the principles of Legality, Fairness and Transparency, in October 2016 Tecnotelai adopted its own "Organisation, management and control model" according to the requirements of Legislative Decree 231/2001, a control system that is constantly implemented.

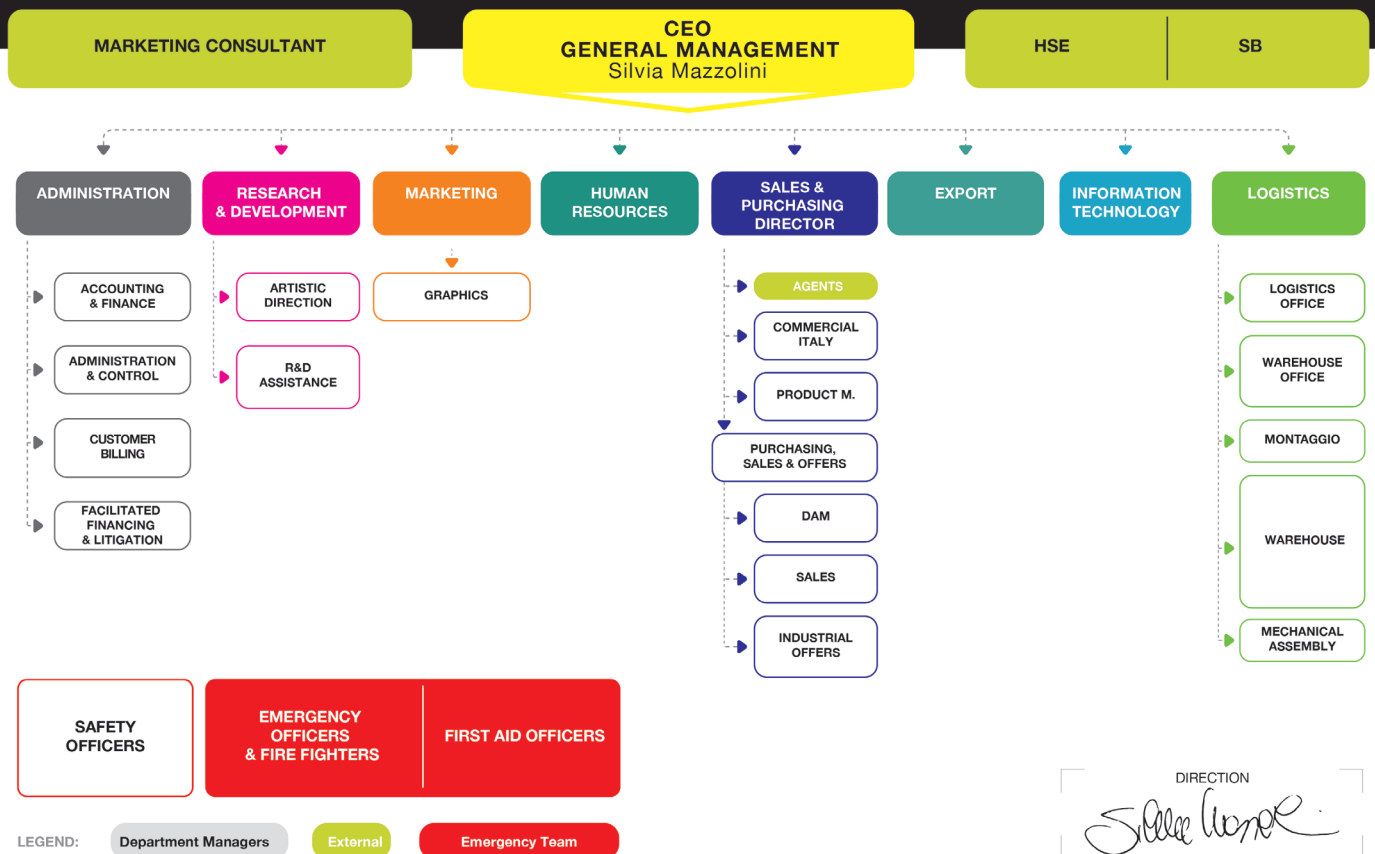
Tecnotelai's 231 Model is composed of the relative **Supervisory Body** with the job of monitoring the effectiveness and adequacy of the 231 Model, reporting on its implementation to top management. The Supervisory Body was established monocratically by appointing, as sole member, a component outside Tecnotelai, in possession of specific requirements. Tecnotelai's Supervisory Body also performs the functions of Code of Ethics Authority.

Tecnotelai S.r.l. has set up a functional organisation structure according to the following company organisational chart.

CORPORATE STRUCTURE



ORGANIZATION CHART



*Delegated functions as per internal communication, 23/11/2020

General Management ensures the execution of company strategies that are implemented by macro departments identified as Administration, Research and Development, Marketing, Sales and Purchasing, IT and Logistics.

The **Administration** department takes care of the functions mentioned above: accounting and finance, administration and control, customer billing and facilitated lending and complaint management.

All of the **research and development activities** are carried out within a dedicated area with highly qualified personnel that identifies and implements innovation opportunities in the furniture sector. Innovative solutions in the area of research for materials, new processing and designs developed are transferred to the company areas dedicated to production and later to sales and marketing. For years this area has been creating innovative products, with a high capacity for surprise, the result of the company's decisive investment in testing solutions in the area of vibrating energy.

The **Marketing** department takes care of graphics and decisions regarding promotion and advertising. the **Personnel** department handles management of the company's human resources.

The **Sales and Purchasing** department takes care of procurement, finished and/or semi-finished products and sales to direct (end customers) and indirect (resellers) customers.

The **IT** department deals with management of the company's system from a Cyber-security viewpoint.

The **Logistics** department manages transports, assembly and warehousing.

EXTERNAL INITIATIVES

GLOBAL COMPACT ONU

Tecnotelai has participated in the UN's 10 Principles of **Global Compact** since 2019. This is a UN initiative that originated to encourage Companies the world over to adopt sustainable policies and compliant with corporate responsibility, aimed at publicising the results related to the undertaken actions. This Charter acts a framework for the ten principles in the areas of human rights, work, environmental sustainability and anti-corruption. The companies

LEGALITY RATING

The company won the **maximum score of three stars** in June 2020 from the Italian Antitrust Authority (AGCM): this is an important milestone in line with the values expressed by the Company starting from its foundation.

The **Rating** is an innovative instrument to promote conduct aimed at ethics and legality in a company environment and in general it is intimately connected

WE SUPPORT



LEGALITY RATING



work with the United Nation's agencies, trade unions and civil society through the Global Compact.

By adhering to the **Ten Principles**, Tecnotelai agrees to support and apply in its sphere of influence a set of fundamental principles related to human rights, working standards, environmental protection and fight against corruption: these are **universally shared values** since they are derived from the Universal Declaration of Human Rights, ILO Declaration, Rio Declaration and the United Nations Convention against corruption.

to a high degree of attention paid to correct management of the company's business.

Awarding factors include, for example, legality protocols, implementation of models to prevent and fight corruption, compliance with current laws related to payments and traceability.

A flag the company is proud to bear, aspiring to a membership structure increasingly filled with the category of companies that aim to promote themselves even beyond the bottom line.



TECNOTELAI AND ITS STAKEHOLDERS



Tecnotelai is a company featuring various subjects that even if not directly involved they manifest a potential interest in the company's well-being.

Here are the main **Stakeholders**:



ECONOMIC RESPONSIBILITY

1. Long-term sustainability;
2. Being able to maintain the **appeal** that currently primarily applies to the domestic market;
3. Be able to continue to constantly improve the quality of offered products and services, with innovative solutions that remain consistent over time;
4. Being able to maintain a high quality of work and hold a **high standard** vis-a-vis all employees and freelancers who work with us regularly or company service providers;

the above are only some of the goals that Tecnotelai has set for the coming years, goals that can be pursued and reached only with a **constant attempt to improve economic performance**, able to influence the market confidence in the company.

Goals that in themselves are very important but in light of the emergency healthcare situation caused by the worldwide Covid-19 pandemic at present they take on an increasingly current role. Pursuing profitable economic goals has always been an objective of Tecnotelai, and fortunately an equilibrium almost always reached, including thanks to very attentive economic policies and constant research and focus on **innovative and cutting edge products**.

We feel it is important to note that the company, even during the best years, **has never distributed dividends to shareholders** and that has made it possible to face heavy losses and significant decreases in billing with more serenity during the crisis and slump that occurred in 2008 and 2009.

The constant support of employees, banks and above all the far-sightedness of shareholders, allowed the company to face the most difficult years, and it was the same way also in 2020.

Certainly 2020 turned out to be **an unprecedented year**, a year when many plans, many objectives, not only at company level but unfortunately at global level, had to be almost completely revised due to

a pandemic paralleled only by the spread of the Spanish flu in the early 900s.

The months of March and April 2020 witnessed a strong downturn in revenue compared to the same period of 2019, unfortunately due to suspension of work to comply with government orders. **The month of March 2020 recorded a drop in revenue of 41.44%** compared to the same month in 2019 and similarly for April with a decrease of 62.10%.

The company's business never completely stopped however, and with the reopening of many economic activities starting from May 2020, even work gradually restarted, fortunately managing to limit losses; again thanks to the ability to always maintain an overall view, attempting to identify new opportunities in the difficulties.

Management's far-sightedness was also apparent in the desire to undertake sales in a sector that had been barely considered before or even not at all, but in light of the current situation was in the limelight in a very short period of time.

Due to the current measures introduced by the Government that impose limits on movement, more and more people turned to **internet** to purchase products that were normally purchased in person before. Many figures show how **online** sales of any product type increased considerably during 2020 compared to 2019 or previous years; forecasts indicate that this **trend** is destined to increase in the coming years.

And it is also in this area that Tecnotelai in 2020 decided to try its hand at **direct online sales through its company website and through global platforms** like Amazon. Thanks to its consultants Tecnotelai modified its articles of incorporation and company purpose, and notified the Italian Inland Revenue of the opening of an ATECO code (Italian activity code) concerning the possibility of selling online.

ECONOMIC PERFORMANCE

The company's commitment to maintain a mainly stable economic performance, without being impacted too much by the difficulties in 2020 paid off in the level of revenue.

Revenue for 2020 totalled 7,506,571 euro versus 8,927,395 euro the previous year, with a drop of 15.92%.

This drop was unquestionably considerable, but worthy of note is the fact that the drop was rather limited compared to the budget for 2020, reviewed during the year to better reflect the potential effects of the Covid-19 pandemic.

