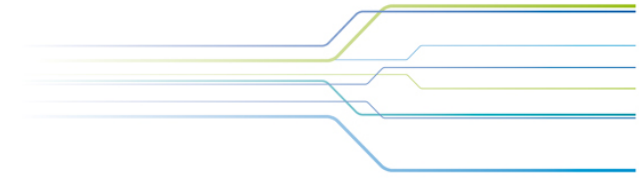


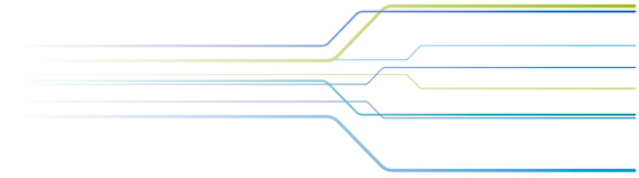
Eurotech UN Global Compact Communication On Progress

Reporting Period: January - December 2019



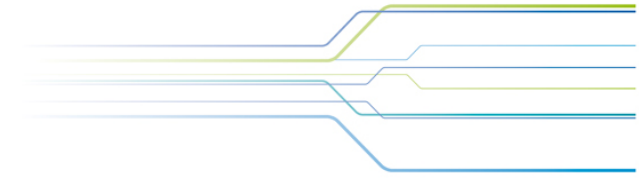


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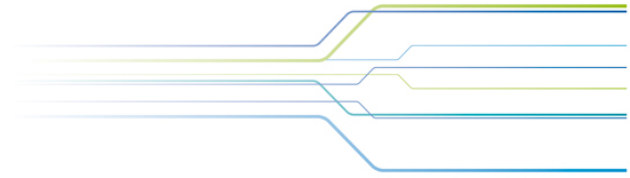


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INTRODUCTION

Joel Kovel bluntly conjectured, “The End of Capitalism or the End of the World.” Capitalism as an economic system has existed for centuries although capitalism as we know it today has largely evolved from the technological advances in production. The current and most dominant economic model rests on four types of capital, human, financial, manufactured and natural. Economists have suggested the environmental and social problems we face today are the results of a capitalism that dramatically undervalues the price of these inputs. In order to counter the threats we are facing, there must be a fundamental change that begins by lambasting the archaic idea, inherent in modern capitalism, grow or die and, perhaps more important, allows at least its two most important piers, to reclaim their deserved and undeniable value.

This will be achieved only through the full cooperation and participation by all players. Governments must enact and enforce laws, levy taxes and fine abusers. Policy initiatives like the European Green Deal which encourage a growth strategy based on ecological and digital transformation must be enacted. Consumers must take charge by favoring service sharing initiatives, recycling, reusing and repurposing goods or by choosing the most sustainable option when acquiring new goods. Cost must no longer be the defining factor in consumer choices. Producers within the private sector must reevaluate their input resources by prioritizing and investing in both natural and human resources. They must adopt new business models in addition to incorporating smart production combined with energy reduction. Fair employment and living wages must dominate employment policy to eliminate disparity and foster a more universal well-being.

The idea of a systematic revision is neither radical or implausible and is supported by historical evidence. In fact, periods which witnessed major social upheaval and philosophical scrutiny, were also times of rapid growth. Imbalances were created by the sudden changes brought on by uncontrolled economic forces. This means we must not fear moving from an economic mindset that pushes an irresponsible, unsustainable growth rather than efficiency. Not only does it contribute to societal problems, it will deplete our planet’s finite resources. Therefore, a shift in vision and priorities will contribute to sustainability and increase wellbeing universally. We can’t wait for a rising tide to float all boats. It simply hasn’t happened and, our resources will be exhausted before the most vulnerable will ever see the fruits of the crushing expand-or-fail model.

