



CONSOLIDATED NON-FINANCIAL STATEMENT

pursuant to Italian Legislative Decree no. 254/2016

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LETTER TO STAKEHOLDERS

Dear readers,

Following an exceptional year for the planet, Datalogic has now issued the fourth edition of its Non-Financial Statement, thus marking an important stage in the now well-consolidated process of analysis, social inclusion and reporting, whereby our organisation undertakes to objectively and transparently report and disclose its current sustainability status.

This tool is therefore intended to convey the social role and the environmental commitment that have always inspired our work, through a narrative pathway geared towards pursuing the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

Innovation and technological resilience (SDG 9) are priority topics for our organisation, as we are committed to tirelessly researching innovative solutions in order to offer safe and cutting-edge products that will have positive impacts on communities and the environment.

During a year in which the pandemic brought the entire planet to its knees, our Group managed to guarantee compliance with the most stringent **personal health and safety standards** for all of its workers and suppliers, at all of its production sites around the world, thus ensuring the continuity of its

operational activities and the economic sustainability of the business as a whole (**SDG 3**). Datalogic also distinguished itself by developing tools and mobile devices with antimicrobial surfaces designed to repel germs and bacteria. This is particularly important for mobile devices used in the healthcare sector, in different rooms, and by different operators, like nurses and doctors, and in contexts where hygiene is not an option, but rather an absolute necessity.

Within the context of the initiatives launched to **support the national health service in local territories and communities** in the effort of caring for patients infected by Covid-19, Datalogic donated a considerable number of barcode readers and mobile computers with the characteristics described above to the Sant'Orsola-Malpighi Hospital in Bologna, as well as to various hospitals throughout the Lombardy region and other parts of Northern Italy.

Inspired by the values of **equality and empowerment (SDG 5)**, our organisation considers its people as its most important asset for ensuring innovation and development. For this reason, initiatives aimed at protecting diversity and empowering the human resources throughout our organisation and production chain are once again among the priority topics this year.



Datalogic is committed to providing **growth and training** programs (**SDG 4**), in order to promote and guarantee quality, equitable, and inclusive education opportunities for everyone.

This year Datalogic was also once again on the front lines in the fight to **protect the environment** against climate change, collaborating with its stakeholders on innovative projects and concrete initiatives (**SDG 13**). In this regard, we are proud to announce that, in 2020, our Group was among the awardees of the CONAI tender for Packaging Ecodesign, thanks to the innovative work carried out on the Magellan 3200 packaging.

Over the years, our organisation has **collaborated with its stakeholders on the issue of sustainable development (SDG 17)**, and in 2020 it reaffirmed its commitment to environmental, social and governance issues throughout the entire value chain by engaging with its suppliers and customers on initiatives and programs aimed at continuously improving their sustainability performance.

Within this context, Datalogic's Non-Financial Statement serves as an extremely powerful tool for of transparency and shared reporting.

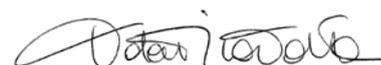
The reporting areas' various phases of development were accompanied by a well-structured process

of Stakeholder engagement, for the purpose of sharing the "material" topics and relative indicators, and jointly analysing Datalogic's contribution to pursuing the Sustainable Development Goals of the United Nations 2030 Agenda, which thus represent the cornerstones of our report.

In accordance with the value of transparency declared to the Stakeholder ecosystem, this process guaranteed the utmost inclusion of all the various entities falling within Datalogic's sphere of influence.

Happy reading!

Valentina Volta
Group CEO





THE GROUP, ITS HISTORY AND OUR VISION

Datalogic is a worldwide high-tech company focussed on innovation.

Our solid and continuous investments in research and development - combined with a policy of growth and acquisitions - are the key elements which allow us to make our customers look to the future. We can achieve this thanks to the anticipation and introduction of technologies complementary or alternative to barcodes. In its 49 years of history, Datalogic boasts extraordinary results: over 1,200 patents in multiple jurisdictions, 7 research and development centres and over 450 specialised employees (mostly engineers) dedicated to creating new products and solutions.

Following our customer-centric strategy, we continue to support our customers as real partners in the new challenges imposed by a constantly evolving market. We operate in the following four sectors: Retail, Manufacturing, Transportation & Logistics, and Healthcare. Understanding and meeting our Customers' expectations are key drivers. These are achieved through initiatives - which Datalogic carries out with its partners and customers on a daily basis - aimed at improving the Customer Experience.

With approximately 3,000 employees spanning the 5 continents, we firmly believe that people are our most important competitive asset. For this reason the Datalogic Group is constantly searching worldwide for the best graduates from technical faculties, attracting them with extremely advantageous professional growth opportunities. Our staff stands out both for its great passion for innovation and the special attention paid to customer satisfaction.

Vision

A world which Datalogic has identified, detected, inspected, marked and verified.

Mission

We aim to provide our customers in Retail, Manufacturing, Transportation & Logistics and Healthcare industries with the best quality and efficiency in automated data acquisition and process automation. This is possible thanks to advanced technology, innovative products, cutting-edge solutions and talented people.

Values



RESPONSIBILITY

Act like you own the company.



EFFICIENCY

You get more with less.



RESULT-ORIENTED

Focus on the results and achieve your goals.



REALISM

Face reality and correct what is wrong.



NO SHORTCUTS OR COMPROMISES

Do not compromise on strategy, culture or results.

Highlights of the 2020 financial year

	31.12.2020	%	31.12.2019 Restated ¹	%	VAR % 2020 -2019
Revenues	479,828	100.0%	585,759	100.0%	-18.1%
Gross operating margin (Adjusted EBITDA)	58,324	12.2%	92,077	15.7%	-36.7%
Operating income (EBIT)	18,407	3.8%	62,689	10.7%	-70.6%
Profit/(Loss) for the period	13,882	2.9%	50,281	8.6%	-72.4%
Net Financial Position (NFP)	8,218		13,364		

In 2020 revenues amounted to € 479.8 million, down 18.1% with respect to the previous year, mainly due to the decline in demand generated by the Covid pandemic. During 2020, there was a decrease in sales in the Americas (-28.2%) and in EMEA (-16.9%), while growth was seen in the APAC region (+ 7.7%).

The Adjusted EBITDA decreased by 36.7% to € 58.3 million, bringing the Adjusted EBITDA margin to 12.2% (15.7% as of 31 December 2019).

The net profit amounted to € 13.9 million (€ 50.3 million in 2019). As impact on revenues fell from 8.6% to 2.9%.

The Net Financial Position as of 31 December 2020 was equal to € 8.2 million, for a decrease of € 5.1 million with respect to 31 December 2019 (when it was equal to € 13.4 million).

In an unprecedented context like that of the pandemic that persisted throughout the 2020 financial year, thanks to its capital and financial stability, Datalogic managed to react quickly to the changing scenario, not only by taking measures to protect its business and profits during the short-term emergency scenario, but also over the medium-term, by accelerating and launching reorganisation projects aimed at optimising certain strategic processes and functions (please refer to the information provided in the “Innovation and technological resilience”, “Health and well-being” and “Growth and Training” chapters of this Non-Financial Statement), and by continuing to invest in growth, focusing on the development of innovative products and services in line with the latest market trends.

For further information on the Group's 2020 financial report, which provides a more detailed illustration of the pandemic's effects on the company's financial situation and performance, as well as the measures adopted to ensure the continuity and profitability of the business, please visit the following link

<https://www.datalogic.com/ita/azienda/investor-relations-ire-5390.html>

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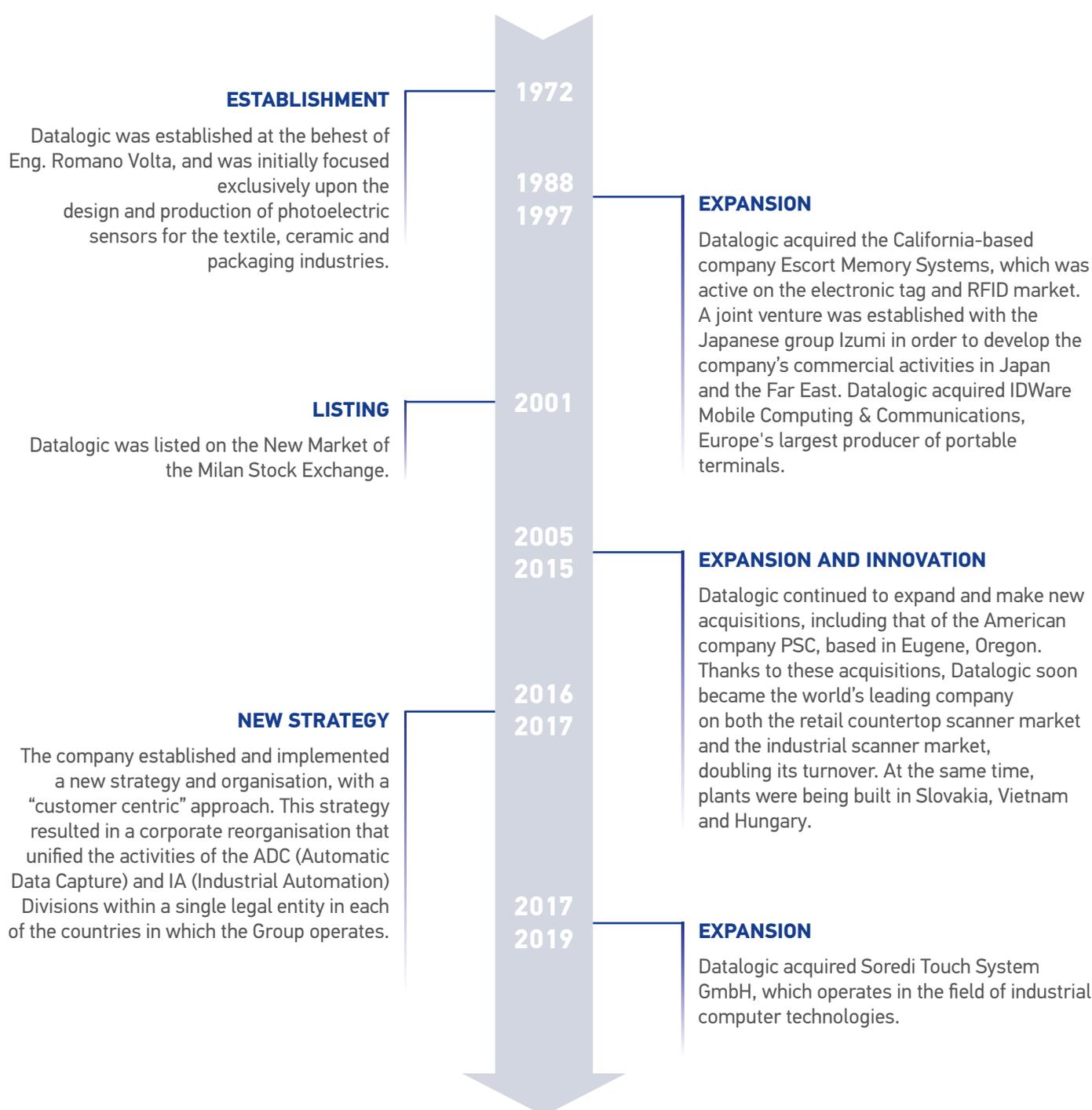
¹ As required by IFRS 5, the comparative economic data as of 31 December 2019 have been restated following the sale of the company Solution Net Systems Inc.

Datalogic's History

Datalogic was founded in 1972 by **the Engineer, Mr. Romano Volta**. Initially, production was centred on electronic devices, but soon the direction changed towards the design and production of photoelectric sensors for the textile, ceramic and packaging industries.

The founder, realising the revolutionary importance of the barcode, developed a manual device capable of reading it, thus introducing Automatic Data Capture technology to the retail world and then applying it to the entire industrial sector.

In order to meet customers' needs along the entire value chain, over the years the Datalogic Group has developed an extensive and diversified range of products. This has made it **the main Barcode Company worldwide**. Thanks to our strive for continuous innovation, we are the only Company that can boast extensive and consolidated experience in **automatic data acquisition and process automation, areas in which we are market leaders**.



Products and applications

Our **very high-tech** company specialises in the design and production of barcode readers, mobile computers, RFID, detection, measurement and safety sensors, as well as laser vision and marking systems. Our **cutting edge products** are always used by the main retailers, most important airports, postal and shipping couriers, as well as major manufacturing and hospital industries.



FIXED RETAIL SCANNERS

The most complete countertop scanners available on the market, able to reduce the waiting time when checking out inside a store:

Bioptic scanner with horizontal and vertical reading window ~ Patented All-Weights™ scale plate ~ Integrated EAS functionality ~ Digimarc™ decoding software ~ Sapphire glass window.



MOBILE COMPUTER

State-of-the-art products in terms of robustness, ergonomics, processing technology and data acquisition:

Pocket-sized, handheld devices with full alphanumeric keyboard ~ Industrial PDAs ~ Gun grip terminals ~ Vehicle mounted computers ~ Middleware solutions for self-shopping.



RFID SYSTEMS

A wide range of UHF RFID devices available in different formats:

Scanning through handheld devices ~ Industrial fixed scanners ~ Inbound/outbound material management ~ Inventory in warehouses ~ Tracking and tracing of drugs, blood bags and samples in healthcare environments ~ Semi-passive UHF Tag logger for sensitive products.



VISION SYSTEMS

Our range of products also includes both hardware and software solutions:

Powerful smart cameras with industrial protection degree ~ Latest generation vision processors ~ Software Suite for more flexible management of vision systems ~ Outstanding ability to process images



FIXED RETAIL SCANNERS

MOBILE COMPUTER

RFID SYSTEMS

VISION SYSTEMS

READER SYSTEMS FOR O...

We place our focus on offering the best of our products to our customers.



SENSORS AND SAFETY

The widest range of photoelectric sensors and safety devices for any type of application.

Luminescence, colour and contrast sensors ~ Slot sensors for label detection
 ~ Size and distance measurement ~ Type 2 and Type 4 safety light curtains ~ Safety laser scanners for static and dynamic applications.



SENSORS

SAFETY

HANDHELD SCANNERS

HANDHELD SCANNERS

Automatic data collection devices with excellent performance and extreme reliability:
 Corded or cordless - Laser technology - Linear or Area imaging technology - With strong standard or antimicrobial plastic - Green Spot technology for scanning confirmation.



FIXED INDUSTRIAL SCANNERS

Designed for applications that do not require constant and continuous monitoring by an operator:

Barcode reading for tracking items ~ Omnidirectional stations for sorting and tracking operations ~ Image processing for inspection and quality control ~ OCR for recognition and OCV for verification ~ Easy integration into any industrial environment.



LASER MARKING SYSTEMS

Ideal for automotive, electronics, marking of medical devices and in high precision metal machining:

Ultra-compact solutions based on laser fibre
 ~ Solid state and CO2 technology ~ Integration in both production lines and stand alone systems ~ Clear and permanent logos ~ 1D and 2D codes, serial numbers & dates on most materials.



BARCODE LASER MARKING

SYSTEMS

OEM BARCODE READERS

Ultra-compact 2D imager Scan Engines, featuring a high-speed sensor which enables image capture at a full 60 frames per second.

Since 2017 Datalogic **has been organised by customer type** with special sales and service teams for the Retail, Manufacturing, Transportation & Logistics and Healthcare sectors.



Retail
Distribution Centre | Warehouse
Store Management | Check-out POS

The Retail section features a grid of four small images at the top: a warehouse aisle, a person in a warehouse, a warehouse shelf, and a retail store display. Below this is a vertical column of four circular icons representing different retail operations. To the right is a large image of a person's hands selecting fresh produce like oranges and tomatoes from a display.

Datalogic is one of the leading providers of cutting-edge technology for the retail sector worldwide. Datalogic products maximise the retailer's productivity and efficiency, while at the same time improving the customer's experience, from distribution centre to warehouse, and all the way to the point of sale. Operations like receipt, storage, inventory, assisted sale, check-out and stock replenishment are carried out effectively and efficiently thanks to devices designed to be durable and reliable.



Manufacturing
Automotive | Electronics
Packaging | Intralogistics

The Manufacturing section features a grid of four small images at the top: a robotic arm, a factory interior, a factory interior, and a factory interior. Below this is a vertical column of four circular icons representing different manufacturing processes. To the right is a large image of a modern factory floor with several yellow robotic arms in operation.

Companies operating in the Automotive, Food & Beverage, Electronics and Warehouse Logistics can greatly benefit from the ease of use and reliability offered by Datalogic's identification devices, vision and marking systems, and sensors. Datalogic offers technologies designed to detect the presence of objects, to protect workers with safety light curtains, to ensure product quality through vision sensors, and to code items through laser marking. Process and product traceability is ensured thanks to fixed industrial scanners, manual barcode scanners, and mobile computers, which are capable of tracking items throughout the entire production chain, up until the time of distribution.



Transportation & Logistics

Courier & Parcel | Logistics
Postal | Airports



The world of logistics is a complex ecosystem of solutions, where added value is given by the precision and reliability of the service, be it shipping a suitcase, a parcel or a pallet. Shipment tracking and proof of delivery are some of the services that could not be offered without the use of Datalogic products. We are the only supplier in the world able to cover the entire logistics supply chain, from receipt to delivery. However, Datalogic solutions go beyond barcode reading. In fact, our customers are also able to measure items, identify a shape, a defect or a logo, as well as have access to an easy interface with the main operating systems. All these essential services create value throughout the logistics chain.



Healthcare

Pharmacy | Hospital - Labs | Pharmaceutical



Datalogic solutions are used by hospitals, analysis laboratories, pharmacies, and in pharmaceutical production. Among the many applications in hospital, the main one is the bedside patient monitoring system. Some specific health care products are characterised by an antimicrobial plastic outer shell that prevents bacterial growth. They can be sterilised with aggressive agents.

The good scanning optical signalling - through a "green spot" (with or without acoustic signal) - is a very appreciated feature in a hospital environment. These solutions are offered by Datalogic directly or through Partners and Distributors.