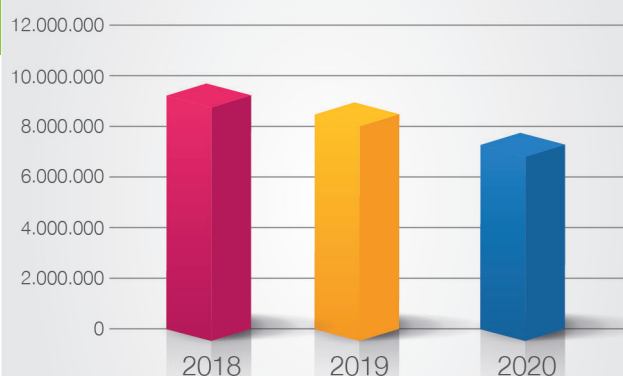
Although this is a difficult time for making forecasts for the future, the company, in keeping with the Budget currently being prepared, **expects to be able to keep revenue from sales stable** compared to 2020 with an improving trend, in part following greater implementation of the **e-commerce** business: since 2020 the company has been working to create 2 **e-commerce** platforms: one dedicated to Tecnotelai and the other the UNICA brand.

In order to keep economic-balance sheet values consolidated, on one hand the company plans to only make investments considered of prime importance, and on the other to continue its commitment to strictly control all operations.

GENERATED AND DISTRIBUTED ADDED VALUE

The table below shows the wealth generated by Tecnotelai during 2020 and compared with 2019, and that is later broken down between the various categories of stakeholders: financial institutions, shareholders, employees, Public Administration and general population.

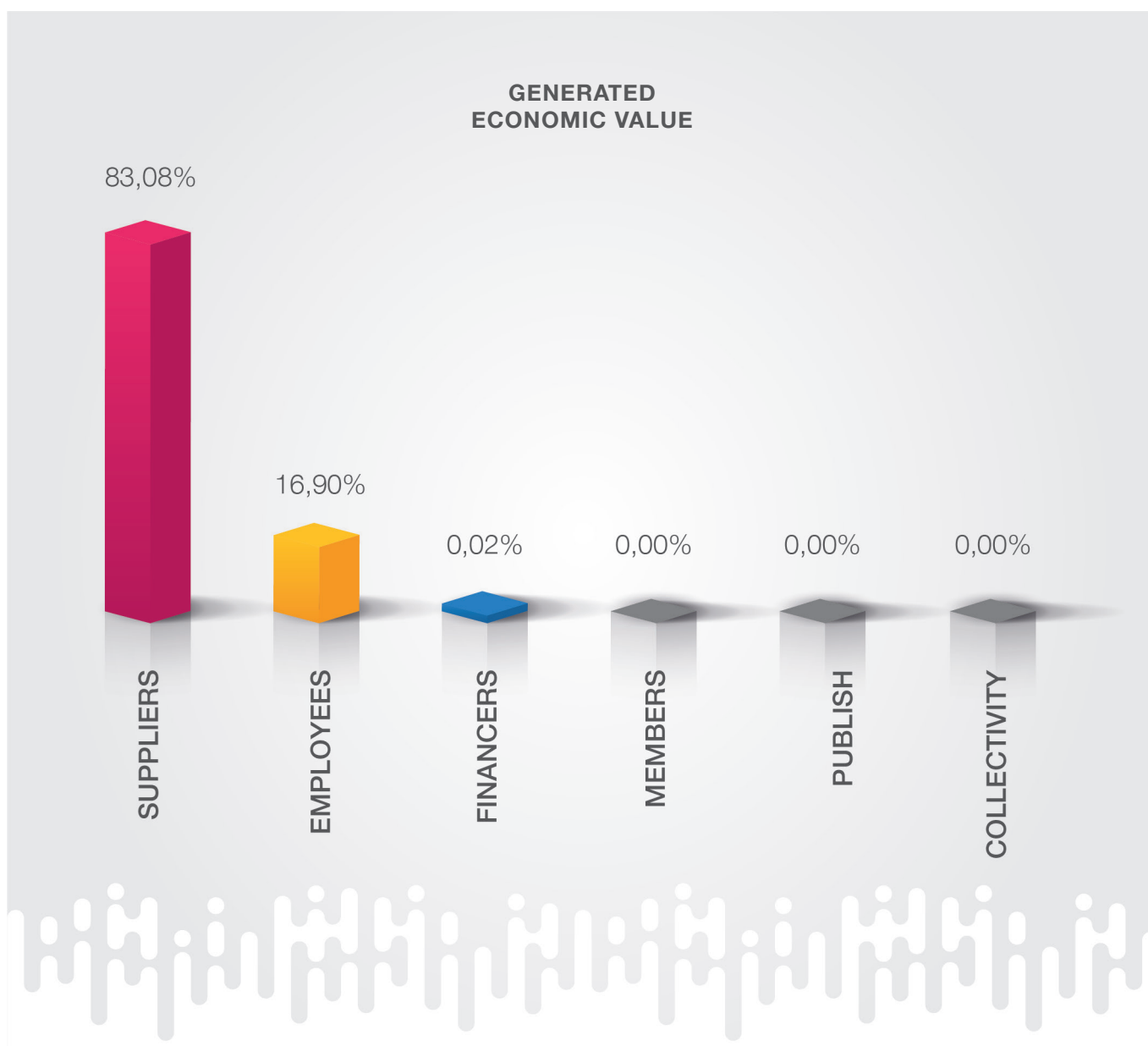
REVENUES TREND



To this end, as already mentioned, no dividends were paid to shareholders also for 2020.

The directly generated economic value is compared with the distributed economic value and with the retained economic value and provisions or amortisation: the latter plays an important role because it is able to ensure operation of the company even in the event of economic problems. It is clear **that the loss of 2020 incurred on the balance sheet can be completely offset by equity reserves.**

GENERATED AND DISTRIBUTED ECONOMIC VALUE	2020	2019
Directly generated economic value	7,375,743	9,076,183
Net Income	7,303,928	8,995,024
Income from financial investment	65,374	75,016
Income from sale of material and immaterial activities	6,441	6,143
Distributed economic value	7,343,753	8,902,476
Suppliers	6,138,998	7,411,445
Employees	1,248,909	1,480,849
Creditors	1,378	998
Shareholders	0	0
Public administration	- 45,670	9,183
General Public	138	
Retained economic value	1,575,401	121,492
Provisions	0	3,114
Depreciation	145,335	118,378
Reserves	1,465,300	1,589,081



FINANCIAL ASSISTANCE AND GRANTS FROM THE PUBLIC ADMINISTRATION

The year 2020 was definitely a very particular year mainly due to the pandemic, which if on one hand it forced production activities to revise, even substantially, their plans and economic objectives, on the other it forced the Government and Regional Entities to pay numerous contributions to enterprises, in order to deal with the suspension or reduction of work and to better face the consequent economic crisis that was generated.

Tecnotelai was able to use some of these **tax breaks and credits** as shown in the following diagram:

TECNOTELAI SRL				
TYPE	NORMATIVE REFERENCE	AMOUNT	YEAR MATURING	USABLE IN NO. YEARS
Tax credit for capital assets	Law 160/2019	13,622€	2020	5
Tax credit for capital assets	Law 178/2020	837€	2020	3
Extraordinary Redundancy Fund	Decree Law 17 March 2020 no. 18 et seqq.	84,242€	2020	1
Tax Credit in Research, Development, Innovation and Design	Law 160/2019 art. 1 paragraphs 198 to 209	6,293€	2020	3
Tax credit work place sanitisation	Decree Law 34/2020 art. 125	1,939€	2020	1
Tax credit Advertising investments	Decree Law 50/2017 art. 57-bis paragraph 1	2,269€	2020	1
Hyper depreciation	Law 208/2015 et seqq.	16,702€	2020	1
Super depreciation	Law 208/2015 et seqq.	9,048€	2020	1

RESPONSIBILITY TOWARDS PEOPLE

COMPANY OBJECTIVES AND WELFARE

A company such as Tecnotelai could not exist without the people that compose it: from those who work in Warehousing, to department managers and even agents/representatives, everyone plays an essential role.

The quality of work has always been one of the Company's strong points, as often recognised by many historic customers. However, in order for the products on the market to maintain the quality that permeates them and has always been a *mantra* for Tecnotelai, personnel also needs to work in a quality environment, and a relationship of mutual trust and support needs to develop between the individual employees.

Thus, in this sense in the past two years Tecnotelai's commitment to ensure an improved work environment went well beyond the mere area of offices and work instruments resulting in the following investments made **in 2019**:

- **a specific room dedicated to company recreational activities**, where anyone who wants to participate in company table football tournaments can do so during the lunch break;
- **meal areas have been redesigned**, introducing specific small green areas whose purpose is to reduce work-related stress.

The company Welfare improvement did not stop even **in 2020**, the year in which a **company library was established** composed of 307 books. Here anyone who wants to read books can do so during the lunch break or they can be borrowed. This latter aspect seems to be very popular with employees, already during the first 4 months since the start of this service, 20 books have been taken out. Among the commitments and objectives that Tecnotelai has re-proposed for the company **welfare** area, is also **the closing of the school-work gap**, which in recent years has been a real "Achilles heel" of the Italian industrial system.



The opportunity of **hosting students from technical-artistic schools for periods of training and internships** is periodically evaluated: specifically, Tecnotelai hosted 4 students during 2019 and 6 students in 2020, despite the Covid-19 pandemic which definitely had a significant impact on economic activity.

Since employee **welfare** plays a very important role within the company, in order to be able to maintain **feedback** as updated as possible, **every year Tecnotelai gives its employees a questionnaire** in order to better assess the level of satisfaction and popularity with employees and, above all, to try and identify what could be criticalities and which aspects need an improvement.

The questionnaire submitted during the third quarter of 2020 and **composed of 41 questions**, met with remarkable success in terms of participation, because all the employees on the job at Tecnotelai at the time answered, **thus with an active interest rate of 100%**.

Some of the previously mentioned aspects, in particular the importance of quality of work and Tecnotelai products, the collaboration and sharing of professional experiences between employees and the level of communication between the various company departments obtained feedback even with the answers to certain questions:

- **54.1% of the employees said they were very proud to be part of the company reality** that is Tecnotelai, having given the highest score of 5 out of 5;
- 62.1% of the employees stated that they are satisfied or very satisfied with the job they perform;
- 67.5% of the employees expressed a positive or very positive judgement on the importance of the quality of products and services supplied by Tecnotelai.

However, it is clear that some answers to the questions denote that uncertainties exist related to certain aspects, in particular:

- 40.5% of the employees expressed a negative judgement about the question that asked if a positive or harmonious work environment was present in the company, and another 27% expressed an average answer.

All of the aspects and answers to the questions are then submitted to the attention of the **Director and Personnel Manager**, who then deal with the various issues at a meeting with personnel held every year, in order to ask them to discuss the problems or difficulties encountered during the year, openly and without remorse or fear of judgement.