Actions yield results. The 1960s and 70s were a time of ecological uprisings that saw the introduction of many environmental laws and regulations across the world. Consider the US Endangered Species Act and

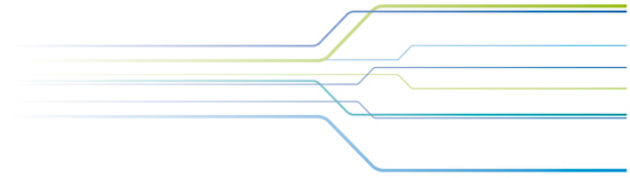
the EPA's ban on DDT. These actions are credited for removing the bald eagle from the Endangered Species list. The 1987 Montreal Protocol is another example of what cooperation among governments working towards a common goal can achieve. The agreement led to the ban of CFCs, chemicals responsible for the destruction of the ozone layer. 30 years since its adoption, the ozone layer is recovering. Efforts have continued and expanded and likewise, the gains have multiplied and the beneficiaries are not limited to the environment. New expectations and much overdue respect for the backbone of every economy, the worker, have uplifted the employee and moved the discussion from a safety and liability perspective to the employee an asset and stakeholder. Just last year the ILO adopted the Violence and Harassment Convention which recognizes the right of everyone to a work environment free of violence and harassment, including gender-based violence and discrimination.

Slowly we are awakening to the idea that the individual's wellness depends on our collective wellness and that rests on multiple factors. If we do not work towards a more equitable distribution of wealth and a better use of resources, we will reach a point where even the most affluent will no longer enjoy the convenience, services and stability that their privilege and wealth once provided. The hesitation has always been the fear that something must be sacrificed, some level of comfort must be forsaken in order to appease those in need and, it is clear that is not those in need of development that have hindered efforts supporting social and economic sustainability. In fact, those who have faced the worst developmental challenges are the first to sell short their resources for a provisional solution to their immediate needs. The problem has been by the part of those who exploit the vulnerable and disregard the long-term effects of their actions. We are witnesses that the current tide has not been universally uplifting, so now, we command that the tides change. 2020 is an important year replete with historic milestones. It marks 75 years of the UN and 20 years of its initiative, the Global Compact, drafted to encourage sustainable and socially responsible business practices. In addition, 2020 is the year The World Economic Forum will host its 50th annual meeting. This year the world's leaders and the elite will convene in various forums and assemblies and there is one topic that dominates the debate, achieving sustainability. The time is right, the support is there, what are we waiting for?

Here we present our Communication on Progress and we invite everyone to take a look at what we are doing for sustainability.

This COP document contains:

- A statement from our CEO expressing Eurotech's continued support of the Global Compact;
- An illustration of Eurotech's actions to promote Sustainable Development and specific response to each of the principles of the Global Compact;
- Future goals and conclusions.



The 10 Principles of the Global Compact

SECTION: Human Rights

- Principle 1 Businesses should support and respect the protection of internationally recognized proclaimed human rights; and
- Principle 2 Make sure that they are not complicit in human rights abuses.

SECTION: Labour

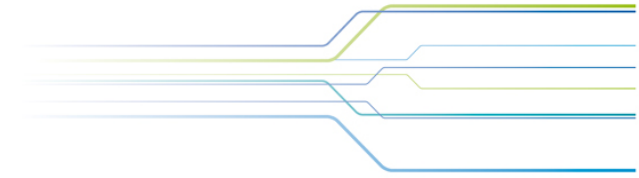
- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 The elimination of all forms of forced and compulsory labour;
- Principle 5 The effective abolition of child labour; and
- Principle 6 The elimination of discrimination in respect of employment and occupation.

SECTION: Environment

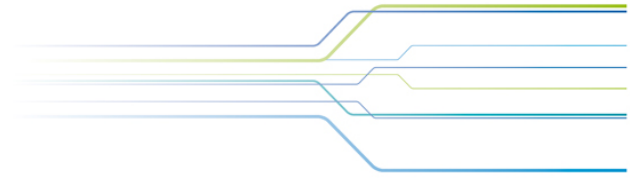
- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 Undertake initiatives to promote greater environmental responsibility; and
- Principle 9 Encourage the development and diffusion of environmentally friendly technologies.

SECTION: Anti-corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



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STATEMENT FROM EUROTECH CEO

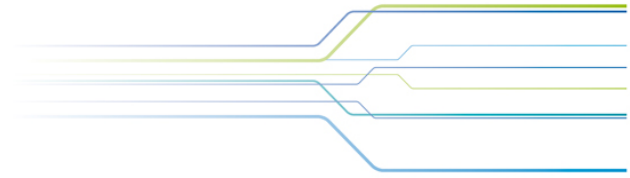
Eurotech has been a member of the Global Compact for almost ten years and every year drafting our COP has been an opportunity for optimism. We reflect on what we have done, and we lay out our blueprint for how we will tackle the challenges still ahead. 2020 started with even greater enthusiasm as it marks 20 years of the Global Compact and we, like other members, look back with pride at all that has been accomplished and the impact our collective contributions have made to a continually growing list of issues. Quickly into the new year our sanguinity was met with uncertainty and a new unexpected dilemma. First China and swiftly all corners of the planet would be crippled by the virus Covid-19 and the repercussions from our reactionary measures.