Datalogic operates a global business, spread across 5 continents:

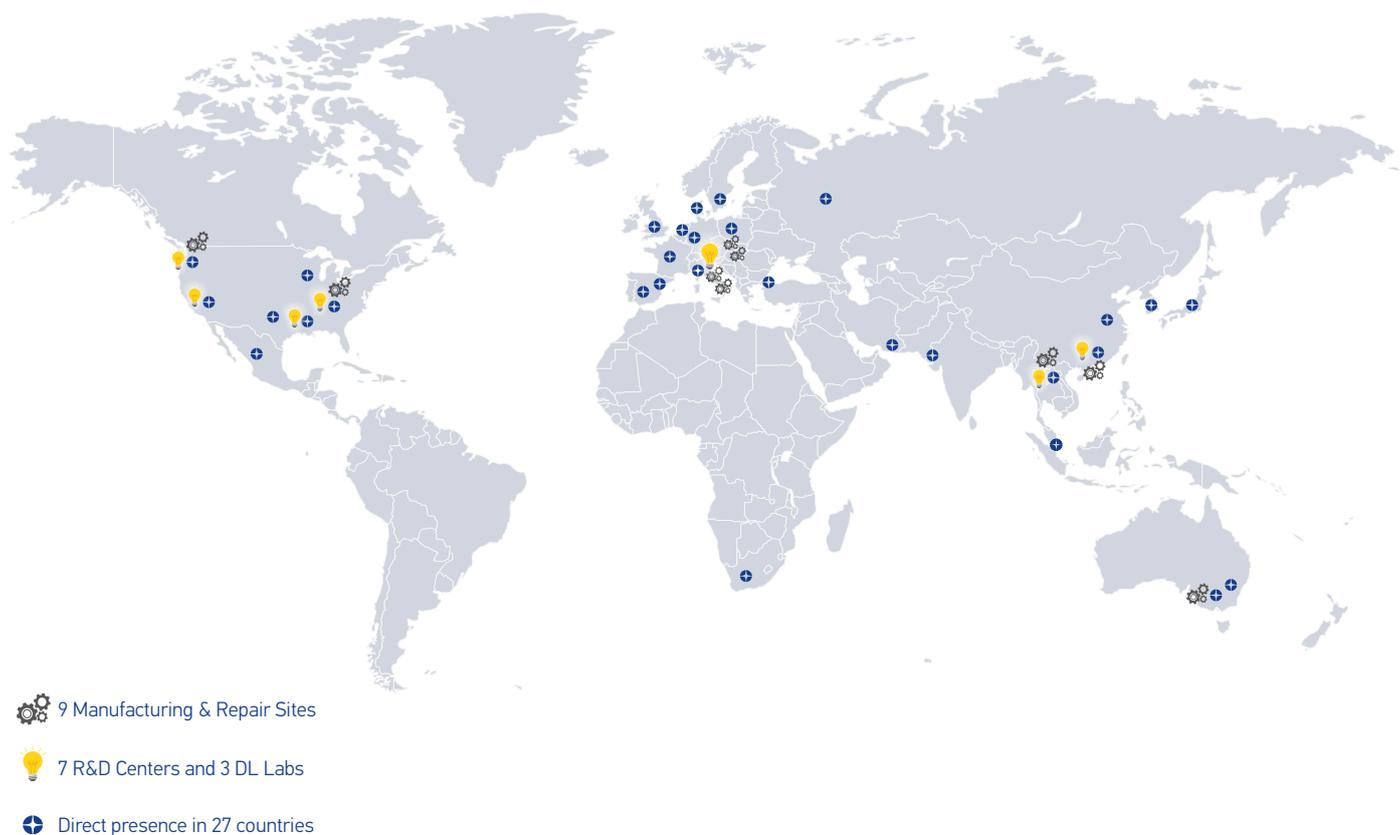


Figure 2 - Datalogic's Worldwide Presence

80% of the Datalogic business is done through external channels. The contribution of our Partners, Distributors, Dealers and System Integrators is therefore key to our success.

Datalogic has always been careful to keep its Partners motivated and wants to increase their business opportunities through consistent pricing policies with the right margins, maintaining the integrity of the channel and creating value for all parties involved.

For more information, visit: <https://www.datalogic.com/ita/azienda/partner-pa-2732.html>





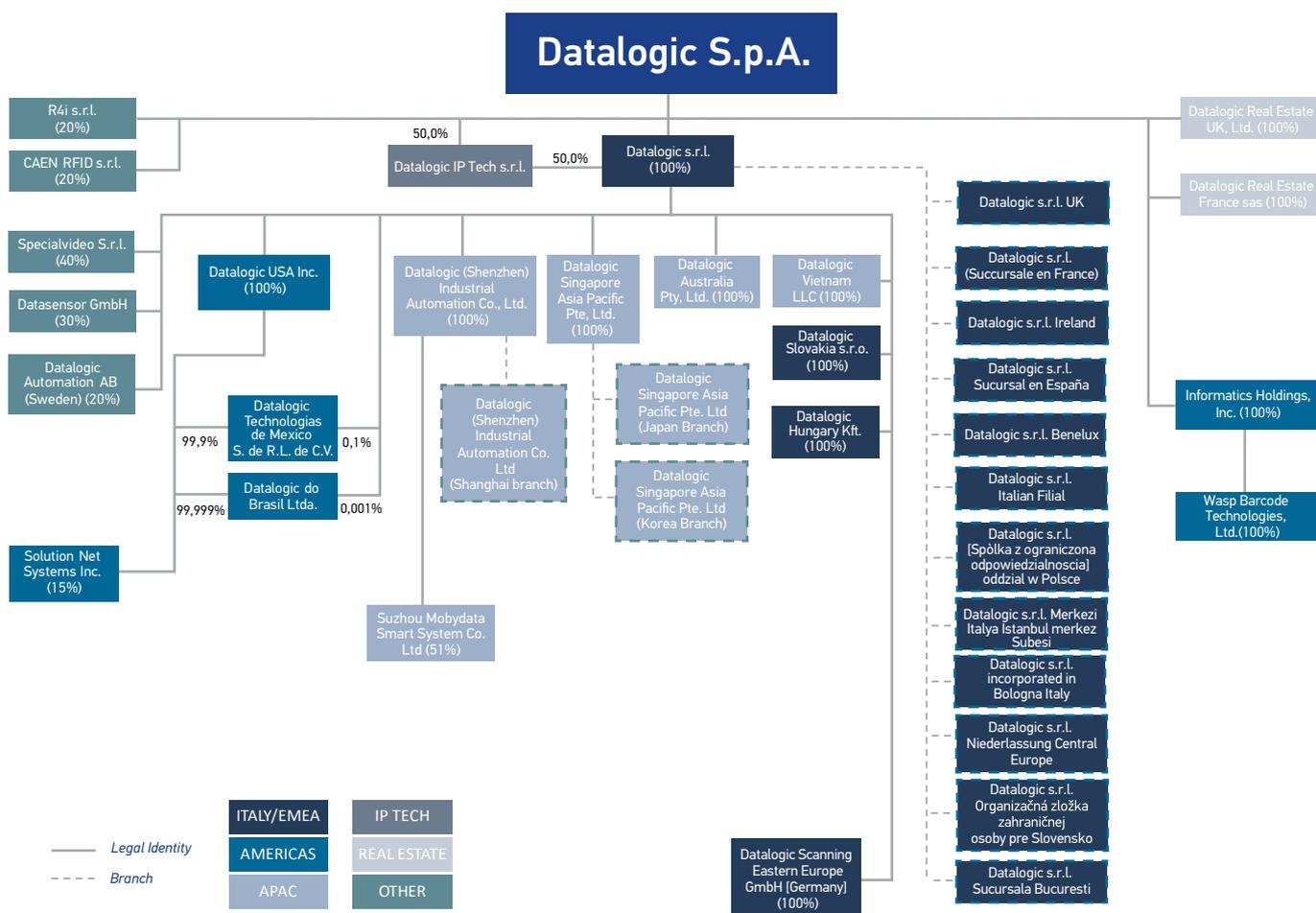
**A ROBUST ORGANISATIONAL
STRUCTURE FOR RESPONSIBLE
COMPANY MANAGEMENT**

Datalogic is a world leader in the fields of automatic data acquisition and industrial automation, and in 2020 it also established itself as one of the leading manufacturers of barcode readers, mobile computers, detection, measurement and safety sensors, and laser vision and marking systems, offering innovative solutions for a wide range of applications in the retail, transport and logistics, manufacturing and healthcare sectors. With products used in over one third of supermarkets, points of sale, airports, and postal and shipping service centres around the world, Datalogic is a unique company offering solutions designed to simplify and improve everyday life.

Datalogic S.p.A. has been listed on the STAR segment of the Italian Stock Exchange since 2001.

Datalogic continuously places a great deal of focus on the effectiveness and functioning of its corporate governance system, and uses national and international corporate governance best practices as a basis for the periodic development of its decision-making and control structures.

Group Structure²



Datalogic S.p.A., with headquarters in Lippo di Calderara (Bologna), is the Group's Parent Company, and is responsible for defining the Group's vision, strategy, values and policies.

Datalogic is a member of the main trade organisations, including ANIE (The National Federation of Electrotechnical and Electronic Companies), CEI (Italian electronic committee), UCIMA (Association of Italian Makers of Automatic Packaging Machines), CNA (National Confederation of Artisans and Craftsmen and Small and Medium Enterprises), IEEE (Institute of Electrical and Electronics Engineers) and SPIE (International Society for Optics and Photonics).

In 2020 the Group also made contributions to the following organisations: Associazione Amici del Museo del Patrimonio Industriale (Friends of the Industrial Heritage Museum), University of Ferrara, University of Oregon.

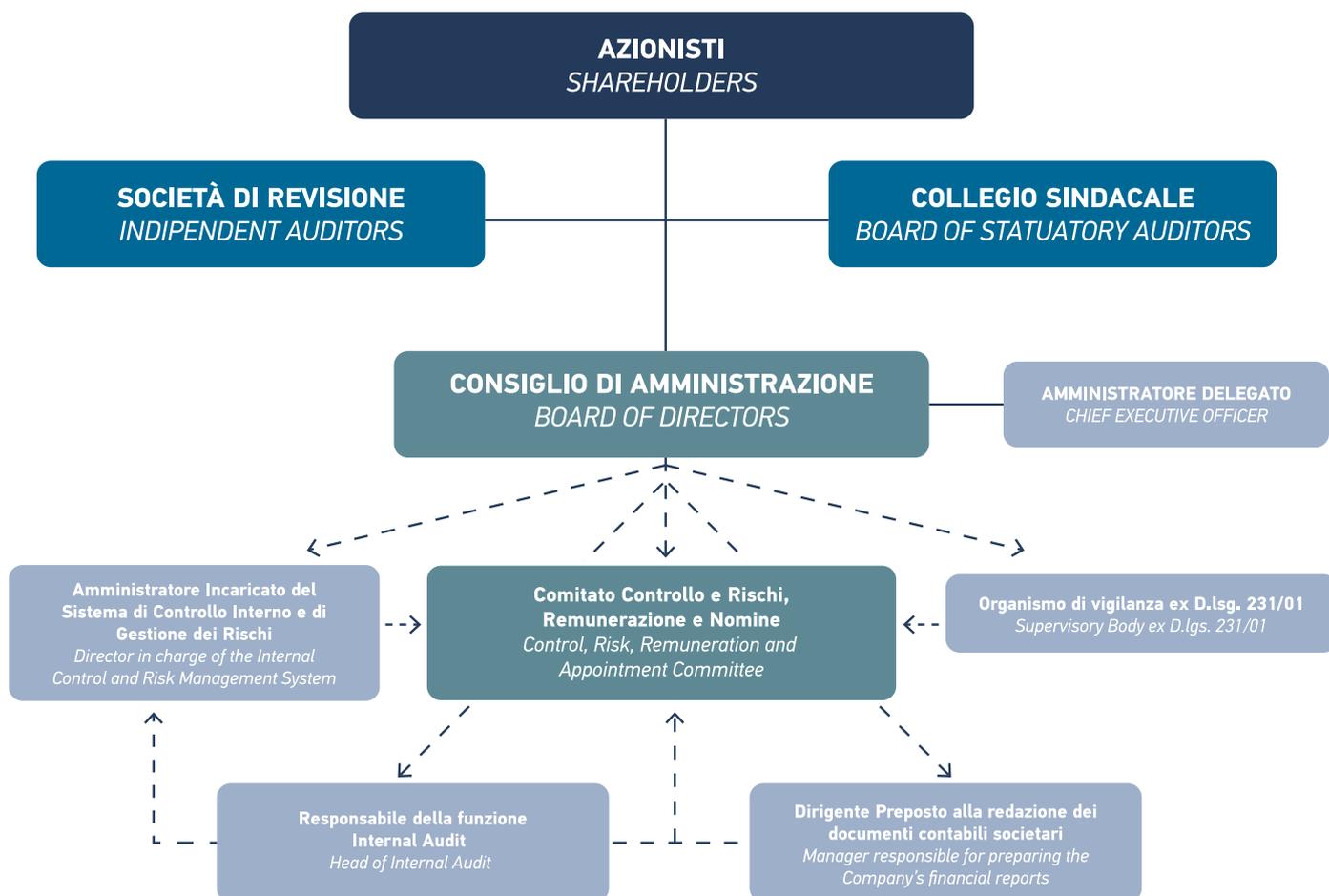
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² For detailed information about the companies included within the scope of reporting for this NFS, please refer to the Methodological Note.

Corporate Governance

Datalogic has adopted a *corporate governance model* inspired by the principles of fairness and transparency in management and information disclosure. These principles are also upheld through a continuous process of verifying their actual implementation and effectiveness.

The corporate governance structure adopted by Datalogic S.p.A. is illustrated in the following chart.



The company's listing on the STAR segment of the Italian Stock Exchange, which is reserved for Italian companies of particular excellence, requires the Group to comply with stringent requirements in terms of corporate governance (e.g. the presence of independent directors and committees within the Board of Directors, as well as the mandatory adoption of the organisation, management and control model envisaged under articles 6 and 7 of Italian Legislative Decree no. 231/2001), as well as in terms of the transparency and timeliness of its market disclosures.

With a resolution passed by the Board of Directors on 12 November 2020, Datalogic adhered to the Corporate Governance Code approved by the Corporate Governance Committee in January of 2020, which has been posted on the Borsa Italiana website, in the section dedicated to the Corporate Governance Committee: www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm.

As of 31 December 2020, the Datalogic S.p.A. Board of Directors consisted of 9 members, 5 of whom are independent:

- **Romano Volta**, Executive Chairman
- **Valentina Volta**, Chief Executive Officer
- **Pietro Todescato**, Executive Director
- **Filippo Maria Volta**, Non-Executive Director
- **Angelo Manaresi**, Independent Director and Lead Independent Director
- **Chiara Giovannucci Orlandi**, Independent Director
- **Angelo Busani**, Independent Director
- **Vera Negri Zamagni**, Independent Director
- **Roberto Osvaldo Lancellotti**, Independent Director (elected from a list submitted by a minority of shareholders)

The average age of the Directors in office as of the date of this Statement is 61 years, with 2 Directors in the 30 - 50 age group, and 7 Directors in the over 50 age group. Women constitute 33% of the Board Members (3 out of 9), including the Chief Executive Officer.

For more information on the composition and duties of the corporate bodies and the relevant policies, please refer to the 2020 Report on Corporate Governance at the following link: <https://www.datalogic.com/ita/azienda/corporate-governance/documenti-societari/relazione-corporate-governance-irp-5422.html>.

Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01

Pursuant to Italian Legislative Decree no. 231/2001, Datalogic S.p.A. and its Italian subsidiaries continue to adopt an Organisation, Management and Control Model (hereinafter the “*Model*”) for compliance purposes.

In its current configuration, the Model consists of a General Part, in which the Model itself is described in terms of objectives, functionality, and bodies established to oversee the same, and a Special Part, which indicates the protocols aimed at preventing the predicate offences.

Each predicate offence is subject to a specific risk assessment with regard to its applicability to the business and the internal controls put in place.

Datalogic promotes the dissemination and knowledge of the Model itself, and condemns any conduct that is not compliant with the law, the provisions of the Model, and the Code of Conduct. All the recipients of the Model are required to collaborate in order to ensure the full and effective implementation of the same, with any violations being immediately reported.

Datalogic S.p.A. and its subsidiaries also ensure the implementation of mandatory training programs in order to guarantee that the employees have a complete knowledge of the Decree and the Model, even through the administration of evaluation questionnaires.

The boards of directors of Datalogic S.p.A. and its subsidiaries (Datalogic S.r.l. and IP TECH S.r.l.) have appointed one Supervisory Body for each Company, in order to meet the requirements in terms of autonomy, independence, professionalism, and continuity of action. The Supervisory Body is vested with the powers of initiative and control necessary to ensure the effective and efficient supervision of the functionality and observance of the Model.

Making use of the competent corporate functions, the Supervisory Body carries out checks on the areas of activity deemed to be at risk of crime pursuant to Italian Legislative Decree no. 231/2001.

The Model is posted on the Datalogic website, and can be viewed at the following link: <https://www.datalogic.com/ita/azienda/corporate-governance/documenti-societari/modello-231-irp-5423.html>.

Approach to taxation

In order to ensure tax compliance, over the years Datalogic has equipped itself with the fundamental tools for managing tax activities and monitoring the relative risk profile. In particular, the following should be noted:

- **The Code of Conduct**, which establishes the standards of conduct with which all the employees must comply (even in managing the tax aspects inherent to their activities) and constitutes an integral part of the contractual obligations that they are required to observe³;
- **The Tax policy**, which serves to define and govern the principles and rules for managing tax activities within the Group, such as declaratory requirements and payment obligations, and therefore the activities that must be carried out by the Tax Department;
- **The Specific tax policies of Datalogic Group**, which describe the guidelines and principles useful for the management of tax activities and the governance of the risks associated with each area;
- **Organisational methodologies to allow Datalogic to interface with the Tax Authorities** in order to fulfil legal obligations or to initiate ruling processes in advance aimed at ensuring the transparent management of activities and instilling a useful dialogue with the Tax Authorities in order to prevent tax risk profiles from arising.

Datalogic Group considers tax matters to be a significant variable for the economic and social role that an industrial Group with a long-term mission should have in the countries in which it operates.

Therefore, the goals that Datalogic has set for itself are (i) to pay its taxes and contributions on a regular basis, in full compliance with all the applicable tax and social security legislation; (ii) to establish a Corporate Reputation with the Tax Authorities through the activation of instruments and processes, such as requests for rulings, which allow for a transparent, collaborative and preventive relationship to be established with the same, and finally (iii) to constantly monitor the efficient management of tax matters, with procedures aimed at reducing the risks of tax litigation and guaranteeing the execution of that social function, thus contributing to the development of the economic context in which it operates.

To this end, Datalogic has an internal Tax Department that ensures its compliance with the tax laws applicable within the various countries and its fulfilment of all the transparency obligations envisaged by the regulations concerning the exchange of information between States, wherever required.

In addition to its central tax department, the Group also has other departments dedicated to regional tax activities, and a network of well-known and highly professional consultants upon whom it is able to rely for the management of activities in other less organised countries.

The department that operates at the Group's HQ also defines the domestic, international and supranational tax scenarios, and is responsible for promoting adequate and effective procedures for the proper fulfilment of the tax obligations and the correct and efficient taxation of the Group as a whole. To this end, it even works to ensure that the business activities are conducted in full compliance with the tax regulations, thus indirectly ensuring the prevention of risk profiles, while at the same time facilitating the dissemination of a tax culture among the Group's employees.

Given the specificity and complexity of the subject matter dealt with, the Tax Department is committed to

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³ In keeping with the principles upon which the Code of Conduct is based, Datalogic refrains from undertaking any operations, investments, products and other initiatives with the intent of avoiding and/or evading taxes, or obtaining undue tax benefits in violation of the law. The activities undertaken by the Group must be motivated by significant economic factors: it is forbidden for Datalogic employees to purchase or offer investments, products or other transactions, either in written or verbal form, based on a mere tax benefit for customers or for other counterparties; the information provided to the tax authorities and other relevant bodies must be correct, complete and truthful; it is forbidden to delay and/or hinder the activities carried out by said Authorities during the course of tax Audits or inspections.

ensuring that its personnel receive the ongoing training necessary to carry out their duties (basic, advanced and specialised). In this regard, the Head of the Tax Department monitors and coordinates the training needs of the department's staff.

The evaluation the effectiveness of the tax compliance management methods, and the analysis of the results of the same, are carried out through a system of checks and controls, which are conducted by internal Datalogic bodies and departments, as well as by external parties (e.g. Boards of Statutory Auditors, Supervisory Body, etc.).

With regard to the reporting of tax crimes, the various corporate Departments are required to communicate any tax fraud offences committed by third parties, and of which they are formally notified, to the Tax Department.