However, this year, **following the COVID-19 pandemic** and in order to protect the employee health, in compliance with the regulations enacted by the Government, **the plenary session was replaced by the preparation of a short questionnaire of 10 questions with open answers**, which focussed on questions where answers had revealed potential negative elements. Despite the healthcare emergency, it is in the interest of the Director and Personnel Manager to identify what may be potential problems and based on the answers provided by the employees, identify possible solutions.

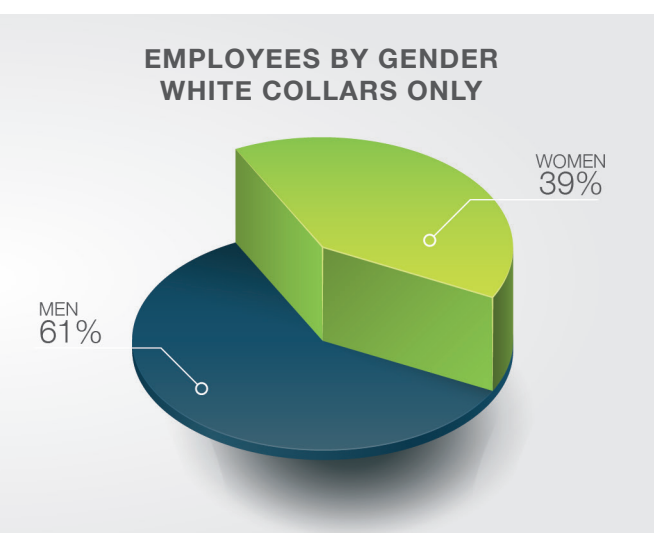
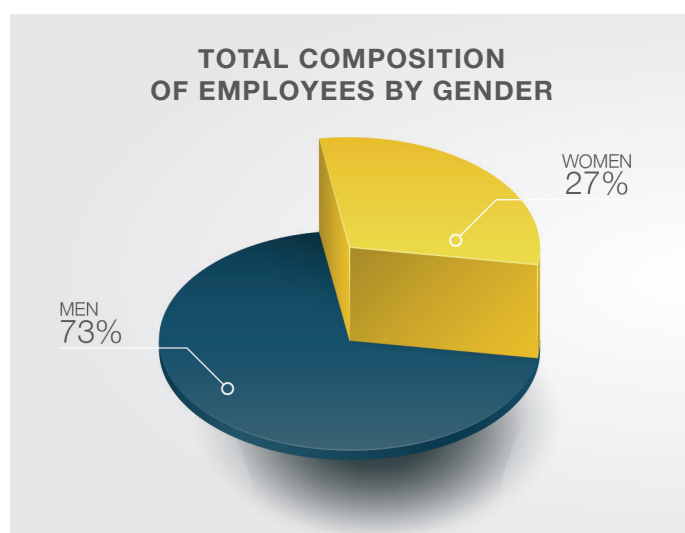
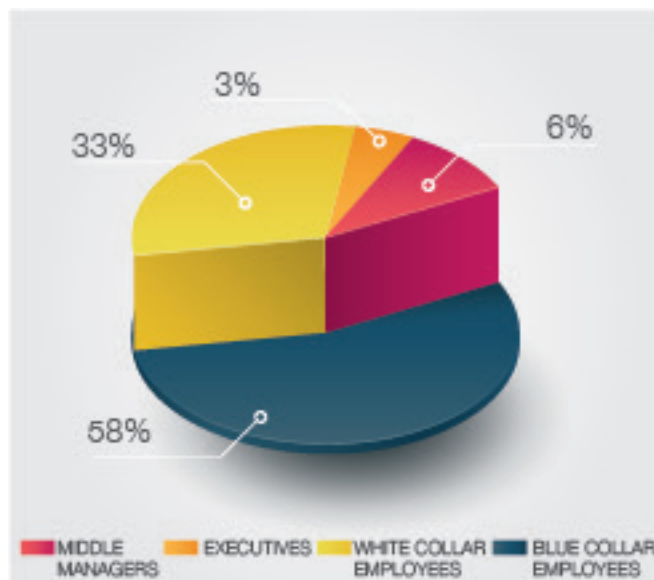


COMPANY WORKFORCE AND CONTRACTS

At the end of 2020 there were 37 people who worked at Tecnotelai, with the following breakdown:

- Executives: 1;
- Middle Managers: 2;
- White collar employees: 23;
- Blue collar employees : 11.

Of these 27% are women and 73% men. The percentage of women increases considerably **if only the white collar employee category is consider** where 39% of staff is female.



Almost all of Tecnotelai's employees are hired with open-ended contracts, after having successfully completed a probation period. However, the type of contract varies, since to meet the personal needs of the employees, to those who feel the need the **part time formula** is accorded, i.e. 4 hours a day instead of 8 hours, for 5 days a week.

The work week at Tecnotelai goes from Monday to Friday for a total of 40 hours a week for those hired *full time* and 20 hours a week for those hired with a *part time* contract.

The table below shows the number of employees hired with a *full time* and *part time* contract for the years 2018, 2019 and 2020.



In terms of remuneration for employees, this is in line with what is established in the **Work National Collective Contract** for the work sector Tecnotelai belongs to, based on the hours worked and position held by each employee. In addition the company makes a payment of a **fixed sum monthly of €5 per employee to the Unisalute fund**, to ensure they have the possibility to obtain easy terms and reimbursements on healthcare expenses they have to sustain. A similar thing is also granted to middle managers, for whom **the company stipulates an annual insurance policy for life and accidents**.

The Sole Director's remuneration is decided each year by the shareholders' meeting based on the economic results achieved by the company in the previous year; **in 2020 the compensation initially set was reduced with a shareholders' meeting resolution following the Covid-19 healthcare emergency, in order to reduce the burden on the company's financial and economic plan.**

NEW HIRINGS AND TURNOVER RATE

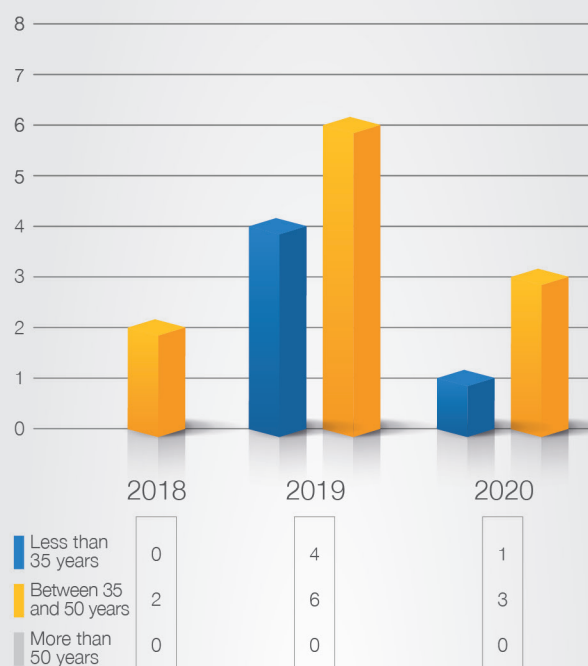
It should be noted that in recent years Tecnotelai has witnessed constantly growing **employee turnover** rates, especially during 2019 following resignations from some employees and new hirings made during the year. A fairly high turnover rate was reported for 2020 as well, with 6 employees leaving, two of which for reaching retirement age. Four people were hired in 2020, 3 of which between 35 and 50 and only one under than 35.

The turnover rate which has remained constant in the last 3 years is also indicative of a **generational change** which occurred within Tecnotelai: some employees, on staff for many years resigned due to reaching retirement age, replaced in turn by younger personnel.

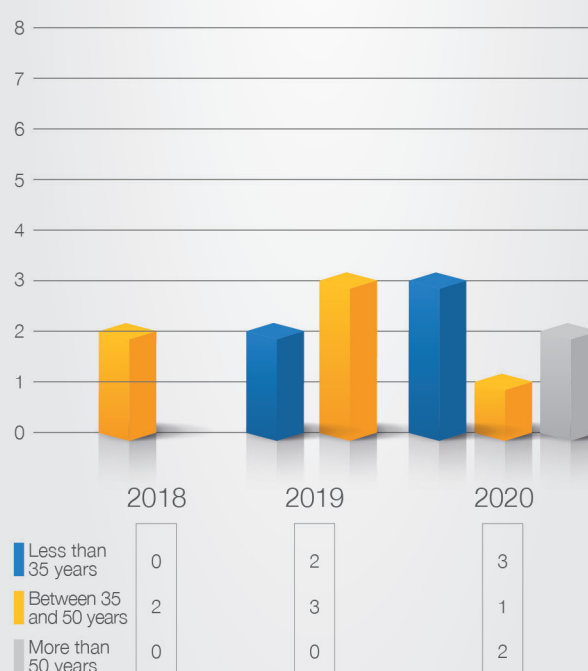
However, the main aim of the company is what was described in the beginning, to reinforce the mutual trust and support among employees, the familiarity between them: in a healthy work environment personnel can become loyal and involved in pursuing company values.

The table below shows the personnel entering and leaving in the past 3 years.

NEW HIRINGS



LEAVING PERSONNEL



TRAINING AND DEVELOPMENT

Major focus is placed in employee **training and development** and, in addition to obligatory courses on the main issues such as occupational health and safety and *compliance* as per Legislative Decree 231/2001, Tecnotelai wants to incentivise the professionalism and productivity of personnel. A focus on innovative technologies, towards a better knowledge of computers and artificial intelligence may allow better use of the hours worked and consequently increase productivity.

But again aimed at developing a work site where harmony can develop between the employees, **the company has invested a lot in carrying out courses** whose objective is to “network”; the term indicates a greater cohesion between employees, regardless of their jobs and respective ranking.

During 2020, as proof of this, a **Mindfulness** course was held for the first time in the company with a duration of 528 hours.

In terms of **obligatory training**, the Company trained its employees last year for a total of 139 hours, broken down as follows:

EMPLOYEE TRAINING		
Training areas	No. of students	Total hours
Health and safety in the workplace	3	48
Fire prevention	4	23
Training of safety officers	3	16
Forklift driving	9	32
First aid providers	3	20
Mindfulness	33	528
Total		667

The hours of employee training in 2020 totalled 667 hours.

This shows that the average number of training hours distributed per employee is 20.

HEALTH AND SAFETY IN THE WORKPLACE

The year 2020 proved to be a very particular year and basically impossible to predict: the unexpected Covid-19 virus that spread at a global level with extreme rapidity forced the Government to adopt **social distancing** measures and reduction of contacts between people. This also had a direct impact on an economic level, with the suspension of many commercial and production activities, above all during spring and autumn 2020.