What began as a normal, seasonal influenza turned citizens into hostages in their own homes, denying free movement and any possibility of social or commercial activity. It became a global threat with the potential to bring health systems and economies to their knees. Here in Italy we were



among the first to fall victim as it besieged our elderly population and devastated our fragile economy.

The UN Secretary General, Antonio Guterres named 2020, “The Decade of Action,” no challenge better represents the need act like Covid-19. However, we must not be moved by its severity; science and statistics demonstrate that it is no more serious or deadly than many viruses our planet has already witnessed. Instead, we must seize this opportunity to make good on all that we have proposed and promised. Let us not be deterred from our mission due to fear and media hype. Our focus and our efforts have been on the 17 SDGs and the 2030 agenda. We must learn from Covid-19 because yes, we may face a future that includes new viruses and our globalization will result in their geographic spread, especially in areas that

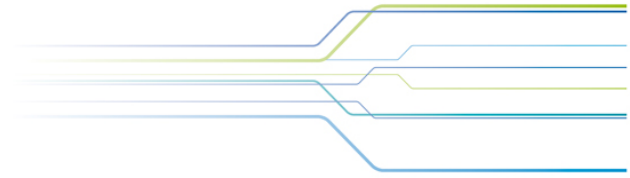


have until now been spared exposure. We must become more resilient because we are vulnerable when we are unprepared. We halfheartedly responded to the climate crisis but now we have seen that we are able to affect positive change. Our response to challenges facing underdeveloped nations was often just as impassive because we did not recognize our globality meant that their problems required collective action. Covid-19 confirmed that globalization requires unified action on issues even those outside our own shores because, unlike the ripples previous emergencies created, Covid-19 and our subsequent responses, formed a hurricane strength wave felt on every coast. The destruction left in its wake to humans and healthcare systems will be mitigated by vaccine development, advancing at a record pace but, the impact on the global economy will be felt for an unforeseeable future.

All is not dire, there is cause for hope. Proof lies in the declaration coming from Davos at the World Economic forum. The world's wealthiest business leaders and government heads finally agreed that we must work together if we expect not only to maintain the level of wellness that developed nations currently enjoy but also conserve an environment that can support our growing population and all its needs. They conceded that to ensure a future for our planet we must work to free those trapped in a cycle of underdevelopment and its associated ills. Above all they expressed the need to find sustainable solutions that include all stakeholders, through a "better capitalism" that values resources and counts quality of life as an important marker for society, not unlimited, uncontrolled growth. The solution lies in a new economic model that favors the intangible over the tangible and the outcome of products rather than the ownership of products. The business models associated with the outcome economy are inherently circular; they can generate a new phase of global sustainable economic growth.

In order to achieve this lofty goal, Marie Chartadovà, President of the Economic and Social Council, offered, "no one can ignore the vital role of science, technology, and innovation in advancing the transformative impact of the 2030 agenda." I also believe that now, more than ever, what is required is not an improvement or a slight change in strategy but, to pilot a disruptive and evolutionary course towards greater equality and environmental protection enabled by the pervasiveness of digital technologies. Advances in digital technology and their innovative application will be the means by which we can move in multiple directions to the fulfilment of not only the SDGs but new arising challenges like Covid-19. They will be the key, a concrete means to attain the better capitalism that politicians and economists are currently advocating.

Technological innovation has reached levels that go far beyond our wildest imagination. Consider the Semmering railway, credited as the first true mountain rail line. What makes it unique is that it was built before a locomotive existed that could make the tough mountain pass with its particularly steep and curvy track. Foresight indicated that technology would be invented to allow the trains to pass even with such

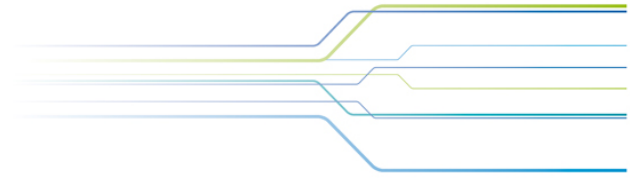


strenuous obstacles. Technology has always responded to challenges in the past and it will continue to provide solutions for the future; it can even be an effective weapon to combat threats like Covid-19.