The stakeholder engagement initiatives also consisted of the processes of collecting and acting upon the opinions of the same, within the context of various meetings with investors, for example.

Management Systems and ISO standards

Datalogic considers excellent products and services, worker safety, information security, and environmental awareness and protection to be priority issues, and constantly monitors them through its Management Systems, which are verified and certified by independent bodies.

This approach guarantees the organisation's systematic progress in the pursuit of continuous improvement.

In order to oversee the various issues, the Group has established and implemented certified Management Systems compliant with the following international standards:

- ISO9001 "Quality Management System"
- ISO14001 "Environmental Management System"
- OHSAS18001/ISO45001 "Occupational Health and Safety Management System"
- ISO27001 "Information Security Management Systems".



Any stakeholders who may be interested can view the relative certificates in the "ISO Management System" section of the Datalogic website: <https://www.datalogic.com/ita/azienda/panoramica-dellazienda/sistema-di-gestione-iso-co-217.html>

Integrated risk management

The aim of risk management at Datalogic is to preserve effectiveness, profitability and compliance along the value chain.

This result is guaranteed by appropriate processes and controls established at the level of:

- Organisational and corporate structure
- Governance
- Operating Systems/Tools
- Management Systems (internal procedures and standards)

The definition of strategic objectives by the executive board is accompanied by an appropriate risk assessment in order to assess their sustainability.

Among other things, Control, Risks, Remuneration and Appointments Committee (composed, in line with the provisions of the Corporate Governance Code, by 3 Directors, including 2 independent and 1 non-executive), is tasked with supporting the assessments and decisions made by the Board of Directors, with regard to the internal control and risk management system, by conducting adequate preliminary work.

Executive Board and department heads - in line with the implementation responsibilities assigned to them - have identified and periodically reassessed the operational risks directly related to the strategy and to the achievement of strategic objectives.

Risk management, as described, contributes to the management of the company in a manner that's consistent with its objectives, thus fostering informed decisions, the proper functioning of the corporate processes, the reliability of the information provided to the corporate bodies and the market, and compliance with the laws and regulations.

The Management Report provides an annual assessment of the Group's exposure to the various types of risk, including risks of a purely financial nature, as well as risks of a different nature that could impact the Group's financial position.

For more information on the 2020 Management Report, please refer to the 2020 financial report, which is available on the Group's website at the following link: <https://www.datalogic.com/ita/azienda/investor-relations-ire-5390.html>

Main risks associated with non-financial topics

The current and potential risks to which the Group is or could be exposed (contained in the various documents analysing and assessing the Group's internal risks⁴) include certain risks associated with the topics that Datalogic has recognised as "material" for the Group and its stakeholders in this consolidated non-financial statement.

This mapping, which was carried out starting with the potential risk factors associated with the relevant topics identified by the Group, represents a first step in understanding how social, environmental, personnel management, human rights or anti-corruption topics can impact the effectiveness and sustainability of Datalogic's business model in the short, medium and long period.

NOTES:

⁴In particular, the following documents were examined: risk activities surveyed within the context of the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001; the Risk Assessment Document (DVR) with reference to prevention and safety at the workplace, as established by Italian Legislative Decree No. 81/2008; analysis of the risks associated with the management of the environmental impacts identified in the ISO 14001 Management Systems, where present; analysis of the risks associated with occupational health and safety identified in the ISO45001 Management System, where present, and in the management reports prepared in compliance with the national regulations of the foreign countries where the company's production sites are present.

The main associated risks can be summarised as follows:

SCOPE OF ITALIAN LEGISLATIVE DECREE 254/16	MAIN RISKS	MONITORING TOOLS AND ACTIONS
<p>Aspects relating to the fight against corruption</p>	<p>The risks relating to active and passive corruption were analysed as part of a risk assessment activity, which involved Datalogic Group's main department managers.</p> <p>This analysis took all the business processes into consideration, including: sales and purchases, public funding and participation in tenders, staff recruitment, and system and product certification processes.</p>	<p>With regard to the management of risks identified in the area of corruption, the company has:</p> <ul style="list-style-type: none"> • defined and adopted the Group Code of Conduct, which establishes the ethical principles and behaviours which must be respected by the recipients; • set up Group procedures to cover the majority of business processes exposed to risk; • developed and implemented a system of delegations and powers of attorney, with a view to "segregation of duties". <p>The Italian companies have implemented the Model pursuant to Italian Legislative Decree No. 231/2001.</p>
<p>Aspects relating to worker protection and human rights</p>	<p>The main risks identified relating to the Group's personnel and human rights include the lack of engagement of competent staff both during selection and management, risks related to the health and safety of workers and the lack of respect of human rights and gender diversity.</p>	<p>At the Group level, risk management with regard to staff and human rights is dealt with starting with the <i>Welcome On Board</i> stage.</p> <p>It is at this stage that the Group Code of Conduct, General Procedures⁵ and "Quality Policy" are shared with all the new Datalogic Group employees.</p> <p>These are accompanied by other Human Resource management tools, including Performance Reviews, training programs, and corporate welfare systems.</p> <p>Datalogic renews the ISO 9001:2015⁶ certification for the companies with the most complex processes on an annual basis.</p> <p>With regard to health and safety, specific procedures are applied at the company level, and the following certifications are renewed every year:</p> <ul style="list-style-type: none"> • ISO45001 for Vietnam and Slovakia; • OHSAS18001 and Model pursuant to Italian Legislative Decree no. 231/2001 for Italy
<p>Environmental aspects</p>	<p>Non-compliance with environmental regulations and accidents that could lead to the release of polluting chemicals - both into the soil and water - are the most significant risks assessed during the Group's production processes analysis.</p> <p>Risk related to climate change.</p>	<p>The Code of Conduct defined by the Group sets out the conducts and preventive actions to protect the environment and respect the territory.</p> <p>The Group's "Quality Policy" and "Environmental, Health & Safety Policy" further mitigate the risks⁷. Furthermore, the Italy, Hungary, Vietnam and Slovakia plants are ISO14001 certified. These, together with the Group's other production facilities, manage environmental issues in a specific manner.</p> <p>The Group has included the risk of climate change within its corporate risk assessment model, under the category of "Natural Hazards", with a low likelihood of occurrence being attributed. This assessment, which is updated annually, is based on the types of activities carried out at the Group's plants (essentially component assembly activities), and the maturity of the Environmental Management Systems implemented at Datalogic's sites around the world (Italy, Vietnam, Slovakia and Hungary). It should also be noted that, to date, the Group's operations have never been compromised or damaged as a result of natural phenomena attributable to climate change.</p>

NOTES:

⁵ The main procedures include: "Group recruitment for employee Positions and Internal Mobility", "Group Training Management" and "Sales incentive calculation & payment".

⁶ For Datalogic Spa, Datalogic Srl, Datalogic USA Inc, Datalogic Vietnam LLC, Datalogic Slovakia Sro, Datalogic Hungary Kft and Datalogic Do Brazil Ltda.

⁷ Established during 2018 and effective as of 2019.

SCOPE OF ITALIAN LEGISLATIVE DECREE 254/16	MAIN RISKS	MONITORING TOOLS AND ACTIONS
<p>Aspects relating to innovation, technological resilience and data security</p>	<p>With regard to innovation, in addition to non-compliance with regulations and patent infringement, the inability to generate and provide innovative products and solutions represents the greatest risk.</p>	<p>The Code of Conduct, the Quality Policy, ISO 9001 certification, third party product certification and internal production standards guide the Group towards reducing the main risks of patent infringement and regulatory risks associated with the product.</p> <p>The Group's procedures (such as "New Product Development", "Product Certification", "Patent Marking" and guidelines for the adoption and use of "Open Source" software in Datalogic products) and the "Voice of Customer", significantly reduce the risk of product obsolescence and lack of innovation.</p>
	<p>Privacy and data management: the breach of corporate information systems and data belonging to customers, suppliers and employees - through cyber attacks or other causes - is the main risk concerning this area.</p>	<p>As with most technological areas, the Group's Code of Conduct, "Quality Policy" and Group procedures⁸, are in place to mitigate such risk.</p> <p>In addition, the IT Tools Policy, the ISO27001⁹ Certification (in Vietnam, Italy and the United States), the Cybersecurity Committee and the "Security Access Agreement" reinforce this action.</p> <p>Employee training sessions on IT security issues and the GDPR are carried out frequently.</p>
<p>Aspects relating to the strategic, sustainability-oriented management of the supply chain</p>	<p>The main risks identified along the Group's supply chain are related to suppliers' violation of environmental, social and human rights regulations.</p>	<p>As far as supply chain risk management is concerned, the company has defined specific principles within the Group's Code of Conduct, in addition to being based on the "Quality Policy" and Group Procedures (in particular for suppliers of direct materials)¹⁰. The general terms and conditions and framework contractual agreements with the main suppliers have been defined in order to strengthen these tools.</p>
<p>Aspects relating to customer relations</p>	<p>The main risk in this area is the lack of security and quality of the products and services offered to the customers.</p>	<p>As for the products' technological innovation, to mitigate the risk, the Group makes use of a Code of Conduct, the "Quality Policy", the ISO 9001 certification, as well as product conformity certifications.</p>

NOTES:

⁸ The main procedures include: "Information classification marking instruction", "Information classification", "Data breach management instructions" and "Guidelines for data processors".

⁹ For Datalogic S.p.A, Datalogic S.r.l., Datalogic USA Inc. and Datalogic Vietnam LLC.

¹⁰ The main procedures include: "Indirect Material Sourcing and procurement procedure", "Search and selection suppliers" and "Supplier qualification".

Preventing and combating corruption

In 2020, 100% of Datalogic's organisational processes were once again analysed and verified in terms of risk of corruption.

In this regard, Group's internal control system and the safeguards of which it consists guarantee compliance with the main regulations concerning corruption and extortion crimes.

The list of measures and tools implemented is shown below:

- Group Code of Conduct
- Quality Management System
- Group Procedures
- The Group system of delegations and powers of attorney
- The *segregation of duties* approach defined by the internal procedures
- Group IT systems
- Organisation and Management Model pursuant to Italian Legislative Decree 231/2001
- Internal control environment to monitor regulatory compliance on financial reporting pursuant to Law 262/05

There were no confirmed instances of corruption within the Group during 2019 or 2020.

Business conduct integrity

In order to safeguard the principles of conduct aimed at ensuring business conduct integrity and compliance with the organisation's ethical values, Datalogic Group has adopted a comprehensive Code of Conduct.

The Code establishes ethical principles and rules of conduct, even relevant for the purposes of preventing any crimes that could be committed by the parent company or other Group companies, and serves to recommend, promote or prohibit certain forms of behaviour, in each relevant jurisdiction, beyond and regardless of the regulatory provisions.

The Code of Conduct is complementary to the Organisation, Management and Control Model adopted by Datalogic.

The Code applies to the members of the corporate bodies, the directors of the Company and the Group's companies, the employees and collaborators who, in any capacity, act in the name and on behalf of the Company and/or one or more of the Group's companies, and the external consultants and suppliers of the Company and/or any of the Group's companies (hereinafter the "Recipients").

The Recipients must always respect the principles established by the Code of Conduct in carrying out their business dealings, in performing their activities, and in managing their relations with third parties.

The ethical principles and rules of conduct established by the Code are also relevant for the purposes of preventing the commission of any crimes by the Parent Company or by other Group companies. In fact, the Code aims to recommend, promote or prohibit certain forms of conduct in every relevant jurisdiction, beyond and regardless of that which is required by law.

In order to ensure its maximum dissemination and accessibility among all the stakeholders, the Code of Conduct has been integrated within the training program provided to all new employees, and is available on the corporate website.

Email accounts and physical mailboxes for collecting reports regarding any violations of the Code of Conduct, as well as to serve as direct and potentially anonymous channels for contacting the Supervisory Body, have been made available to the employees (as well as any other concerned stakeholders).

For more information on the Group's Code of Conduct, visit the "Corporate Governance" section of the Datalogic website at the following link: <https://www.datalogic.com/ita/azienda/corporate-governance/documenti-societari/codice-etico-irp-5424.html>



INNOVATION AND TECHNOLOGICAL RESILIENCE



For Datalogic and its stakeholders, **Goal 9** of the 2030 Agenda is a priority.
Build resilient infrastructure, promote sustainable industrialisation and foster innovation

At Datalogic, we believe that innovation is the essential driver for meeting the needs of our customers in the Retail, Manufacturing, Transportation & Logistics, and Healthcare sectors. Having always been part of the company's DNA, innovation guides our engineers and product marketing managers in their constant pursuit of new and revolutionary ideas, with the aim of improving our customers' experience by simplifying their acquisition and automatic tracking processes, while at the same time rendering them faster, safer, more reliable, and increasingly efficient. To this end, we use the most advanced technologies in the field of optomechanics. For example, we design complex artificial intelligence algorithms for processing images on cutting-edge mobile and edge computing platforms.

In 2020, 20% of Datalogic's product turnover (Vitality Index) was generated by new products less than 2 years old, and 11% of its turnover was allocated to research and development activities to continue fuelling this virtuous circle.

Datalogic sees its Customers as partners with whom to create and maintain long-term relationships and achieve new goals. The Group's goal is to ensure Customer satisfaction by providing high quality and affordable products, continuous service improvement, expert consulting during the pre-sale phase, timely deliveries, and a prompt and effective after-sales technical service.

Disruptive innovation

Creating innovative products and solutions has always been one of our main competitive factors. Since an ineffective innovation process poses a significant risk at the strategic level, Datalogic has decided to make major investments in Research and Development and to undertake a well-structured process of monitoring and collecting Customer Feedback during the implementation phase.

The task of safeguarding "disruptive" (revolutionary) innovation is entrusted to the Datalogic Labs, which handle the upgrading of the core technologies, as well as the design of the standard constituent elements, or rather the "embryos" of the products of the future.

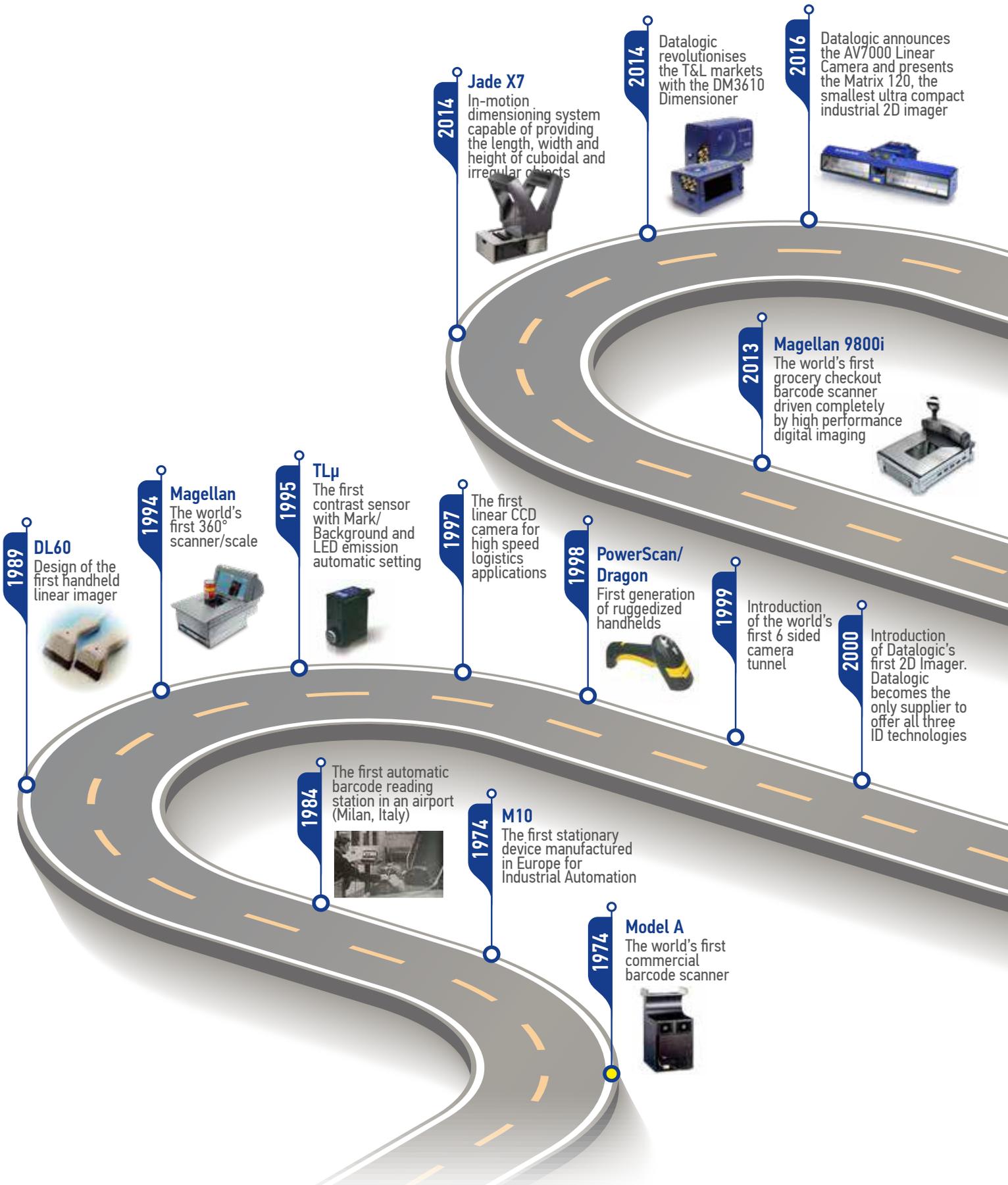


Datalogic engineers are constantly looking for revolutionary ideas to simplify complex tasks and make Customer processes error proof.

One eloquent example is that of wireless charging: a distinctive technology present on Datalogic's guns and portable terminals, which has made it possible to improve the devices' life cycles and environmental sustainability thanks to the elimination of the metal contacts, whose oxidation poses one of the major risks of failure. Since the contacts can also act as receptacles for dust and germs, their elimination renders the devices more sanitary, which is an important factor to consider during a health crisis.

Datalogic's pathway of innovation

Some of the innovation "milestones" achieved by the Group are listed below:





Investments in innovation and R&D

In nearly 50 years, Datalogic has proven to be a company centred upon innovation. Like Leonardo da Vinci, the genius of the Renaissance, our inventors - drawing inspiration from this genius - tackle the challenge of research, innovation and invention on a daily basis.

Technological progress is causing the markets in which Datalogic operates to undergo a transformation, revolutionising its value chain by changing habits and social dynamics. This is evident in the explosive effects of Artificial Intelligence in the retail, distribution and production lines of Industry 4.0.

Continuous investment in research and innovation is essential in order to be competitive and expand in this rapidly changing environment. The Customer is always the focal point of the innovation process, with the aim of effectively meeting their needs, especially those which haven't yet been expressed or are unable to be met by the current technologies.



The key to our success is our people, who, with their passion for innovation and technology, are attentive to these needs, and do what it takes to come up with the best possible solutions.

Within the frame of this innovation and invention spirit, the "Leonardo da Vinci - Best Patent of the Year" award was presented also for 2020. Despite the difficulties posed by the ongoing pandemic, patents of exceptional quality were obtained in 2020.

The "Leonardo da Vinci - Best Patent of the Year" award is an event organised as a form of appreciation for all the inventors who have contributed to conceive and design new products and solutions for Datalogic.