Even Tecnotelai, as is better seen in the specific parameter was hit by the economic effects of the pandemic, and in complying with the adopted government provisions gave priority to the adoption of measures such as **smart-working**, in order to allow the employees to work “remotely” without having to come to the company, but acting so that every single department was covered by the minimum indispensable personnel; the Company then used the extraordinary redundancy fund that the Government renewed various times in 2020 to deal with the healthcare emergency. Specifically, **the company resorted to extraordinary redundancy fund for a total of 14,438 hours** over the course of just 2020.

Given the extremely uncertain situation, the owner felt it opportune to **email** messages of encouragement to employees, concerned about their health and trying to recommend some books or films freely downloadable from internet, in order to distract them from the very complicated situation they were experiencing and in order to identify a useful pastime during the day, especially for those who found themselves on the redundancy fund due to their duties and did not have the possibility of working “remotely”.

In terms of health and safety in the workplace it is clear that the pandemic had a direct impact: the biological risk, initially limited to certain environments and work activities, was now included in any work environment and due to this, in light of the Guidelines adopted at a national level to safely restart work activities, Tecnotelai assisted by the workers’ health and safety officers, prepared some **behaviour protocols** that all workers, employees, suppliers and external visitors have to follow.

The Company, caring greatly about the health and safety of its workers, purchased protective surgical masks and FFP1 masks, hand disinfectant gel, and in order to prevent crowding in the work place set up separate accesses and at different times to the canteen for lunch. And in keeping with regional guidelines employees and external personnel could be subject to **measurement of their temperature** when accessing the company.

It should be noted that to date no case of contagion in the work place has occurred.

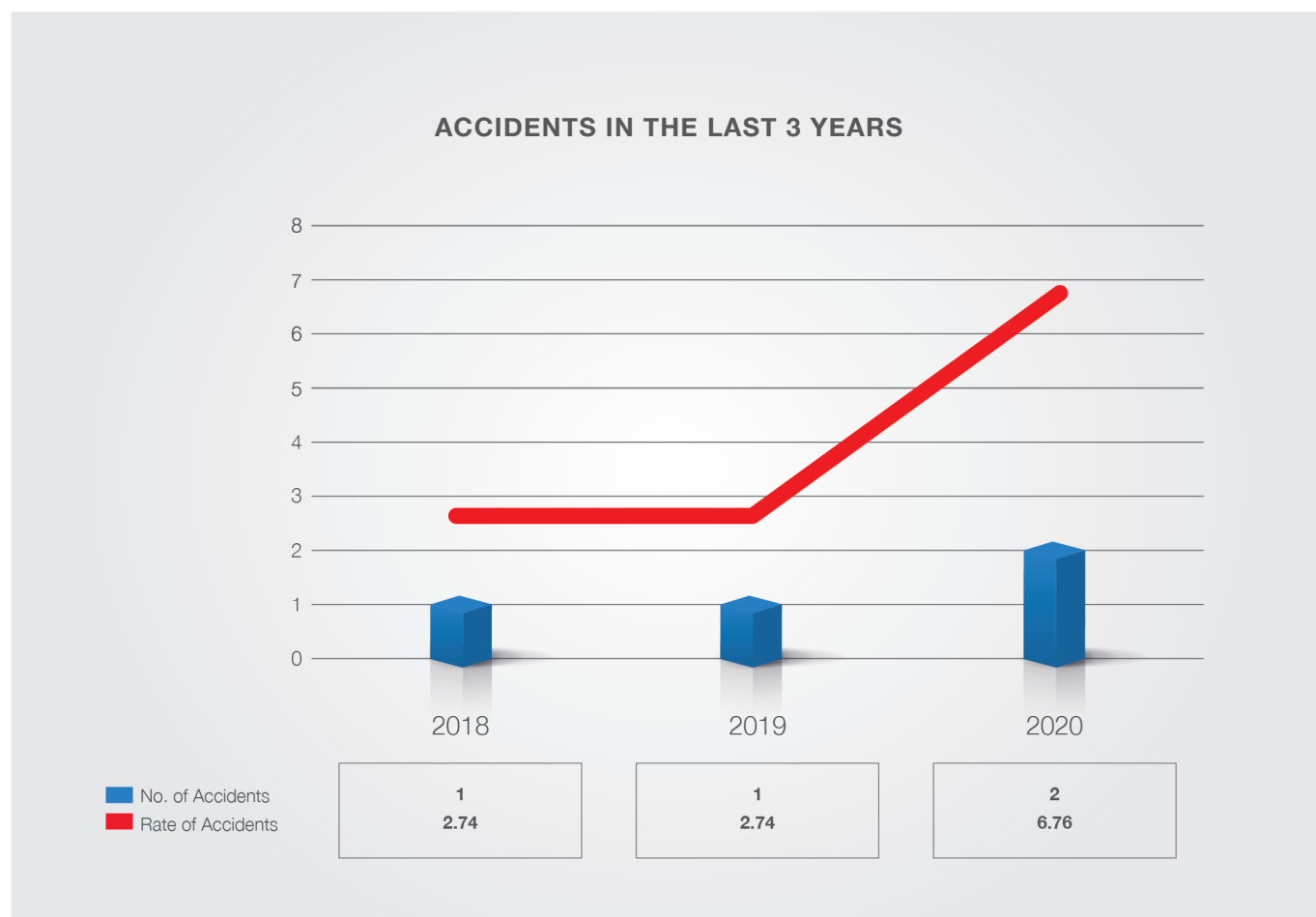
OCCUPATIONAL ACCIDENTS

In the past 3 years only **four occupational accidents occurred all with very minor consequences** and which only involved personnel working in the warehouse. The main traumas were cuts, slight bruising and only one regarded a fracture of the right foot. Two of these occupational accidents occurred in 2020 and one for each of the previous two years.

Tecnotelai is ranked as a **low risk company**, in part thanks to the fact that its business does not include production but only the sale of products that are purchased. Thus the main risks concerning safety of workers can be concentrated on those who work in the warehouse and who daily have something to do with handling raw materials inside the warehouse and loading and unloading goods from vehicles.

All of the accidents that have happened in recent years are related to these cases.

However, it should be mentioned that towards the end of 2020 **new forklifts** arrived in the company to replace the previous ones, in order to improve the safety of workers and at the same time to invest in new technologies whose environmental impact is much lower than was possible to achieve up to then.



The graph illustrates the accidents reported in the last three years along with the rate of accidents calculated based on 200,000 hours worked.

RESPONSIBILITY TOWARDS THE ENTIRE SUPPLIER CHAIN

The fulcrum of Tecnotelai's commercial commitment revolves around three different furniture lines: from furniture for offices to industrial furniture, plus high quality furniture, constituted by the Unica line.

Tecnotelai's need and commitment to provide quality products and goods impacts the whole supply chain and vis-a-vis all the **Stakeholders**, with which the company has daily contacts: its employees, customers and obviously its suppliers.

The excellence of the Tecnotelai product is intrinsically linked to each of these aspects: there would never be quality in the goods and services offered by Tecnotelai if employees and all company collaborators did not feel at ease and in harmony with each other and with the company's **vision and mission**, likewise there could never be a high quality level if the suppliers the company contacts daily did not have a certain level of production standards.

THE IMPORTANCE OF THE PROCUREMENT CHAIN

As a commercial company, Tecnotelai owes a lot to **its suppliers**, composed of a **historic core that has grown along with the Company over these 50 years** and which is indisputably connected to performance in terms of the quality and reliability of supplied products: this depicts a faithful representation of the experience and **know-how acquired** over the years and encountered in customer loyalty. Other than that, the company has always held dear the fact that the marketed products are made of **top grade materials** so that they can ensure a constant and long-lasting use standard: it is precisely for this reason that the purchasing department is on the continual look-out for **cutting edge solutions** of the changing needs of the sector, with a special focus on sustainability.

As we will see, the **geographic location** of the selected suppliers, other than having an important positive impact on the **local economy**, also entails advantages in terms of product quality and

availability, with positive implications on delivery times as well.

Overall an increase in **core business** suppliers was reported, which rose from 71 of 2019 to 77 reported at 31/12/2020, a figure that reflects the **increased product diversification** in the catalogue: the latter covers the entire range of furniture and ancillary equipment for managing materials in industries (work benches, trolleys, scaffolding, etc.), in addition to office furniture,

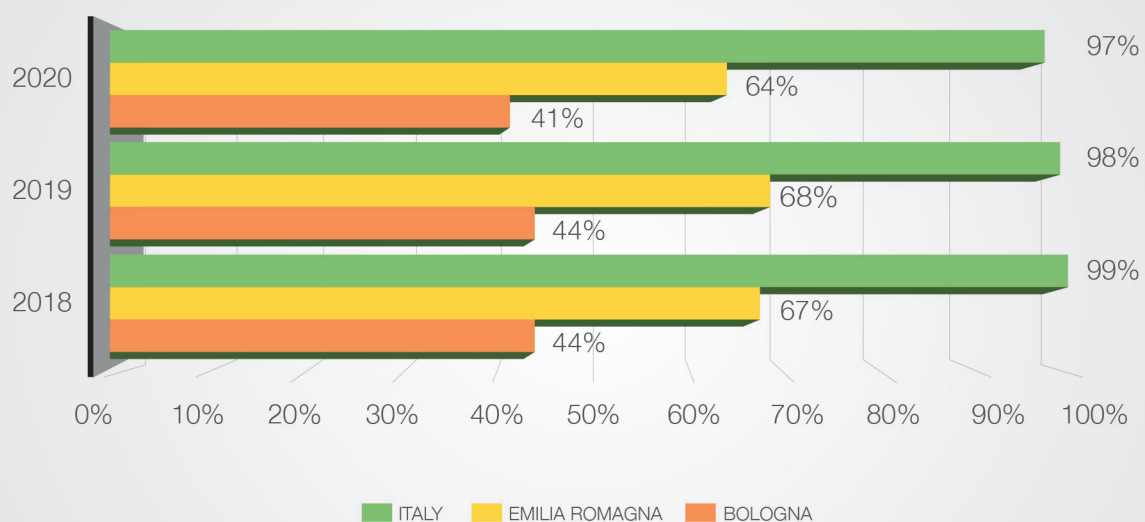
MADE IN ITALY AND LOCAL SMES

Contracts with local suppliers is a long tradition for the company. Specifically, **the company decided to use almost entirely companies located in Italy, preferring companies with offices in the region of Emilia-Romagna and, where possible in the province of Bologna.**

The concept of locality works to the maximum of its potential here, with positive effects for the territory's economy and, indirectly, for respect of the environment. **In 2020 41% of core business procurement came from companies with registered office in the province of Bologna**, this figure rises to 64% if the region of Emilia-Romagna is considered.

Overall, almost all (specifically 97%) purchases come from Italian companies.

TERRITORIAL PURCHASES



Percentage of costs incurred to purchase raw materials and semi-finished products, in relation to the origin of the relative supplier, with focus on territorial proximity.



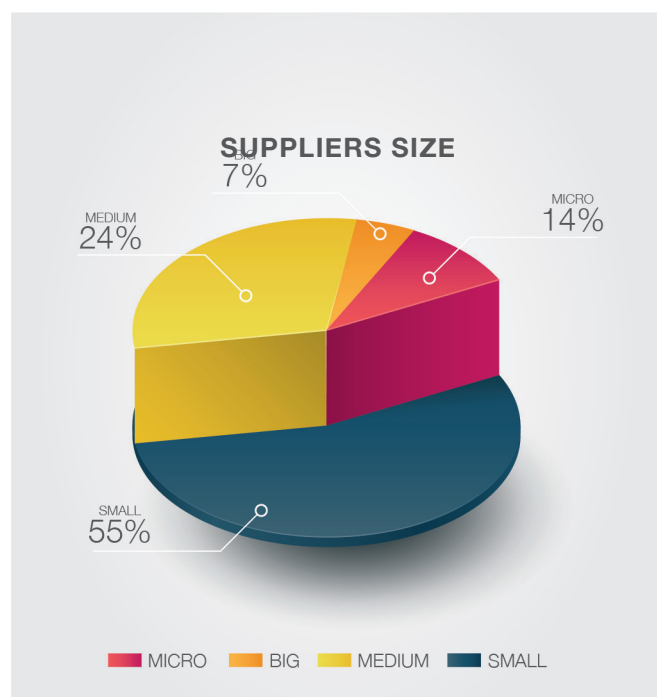
Percentage of costs incurred to purchase raw materials and semi-finished products, broken down by macro-areas of procurement.

In terms of 2020 only **3%** of purchases came from abroad: however, it should be noted that for the year 2020 almost all of these purchases regard the **European Union**.

In addition to the proximity figure, Tecnotelai's commitment seems equally significant to **support small and medium production companies**, that represent more than 90% of the Italian business fabric and which have been greatly affected by the recent economic crisis caused by the pandemic.

Often typically Italian *down-sizing* accompanies artisan products/services, so purchasing from this type of supplier often means protecting the know-how intimately connected to *Made in Italy*.

In this context **the Company possesses 93% of its suppliers constitutes by organisations that are part of the SME category**.



The pie chart shows the breakdown expressed in percentage, of the number of core business suppliers divided by dimensions (micro, small, medium and large) according the revenue and employee parameters established by the European Union (Commission Recommendation of 06 May 2003 related to the definition of micro, small, and medium-sized enterprises).

The figures already indicated are significant of the idea to invest heavily in local productions and to **create a favourable social-economic context to attract specialised and quality professional figures**. Moving in this direction, a few years ago the Company began an investment process in projects to launch top quality collections in the furniture sector.

SUPPLIER EVALUATION: ECONOMIC EVALUATION...

In selecting its suppliers the company attributes a predominant importance on factors such as **quality-price ratio of products and delivery times which must be as quick as possible**; another discriminating factor is the presence of a **large and well-organised assembly and storage structure** that ensures the supplier a certain degree of autonomy in its supply activities.

In relation to procedure, every **supplier search** is preceded by an evaluation of the economic-financial soundness, following by an on-site visit to obtain feedback on the potential of the production chain. The evaluation process is completed with filling out a supplier evaluation sheet.



... AND SOCIAL EVALUATION

Procurement almost entirely from Italian producers, who are required to **comply with national regulations on product safety and worker health**, is already synonymous with a guarantee to observe a certain quality level, level that is monitored through research activity of significant information.

In addition, as of 2020 the company began to review contractual agreements with the main suppliers, in order to insert a specific **clause underlining the mutual commitments that the parties undertake in terms of prevention of Administrative Liability for crimes**.

Specifically, these suppliers, along with all new core-business suppliers must, following Tecnotelai's example, comply with the standards contained in **Legislative Decree 231/2001, as stated in the Organisational Model to prevent crimes adopted by Tecnotelai**, as well as adhering to the principles enshrined in the company's Code of Ethics. As of 31/12/2020 progress on this revision job of contractual agreements involving the main suppliers which together account for 60% of purchases; the same were asked to declare they had not committed crimes related to the company's administrative liability or which entail a ban on holding a public office, also agreeing to maintain a conduct aimed at preventing the crimes contained in Legislative Decree 231/2001.

Hand and hand with the above, **the company communicated to its suppliers the principles and values it believes in and it strives towards**, values that include the cornerstones of legality and transparency, respect of human dignity and incentive for professional and personal growth, and finally looking at environmental and social topics. Specifically, in this last document **suppliers are asked to directly commit to observe the aforesaid principles**, which can be correctly carried out in intercompany collaboration practices through undertaking of behaviour aimed at mutual clarity and fairness, selection of commercial partners characterised by professionalism, adequate resources and objective quality, in order to be able to shape the purchasing procedure to look for a competitive advantage and, by reflex ensuring equal opportunities for the involved enterprises.

Compliance with the Organisational and Management Model as per Legislative Decree 231/2001 is ensured through constant compliance with a **purchasing procedure, implemented in 2020** and which establishes the relative duties to company figures assigned with the functions of supplier scouting, purchase authorisation and various operating roles, in keeping with the principle of separation of functions.

Moreover, other forms of control have been established when certain money thresholds are exceeded for purchases.

This purchasing procedure plays a fundamental role in a supplier selection process that is characterised with observance of the criteria of legality, fair competition and merit.

CRITICALITIES IN THE SUPPLY CHAIN

The year 2019 was marked by an important turning point in the company's supplier chain: specifically, **a historic supplier that represented a significant percentage of expenses for procurement (over 5%) went out of business: this started a difficult search operation for suppliers** who could act as valid replacements and demonstrate they were good enough for the company brands.

Since it was impossible to find a supplier able to supply the entire range of goods supplied by the departing supplier, initially an attempt was made to compartmentalise the purchases, once this was done, various suppliers were identified, one for each product type; in this selection precedence was given to suppliers located in Italy. **Again in this case priority was given to selection criteria that rewarded the production capacity and quality-price ratio.**

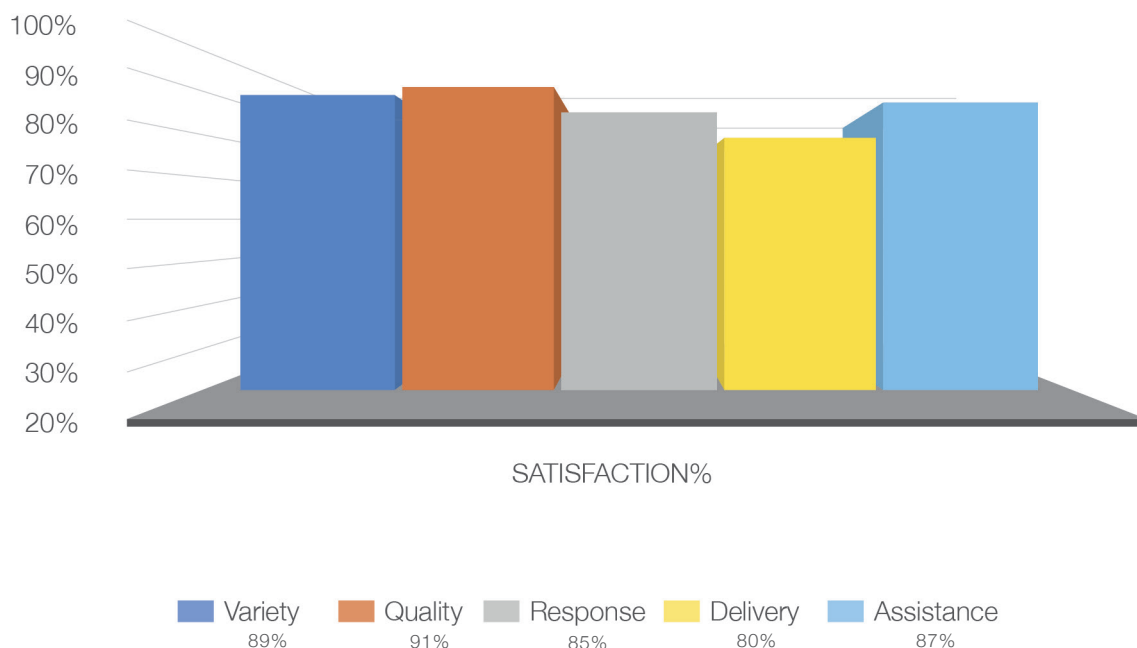
RESPONSIBILITY TOWARDS CUSTOMERS

Tecnotelai has always placed priority on satisfying customer's requests and over the years has fine tuned its pre and after sales assistance services. The company's interest in the customers' viewpoint on the products and services offered by Tecnotelai is demonstrated by its **implementation of a digital feedback system** where, after purchasing a product, the customer is asked to express its evaluation on it, aimed at constructive criticism which is very useful for the purposes of the company's orientation.

This questionnaire is composed of 24 questions which are focused on key sectors of the company's strategy and the following segments: logistics, telephone services and sales activity; at the end there is a part dedicated to an overall evaluation and one regarding the motivations concerning the selection of Tecnotelai products.

The graph below represents some of the **main evaluation judgements based on the questionnaire**.

CUSTOMERS SATISFACTION

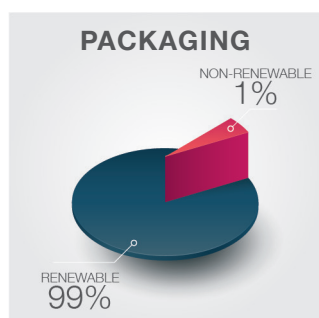


Degree of satisfaction expressed by customers, based on the percentage of supplied answers and regarding the following characters: Product quality, Variety of the offer, Response times, Delivery service, After sales assistance.

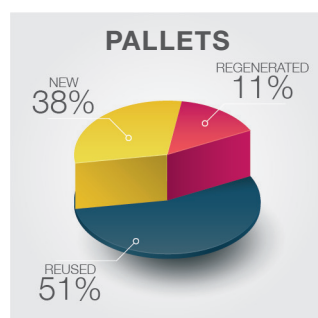
RESPONSIBILITY TOWARDS THE PLANET

OVERVIEW OF PACKAGING USED

Since the company's business is fundamentally sales and marketing, an important amount of purchases relevant for environmental purposes is represented by **packaging**, in turn divided into four main types (**pluriball, boxes, pallets and tapes**) that reflect the following raw materials used: plastic, paper and wood. The collection and reprocessing in specific databases showed that the total weight of packaging purchased by the company during 2020 corresponds to 83 tons and, of **these, 82.5 tons are composed of renewable materials** while 0.5 tons are not renewable.