Our success in pursuit of a sustainable future can only be achieved through the hard work, dedication, and creativity of our people.

Datalogic's commitment to sustainable innovation was recognised with an important award in 2020. Datalogic was one of the winners of the 2020 CONAI Ecodesign award, which is awarded to packaging manufacturers and users who have succeeded in redesigning their packaging from an

eco-sustainable perspective. The award was received for the packaging of the new Magellan™ 3200, which was specifically designed with the aim of saving raw materials and optimising logistics.

Another example of sustainable innovation is the WebSentinel Predict product announced in 2020, which is capable of monitoring a fleet of mobile devices in real time via the collection of data in the Cloud and, thanks to predictive analysis, allows battery changes to only be performed when they are actually depleted.

Innovation at the service of the healthcare sector

The barcode readers designed and produced by Datalogic for the healthcare sector are distinguishable by their external casings. The silver ion additives included within the antimicrobial plastics of these readers prevent microorganisms like germs and bacteria from growing. In this manner, these additives reduce the risk of bacteria and other germs remaining on the devices' surfaces and being transmitted between doctors and patients.

In addition to containing antimicrobial substances, the casings used by Datalogic for its barcode readers and mobile computers for medical use are also designed to withstand the professional detergents and disinfectants used in the healthcare industry. The cases are capable of withstanding the numerous daily cleanings required by standard hospital hygiene protocols.

These devices are equipped with wireless charging technology, which reduces the risk of failure due to oxidised charging contacts. Furthermore, the contacts can also become receptacles for dust and germs; wireless induction charging eliminates this risk.

Finally, the ergonomic design of Datalogic's devices ensures that they can be easily carried on healthcare trolleys, and reduces the physical toll of performing repeated scanning operations.

In the modern healthcare industry, mobile computers and barcode scanners play an essential role in monitoring infections and ensuring patient safety. They ensure correct patient identification, while at the same time helping reduce the spread of infectious diseases. By having equipment made with antimicrobial materials capable of withstanding powerful disinfectants, and equipped with wireless charging technology, hospitals are able to become more efficient, while at the same time reducing the risk of secondary infections.



The Innovation process and the release of new products

The development process is governed by a special "New Product Development" procedure and is powered by the "Product Roadmap", which represents the CEO's mandate to the Research and Development department.

The process consists of the following macro-phases:

- **Roadmap Definition (product plan):** an interactive process involving Product Marketing and Industry Leaders, whose objective is to incorporate the "requirements and needs" collected from Customers into the Roadmap;
- **Product Development:** during the first development stage, Product Marketing transforms the requirements into project specifications. The project will be guided by a Program Manager along a pathway that is divided into a series of stages and gates, all the way up to the product's release on the market;
- **Monitoring of the Product's qualitative and quantitative performance:** after the market launch, the project's Core Team, of which the Product Marketing and Quality functions are an integral part, guarantees that the released Product fully meets the Customers' needs by subjecting it to further checks.

Open Innovation

At Datalogic, the innovation process focuses upon the development of resources, skills, technologies and processes within its own community, and is simultaneously fuelled by a network of fruitful partnerships with strategic partners, with whom the company shares an Open Innovation pathway aimed at generating ideas, developing innovative solutions, and incorporating them within the products. A prime example is the collaboration with two high-tech giants like Google and Qualcomm and with Original Design Manufacturers in Asia. This collaboration has allowed Datalogic to obtain the "Android Enterprise Recommended" certification for rugged mobile computers, being the first European company to boast this result in the reference sector.

Datalogic is one of the founders of the CRIT consortium, a private-owned company specialising in the research and analysis of technical/scientific information and the development of research projects. CRIT includes several important local companies that work together on technical, managerial and organisational problems and solutions by organising exchanges of best practices and specific benchmarking activities.

Datalogic is particularly attentive to the world of Start-ups and Scale-ups. In recent years it has launched several Proofs of Concept (PoCs) to experiment with new solutions.

Its interaction with the world of academia and with research centres is equally important.

In 2018, Datalogic signed a framework partnership agreement with the University of Bologna to carry out joint research, development and innovation activities in the field of data acquisition and processing. The partnership entails commissioned research activities, joint participation in regional, national, European, and international research contracts and programmes, and the funding of research grants and doctoral scholarships, as well as training activities, events dedicated to launching internships and introducing students to working life, and technology transfer and co-branding initiatives

However, the partnerships with research centres are on an international scale, and aren't limited to the Bologna area alone.

By way of example, some of the most recent projects in which Datalogic has taken part are the following:

- **ROSSINI** (RObot enhanced SenSing, INtelligence and actuation to Improve job quality in manufacturing): Datalogic is the leader and coordinator of the consortium set up in order to participate in the call to tender issued by the Horizon 2020 EU Framework Program on "Effective Industrial Human-Robot Collaboration". The aim of the project is to develop an intrinsically safe hardware-software platform for the design and implementation of human-robot collaboration (HRC) applications in the production environment. By combining innovative detection and identification, implementation and control technologies (developed by large industrial stakeholders who are world leaders in their respective technologies and on their target markets) and integrating them into an open development environment, the platform will allow for the creation of applications in which robots and human operators will become members of the same team, thus improving work quality, production flexibility, efficiency and, consequently, productivity.
- **NO-LOSS**: An ongoing project on the design of optical technologies, funded through the Research & Innovation Marie Skłodowska-Curie Action, aimed at tackling challenges like the lossless acquisition of photons and the extraction of more in-depth information from images;
- **FLUTE**: Datalogic is the beneficiary of a regional funding to develop new machine vision and laser marking products geared towards maximum flexibility, usability, ease of installation and configuration, and eco-sustainability. The project aims to fill a gap created within the Industry 4.0 context, or rather the difficulty that complex technologies like artificial vision and automation have in penetrating production chains where the generational change has not yet occurred, and where there is a significant shortage of specialised personnel.

During the course of 2020, Datalogic submitted funding applications that will allow it to initiate new partnerships aimed at generating innovation in the fields of collaborative robotics and artificial intelligence.

Technological resilience and IT data security

Data and information are fundamental assets for Datalogic.

The information is mainly stored on computer media, and the security of these data must be guaranteed. In a world where IT risks caused by security system breaches (cybercrimes), failures, accidents, and poor practices are constantly on the rise, resulting in potential damage and/or loss of information, a company's internal information systems must be carefully protected by adopting all the necessary cyber security measures.

The resilience of the technological systems and infrastructures is an absolute priority for Datalogic, and this applies to the company's internal networks, as well as to the services it provides to its customers.

Datalogic has implemented Information Security Management Systems (ISMS) and obtained two ISO27001¹¹ certificates. These allow the Company to guarantee continuous and adequate monitoring of the domestic and international regulatory developments, the correct management of sensitive data, and the protection of data and information against threats of all kinds, ensuring their integrity, confidentiality and availability.

In order to provide better training and awareness on matters of corporate security, the Company:

- organises specific training courses on specific topics (the GDPR, phishing, netiquette, IT threats, etc.);
- renders available brief online training sessions on the Datalogic intranet, which are periodically supplemented following any regulatory updates, findings from internal and external audits, and any other events.

Datalogic has also signed a memorandum of understanding with the Postal Police for the purpose of combating cybercrime and sharing information, and has set up an interdepartmental committee (Cybersecurity Committee), made up of representatives from different company departments, for the analysis and management of Cyber risks related to products and business areas.

In keeping with the European Data Protection Regulation (GDPR), Datalogic organises training sessions aimed at providing information on the obligations and requirements related to the new legislation. The HR compliance department is responsible for managing and updating the personal data processing register for the Datalogic Group companies that act as data controllers, as well as for ensuring the use and application of the privacy documentation.

Moreover, in order to ensure compliance with the data and information protection requirements throughout the entire value chain, Datalogic has adopted a supplementary document (SAA - Security Access Agreement) for its supply contracts, describing the security requirements needed to ensure the management of the company's resources, as well as the proper management of IT risks related to critical suppliers.

At the global level, in 2020 there were no instances of customer data loss or theft, nor any complaints to that effect.

NOTES:

¹¹ ISO27001 Certificates are available in the "ISO Management System" section of the Datalogic website.



HEALTH AND WELL-BEING



Datalogic takes joint concrete actions with its stakeholders to pursue their shared commitment to **Goal 3** of the 2030 Agenda.

Ensure healthy lives and promote well-being for all at all ages.

The health and safety of our workers

Our Group considers the protection of the safety, health and physical and mental well-being of our staff and collaborators as a top priority to be pursued and monitored.

Datalogic dedicates maximum attention to workplace health and safety issues, as it considers human resources to be the organisation's most valuable asset for sustainable growth. Datalogic is therefore committed to ensuring work environments for its workers and collaborators that are compliant with the most stringent health and safety standards. To this end, Datalogic provides healthy and welcoming working conditions, and conducts continuous monitoring and control activities to ensure the protection of the health and safety of the people who work and collaborate with the organisation.

The Health and Safety Policy, which is shared with all Datalogic stakeholders thanks to its publication on the organisation's website, states that the company is committed to:

- continuous prevention in terms of workplace health and safety and environmental protection;
- compliance with the applicable legislation and any other requirements to which the organisation has decided to adhere;
- continuous improvement, by preparing annually updated performance plans, and by pursuing the goals of "zero workplace injuries" and "zero occupational diseases";
- staff awareness, in order to maintain high levels of interest with regard to workplace health and safety issues.

Datalogic has adopted Workplace Health and Safety Management Systems certified by an independent third party for its Italian companies, which are transitioning from OHSAS 18001 to the new ISO 45001, for Datalogic Vietnam LLC, which is already compliant with the new ISO 45001 standard, and, as of 2020, for the facility in Slovakia as well.

In particular, with regard to the Italian plants, 100% of the workers at Datalogic Srl, Datalogic SpA and Datalogic IP Tech Srl are covered by a health and safety protection system certified by an independent third party; the same goes for Vietnam and Slovakia.

In 2020, Vietnam stood out for its health screening initiatives and for the measures taken to protect the health and safety of its workers, even for the purposes of combating the Covid-19 pandemic.

At the plants in Hungary, Slovakia and Vietnam, Health and Safety issues are managed by the professional role called Facility Manager, who are responsible for ensuring that their reference plant complies with local regulations and the Datalogic Group standards.

In the "Asia Pacific" (excluding Vietnam) and "Americas" areas, where issues and risks relating to the Health and Safety of workers are not managed and supervised by Management Systems, Datalogic has created Health & Safety committees made up of departmental representatives (mainly Human Resources and Operations).

The responsibility of Facility Managers and Committees is to:

- discuss, assess and take appropriate actions to deal with the risks identified in the various Datalogic sites under their responsibility;
- share, manage and monitor training activities to ensure compliance with local regulations and Group standards;
- define, implement and monitor improvement actions;
- manage national or international emergencies.

The path of continuous improvement and the constant adaptation to the national regulations attest to the constant monitoring of this issue among all Datalogic Group Companies.

Identification and analysis of risks

All Datalogic plants worldwide have implemented models for the analysis, identification and management of workplace health and safety risks. In this regard, Italy has implemented appropriate risk identification processes compliant with the mandatory requirements established by the Consolidated Law on Safety, or rather Italian Legislative Decree no. 81/2008. The key document underlying these processes is the general DVR (Risk Assessment Document), which identifies all the possible risks present within the Plant. There is a specific DVR, on the other hand, for each specific risk (e.g. chemicals, noise, vibrations, electromagnetic fields, work-related risks). In 2020, a survey on the risk of work-related stress was also conducted among all the employees of the Italian plants.

The results of the assessment process serve as inputs for the identification and implementation of risk mitigation measures, in order to protect the workers.

With regard to the specific Italian context, the risk assessment documents are entirely drawn up by the HSE office located at the Datalogic headquarters in Monte San Pietro, and are signed by the Employer, the RLS, and the Competent Physician.

Instruction and Training

Datalogic considers training a strategic means for guaranteeing adequate work performance in compliance with the most stringent health and safety protection requirements.

All Datalogic sites worldwide carry out continuous and periodic instructional and training activities on health and safety issues following the outcomes of risk assessment activities, the results of internal or external monitoring activities, and any critical events (near misses, accidents, contextual circumstances). These courses are based on the applicable legislation of the country of reference.

With regard to the Italian context, Datalogic fully fulfils its obligations in terms of worker safety training. In Italy, these obligations are established and defined by Italian Legislative Decree 81/08, and are reaffirmed by the State-Regions Agreement of 7 July 2016, which amends and supplements the provisions of the 2011 Agreement. Datalogic is aware that safety training is mandatory for all of its workers, meaning not only the employees, but also the supervisors and managers. At the same time, the Group is aware that the workers have the right to be informed about any potential workplace risks, to be instructed on the use of the equipment, and to be made aware of the prevention procedures made available to the workers by the company. In fact, only workers who have acquired adequate knowledge and skills can be considered capable of handling and resolving emergency situations. For this reason, the Group ensures that its workers and collaborators are trained, informed, and instructed on safety matters, and that they participate in the safety training programs, which are held during work hours and at no cost to the workers themselves.

The programs of the health and safety training courses that the Group provides for its employees and collaborators are modulated based on the risk levels associated with their specific tasks, and include an overview of the risks encountered within Datalogic's specific operating context, in-depth analyses of the risks associated with specific tasks, knowledge of the rights and duties of the workers, supervisors and managers, and knowledge of the procedures and measures for handling emergencies.

The training takes place at the start of the employment relationship, upon reassignment to new duties, or when new machinery and new work procedures are introduced, and periodic refresher courses are provided in accordance with the applicable legislation (Italian Legislative Decree no. 81/08 and the State-Regions Agreement). Thanks to the work carried out by the HSE office, Datalogic Srl, Datalogic SpA and Datalogic IP Tech Srl are able to guarantee a thorough health and safety training plan for new employees, office workers, operators, managers, emergency teams and designated AED (Defibrillator) staff.

In addition to the mandatory training, Datalogic also organises training courses on the use of Personal

Protective Equipment and specific training initiatives on the use of certain types of particularly hazardous machinery, such as XRay or laser machines.

The effectiveness of all the training courses is assessed by holding learning verification tests.

In 2020, in order to mitigate the risk of infection associated with the Covid-19 pandemic, some of these courses were held in e-learning mode.

Worker participation and reporting

All Datalogic plants worldwide have specific channels in place for reporting any hazardous and/or risky situations to which the workers may be exposed.

The most frequently utilised tool in this regard is the organisation of monthly meetings for the purpose of taking reports, questions and suggestions.

With regard to the plants in Italy, the Workers' Safety Representative (RLS in Italian) is periodically elected at each site, as required by Italian Legislative Decree No. 81/2008. RLS's task is to receive and communicate all reports from employees to the HSE office, participate in risk assessment and take part in periodic meetings on issues related to the workers' health and safety.

The workers' first point of contact for health and safety-related issues is therefore the RLS. In other cases, the workers can contact the RSPP directly, who will promptly respond to every request and report. In other situations, the workers can refer to their supervisors, who are responsible for monitoring the work of all the workers, and reporting any hazardous situations to the RSPP.

Emergency management

Emergency management processes are in place at all Datalogic plants worldwide.

The Italian plants have implemented a specific Emergency Plan that covers all the possible types of emergency situations (fires, earthquakes, floods, and landslides). Tests designed to simulate these emergencies and to prepare the emergency teams and all the workers present in the best possible manner are held on an annual basis at each plant.

Health screening and surveillance initiatives

Datalogic regularly holds awareness-raising campaigns on safety and health issues, and continuously conducts medical screening and health surveillance initiatives in order to protect its workers.

In 2020, the Datalogic plant in Vietnam distinguished itself for the numerous health screening, prevention and surveillance initiatives held for all its personnel.

In Italy, the health surveillance activities are managed by the Competent Physician in collaboration with the HSE office, which prepares a health protocol based on a thorough analysis of all the job descriptions present within the organisation and the risks associated with their relative duties. This protocol is applied through periodic visits, the frequency of which is determined based on the level of exposure to the specific risk. The protocol contains the list of job-specific assessments. All the results of the assessments are kept by the Competent Physician in compliance with the Privacy Policy, while the suitability assessments are sent to the company and filed by the HSE office. In the case of prescriptions to be adopted for workers, they are implemented as indicated by the Competent Physician.

In addition to the health services required by law, the workers also have access to a free medical clinic, which can be used for any medical consultations, even unrelated to their work activities. This service is always free of charge.

Datalogic carries out free campaigns for the prevention of certain diseases, such as cancer, and has established specific agreements to allow all its Italian employees to obtain diagnostic tests, examinations, medical treatments, and surgeries at discounted rates. The workers can access these services via the Metasalute website.

In 2020, in light of the Covid-19 pandemic, the Metasalute Fund renewed the “Pandemic (Covid-19) influenza syndrome protection” Supplementary Health Plan for all of 2021. The guarantees included in the Supplementary Plan, which has been in place since 01/02/2020, have been extended to all Datalogic employees free of charge.

The “Pandemic (Covid-19) influenza syndrome protection” Health Plan is intended to benefit all the workers by providing concrete economic support.

Injuries

With regard to the management of injuries, the organisation continuously monitors the number and types of injuries that have occurred at all Datalogic plants worldwide.

In Italy, the results of this continuous monitoring is recorded on a quarterly basis, and the organisation carries out a thorough analysis of the causes if any injuries occur. Afterwards, all the treatment and mitigation measures aimed at reducing any risk of further occurrence are implemented.

The risk analyses carried out and the systematic monitoring of the data concerning injuries and occupational diseases have shown that, within the context of Datalogic Group, none of the workers are engaged in activities with a high injury rate or a high risk of specific diseases.

Injury indices of employees and external workers¹²

	2019		2020	
	EMPLOYEES	EXTERNAL WORKERS	EMPLOYEES	EXTERNAL WORKERS
Number of deaths	0	0	0	0
Number of serious injuries	0	0	0	0
Number of total injuries	20 ¹³	1 ¹⁴	15 ¹⁵	0 ¹⁶
Total hours worked¹⁷	5,847,323	813,145	5,222,469	549,200
Serious injury frequency rate	0.00	0.00	0.00	0.00
Total injury frequency rate	3.42	1.23	2.87	0.00

NOTES:

¹²Included are injuries that generate: death, work incapacity (absolute or partial), limitations on transfers, medical treatment, first aid, even if they do not generate days of absence from work. Injuries in transit with cars owned by the employee are excluded. The frequency rates for the injury indices were calculated as follows: (Number of injuries / Number of hours worked) x 1,000,000.

The data relating to the Health and Safety of external workers include only the category of the Contract workers and not other types of non-employee workers who operate at Group sites and/or under the Group's control, in view of their significance and the availability of such data over which the Group does not exercise direct control.

¹³Of which 5 with zero days off work.

¹⁴Contract worker.

¹⁵Of which 3 with zero days off work.

¹⁶Contract worker.

¹⁷With respect to the calculation of the hours worked by the employees, it should be noted that, in the case of EMEA, the number of hours paid time off was subtracted from the total number of workable hours envisaged in the contract. In all other areas of the Group, the hours worked were calculated as the sum of the ordinary and overtime hours. It should also be noted that, for the purposes of determining the total number of injuries and the total number of hours worked, the data relating to Solution Net Systems Inc. up until July 2020 (the latest data available prior to its sale) were also taken into account.

In 2020, Datalogic Group was forced to address the risk of Covid-19 contagion at all of its plants by taking specific management and control measures to mitigate the specific risks present in each country.