Ratio between packaging from renewable and non-renewable sources, measured in kg of weight.



Pallets measured in kg broken down by degree of use: percentage proportion.

Within the macro-category of renewable packaging, there are **wood pallets: of these 62% is represented by regenerated or at least reused pallets**, while the remaining 38% is composed of new pallets.

With a glance towards the future, the company plans to make increasing use of recycled packaging or with a lower environmental impact.

THE POSSIBLE CHOICES...

Research is developing a continually growing amount of quality recycled materials and, in the long term the quality will be at the same pace as the reduction in costs. The continuous focus on meeting the requests of customers for a more recyclable **packaging** will have to deal with, at least in the near future, with the peculiarities of the new environmentally friendly packaging, that for example, in some cases be difficult to design for supplier companies,

but which undoubtedly represents an important challenge for the twenty-first century and that many companies and people have decided to accept. Tecnotelai is focused on all the innovations and **in light of responsibility towards the planet**, and the surrounding environment, believes that it is one of the strategies to follow for a medium-long period.

WATER: A PRECIOUS ASSET

Water represents a precious asset. Access to it is taken for granted in western countries, but it is not guaranteed in all places in the world. **Fresh water represents only 2.5% of the global water resources**, where 70% of the non-salt water resources is in a solid form (ice or snow) so that WWF in its "Living Planet Report" of 2012 disclosed that at least 2.7 billion people in the world live in water basins with serious lack of water for not less than one month a year.

Even in Italy, a country which fortunately and due to its mainly favourable weather conditions, has significant quantities of water, consumption needs to be monitored constantly.

According to a study of Censis of 2014, leaks in the Italian water system amount to 31.9%: this means that for every 100 litres of water used at least another 32 are dispersed in the ground. There are multiple causes for this, starting from old and deteriorated infrastructures, as well as a perfectible diagnosis service.

A similar water loss problem involved Tecnotelai in 2020. Precisely to prevent the repetition of similar situations, in order to save from an economic standpoint and aimed at protection of the Plant, Management talked to the internal **facility manager** to assess possible corrective actions on the company's water system. Tecnotelai's water consumption in 2020 reached 969 cubic meters, for an average of 81 cubic meters per month. High numbers that Tecnotelai intends to monitor and possibly reduce in coming years.

ENERGY

ELECTRICITY

Electricity consumption is indirectly connected to the use of combustible materials that are the basis for electricity generation mechanisms. In Italy this process still involves a majority of fossil fuels, resulting in the emission of a high amount of CO₂ into the atmosphere but also microparticles such as ultra fine dust and particulates (as in the case of oil use) or more harmful substances such as sulphur dioxide and carbon monoxide; for this reason it is of fundamental importance for an organisation to monitor its own electricity consumption.

In 2020 Tecnotelai used 137 **mega watts of electricity** (for an equivalent of 454,946 mega joule) to perform its company functions. In keeping with the reporting **standards** as per this work, it should be noted that the figures for the year under review show a drop compared to 2019, influenced by the greater number of closed days due to the partial suspension of work caused by the Covid-19 pandemic.

Some of the initiatives aimed at energy saving were seen already this year and, specifically in the comparison between 2020 and 2019 implemented in the months of full operation, the reduction in electricity consumption can be observed due to modernisation of the electric and electronic instruments functional for conducting the company's business (including computers with low energy impact and latest generation forklifts).

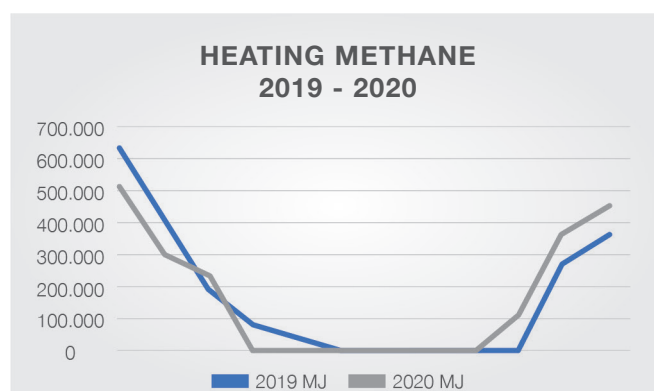
In the next two years Management, in addition to continuing the modernisation work on the electronic instruments, with the purchase of **new generation printers**, plans to address the company's electrical procurement towards

certified suppliers with electricity produced from renewable sources, as well as **upgrading of the lighting system** with replacement of the current halogen bulbs in favour of led ones, permitting an additional energy savings.

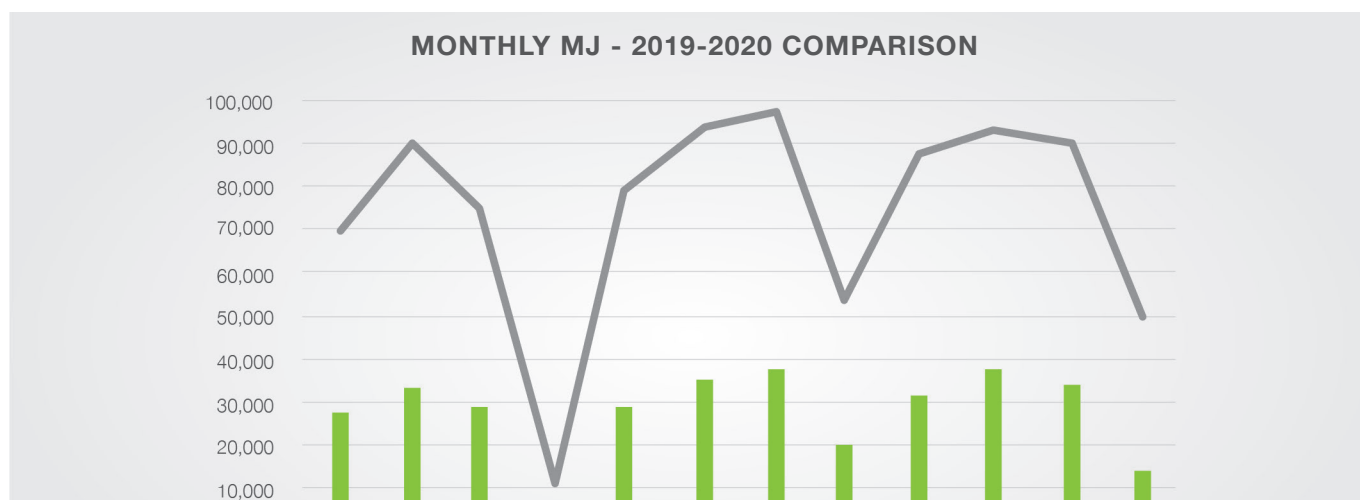
ROOM HEATING

In the heating area the methane solution still remains the preferable choice, above all with reference to other procedures that include the use of fossil materials. The high heating power and versatility (heating spaces, hot water and cooking) make this element a valid solution for domestic, but also company, heating needs, as long as prompt maintenance is performed and upgrades made on the heater-generator system.

Tecnotelai's heating consumption for 2020 amounted to 2,012,164 *mega joule*, a figure that is only slightly affected by the Covid-19 pandemic since the work stoppage period due to the pandemic, did not occur in the months of intense use. The consumption of 52,246 cubic meters of methane corresponds to around 94 tons of CO₂ released into the atmosphere.



Heating energy from fossil sources (methane) expressed in MJ and broken down on a monthly basis, 2019-2020 comparison.



Monthly comparison of electricity consumption expressed in MJ and consumed in the production units of Via Clodoveo Bonazzi and Via Saliceto (Castel Maggiore, Bologna).

HYDROCARBONS AND TRANSPORT

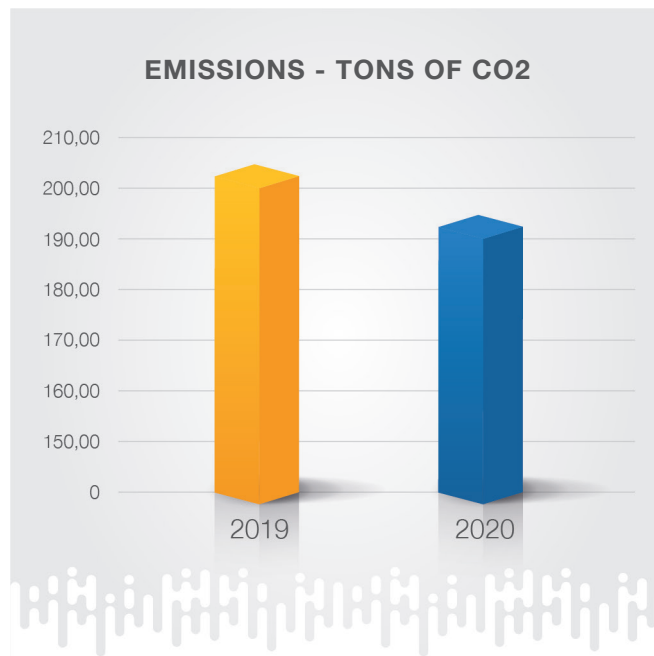
Transport constitutes one of the biggest sources of air pollution at present. Thanks to **legislation regulating exhaust**, total emissions considered have reported a slight decrease over the past years, however with still high loads of nitrogen oxide and particulate connected with diesel and petrol engines, above all older generation ones. Tecnotelai's consumption of **diesel fuel** amounted to 9,287.01 litres in 2020, i.e. 344,332.47 MJ, for an equivalent of 24 Tons of CO₂. The same year a **new generation Euro 6 vehicle** was added to the company van fleet and permits an abatement of emissions compared to previous vehicles.

For 2021 and aimed at constant innovation and improvement, Management has an objective to implement a software system integrated in the company's WMS to optimise the route in the delivery phase and reduce costs but harmful emissions as well.

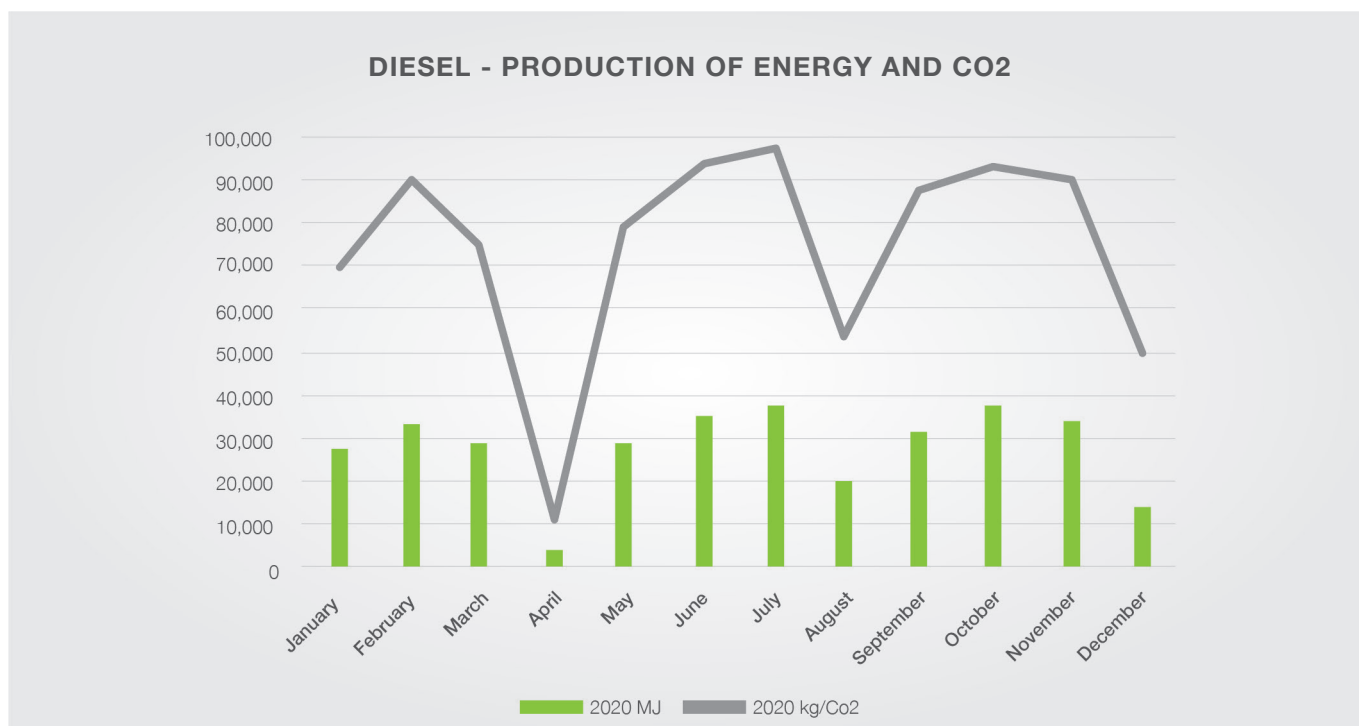
COMPARISON WITH GLOBAL FIGURES 2020 AND 2019

Considering the **aggregate figure** of energy produced in 2020 from various sources involved in the company's activities, Tecnotelai used **2,801,443 Mega Joule of energy** between electricity, heating and vehicle fuel, which corresponds to **200 tons of Co₂** released into the atmosphere. The latter figure, **shows a clear decrease compared to the carbon dioxide released into the atmosphere in 2019**.

However, it should be noted that the figures related to 2020 are affected by the **period of lock-down** due to the coronavirus emergency, to the point that next year a slight change in trend in energy consumption is forecast compared to the trend reported for the year in review.



Tons of carbon dioxide released into the atmosphere - comparison between 2019 and 2020



Energy (in MJ) and Co₂ (in kg) from the consumption of diesel vehicle fuel referred to 2020.

FINAL STATEMENTS FROM THE SOLE DIRECTOR

A BRIEF OVERVIEW OF THE SMALL CHANGES ADOPTED AND WHAT WE WOULD POSSIBLY LIKE TO DO IN THE FUTURE

The year 2020 will not be something to forget, including for the period when we witnessed a **strong revival of an environmental conscious**, as seen by the large popular demonstrations that caused even institutions and supranational organisation to deeply reflect and, probably, some second thoughts on global policy decisions.

Tecnotelai has always been focussed on the **environmental issue** and a view of the world in harmony with nature, so we wanted to provide a concrete response to these issues by demonstrating that the fight against climate change can be conducted even with a few small, simple and daily practical habits and, why not, even at work; a unique opportunity to teach employees to follow these three rules: saving, reuse and recycle.

This wave of change is tangible in not just equipment, but in all company spaces, of **specific containers for sorting waste**, in the following aspects in our organisation:

USE OF MICROFILTERED WATER

A faucet has been installed in the canteen that dispenses microfiltered water that allows employees to quench their thirst with top quality water, reducing the ecology footprint at the same time, both in terms of plastic and Co2 from transport operations: as of 31/12/2020 after **6 months of adoption of this system, 65 kilograms of plastic have been saved, equal to more than 430 250 cl plastic bottles, and a remarkable 221 kilograms of carbon dioxide not released into the atmosphere** (compared to the normal purchase of bottled water)².

UPGRADE OF THE IT FLEET

We have had the electric and electronic devices renovated (in particular **personal computers**

and the internal server) aimed at ensuring **better performance in terms of speed and security, but also adopting equipment with a reduced energy impact**, so as to have a containment in terms of significant energy consumption and, consequently contributing to reduce the use of fossil raw materials. These innovations have let us orient our company towards a new system of **cloud archiving**, a technology aimed at sharply decreasing the use of paper for office work.

The **primary objectives** for the company's future strategy definitely include **upgrading the printer division**, again in this case to pursue two objectives: first the adoption of the new **Inkjet technology** which makes it possible to reduce emissions of harmful particulates in the work environment and second the use of equipment that makes it possible to **reduce electricity consumption**.

Lastly, we are pleased to mention another goal reached in 2020: finalisation of **plastic-free eating areas** specifically by replacing plastic with glass and ceramics in the canteen and use of paper cups in vending machines.

STATIONERY AND OFFICE SUPPLIES

While working one tends to neglect details that are insidious for nature: **certain highlighters** or products which we use daily during our jobs **can contain allergens or carcinogens**; for this reason a decision was made to intervene on this detail regarding stationery to launch a message to respect the environment.

A campaign started in 2020 to **replace the old highlighters with different products that are healthier and more environmental friendly**.

²source: AdnKronos, 17 november 2019



UNICA ADOPTS A TIGER

Empathy with the ecosystem that surrounds us also involves entering the animal kingdom; for this reason, on 19 May 2020, I decided to adopt a tiger named Cinta who lives in *Bukit Tigapuluh National Park*.

The tiger is a noble and proud animal, historically feared and respected as a symbol of strength and charisma. Unfortunately, its population has witnessed a decrease of 95% in just over a century.

As a company, Cinta's adoption has let us make a tangible contribution to preserving an animal species of fundamental importance for the Asian ecosystem and not only.

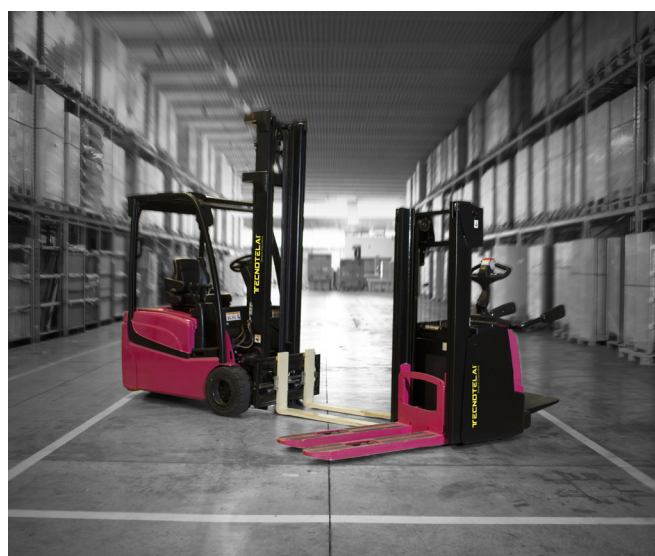
WEAR AND DRIVE ECO

Tecnotelai as a company also has the opportunity to promote consumption habits that are sustainable, for this reason in 2020 **I decided to equip my warehouse department with Green shoes and clothing**, made with recycled and eco-sustainable materials such as organic cotton (*organic content standard*) and RCS certified recycled plastic.



The incentive to adopt *eco-friendly* consumption procedures was also aimed at **customers**, closest commercial partners, they were **steel water bottles showing the Company Logo**: another step towards a sustainable life style.

Towards the end of the year the **entire forklift fleet was renewed**, with latest generation machines both in terms of safety and ergonomics and savings in terms of electricity. The result of these investments will appreciate over time, providing an economic return and more.



AID FOR THE ASSOCIATION WORLD

Our company's commitment to the more needy is a characteristic that has set us apart from others for many years: the **reality of associations to protect the disabled**, minors in difficulty or first aid assistance are the recipients of furniture or clothing that contribute to providing support services to the social aspect of our community.

Our company will remain side by side with the **weakest for the future**, we are studying initiatives to have greater contact with the III sector world. Specifically, in the near future, Tecnotelai will help children with autism and disabilities. For Christmas **the company gave each employee a book, "La Valigia di Aran"** that features times in Aran's daily life. Aran is autistic and accepts his disability serenely and with dedication and experiences his path which is slow but constant and gradually improving.

We hope this gift is very useful for Tecnotelai employees, to better face everyday minor and major problems, but also to have a different outlook on the world that surrounds us, to acquire greater harmony with the social reality.

Focussed on protecting our planet from forms of pollution that are not immediately tangible, but which are a characteristic of our 4.0 reality, **I wanted to support an association that follows and helps people with electro sensitivity problems**, an affliction associated with prolonged exposure to electromagnetic fields and which is becoming more and more evident in our daily lives. A starting point for more reflection

MINDFULNESS

The highly **stressful** situation which we are used to in our work **routines**, and amplified by the worldwide circumstances we have already discussed, require we rethink our habits and above all, a changed approach to them.

Due to this, in this difficult year, a decision was made to enrol employees **in a cycle of courses on the Mindfulness practice**, that consists of a company growth programme based on employee awareness "*Search inside yourself*". Thus, Tecnotelai decided to **invest first of all in human capital**, starting precisely from its "*human*" aspect, relying on the philosophy of the discipline's founder, the biologist Jon Kabat-Zinn: "**paying attention: on purpose, in the present moment, non-judgmentally**".

This practice, applied to the work area, fosters the development and **enhancement of concentration**, increases performance and determines better working conditions.



ECONOMIC SITUATION

The year 2020 was a year of challenges from an economic viewpoint. **The crisis due to the restrictions to fight the coronavirus has shaken the certainties of our economy from its foundation**, with all of the consequent results. In terms of possible future economic scenarios, in this area I can proudly **underline the resilience capacity of our company which, despite the above adversities, knew how to preserve its commercial ability** and, I must say, in this circumstance the solid foundation our business is built on was reconfirmed.