The risk of Covid-19 contagion is a risk of a biological nature, which falls under a risk category to which Title X of Italian Legislative Decree 81/2008 is specifically dedicated. In Italy, Datalogic has dealt with the pandemic by guaranteeing all necessary measures aimed at reducing the risk, in compliance with the protocols issued by the Ministry of Health.

The main measures and actions implemented by the organisation are listed below:

- intensification of cleaning activities by an authorised external company, with particular regard to the toilets, changing rooms, and refreshment areas
- sanitisation of the premises every 2 weeks
- continuous ventilation of all the premises
- Limitation of the external staff's movements within the company's facilities. Access to the company by external suppliers limited exclusively to those authorised by the reference Manager, and with mandatory compliance with the 1 meter social distancing rule.
- Hauliers are NOT permitted to enter the premises, and must wait outside, at a safe distance or on board their vehicles, until the loading and unloading operations have been completed
- Limitation of work-related travel as much as possible
- Use of smart working
- Temperature checks before entering the premises
- Daily distribution of face masks
- Presence of disinfectants throughout the plant
- Reorganisation of canteen shifts to avoid crowds and limitation of seats to ensure social distancing of at least one meter
- Continuous sanitisation of the tables in the canteen

In addition to the measures listed above, the workers were kept continuously informed via posters and email newsletters.

Welfare and well-being

Datalogic views corporate welfare as a powerful tool for increasing worker loyalty and engagement through initiatives and opportunities aimed at improving people's personal well-being and mental/physical condition.

In Italy, Datalogic has begun a corporate welfare program that attests to the Group's concern for its employees and their families.

In fact, all the Group's employees in Italy currently have access to a series of healthcare and family management support tools designed to contribute to the personal wellness of the individual.

In 2020, the company opted for a new Welfare platform that offers additional goods, services, and leisure time benefits, and is accessible to all employees throughout Italy. The employees were able to take advantage of the full range of flexible benefits envisaged by the legislation to obtain the Welfare amount available to them, which included the amount envisaged by the National Collective Labour Agreement for the Metalworking Industry, a contracted welfare amount, and variable bonus amounts for certain categories of employees.

Furthermore, in order to support the medical needs of the employees and their families, a supplementary health insurance policy has been in place on a company-wide scale for years.

Moreover, all employees with children aged 0-3 years have access to an annual bonus intended to assist with the cost of nursery school enrolment, which is divided equally based on the number of requests received; this contribution helps female workers make an effective return to the workplace after maternity leave, and helps

improve the balance between their personal and professional lives.

There are no benefits for full-time employees that are not also provided for part-time or fixed-term employees.

Along the same lines, the non-production staff have been granted flexible shift times (starting between 8 a.m. and 9:30 a.m.), as well as the possibility of telecommuting upon request, where compatible with their work responsibilities.

Protection of health and safety throughout the value chain

Our suppliers: sharing the commitment to safety

For Datalogic, the protection of the workers' health and safety is not only a guarantee for its staff, but also for external collaborators. The Group has therefore envisaged a series of measures aimed at ensuring the highest safety standards for suppliers who provide their services at or on behalf of Datalogic.

Contractors are informed about the risks present in its premises through the Single Document on Interference Risk Assessment (DUVRI) drawn up by Datalogic, as client, and based on the Risk Assessment Document (DVR) containing preventive measures on the risks present in the Company's worksites. In the specific case in which the duration of the contract exceeds five annual man-days per year, the contractor is required to draw up the Operational Safety Plan (POS), which describes the best countermeasures to be adopted in the worksite activities in order to safeguard the workers' physical safety, and to provide appropriate supplementary documentation proving compliance with the legal requirements and standards for the workers' safety and protection.

Our customers: the quality and safety of Datalogic products

Product Quality and Safety are fundamental values for Datalogic. Every day Research and Development, Engineering and Quality are committed to maintaining high product standards, both in terms of Quality and Safety.

Starting from the definition phase of a new product specification, the project Core Team identifies and evaluates the project and product risks and all applicable mandatory and voluntary regulations with a special focus on Product Safety regulations.

100% of Datalogic products undergo the assessments described above.

These checks guarantee the conformity of the new Product with the identified regulations, and with the internal reference standard. They are carried out at different moments during the product life cycle:

- During the development phase, thanks to specific tests carried out in internal or external laboratories;
- During the first batch of production, thanks to the *Manufacturing Validation Test* (production process validation);
- During mass production:
 - ✓ functional test on 100% of the products according to the specifications;
 - ✓ *On-going Reliability Test* (product reliability);
 - ✓ *Product Audit* (samples of the products are taken from the warehouse and examined to verify their conformity).

Like in 2019, there were no non-compliances in 2020 in terms of impacts on the health and safety of customers caused by products.



EQUALITY AND EMPOWERMENT



Datalogic and its stakeholders are committed to promoting inclusion and integrating all forms of diversity, in joint pursuit of **Goal 5** of the 2030 Agenda.

Achieve gender equality and empower all women and girls.

The Group's human capital

Human Capital is the central element upon which Datalogic bases the pursuit of its development goals, and is the main asset upon which its Product and Innovation strategy is founded.

Now more than ever, in the wake of 2020, the Group acknowledges that its staff's skills are the keystone to its long-term competitiveness, and are a critical success factor for its research and development. In order to support its overall business growth, Datalogic invests in the fundamental processes of staff recruitment, placement, training, talent development, and performance management.

In 2020, the Human Resources department mainly focused on the management of the crisis resulting from the COVID-19 pandemic in every country and market in which it operates, and even established a COVID Emergency Coordination Steering Committee designated to draft safety protocols and implement the decrees and resolutions issued in the various countries.

On a global level, all the Human Resources managers were involved in the creation of contagion containment procedures for all the Datalogic production and non-production facilities. The department has also concentrated its efforts on improving its internal procedures in order to face the post-crisis challenges, such as the launch of the Datalogic Academy and new digital Onboarding procedures.

The Global HR Director is supported by three regional HR Managers (EMEA, APAC and AMERICAS), by HR Business Partners responsible for the management and development of the Professional Families on a global scale, and by the COEs (Centres of Excellence) responsible for defining and implementing the governance policies, functional processes and technical components of their specific competence, while at the same time defining the relevant standards and KPIs: Talent Acquisition, Talent Management, Organisation and System development, and competitive Total Reward systems.

From an operational point of view, the HR Managers of a location and/or country are a territorial reference point for the management and valuation of their human resources, supporting the business and guaranteeing the precise execution of the guidelines necessary for operations, complete with any relative adaptations that need to be made for the individual countries from a regulatory, contractual, and even cultural standpoint.

2,826 

Datalogic Group Employees

As of 31/12/2020 Datalogic Group had 2,826 employees, a decrease of 8.1% compared to the total number of 3,074 employees recorded in 2019.

People and the value of diversity

Building a work environment that guarantees maximum respect for individuals and diversity is one of Datalogic's goals for the empowerment of people in all the countries in which it operates.

The report published in 2019 by the International Labour Organisation, titled "Women in Business and in Management Roles: A Plan for Change", states that the beneficial effects of gender diversity begin to be seen when women hold 30 per cent of management and leadership positions. Datalogic Group demonstrates its commitment in this sense with women holding 26.4% of the positions of responsibility, including several top management positions (CEO, CFO and CSO).

The Datalogic Code of Conduct serves as a tool for promoting all forms of diversity and the protection of human rights, with positive impacts on productivity, creativity and innovation processes.

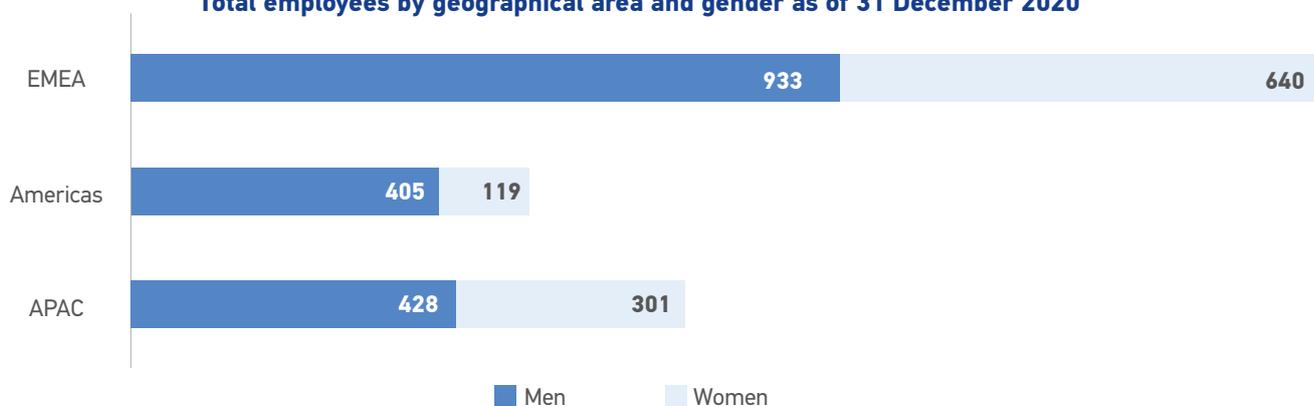
Upholding these ethical principles with dedication and determination allows us to eliminate the risk of violating human rights in all the countries where Datalogic plants are present.

There were no cases of employee discrimination in 2020.

Total employees by geographical area and gender as of 31 December

	2019						2020					
	MEN	%	WOMEN	%	TOTAL	%	MEN	%	WOMEN	%	TOTAL	%
Total Employees	1,904	62%	1,170	38%	3,074	100%	1,766	62%	1,060	38%	2,826	100%
EMEA	997	32%	745	24%	1,742	57%	933	33%	640	23%	1,573	56%
Americas	475	16%	131	4%	606	20%	405	14%	119	4%	524	18%
APAC	432	14%	294	10%	726	23%	428	15%	301	11%	729	26%

Total employees by geographical area and gender as of 31 December 2020



The Group's presence in the APAC region remains constant (+0.4%), while it has moderately decreased in EMEA (-9.7%) and in the AMERICAS (-13.5%) due to the streamlining of the workforce. The latter was particularly impacted as a result of Solution Net Systems Inc. leaving Datalogic Group at the end of July 2020, for a loss of 37 employees.

Employees by profession and gender as of 31 December

	2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total Employees	1,904	1,170	3,074	1,766	1,060	2,826
White Collars	1,496	531	2,027	1,384	507	1,891
Blue Collars	408	639	1,047	382	553	935

Employees by profession and age group as of 31 December

	2019				2020			
	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Total Employees	586	1,734	754	3,074	465	1,622	739	2,826
White Collars	232	1,220	575	2,027	194	1,127	570	1,891
Blue Collars	354	514	179	1,047	271	495	169	935

As of 31 December 2020, 66.9% of Datalogic's employees were "White Collar" office workers, the majority of whom have an engineering background.

As of 31 December 2020, 90.9% of the employees had permanent contracts and 97.8% had full-time contracts.

Employee turnover

In 2020, Datalogic once again reaffirmed itself as an organisation that believes in the empowerment and development of its human resources.

This is also thanks to specific initiatives aimed at increasing worker engagement and retention, such as:

- the review of the remuneration policies based on seniority, merit, and the current labour market trends;
- the periodic review of the goals and incentive programs;
- rewards linked to innovation initiatives (e.g. the *Leonardo da Vinci Best Patent Award 2020*);
- the active engagement of internal stakeholders in the company's strategies and in achieving its objectives;
- actions aimed at making the brand increasingly attractive in terms of employer branding and talent acquisition.

Each year, Datalogic also celebrates and grants bonuses to employees who have accumulated 25 and 35 years of seniority with the company. In 2020, due to the restrictions imposed by the Covid-19 pandemic, the ceremony was held digitally, but with the same enthusiasm to pay tribute to those who have reached these remarkable milestones, thus having made a significant contribution to the company's success. 39 workers received these bonuses in 2020.

Turnover rate by geographical area, gender and age group¹⁸

	2019			2020		
	MEN TURNOVER RATE	WOMEN TURNOVER RATE	TOTAL TURNOVER RATE	MEN TURNOVER RATE	WOMEN TURNOVER RATE	TOTAL TURNOVER RATE
Total	15.7%	18.5%	16.7%	15.4%	17.2%	16.1%
EMEA	15.7%	20.0%	17.6%	12.3%	20.2%	15.5%
Americas	14.9%	26.0%	17.3%	26.7%	24.2%	26.1%
APAC	16.2%	11.2%	14.2%	11.4%	8.0%	10.0%

	2019				2020			
	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Total	20.5%	15.9%	15.6%	16.7%	17.4%	15.5%	16.4%	16.1%
EMEA	26.0%	15.8%	16.6%	17.6%	26.5%	14.2%	13.9%	15.5%
Americas	38.3%	17.1%	14.3%	17.3%	27.5%	32.3%	21.6%	26.1%
APAC	12.0%	15.4%	16.7%	14.2%	9.1%	11.0%	0.0%	10.0%

The group's total turnover by geographical area either remained constant or else slightly decreased with respect to 2019. With regard to the Americas, without taking the sale of Solution System into account, the overall turnover was 19.1%, as opposed to 17.3% in 2019.

NOTES:

¹⁸ The turnover rate is calculated as the ratio between the total number of resources let go in 2020 (total, by gender and age group), and the total number of employees (total, by gender and age group) as of 31/12/2020. The number of the resources let go doesn't include resources transferred between different Regions.

Management of the COVID-19 pandemic

Ever since the COVID-19 pandemic began in China in January, Datalogic has promptly shared the health and hygiene guidelines issued by the WHO and the Ministry of Health with its employees. Over time, this same courtesy was extended to Datalogic's entire global workforce as the pandemic spread, with the aim of supporting and helping the Group's workers adapt to the new daily management of the work activities.

Work-related travel was strictly limited, as was the employees' physical presence on the company's premises, with smart working methods being highly encouraged. Ever since the beginning, the company offered remote working methods for those who were particularly at risk, who had health concerns, and who were suspected to have contracted the virus. After a short time, following an analysis of the activities and the availability of resources for which the work could be handled remotely, either in whole or in part, this initiative was extended to a broader range of employees.

In cases where their presence at the workplace was absolutely necessary, employees were advised to use their own vehicles rather than public transport. In countries with production facilities, like Slovakia and Italy, an attendance bonus was set aside for the production staff, in order to ensure that the production needs would continue to be met during the nationwide lockdowns. In Italy and throughout the Datalogic Group as a whole, a corporate COVID committee was promptly formed, consisting of employee and trade union representatives, safety, prevention and protection supervisors, and human resource managers, which was tasked with sharing, promoting and implementing the necessary precautionary measures. At the same time, the COVID Emergency Coordination Management Committee was periodically activated, which, in addition to the members of the corporate committee, also included the Chief Human Resources Officer, the Chief Information Officer and the Chief Operations Officer, and was tasked with providing coordination, general information, and a constant dialogue on any new measures to be adopted.

Constant and up-to-date communications were provided to all Datalogic facilities in order to update the employees on the latest safety regulations, the proper measures to be taken to avoid contagion, the protocols to be followed if any symptoms were encountered, and the rules for accessing the company premises.

In the United States, greater emphasis was placed on the Employee Assistance Program (EAP), a company benefit intended to assist the employees, as well as the possibility of providing targeted leave for employees with children at home, or with particular needs linked to the illness of family members.

In Italy, as the pandemic spread, and in response to the requirements imposed by the national authorities, Datalogic began providing more stringent employee conduct indications, taking action and following up on any reports of suspected cases of infection, and applying the health protocols issued by the Ministry of Health, in concert with the Competent Physicians of the various facilities.



GROWTH AND TRAINING



Datalogic and its stakeholders are committed to training and professional development programs, in keeping with **Goal 4** of the 2030 Agenda.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Empowerment of Human Resources

The continued implementation of Datalogic's Mission aimed at creating value for Customers is only possible thanks to the help of our people.

The main challenge for the Datalogic Management and Human Resources Department is attracting, developing and retaining these technical and managerial skills internally.

The Talent Acquisition process guarantees the research and acquisition of strategic figures for a balanced development of the company.

The company has implemented various strategies and initiatives aimed at attracting talents and raising awareness of the numerous opportunities that the Group offers, even in light of the fact that, unlike in the past, it was not possible to participate in initiatives like Career Days and other Employer Branding activities. Thanks to consolidated partnerships, Datalogic has maintained and has constantly promoted contact with local institutions, universities and professional institutes.

In an effort to ensure that placement within the company always remains a positive experience (since, in many cases, it was not possible to organise the usual initial training activities), in 2020 a global and digital Welcome on Board process was established, thanks to the implementation of the new training platform launched in June of 2020.

This process involves two phases:

- the first phase, which allows for the learning of the basic notions relating to the company, such as its organisation, mission, vision, processes and procedures;
- and the second phase, which allows for the acquisition of the notions regarding Datalogic's top products and their market applications.

In this manner, the procedure guarantees that assimilation into the Datalogic workforce will take place in the most appropriate manner possible, by maximising the learning curve for newly hired personnel and improving the recruitment experience.

The initiatives and tools that Datalogic uses to improve the Talent Acquisition and On-boarding process are the following:

- employer branding: strengthening of the Group's presence on social media, especially on work platforms, such as LinkedIn, Glassdoor, Instagram and Facebook. With the aim of actively searching for specific profiles for strategic growth in the field of innovation;
- the graphical restructuring of the Datalogic "Career" website, which has allowed the qualitative development of the recruitment practices to be monitored;
- the enhancement of the onboarding process, which now guarantees that assimilation into the Datalogic workforce will take place in the most appropriate manner possible, by maximising the learning curve for newly hired personnel.

As part of the initiatives enacted to support the development of young talents, in 2020 the University of Ferrara established 5 two-year scholarships, which are funded by Datalogic and are intended for graduates of three-year Engineering or Computer Science programs from universities outside of the Emilia Romagna Region who wish to enrol in the University of Ferrara's Master's Degree courses in Computer and Automation Engineering (class LM-32) or Electronic Engineering for ICT (class LM-29).

Each scholarship amounts to € 3,000.00 (three thousand/00 Euro), less any tax and social security contributions required by law. The "Datalogic" scholarship established for the 2020/2021 academic year was intended for graduates from the 2018/2019 or 2019/2020 academic years who attended the three-year degree courses in Computer Engineering (class L-8 under Ministerial Decree 270/04 or class 9 under Ministerial Decree 509/99) or Computer Science and Technology (class L-31 under Ministerial Decree 270/04 or class 26 under Ministerial Decree 509/99).

Skill development and professional growth

Datalogic considers training as a strategic means for enabling professional development and growth. The Group offers its workers training courses for the various stages of development of their career paths (from initial training, to placement, and refresher courses), and for the various professional figures' training needs in relation to their specific jobs.

The various forms and methods of training support the development of the talent and potential available through an individual and collective learning process, thus allowing the level of skills to be increased and maintained.

In light of the global uncertainty of 2020, the Talent Management Centre of Excellence (COE) mainly focused upon ensuring the continuity in the management of the mandatory training activities and supporting the internal training initiatives critical to the business, which are fundamental for maintaining a competitive advantage in terms of skills.

Furthermore, in order to meet the broadest possible range of requirements, in June of 2020 the company launched the *Datalogic Academy* platform, featuring product training contents for the internal and external sales force. The digital platform includes a variety of Face-to-Face solutions (to be administered by both internal and external teachers) and online solutions, as well as combined solutions (including the use of Action Learning, Remote guided training and Blended learning).

The platform's most important advantages are global accessibility and the possibility of ensuring continuous learning opportunities for employees, providing them with the essential tools needed to achieve the company's goals:

- **Catalogue:** Available to all Datalogic employees who have access to the platform.
- **Integrated approach:** In relation to in-person and virtual training data.
- **Access to materials upon request:** participants in training activities can regulate the progress of their learning based on their individual needs.
- **Integration of reports and analysis dashboards:** HR staff and Managers can virtually monitor the training performance of the participants in the training activities.
- **Customised training:** the continuous learning platform moves away from the one-size-fits-all training model, thus allowing participants to determine the form of learning best suited to both the in-house trainers and the employees.

In its capacity as the central organisational manager of soft skill training courses for employees, the Talent Management department has begun preparing a unified catalogue of training opportunities, which our staff are able to access at the request of their direct managers and with the approval of the COE.

During 2020, the HR department also assessed the clerical workers' training needs in terms of their technical skills, in order to ensure optimal planning of the remote training activities for the following year. The training activities for the production units were managed independently by each site manager, in collaboration with the HR department.

Average hours of training by gender

	2019	2020
Men	5.54	1.12
Women	4.18	1.92

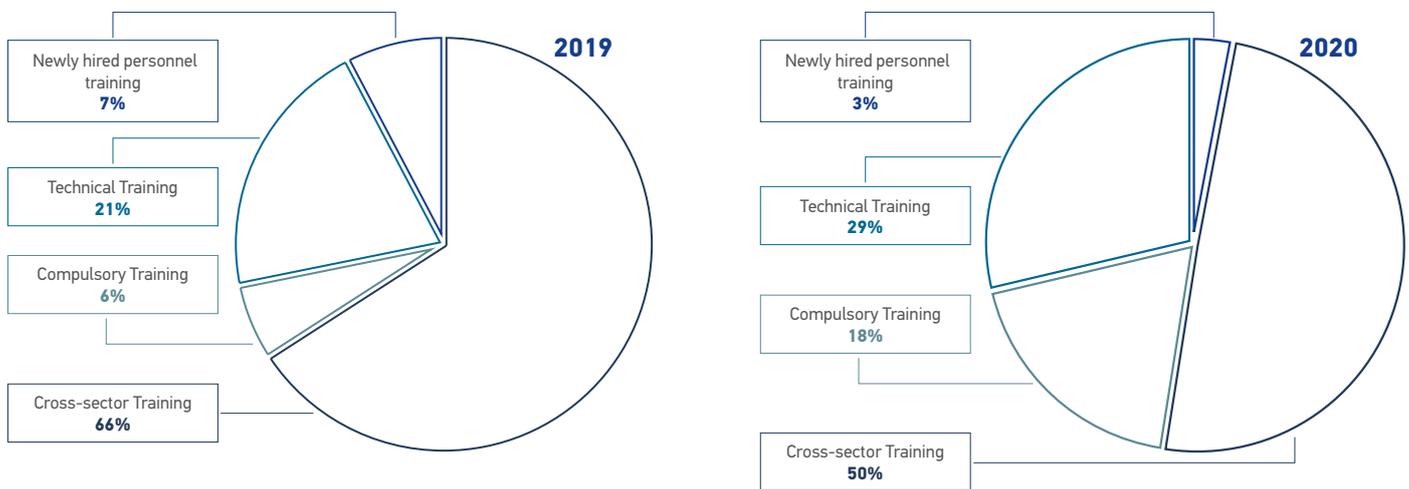
Average hours of training by profession

	2019	2020
White Collars	6.67	0.91
Blue Collars¹⁹	1.82	2.51

The reduction in training hours during 2020 was due to the fact that the non-compulsory classroom training scheduled for 2020 was postponed to 2021 as a result of the Covid-19 pandemic and the inability to provide face-to-face training.

The training hours for the blue collar employees increased thanks to the implementation of a system for recording and collecting training hours on Datalogic products, provided at the production plants. Since there are more women than men in the production plants, the decrease in training hours for women was proportionally lower than that for men.

Types of training provided in 2019 and 2020



In the coming years, the Group intends to provide specific training activities on its human rights policy, which will be drafted in 2021.

NOTES:

¹⁹ Training for Blue Collars is managed by the Operations department within each Plant.

Performance management

The performance management process is a continuous process between White Collars and those involved in the evaluation of their work. This helps to keep the expectations of the company and its employees aligned, valuing the commitment and contribution of individuals.

It consists of the following specific phases:

- *Target setting:* at the beginning of the year, each employee establishes his or her own objectives, after discussion with his or her line manager, to ensure that expectations are aligned and are consistent with the business objectives.
- *Mid-year Review:* in the middle of the year, each employee has the opportunity to receive intermediate feedback from their line manager.
- *Self-assessment:* during this time frame, the employee is given the opportunity to perform a self-assessment and to express his/her point of view regarding the achievement of the established objectives and the work conduct he/she has adopted based on the corporate values.
- *Assessment:* this is the phase in which a manager is responsible to assess his/her team members' performance and behaviour.
- *Calibration:* this phase is aimed at ensuring the application of the same assessment criteria by the managers of the various teams within the individual departments, as well as among different departments. It takes place by holding open discussions, first at the department level, and then at the corporate level.
- *Feedback and Goal Setting:* this is the final phase of the performance review process. During a 1-on-1 meeting, the manager provides feedback to the employee regarding their assessment, highlighting their strengths and areas for improvement, and setting new goals for the following year.

The assessment phases are linked to the company's corporate and behavioural objectives and are closely linked to the company's values.

In 2020, 60% of the Group's employees²⁰, all of whom belonged to the White Collar category, underwent the performance assessment process (for more details about the percentage of Group employees assessed, please refer to the Further Details section).

The following graph shows the percentage of White Collar employees who underwent the performance assessment process in 2020 compared to the total number of employees in their category, by individual geographical area, and for the Group as a whole (92%).

White Collars who underwent performance review in 2020



NOTES:

²⁰ It should be noted that, in order to provide a more representative figure, data relating to the workforce as of 31/12/2019 was utilised, as the performance assessment process carried out in 2020 refers to the workforce in place as of 31/12/2019.

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COMMITMENT TO THE ENVIRONMENT



Datalogic is on the front lines in the fight to protect the environment against climate change, collaborating with its stakeholders on innovative projects and concrete initiatives, in keeping with **Goal 13** of the 2030 Agenda.

Take urgent action to combat climate change and its impacts.

Environmental protection at Datalogic

Datalogic considers the protection of communities and the environment as a fundamental value for everyone, and is deeply convinced that economic development and respect for the environment go hand-in-hand. The Group is therefore committed to operating in compliance with the latest regulations, applying the best technologies available, in order to promote and further its initiatives aimed at protecting natural resources, preserving ecosystems for future generations, and promoting widespread environmental protection.

Datalogic's commitments to the protection of the environment and ecosystems include the following:

- ongoing prevention initiatives for the protection of all environmental matrices;
- compliance with the applicable mandatory legislation and any other voluntary requirements to which the organisation has decided to adhere;
- ongoing staff awareness initiatives in the spirit of maintaining high interest in environmental issues.

The management of the risks and potential impacts associated with the Group's environmental management activities is focused upon the production plants, which are identified as the most significant areas of activity for this purpose due to both the types of activities carried out and the number of people they employ.

Each year the scope of the reporting is defined on the basis of an assessment of the materiality of the sites with respect to their environmental impact, excluding sites that carry out exclusively office activities and are characterised by a low presence of people.

With regard to the 2020 reporting period, the data collected and disclosed in this NFS refer to the following facilities:

- Monte San Pietro - BO (Italy);
- Castiglione Messer Raimondo - TE (Italy);
- Lippo di Calderara, BO (Italy);
- Trnava (Slovakia);
- Balatonboglár (Hungary);
- Ho Chi Minh City (Vietnam);
- Eugene and Telford/Hatfield (USA);
- Jundiai (Brazil)²¹.

A Facility Manager in charge of monitoring the environmental aspects associated with the production sites has been appointed at each plant.

Overall, taking into account the types of activities carried out at the Group's various facilities (mainly component assembly operations) and the consolidated Environmental Management Systems implemented at the Datalogic sites worldwide (Italy, Vietnam, Slovakia and Hungary), the environmental risk level has been assessed as "low".

It should also be noted that, to date, the Group's operations have never been compromised or damaged as a result of natural phenomena attributable to climate change.

In this regard, thanks to the Environmental Management Systems, Datalogic constantly monitors the environmental aspects of its operations, and maintains an approach aimed at ensuring the continuous improvement of its processes' environmental performance.

Some of these Environmental Management Systems maintained ISO14001 certification in 2020:

- Ho Chi Minh City (Vietnam);
- Trnava (Slovakia);
- Balatonboglár (Hungary);
- Monte San Pietro (Italy);
- Lippo di Calderara di Reno (Italy).

NOTES:

²¹ Operations at the Jundiai site (Brazil) were progressively discontinued during the second half of 2020. The site was permanently closed in December of 2020.

In 2020, the Group's Environmental Policy was once again shared with all of its stakeholders thanks to its publication on the Datalogic website.

Despite the fact that the production activities do not entail high levels of energy use, as they mainly consist of component assembly operations, energy consumption was nevertheless the most significant environmental aspect associated with the operation of Datalogic's facilities and offices around the world.

The main area of environmental risk to which the facilities are subject, which has nevertheless been assessed as "unlikely", is possibility of chemical spills, resulting in the potential for water and soil pollution.

In order to minimise impact and probability, specific safeguards are defined in accordance to ISO14001.

In 2020, there were no instances of non-compliance with the environmental laws and regulations at any of the Group's sites worldwide.

Energy consumption and CO₂ emissions

Considering the significance of the environmental aspects associated with energy consumption, Datalogic constantly monitors this factor through its awareness of and commitment to solutions and measures aimed at reducing the organisation's impact, which, as previously mentioned, is nevertheless moderate thanks to the Group's low energy-intensive processes.

As far as energy consumption is concerned, electricity is consumed in the greatest quantities, while natural gas and, to a lesser extent, LPG, are only used in Europe.

The energy consumption is broken down into direct and indirect consumption. Direct consumption takes the following into account:

- natural gas for heating;
- diesel for heating and for the car fleet;
- LPG;
- petrol for the car fleet.

Indirect consumption, on the other hand, regards consumption resulting from the use of electricity.

In 2020 the total consumption amounted to 63,231 GJ, 37% of which was consumed by the plants in Italy.

Direct and indirect energy consumption (GJ)

	2019	2020
	GJ	GJ
Direct energy consumption from non-renewable sources	17,298	16,182
<i>Natural Gas</i>	16,016	14,311
<i>Diesel</i>	15	16
<i>LPG</i>	1,268	1,855
Energy consumption of the car fleet	1,376	1,256
<i>Diesel</i>	1,330	1,188
<i>Petrol</i>	46	68
Indirect energy consumption	52,537	45,794
<i>Electricity purchased from non-renewable sources</i>	52,537	45,794
Total energy consumption (no car fleet)	69,835	61,975
Total energy consumption (with car fleet)	71,211	63,231

As shown in the table above, in 2020 there was a decrease in consumption with respect to 2019. This decrease is mainly attributable to the effects of the pandemic caused by the spread of the SARS-CoV-2 virus. In fact, this emergency situation led many Datalogic employees around the world to adopt remote working methods. This led to a significant decrease in the number of workers present on the company's premises. In turn, this decrease resulted in a considerable decrease in energy consumption with respect to 2019 (-11%)

With regard to the consumption values attributable to the company's vehicle fleets (diesel and petrol), the Group took into account the vehicles belonging to the company's fleet (excluding those under lease and for mixed use). In the perimeter analysed, there are only cars in Italy, Slovakia, Hungary and the USA.

The direct (Scope 1) and indirect (Scope 2) emissions listed below are those relating to direct and indirect energy consumption, explaining the emissions of the fleet.

Direct and indirect emissions (ton CO₂e)

	2019	2020
	TONNES OF CO ₂ equivalent	TONNES OF CO ₂ equivalent
Direct emissions (Scope 1) – excluding car fleet	1,003	940
<i>Derived from Natural Gas</i>	921	820
<i>Derived from Diesel</i>	1	1
<i>Derived from LPG</i>	81	118
Emissions – Car fleet	97	89
<i>Derived from Diesel</i>	94	84
<i>Derived from Petrol</i>	3	5
Indirect Emissions (Scope 2) – location-based	7,604	6,536
Indirect emissions (Scope 2) – market-based	8,048	6,911

The total direct energy consumption is mainly from non-renewable sources.

It should also be noted that the Group did not use certificates of origin for the purchase of energy from renewable sources.

Waste management

At Datalogic group, waste management is structured according to the following principles:

- Reducing waste production, taking legislative compliance and technical aspects into account;
- Limiting the incineration of non-recyclable materials;
- Reducing the disposal of waste in landfills;

At all Datalogic plants, waste is managed according to the applicable regulations. Each site keeps track of the hazardous and non-hazardous waste that it generates.

The types of waste produced include:

- waste resulting from production processes,
- waste resulting from ordinary and extraordinary maintenance, laboratory activities, and any demolition operations.

In 2020, the total waste managed by Datalogic Group²² amounted to 704,833.74 kg, broken down by destination as follows:

Waste by type and disposal method

	Destination of the waste	2019 kg	2020 kg
Hazardous waste	<i>Reuse</i>	0	0
	<i>Recycling</i>	1,363	677
	<i>Composting</i>	0	0
	<i>Recovery, including energy recovery</i>	0	904
	<i>Incineration (mass combustion)</i>	9,992	9,331
	<i>Landfill</i>	1,190	866
	Total hazardous waste	12,545	11,778
Non-hazardous waste	<i>Reuse</i>	1,001	1,107
	<i>Recycling</i>	753,807	526,247
	<i>Composting</i>	5,051	2,165
	<i>Recovery, including energy recovery</i>	76,061	66,660
	<i>Incineration (mass combustion)</i>	0	0
	<i>Landfill</i>	117,508	96,877
	Total non-hazardous waste	953,428	693,056
	TOTAL WASTE PRODUCED	965,973	704,834

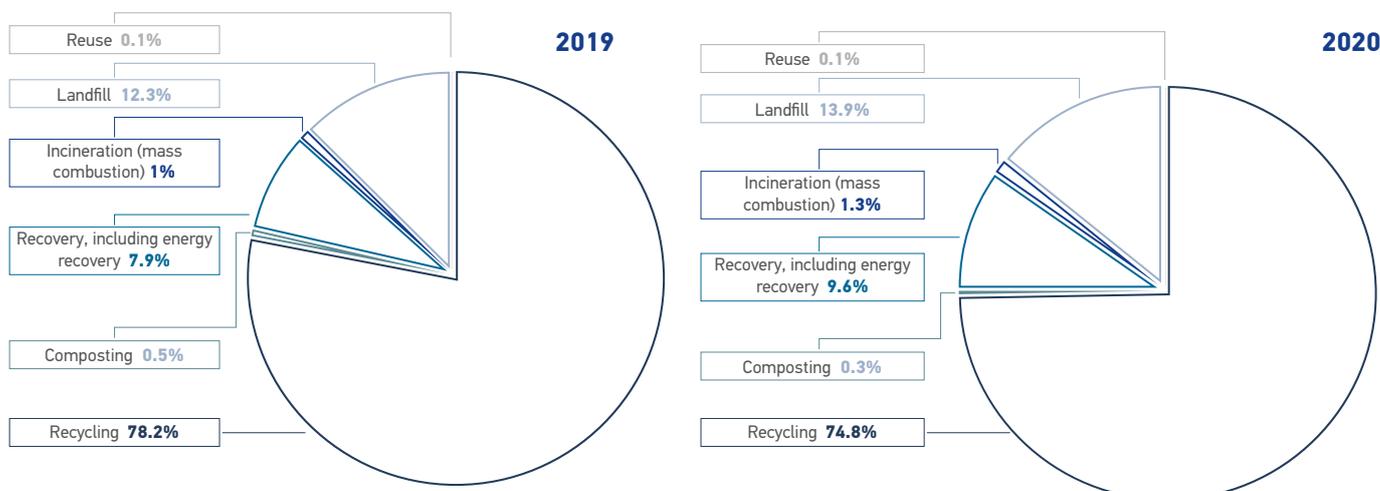
NOTES:

²² Due to the site's closure, the data regarding the Brazilian plant's waste production for Q3 and Q4 consist of estimates proportional to the production volumes.

Overall, most of the waste produced by the group in 2020 falls into the category of non-hazardous waste (98%).

By percentages, therefore, the following types of waste were produced, based on their destinations:

Destination of waste produced in 2019 and 2020



A subsequent comparison of the 2020 data with those of 2019 shows a net decrease: 704,834 kg produced in 2020 as opposed to 965,973 kg produced in 2019 (-27%).

This decrease is mainly attributable to the effects of the pandemic, which led to a general reduction in production volumes for Datalogic Group as a whole.

The environmental impact of our products

The environmental impact of our products, with a life cycle oriented approach, is one of the areas of research and innovation to which Datalogic is most highly committed. In particular, this implies attention to the eco-design aspects of the product, the analysis and development of innovative packaging solutions, and end-of-life management initiatives.

Datalogic has redesigned its processes to ensure the compliance of its Products with:

- RoHS (Restriction of Hazardous Substances) Directive;
- WEEE (Waste Electrical and Electronic Equipment) Directive;
- REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation

Thanks to the WEEE Directive, Datalogic minimises the environmental impact of electrical and electronic equipment during the course of its life cycle, and when it becomes waste.



Thanks to the RoHS Directive, Datalogic contributes to the protection of the environment, human health and the prevention of hazardous waste by limiting the use of hazardous substances (lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls-PBB or polybrominated diphenyl ethers-PBDE) in new electrical and electronic equipment put on the market from 1 July 2006.

Thanks to the REACH Regulation, Datalogic is helping better protect people and the environment against the potential risks associated with chemical substances, while at the same time increasing the competitiveness of the EU's chemical industry. It also promotes alternative methods for assessing the potential hazards associated with the substances, with the aim of reducing the number of tests carried out on animals.

The adoption of a recovery and recycling system offers the user of electrical and electronic equipment the possibility to deliver free of charge equipment and batteries, which have reached the end of their life, to the appropriate municipal waste collection centres, or to return them to the retailer according to the following procedures indicated on the Datalogic website https://www.datalogic.com/upload/pages/quality/14001/WEEE%20statement%20Datalogic_ITA.pdf

In 2020, the organisation's commitment to environmental protection was further reaffirmed when Datalogic was announced as an awardee of the 2020 CONAI tender for Packaging Ecodesign.

The award is intended for packaging manufacturers and users who have succeeded in redesigning their packaging from an eco-sustainable perspective, and was received for the packaging of the new Magellan™ 3200, which was specifically designed with the aim of saving raw materials and optimising logistics.

Respect for the environment and the application of environmentally friendly technologies are among the most important aspects of Datalogic's business policy, and this award will serve as an incentive to further the company's systematic process of continuous improvement.

In 2020, the Datalogic production plant in Slovakia also carried out an innovative project for its "Paper Fill" packaging, which has generated considerable environmental benefits and economic savings.

Instead of being discarded, the materials recovered from the packaging in the receiving areas of the Datalogic warehouses can be used for the production of packaging materials for the shipment of finished products.