In particular, in this difficult period, our company decided to prepare a **strategic relaunch plan**. In 2021 we plan to inaugurate a **brand new Show-Room** dedicated to the Unica collections **and renovation of the historic show-room** dedicated to DAM office furniture. Lastly we will combine our traditional aptitude for quality service to our domestic customers, with promotional campaigns in foreign markets, again with a view towards speed, without neglecting an eye for detail we are known for.

This scenario includes **the project to create a brand new e-commerce platform**, with relative specialisations in the various *t*, precisely to ensure customers that standard of flexibility and reliability that constitutes a mantra for our company's philosophy, which we are proud to say: "*always available*"

LOOKING FORWARD

LOOKING FORWARD

Implementing Sustainability Reporting for the year 2020 turned out to be a challenge within a challenge. It was not easy: being the first year to **collect data** and material needed to report the many aspects that can be included in a social balance sheet, it was complicated, for a few months then, due to the **pandemic**, it was not possible to meet with the consultants who assist us for this activity and even now that we are in the last phase, the cases of coronavirus continue to mount in Italy and especially in the city of Bologna and its province, meaning that meetings with the people who have played a fundamental role to develop this project, will again have to be held remotely.

We have done a lot, but we are aware we still have a lot to do. This is our first Sustainability Report, **but from now on we are committed to continue to improve year after year**.

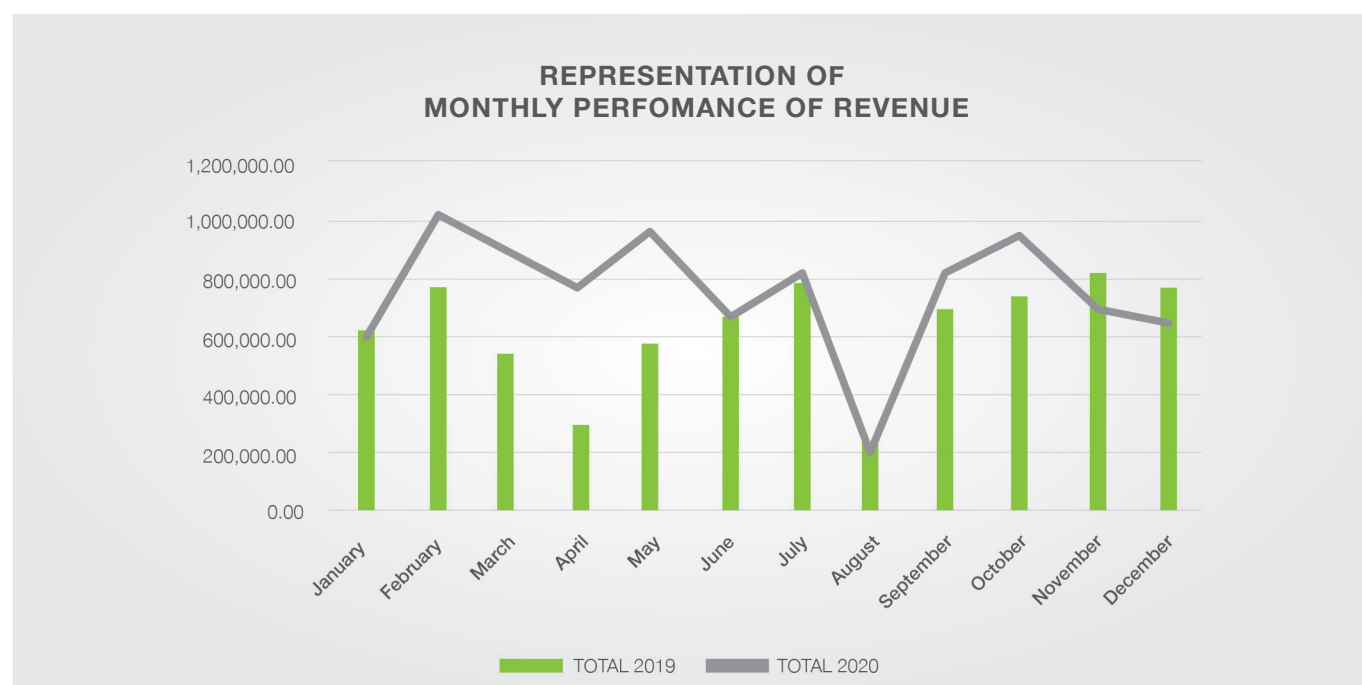
The table below summarised some of the objectives and challenges facing Tecnotelai in the immediate future.

PRIMARY FUTURE OBJECTIVES	Reference aspect
Fine-tuning and constant improvement of the structure and contents of Sustainability Reporting	Document structure
Development of a materiality matrix	Reporting process
Start a plan for the organisational process for collecting the information necessary for Sustainability Reporting	Document structure and reporting process
Increase revenue and exit from the crisis caused by the pandemic	Economic responsibility
Increase the breadth of Responsibility reporting for the supply chain	Responsibility towards the supplier chain
Reduce energy consumption, identifying alternative sources of energy and that produce reducing the use of fossil fuels to a minimum.	Responsibility towards the planet
Improve data collecting and monitoring	Responsibility towards the planet
Identify new elements that can have an affect improving the indirect impact that Tecnotelai can have on the environment	Responsibility towards the planet
Include GRI 303 on water and GRI 306 on waste in reporting	Responsibility towards the planet

SOME FIGURES AND DETAILED INFORMATION

ECONOMIC RESPONSIBILITY

The graph represents the monthly performance of revenue during 2020 compared with 2019. The clear drop in revenue reported in the months of March and April 2020 reflects the work lockdown period following government decrees enacted to fight the pandemic. This trend reversed in the last two months of 2020. **The hope is that 2021 will finally see an end of the pandemic and consequent economic recovery at potentially pre-crisis levels.**



RESPONSIBILITY TOWARDS PEOPLE

The table below shows the distribution of employees based on their education and their position in the company, comparing 2020 with 2019.

Educational Qualification	2019				2020			
	EXECUTIVES	MIDDLE MANAGERS	WHITE COLLAR EMPLOYEES	WAREHOUSE PERSONNEL	EXECUTIVES	MIDDLE MANAGERS	WHITE COLLAR EMPLOYEES	WAREHOUSE PERSONNEL
Elementary school	0	0	0	0	0	0	0	0
Middle school	0	0	1	5	0	0	1	4
Secondary school	0	1	14	6	0	1	13	7
University	1	1	10	0	1	1	9	0
Total	1	2	25	11	1	2	23	11

The table below shows the composition of company personnel by gender: the comparison is between the years 2018 - 2019 - 2020.

	2018		2019		2020	
Position	Men	Women	Men	Women	Men	Women
Executives	0	1	0	1	0	1
Middle managers	1	0	2	0	2	0
White collar employees	9	12	12	13	14	9
Warehouse personnel	11	0	11	0	11	0
Total employees	21	13	25	14	27	10
VAT no.	2	0	2	0	2	0
Agents	4	0	4	0	4	0
Total by gender	27	13	31	14	33	10
Total	40		45		43	

The table below shows the **turnover** rate of employees in recent years. It should be noted that a generational changeover is underway, during 2019 and 2020 **some employees resigned because they reached retirement age**, and were gradually replaced with younger personnel. Tecnotelai's objective is to gradually achieve a stability, in order to demonstrate the attention and importance of personnel to reach Tecnotelai's quality objectives.

	2018				2019				2020			
Employees	Incoming	%	Outgoing	%	Incoming	%	Outgoing	%	Incoming	%	Outgoing	%
Men	2	10%	2	10%	5	20%	1	4%	4	15%	2	7%
Women	0	0%	1	8%	5	36%	4	29%	0	0%	4	40%

Years	2018	2019	2020
Employee turnover rate	11.76%	38.46%	27.03%

A positive **turnover** rate is calculated by dividing the number of incoming employees by the number of employees at year end.

A negative **turnover** rate is calculated by dividing the number of departing employees by the number of employees at year end.

The table below, in line with GRI 403.9 shows the number, degree and rate of occupational accidents that occurred in the company in the last 3 years. This table acts as a support for the values shown in the chapter “Responsibility towards people”.

	2018	2019	2020
Morti sul lavoro/ Fatalities	0	0	0
Infortuni/ Incidents	1	1	2
- di cui infortuni con conseguenze gravi/ of which with high consequence work-related injuries	0	0	0
Numero totale di ore di lavoro/ Total work hours	72.960	72.960	59.188
Numero giorni di assenza del personale coinvolto	7	68	87
Tasso di mortalità sul luogo di lavoro/ Fatality rate	0,00%	0,00%	0,00%
Tasso di infortuni sul luogo di lavoro/ Incident rate	2,74%	2,74%	6,76%

RESPONSIBILITY TOWARDS THE SUPPLIER CHAIN

The table below shows the degree of Tecnotelai customer satisfaction based on the questions they are asked at the time of each purchase.

	Variety	Quality	Response	Delivery	Assistance
Not at all satisfied	0	0	0	0	0
Somewhat satisfied	0	0	0	4	0
Average satisfaction	6	5	8	7	7
Satisfied	26	22	22	25	18
Very satisfied	22	27	24	18	29
Satisfaction	48	49	46	43	47
Total response	54	54	54	54	54
Satisfaction %	89%	91%	85%	80%	87%

RESPONSIBILITY TOWARDS THE PLANET

To comply with GRI 301.1, 301.2 and 301.3, the tables below show the breakdown between the **quantities of pallet and packaging used** to store and transport products sold by Tecnotelai, dividing them into new, regenerated and used. They also show how Tecnotelai has very high percentages of regenerated and used products, as well as renewable and non-renewable.

PALLET			
	Regenera- ted	Used	New
Tons	7.30	33.93	25.67
%	11%	51%	38%

PACKAGES		
	Renewable	Not renewable
Tons	82.50	1.22
%	99%	1%

In compliance with GRI 302.1, 302.2, 303.3, 303.4 and to support the figures shown in the chapter “Responsibility towards the Planet” the table below **summarises total electricity consumption** measured in Joules and comparing 2020 and 2019.

Due to some problems in obtaining data, the MJ of energy consumed outside the organisation for transport activities for company products and for business trips taken, are estimated only for the year 2019.

There were no problems obtaining data for 2020.

	2019	2020	Unit of measurement
Electricity	493,402	454,946	MJ
Energy for heating from fossil fuels	2,032,723	2,012,164	MJ
Energy used outside the organisation for business trips and transport and distribution upstream and downstream (figures estimated for 2019)	380,000	334,332	MJ
Total	2,906,125	2,801,442	MJ



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