DATALOGIC IS ITS STAKEHOLDERS' PARTNER FOR SUSTAINABLE DEVELOPMENT



Datalogic collaborates with its stakeholders on sustainable development programs, projects and initiatives, in keeping with Goal 17 of the 2030 Agenda.

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Strategic management of the supply chain and the environmental and social performance of suppliers

Datalogic considers collaboration with its suppliers a strategic means for ensuring the competitiveness, growth and sustainable development of the entire value chain, both upstream and downstream.

The Group's suppliers are divided into two categories:

- suppliers from which Datalogic purchases direct materials, or rather those used for production;
- suppliers from which Datalogic purchases "indirect" goods and services, which constitute all the remaining purchases, namely professional services, facilities, Marketing and communications, transport and travel expenses, and other purchases of materials.

Total number of suppliers and purchases (in €) by type of supplier

	2019				2020			
	SUPPLIERS	%	PURCHASES €	%	SUPPLIERS	%	PURCHASES €	%
Total Suppliers	4,790	100%	271,943,312	100%	3,816	100%	235,400,197	100%
Direct Suppliers	712	15%	210,725,161	77%	633	17%	165,661,228	70%
Indirect Suppliers	4,078	85%	61,218,151	23%	3,183	83%	69,738,969	30%

Responsible supply chain management

Datalogic has identified a limited risk level associated with lack of compliance on the part of the suppliers of materials used for its own production processes (direct purchases).

The risk of non-compliance with the mandatory local regulations, the commitment to environmental protection, and respect for human rights are mitigated thanks to Datalogic's well-structured supplier evaluation process, which is carried out during the qualification phase, and during the monitoring of the performance levels and the agreed standards during the execution phase.

The "general purchase conditions" and/or the "Code of Conduct" (both of which are available on the Datalogic website) make explicit reference to the following:

- compliance with the applicable regulations;
- the REACH and RoHS regulations, for the verification of the environmental aspects;
- respect for human rights and workers' rights, also with reference to "conflict minerals";
- the principles of fairness and ethical principles.

During the course of 2019 and 2020 there were no instances of non-compliance with the contractual conditions of a magnitude that resulted in a discontinuation of the supply relationship and the consequent termination of contract.

At Datalogic, the recruitment of new suppliers is governed by the group process titled "*Direct Material Suppliers Search, Select and Qualification*", which requires information on the potential new suppliers' management of environmental and social aspects to be collected during the early stages.

This information is recorded on a "*Supplier Self Evaluation & Supplier Quality verification*" questionnaire, in order to allow Datalogic to conduct an initial assessment and screening of the potential candidates.

If the first phase of the supplier assessment has a positive outcome, Datalogic decides whether or not to proceed with a Qualification Audit, which is aimed at verifying the responses provided in the self-assessment questionnaire, and checking a series of additional requirements mapped out in the “*Supplier Evaluation Questionnaire*”.

Datalogic used environmental and social criteria in 100% of the new supplier qualification processes carried out in both 2019 and 2020.

In addition to the Qualification Audits, Datalogic also carries out monitoring Audits on its suppliers according to an annual plan, which is prepared based on criteria of relevance, performance and priorities.

Environmental and social aspects are also evaluated during this second type of Audit thanks to the application of the previously mentioned self-assessment questionnaire.

In particular, when planning each audit, the suppliers are reminded that the Datalogic Code of Conduct is always part of Datalogic’s implicit requirements and constitutes an integral part of the audit criteria.

The maintenance audit checklist also includes the assessment of environmental and social aspects.

Customers and customer centricity for Datalogic



Datalogic has designed and implemented processes to monitor the Customers’ needs, perceptions and proposals at various times throughout the relationship, with the aim of providing a concrete response to their needs, while at the same time guaranteeing a direct connection between the sales and product development departments.

Understanding and meeting the Customers’ expectations are key drivers, and they are achieved through continuous initiatives aimed at improving the Customer Experience, which Datalogic carries out with its partners and customers on a daily basis.

In 2020, Datalogic has confirmed the adoption of the Net Promoter Score (NPS), used by many Fortune 500 Companies, as a Customer satisfaction performance indicator.

More information is available in the "Services" section of the Datalogic website: <https://www.datalogic.com/ita/supporto-assistenza/assistenza-srv-5176.html>.

Listening to Customers is also a strategic aspect, and ensures that the service offered actually provides what is really most important to them. In this context, Datalogic carries out an annual monitoring of the experience offered to its Customers through several tools:

- “Customer Bulletin” (VOC) report to share, summarise and analyse the complaints received. The following improvement actions were implemented in 2020:
 - drafting of the report on a monthly basis;
 - extension of the Customer Bulletin to cover the Technical and Product Quality area;
 - widespread distribution of the report company-wide;
 - a thorough analysis of the causes triggering the issues and the relative solutions structurally carried out by the various departments involved in the various stages.
- “Net Promoter Score” (NPS) indicator for the evaluation of loyalty concerning business-to-customer relationship. The NPS value for 2020 was equal to 44, for an 11 point improvement over the previous year. This is the final result of the questionnaire sent to more than 3000 company contacts (registered as a result of business relations for Sales, Pre-sales, technical support or customer service activities, all via the CRM system). It is worth mentioning the dynamic feature of this year's survey that, with its aim to give voice to our contacts by measuring Customer Satisfaction, asked them to analyse the aspects that require greater care and attention throughout the Customer interaction process.
- Instant Surveys allow customers to express (on a scale from 1 to 5) their satisfaction regarding the quality of the services received and the assistance provided by the company contact person. This tool was created to detect, in the shortest time possible, the actual customer satisfaction, and to be able to intervene just as quickly when the customer's expectations are not aligned with the service level provided. In 2020, this methodology was extended to cover On-Site Maintenance activities and the management of complex projects in the Transportation & Logistics sector.

The growing number of requests received from our Stakeholders, and in particular from new potential Customers, on issues of strategic importance to Datalogic, like sustainability and corporate social responsibility, has led the Organisation to pay greater attention to the economic, social and environmental impacts generated by its own business and its suppliers' businesses.

In 2020, like in previous years, Datalogic joined the Ecovadis platform. The adoption of this tool has opened an excellent channel of collaboration with our Customers for a transparent sharing of Datalogic sustainability performance, giving them the opportunity to monitor the progress of all improvement actions related to policies, procedures and processes in the field of Sustainability.

Initiatives in support of the territory and communities

Datalogic fighting Covid-19 alongside healthcare workers

In April 2020, as Covid-19 continued to spread throughout our country, Datalogic donated barcode readers and mobile computers for “bedside” care to the Sant’Orsola-Malpighi hospital in Bologna and to various other hospitals throughout Northern Italy, in order to improve the care provided to patients in the Covid-19 wards. The devices are equipped with wireless technology and antimicrobial plastic casings, thus rendering them suitable for combating possible bacterial contaminations. This greatly reduces the risk of germs remaining on the devices and being transmitted between healthcare professionals and patients.

Datalogic’s support for the education and professional development of young people throughout the country

In 2020, in order to attract qualifying students who had completed three-year degree courses at other Italian universities in Computer Engineering or Computer Science and Technology to the Emilia-Romagna region, the “Datalogic 2020/2021 Scholarship” was established as part of the research and training programs launched with the University of Ferrara.

The support offered by Datalogic in this sense consists of the disbursement of 5 scholarships amounting to € 3000 each for students who wish to enrol in the University of Ferrara's Master's Degree courses in Computer and Automation Engineering or Electronic Engineering for ICT.

This initiative is aimed at attracting and retaining young talents throughout the country who are interested in furthering their technical and technological education with the distinct skills sought by Datalogic Group.

Datalogic for Casa Santa Chiara: the value of diversity to the community of Bologna

In December of 2020, Datalogic offered its support to the Casa Santa Chiara social cooperative, which has been working with disadvantaged local communities in the Bologna area over 50 years, providing assistance to people with intellectual disabilities and their families. Casa Santa Chiara's goal is to exalt the human and social value of the diverse aspects found in every individual, overcoming handicaps, disabilities, and other difficulties, so that the protection of everyone's human, civil, and social rights is ensured, especially the most fragile and isolated. The Cooperative's work manifests itself in Family Groups, where people are welcomed into an affectionate and trusting family environment, Day Care Centres, where everyone can express their potential, gaining skills and independence, the "Il Ponte" recreational Day Care Centre, where play and leisure activities can be enjoyed in a simple and laid-back atmosphere in the company of friends, and the Holiday House in Sottocastello di Cadore, for a truly special vacation experience!

Datalogic in support of Calderarese week

In May of 2020, Datalogic offered its own contribution in support of the historic Calderarese Week, an event that has always been a showcase for cultural institutions, local associations, the tertiary sector, and the commercial fabric of the Calderara di Reno area. Despite being cancelled due to the COVID-19 pandemic, Datalogic nevertheless wished to make a contribution to mark its fortieth edition.

Datalogic in support of local art and culture

Once again in 2020, Datalogic supported the *Amici del Museo del Patrimonio Industriale* ("Friends of the Industrial Heritage Museum") Association. Since 1997, the Association has managed the museum's activities aimed at celebrating the historical-industrial culture of Bologna and consolidating the bond between local production companies and the technical training sector.

Federazione Maestri del Lavoro ("The Federation of Masters of Labour")

In 2020, Datalogic reaffirmed its support for the *Federazione Maestri del Lavoro* with an annual contribution to the ceremony honouring the *Stella al Merito del Lavoro* (the "Star of Merit for Labour").



FURTHER DETAILS

Direct and indirect energy consumption (GJ)²³

	2019		2020	
	GJ	%	GJ	%
Total consumption - Without car fleet	69,835	98%	61,975	98%
Direct energy consumption - Car fleet	1,376	2%	1,256	2%
Total consumption - with car fleet	71,211	100%	63,231	100%

Direct consumption by type

	2019		2020	
	GJ	%	GJ	%
Natural Gas	16,016	92.6%	14,311	88.4%
Diesel	15	0.1%	16	0.1%
LPG	1,268	7.3%	1,855	11.5%

Direct consumption by type - car fleet

	2019		2020	
	GJ	%	GJ	%
Car fleet – Diesel Consumption	1,330	96%	1,188	95%
Car fleet – Petrol consumption	46	4%	68	5%

Emissions related to energy consumption (tonnes CO₂ e)²⁴

	2019		2020	
	TONNES OF CO ₂ equivalent	%	TONNES OF CO ₂ equivalent	%
Direct CO₂ Emissions (Scope 1)	1,003	100%	940	100%
Indirect CO₂ Emissions (Scope 2) – Location-Based	7,604	100%	6,536	100%
Indirect CO₂ Emissions (Scope 2) – Market-Based	8,048	100%	6,911	100%

NOTES:

²³ The following conversion factors were used to calculate the energy consumption in GJ for 2019 and 2020:

- Natural gas: National standard parameters table of the Ministry of the Environment 2019, 2020
- Diesel fuel for heating, LPG, Petrol for vehicles, Diesel for vehicles: Defra 2019, 2020

²⁴ For the calculation of the Scope 1 emissions for 2019 and 2020, the respective DEFRA emission factors were used from 2019 and 2020. For the calculation of the Scope 2 Location-based emissions for 2019 and 2020, the emission factors from the Terna 2018 international comparisons were used (with the exception of Vietnam, where the estimated values from the IGES Grid emission factors 2017 were considered). In 2019 and 2020, the following factors were used for the calculation of the “Market-based” Scope 2 emissions:

- Italy, Hungary and Slovakia: “AIB – residual mix 2018” guidelines
- USA: “eGrid 2018 – WEEC Northwest”
- Brazil and Vietnam: in line with those used for the “Location based” calculation (Terna 2017 and IGES Grid emission factors 2017).

Scope 2 emissions are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalent) as it emerges from the technical literature.

Emissions related to energy consumption (tonnes CO₂ e)

	2019		2020	
	TONNES OF CO ₂ equivalent	%	TONNES OF CO ₂ equivalent	%
<i>Natural Gas Emissions</i>	921	91.8%	820	87.3%
<i>Diesel Emissions</i>	1	0.1%	1	0.1%
<i>LPG Emissions</i>	81	8%	118	12.6%

Detail of emissions related to direct energy consumption (tonnes CO₂e) of the car fleet

	2019		2020	
	TONNES OF CO ₂ equivalent	%	TONNES OF CO ₂ equivalent	%
<i>CO₂ emissions for the car fleet only (Petrol)</i>	3	4%	5	6%
<i>CO₂ emissions for the car fleet only (Diesel)</i>	94	96%	84	94%

Breakdown of types of waste by destination

	2019		2020	
	kg	%	kg	%
<i>Reuse</i>	1,001	0.1%	1,107	0.1%
<i>Recycling</i>	755,170	78.2%	526,924	74.8%
<i>Composting</i>	5,051	0.5%	2,165	0.3%
<i>Recovery, including energy recovery</i>	76,061	7.9%	67,564	9.6%
<i>Incineration (mass combustion)</i>	9,992	1.0%	9,331	1.3%
<i>Landfill</i>	118,698	12.3%	97,743	13.9%
Total	965,973	100%	704,834	100%

Total employees by geographical area as of 31 December

	2019		2020	
	N	%	N	%
Total Employees	3,074	100%	2,826	100%
<i>EMEA</i>	1,742	56.7%	1,573	55.7%
<i>Americas</i>	606	19.7%	524	18.5%
<i>APAC</i>	726	23.6%	729	25.8%

Employees by gender and age group as of 31 December 2020

	EMEA		Americas		APAC		TOTAL	
	N	%	%	N	N	%	N	%
Total employees	1,573	100%	524	100%	729	100%	2,826	100%
<i>Men</i>	933	49.7%	405	77.3%	428	58.7%	1,766	62.5%
<i>Women</i>	640	50.3%	119	22.7%	301	41.3%	1,060	37.5%
<i>Under 30 years old</i>	182	11.6%	40	7.6%	243	33.3%	465	16.5%
<i>30 to 50 years old</i>	958	60.9%	201	38.4%	463	63.5%	1,622	57.4%
<i>Over 50 years old</i>	433	27.5%	283	54.0%	23	3.2%	739	26.2%

Employees by profession and geographical area as of 31 December 2020

	EMEA		Americas		APAC		TOTAL	
	N	%	%	N	N	%	N	%
Total employees	1,573	100%	524	100%	729	100%	2,826	100%
White Collars	1,068	67.9%	465	88.7%	358	49.1%	1,891	66.9%
Blue Collars	505	32.1%	59	11.3%	371	50.9%	935	33.1%
Total Men	933	100%	405	100%	428	100%	1,766	100%
White Collars	789	84.6%	364	89.9%	231	54.0%	1,384	78.4%
Blue Collars	144	15.4%	41	10.1%	197	46.0%	382	21.6%
Total Women	640	100%	119	100%	301	100%	1,060	100%
White Collars	279	43.6%	101	84.9%	127	42.2%	507	47.8%
Blue Collars	361	56.4%	18	15.1%	174	57.8%	553	52.2%
Total Employees under 30 years old	182	100%	40	100%	243	100%	465	100%
White Collars	104	57.1%	35	87.5%	55	22.6%	194	41.7%
Blue Collars	78	42.9%	5	12.5%	188	77.4%	271	58.3%
Total Employees 30 to 50 years old	958	100%	201	100%	463	100%	1,622	100%
White Collars	658	68.7%	187	93.0%	282	60.9%	1,127	69.5%
Blue Collars	300	31.3%	14	7.0%	181	39.1%	495	30.5%
Total Employees over 50 years old	433	100%	283	100%	23	100%	739	100%
White Collars	306	70.7%	243	85.9%	21	91.3%	570	77.1%
Blue Collars	127	29.3%	40	14.1%	2	8.7%	169	22.9%

Percentage of employees by professional category and gender as of 31 December

	2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total Employees	61.9%	38.1%	100%	62.5%	37.5%	100%
White Collars	73.8%	26.2%	65.9%	73.2%	26.8%	66.9%
Blue Collars	39.0%	61.0%	34.1%	40.9%	59.1%	33.1%

Percentage of employees by professional category and age group as of 31 December

	2019				2020			
	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Total Employees	19.1%	56.4%	24.5%	100%	16.5%	57.4%	26.2%	100%
White Collars	11.4%	60.2%	28.4%	65.9%	10.3%	59.6%	30.1%	66.9%
Blue Collars	33.8%	49.1%	17.1%	34.1%	29.0%	52.9%	18.1%	33.1%

Total Employees by contract type (open-ended or fixed-term), and gender as of 31 December

		2019			2020		
		MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total Employees	N	1,904	1,170	3,074	1,766	1,060	2,826
Open-ended	N	1,763	1,075	2,838	1,592	975	2,567
	%	92.6%	91.9%	92.3%	90.1%	92.0%	90.8%
Fixed-term	N	141	95	236	174	85	259
	%	7.4%	8.1%	7.7%	9.9%	8.0%	9.2%

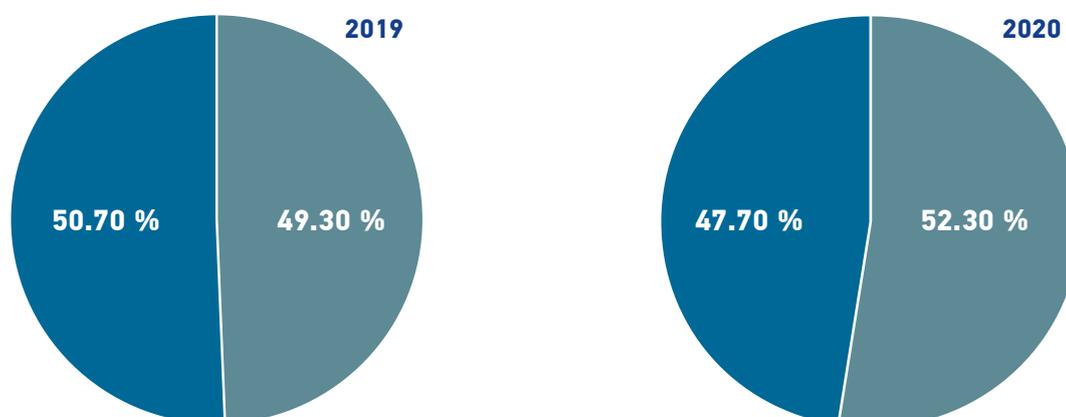
Total employees by contract type (open-ended or fixed-term) and geographical area as of 31 December

		2019				2020			
		AMERICAS	EMEA	APAC	TOTAL	AMERICAS	EMEA	APAC	TOTAL
Total Employees	N	606	1,742	726	3,074	524	1,573	729	2,826
Open-ended	N	606	1,658	574	2,838	524	1,536	507	2,567
	%	100%	95.2%	79.1%	92.3%	100%	97.6%	69.5%	90.8%
Fixed-term	N	0	84	152	236	0	37	222	259
	%	0%	4.8%	20.9%	7.7%	0%	2.4%	30.5%	9.2%

Employees by contract type (full-time or part-time), and gender as of 31 December

		2019			2020		
		MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total Employees	N	1,904	1,170	3,074	1,766	1,060	2,826
Full-time	N	1,897	1,118	3,015	1,760	1,005	2,765
	%	99.6%	95.6%	98.1%	99.7%	94.8%	97.8%
Part-time	N	7	52	59	6	55	61
	%	0.4%	4.4%	1.9%	0.3%	5.2%	2.2%

Employees covered by collective bargaining agreements with the trade unions as of 31 December



- Employees covered by collective bargaining agreements
- Employees not covered by collective bargaining agreements

Percentage of Newly Hired Personnel by geographical area, gender and age group in 2019

	Newly Hired Personnel		
	MEN	WOMEN	TOTAL
Total	12.8%	16.0%	14.0%
EMEA	13.5%	19.6%	16.1%
Americas	9.9%	7.6%	9.4%
APAC	14.4%	10.5%	12.8%

	Newly Hired Personnel			
	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Total	24.9%	12.7%	8.6%	14.0%
EMEA	34.7%	14.2%	9.3%	16.1%
Americas	25.5%	8.8%	7.5%	9.4%
APAC	15.3%	11.3%	11.1%	12.8%

Percentage of Newly Hired Personnel by geographical area, gender and age group in 2020²⁵

	Newly Hired Personnel		
	MEN	WOMEN	TOTAL
Total	7.6%	6.8%	7.3%
EMEA	5.8%	3.6%	4.9%
Americas	9.1%	15.5%	10.5%
APAC	10.0%	10.3%	10.2%

	Newly Hired Personnel			
	< 30 YEARS OLD	30 TO 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Total	15.9%	6.2%	4.3%	7.3%
EMEA	11.5%	4.7%	2.5%	4.9%
Americas	25.0%	12.9%	6.7%	10.5%
APAC	17.7%	6.3%	8.7%	10.2%

Employees that received a performance assessment by geographical area and gender in 2020²⁵

	2020		
	MEN	WOMEN	TOTAL
Total	72%	41%	60%
EMEA	79%	35%	60%
Americas	83%	76%	82%
APAC	44%	40%	43%

NOTES:

²⁵ The newly hired personnel rate is calculated as the ratio between the total number of hired resources in 2020 (total, by gender and age group), and the total number of employees (total, by gender and age group) as of 31/12/2020. The number of the hired resources doesn't include resources transferred between different Regions.

²⁶ It should be noted that, in order to provide a more representative figure, data relating to the workforce as of 31/12/2019 was utilised, as the performance assessment process carried out in 2020 refers to the workforce in place as of 31/12/2019.



METHODOLOGICAL NOTE

In compliance with the provisions of article 5, paragraph 3, letter b, of Italian Legislative Decree no. 254/2016, Datalogic Group has prepared this Consolidated Non-Financial Statement, hereinafter NFS, which is a separate report from the Management Report.

This NFS for the 2020 financial year covers the period from 1 January to 31 December 2020, and includes Datalogic S.p.A. (the Parent Company) and all the companies consolidated line-by-line in the Consolidated Financial Statements (within this document, the terms “Datalogic Group”, “Group” and “Datalogic” refer to all the companies included within the scope of consolidation), as illustrated in the tables below.

COMPANY	LOCATION	% OWNERSHIP
<i>Datalogic S.p.A.</i>	Bologna – Italy	
<i>Datalogic Real Estate France Sas</i>	Paris – France	100%
<i>Datalogic Real Estate UK Ltd.</i>	Redbourn - England	100%
<i>Datalogic IP Tech S.r.l.</i>	Bologna – Italy	100%
<i>Informatics Holdings, Inc.</i>	Plano, Texas - USA	100%
<i>Wasp Barcode Technologies Ltd</i>	Redbourn - England	100%
<i>Datalogic (Shenzhen) Industrial Automation Co. Ltd.</i>	Shenzhen - China	100%
<i>Datalogic Hungary Kft</i>	Balatonboglár - Hungary	100%
<i>Datalogic S.r.l.</i>	Bologna – Italy	100%
<i>Datalogic Slovakia S.r.o.</i>	Trnava - Slovakia	100%
<i>Datalogic USA Inc.</i>	Eugene, OR - USA	100%
<i>Datalogic do Brazil Comercio de Equipamentos e Autocao Ltda.</i>	Sao Paulo - Brazil	100%
<i>Datalogic Tecnologia de Mexico S.r.l.</i>	Colonia Cuauhtemoc - Mexico	100%
<i>Datalogic Scanning Eastern Europe GmbH</i>	Langen - Germany	100%
<i>Datalogic Australia Pty Ltd</i>	Mount Waverley (Melbourne) - Australia	100%
<i>Datalogic Vietnam LLC</i>	Vietnam	100%
<i>Datalogic Singapore Asia Pacific Pte Ltd.</i>	Singapore	100%
<i>Suzhou Mobydata Smart System Co. Ltd</i>	Suzhou, Jiangsu - China	51%

Datalogic S.p.A., with headquarters in Lippo di Calderara (Bologna), is the Group’s Parent Company, and is responsible for defining the Group’s vision, strategy, values and policies.

With respect to the NFS for the financial year ended on 31 December 2019, the exit of the company Solution Net Systems Inc. (a non-core division of the Group specialising in the supply and installation of integrated solutions dedicated to the postal sector and retail distribution centres) from the scope of consolidation should be noted, as the sale of a majority share equal to 85% of the share capital in the investee company to the American fund Architect Equity was finalised on 24 July 2020.

Each year the scope of the reporting of the environmental data and information is defined based on an assessment of the materiality of the sites with respect to their environmental impact, excluding sites that carry out exclusively office activities and are characterised by a low presence of people.

With regard to the 2020 reporting period, the environmental data collected and disclosed in this NFS refer to the following facilities:

- Monte San Pietro – BO (Italy);
- Castiglione Messer Raimondo - TE (Italy);
- Lippo di Calderara, BO (Italy);
- Trnava (Slovakia);
- Balatonboglár (Hungary);
- Ho Chi Minh City (Vietnam);
- Eugene and Telford/Hatfield (USA);
- Jundiai (Brazil): Operations at the Jundiai site (Brazil) were progressively discontinued during the second half of 2020, and the site was permanently closed in December of 2020.

This document was prepared in compliance with the GRI Sustainability Reporting Standards (hereinafter also "GRI Standards"), published in 2016 by the Global Reporting Initiative (GRI), as subsequently amended in accordance with the Core option. In this regard, it should be noted that, with regard to the Topic GRI 403 (Occupational Health and Safety), the Group has adopted the most updated version released in 2018 by the GRI. In particular, the definition of the material aspects in terms of the impacts of the Group and for its stakeholders was based on a structured process of materiality analysis described in the paragraph "Stakeholder dialogue and materiality analysis" below.

With regard to the information required by Art. 3, paragraph 2 of Italian Legislative Decree no. 254/16, it should be noted that, in view of the business sector, the Group's water consumption was not material in order to ensure an understanding of the company's business. This is not significant given the company's production activities and the impacts produced by it. In fact, the Group's business consists of offices and production facilities that do not use any significant amounts of water.

Furthermore, the topic of polluting emissions other than greenhouse gas emissions was not considered material, as the production activities do not generate such emissions.

The NFS is published on an annual basis, and includes a comparison with the information provided for the previous years, if available. The process of drawing up the NFS was coordinated on a Group-wide level by Corporate Quality. The corporate departments, on both a centralised and local level, were involved in reporting the policies, the risks generated and suffered, the management and organisation models, and the data and information necessary for the preparation of the NFS.

Any restatements of previously published comparative data are clearly indicated as such. In order to ensure the reliability of the data, the use of estimates was limited as far as possible. Wherever estimates are utilised, they are based on the best methodologies available, and are marked accordingly in the document.

This document was approved by the Datalogic S.p.A. Board of Directors on 9 March 2021.

The NFS is also subject to a limited assurance engagement (according to the criteria set out in ISAE 3000 Revised) by Deloitte & Touche S.p.A.

NFS 2020 is available on the Datalogic website: <https://www.datalogic.com/ita/azienda/panoramica-dellazienda/sostenibilita-co-4690.html>

For more information or clarifications, or for any questions you may have, please contact Datalogic Group via the "contact us" section of the website, at: <https://www.datalogic.com/ita/contatti-cth-4467.html>.

Stakeholder dialogue and materiality analysis

This NFS is intended to provide information on environmental and social issues relating to personnel, respect for human rights, and the fight against active and passive corruption.

Using the GRI Standards as a reference, Datalogic has initiated a materiality analysis process (as required by GRI 101 – Foundation) in order to identify the relevant topics, based on the importance of the economic, environmental and social impacts generated by its own activities, and their influence upon the assessments and decisions of the Group’s stakeholders. This process involved the identification of relevant stakeholders for the Group and subsequently the identification of material issues.

Dialogue with Stakeholders

The stakeholder mapping and engagement process undertaken for the preparation of Datalogic’s 2020 NFS was guided by the methodology recommended by the *AA1000 Stakeholder Engagement Standard - Accountability*, a reference framework for design, implementation, quality verification and communication of stakeholder inclusion programs.

The process was guided by the principles of:

- relevance, which requires knowledge of what is important to Datalogic and its stakeholders;
- completeness, which requires the understanding and management of the stakeholders’ actual impacts, needs, perceptions and expectations;
- compliance, which requires a response consistent with the topics relevant for the stakeholders and for Datalogic.

Datalogic’s main stakeholders are the following:

STAKEHOLDERS	ENGAGEMENT FREQUENCY	TERMS OF ENGAGEMENT	MAIN EMERGED ISSUES
Shareholders/Financial Community	Continuous	Conference calls for sharing results and at the request of investors, Conference calls with analysts and investors, price sensitive communications via SDIR, and postings on the Corporate website.	Transparency of financial information and company performance. Possible impacts generated by regulatory changes on the achievement of strategic objectives and macroeconomic trends.
Customers/Distributors	Continuous	Constant dialogue with customers through "Customer Relationship Management" tool, Net Promoter Score, management of services offered on site, web events, and focus groups.	Customer experience and engagement. Innovation and product quality.
Suppliers	Continuous	Meetings and visits, mainly via the web.	Business development, supplier involvement in product development, innovation and quality of materials and services.
Repair service partners	Monthly	Performance monitoring and business review. Comparisons based on defined terms and objectives.	Business development, support and customer response time
Employees	Continuous	Constant dialogue between the different functions, performance evaluation and training. Annual in-house climate surveys.	Professional growth, recognition, safe and inclusive working environment.
Political/economic community and Institutions	Monthly	Dialogue and participation in working groups, regular consultation and joint projects.	Economic and technological development. Creating value and safeguarding health and safety.
The Scientific community	At regular intervals	Collaboration in research and development projects.	Continuous technological progress.

Based on the activities carried out during the previous reporting period, from September to October 2020 Datalogic reviewed the map of its stakeholder ecosystem in order to select a panel of stakeholders to be involved in the process of calibrating the material topics to be included in the 2020 NFS.

3 clusters of stakeholders were identified, representing internal and external instances of Datalogic’s organisational context, cross-functional points of view, and different hierarchical levels:

- **a multi-stakeholder team**, belonging to the EH&S Italy, Corporate HR, Marketing & Communications, Procurement, and Internal Auditing departments, was involved in the analysis of strategic positioning, from the standpoint of the SDGs;
- **334 Employees** belonging to the following levels: N-1, N-2, N-3, representing all the corporate areas;
- **427 suppliers**, representing all the suppliers active over the past 12 months with a spending = or > € 10,000;
- **8 representatives of the Management Team**, involved in the validation of the materiality analysis and in the calibration of the weights to be attributed to the material topics.

The materiality analysis

In 2020, Datalogic decided to refine the materiality analysis process with respect to the 2019 NFS, with a strategic analysis even being conducted in relation to the 17 Sustainability Goals of the United Nations 2030 Agenda.

The strategic positioning analysis was carried out within the context of a **multi-stakeholder workshop** supported by the **“SDG Lens”** tool (<https://store.veracity.com/sdg-lens-sustainable-development-self-assessment-tool>), in order to prioritise the SDGs according to the specific strategic and operational ecosystem with which Datalogic interacts. The granularity of the analysis conducted through the “SDG Lens” tool made it possible to achieve the level of detail of the individual targets of the SDG system.

This project task made it possible to arrive at a shared identification of the reference targets for Datalogic, reported according to the global metrics, with the support of an engagement and structured analysis methodology that legitimised the identification of the priority SDGs to be included within the NFS, correlating them to the various material topics.

In order to perform the strategic positioning analysis (useful for correlating the material topics with the UN SDGs), a workshop was organised in which the representatives of the EH&S Italy, Corporate HR, Marketing & Communications, Procurement, and Internal Auditing departments were asked to reflect on the impact and contribution that Datalogic’s activities have had on the pursuit of the 2030 Agenda’s universal Goals.

A summary representation of the results used to identify and prioritise the material SDGs for Datalogic is shown below.

Your Sustainable Development Goals self-assessment summary

Here are your results! The summary graphic below represents your businesses potential to make an impact on the SDGs. The goals are listed in order of priority according to where your business has the potential to make the greatest impact.



The material topics to be shared with the stakeholders were identified during the stakeholder engagement phase, starting with the topics considered in 2019.

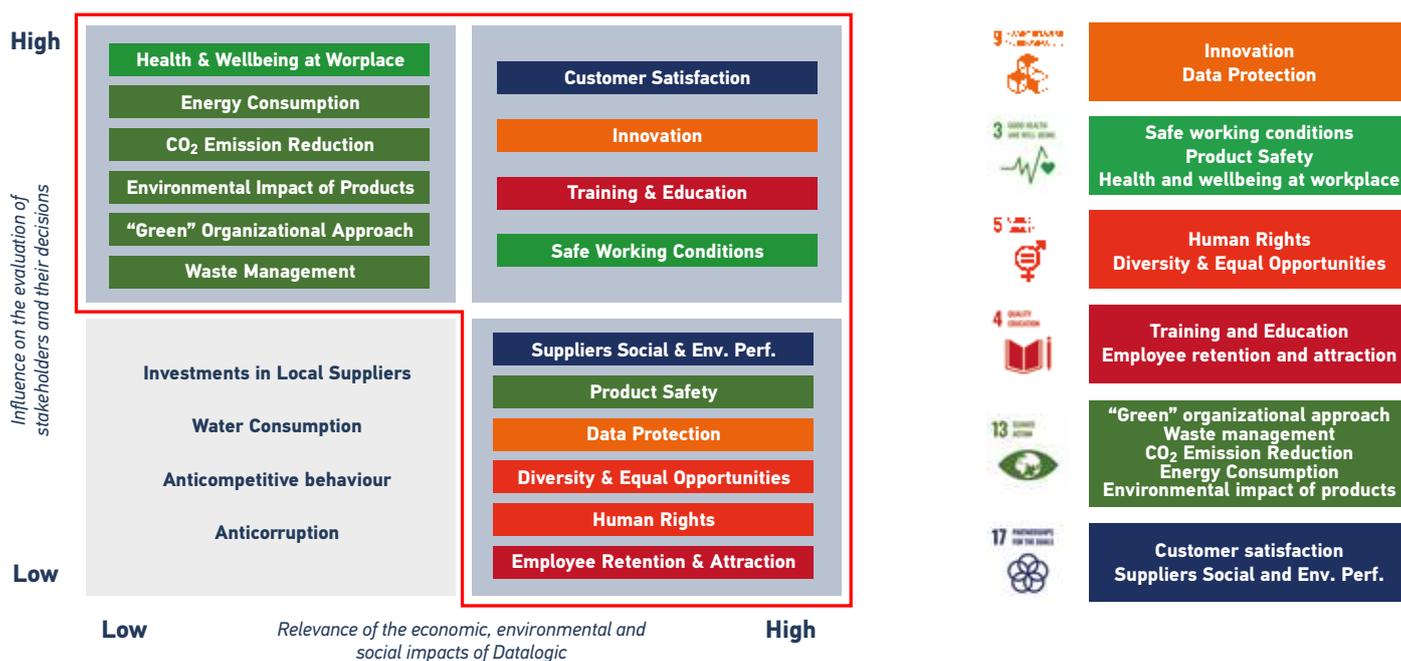
For 2020, it was deemed necessary to split the "Health & Safety" topic into two separate topics (*Safe working conditions* and *Health and well-being at the workplace*) in order to leave the stakeholders more space to request new information relating to the emerging issues that the Covid-19 pandemic has generated, and the initiatives that Datalogic has launched in response to the health emergency and to limit the risk of contagion.

All the stakeholders were asked the same questions, in order to allow for an assessment of the relative importance of the same topics to the internal and external stakeholders.

The processing of the data and the assessments collected led to the identification of the material topics to be addressed in the 2020 NFS.

The results of the materiality analysis were initially validated through a collective meeting held with all the Company's Department Managers, and were subsequently approved by the Group's CEO.

At the end of the process, the following material topics were identified for Datalogic Group and its stakeholders.



The relevance of the material topics of "Waste Management", "Energy Consumption", "Diversity and equal opportunities" and "Data protection" was increased based on the considerations that emerged from the discussions held with the managers of the corporate departments, as they are considered important regardless of the Datalogic scenario. These topics were validated by the Group's CEO, who also increased the relevance of two additional topics: "Human Rights" and "Supplier Social and Environmental performance".

For the sake of clarity, a reconciliation has been made between the material topics and the relative GRI Topic Disclosures, indicating the relevant scope and any limitations for each of them.

AREA	MATERIAL TOPIC	GRI TOPIC-SPECIFIC STANDARDS	SCOPE	
			WHERE THE IMPACT OCCURS	DATALOGIC'S ENGAGEMENT
Supplier Relations	Supplier Social & Environmental performances	GRI 308: Environmental assessment of suppliers	Production plants for direct material purchases	Caused by the Group
		GRI 414: Social assessment of suppliers	Production plants for direct material purchases	Caused by the Group
Customer engagement	Product Safety	GRI 416: Customer Health & Safety	Group	Caused by the Group
	Data Protection	GRI 418: Customer Privacy	Group	Caused by the Group
	Customer satisfaction	Net promoter Score (non-GRI indicator)	Group	Caused by the Group
Product Innovation	Innovation	N/A	Group	Caused by the Group
	Environmental impact of Products	N/A	Group	Caused by the Group
Employees	Training & Education	GRI 404: Training and Education	Group Employees	Caused by the Group
	Human Rights	GRI 412: Human Rights Assessment	Group Employees Suppliers	Caused by the Group
	Health & Well-being at the workplace - Safe working conditions	GRI 403: Occupational Health & Safety	Group employees and contract workers	Caused by the Group and directly connected to the Group through commercial relations
	Employee retention & attraction	GRI 401: Employment	Group	Caused by the Group
	Diversity & Equal opportunities	GRI 405: Diversity & Equal Opportunities	Group	Caused by the Group
Management of Environmental Impacts	Energy Consumption	GRI 302: Energy	Production plants	Caused by the Group
	CO ₂ Emission reduction	GRI 305: Emissions	Production plants Providers of electrical power	Caused by the Group and directly connected to the Group through commercial relations
	Waste management	GRI 306: Water discharges and waste	Production plants	Caused by the Group and to which the Group contributes





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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018

To the Board of Directors of
Datalogic S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Datalogic S.p.A. and its subsidiaries (hereinafter "Datalogic Group" or "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 9, 2021 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care,

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Datalogic Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Datalogic S.p.A. and with the employees of Datalogic S.r.l., Datalogic USA Inc. and Datalogic Vietnam LLC and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following subsidiaries and sites, Lippo di Calderara (BO) headquarters for Datalogic S.p.A., Castiglione Messer Raimondo (TE) production site for Datalogic S.r.l., Eugene and Telford/Hatfield (USA) production sites for Datalogic USA Inc. and Ho Chi Minh (VN) production site for Datalogic Vietnam LLC, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Datalogic Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by

Alberto Guerzoni

Partner

Bologna, Italy

March 30, 2021

This report has been translated into the English language solely for the convenience of international readers.