It would have been my pleasure to talk about the impact on production and the subsequent contribution to sustainability that derive from the technologies responsible for the 4th Industrial Revolution, many of which we produce here in Eurotech. It would have been a source of pride to discuss the advances in AI and their shift from theoretical speculation to their practical application at the edge of the network as with the autonomous vehicle or the industrial robot, technologies we are pioneering here in Eurotech. I feel it is my mission as CEO and founder of a leading technology company to contribute to sustainability through research, the development of new products and through solid business practices in general. Our efforts support the 10 principles and they represent a proven means to address the SDGs. In Eurotech we are committed to developing technologies that assist our well-being and that are socially responsible and contribute to sustainable global growth. With digitalization sustainable growth is not an oxymoron; it is a reality and it is the future.

However, given the dramatic situation we are facing now, this is not the time for us to boast or for self-promotion. It is a time to become even more diligent, to join others and focus on the most urgent problem we are currently facing. Above all we must not allow our fear to dictate our actions. The pandemic proved what we have always known, there is no health where there is no wealth. Developed nations with the resources to invest in healthcare systems are better able to cope with emergencies and we must help strengthen those nations that lack the necessary resources to protect and care for their citizens. That is why we must focus on the post Covid-19 period and our devastated economies. We must recognize that its effects have the potential to cause more harm than the virus itself. More than ever we must put aside our egoism and act with responsibility and our compassion must not extend single-mindedly to the old but foremost to the young people. They face the greatest challenge, navigating their way through the remnants of our repressed economy and finding a new normal that will include social-distance, separation and limits imposed across nearly every segment of society. While we shelter our elders, we must allow our youth to return to life and the pursuit of their future. Specifically, and most importantly, their right to work creatively and contribute to the economic activity we desperately need, not only to rebuild from Covid-19 but most of all so that we may continue our efforts for global sustainability.

Again this year we renew our support for the Global Compact. We are proud advocates of its ten principles, and we will heed Antonio Guterres' call and take action. In addition, I call for the leaders of other technology companies to join me in drafting a *Technology Manifesto* outlining steps based on digital technologies to

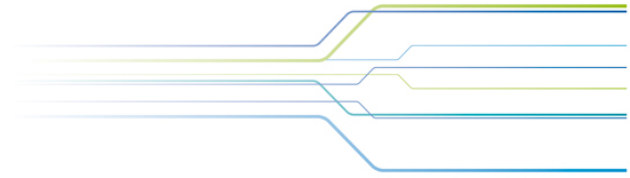


contend with the pressing issues our planet currently faces. We have reached a crucial moment in human history and we must formally pledge, in black and white, our commitment.

I invite you to peruse our COP and discover what we are doing in Amaro and around the world to join the cause for a sustainable future.

June 23th, 2020

Signed by
Roberto Siagri
CEO



SECTION: HUMAN RIGHTS

Human rights are basic guarantees and must be recognized and respected universally. They are at the core of civilized society and testify to the sovereignty of the individual. They represent the standards that allow us to live freely with dignity, equality and justice and they are necessary for the full progress of man and peaceful communities. They must be applied collectively and without regard to national origin, gender, race, economic status, and political, religious or sexual orientation. Eurotech Group is proud of its international workforce that represents a wide spectrum of human reality. We expect not only each and every one of our global employees to respect these undeniable rights we extend that expectation to our suppliers, our collaborators and our customers.

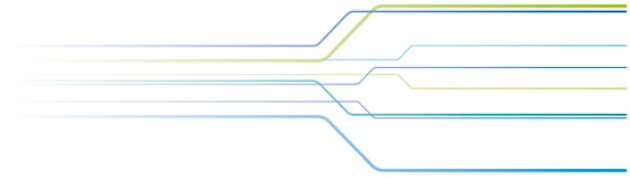
- Principle 1** Businesses should support and respect the protection of internationally recognized proclaimed human rights; and
- Principle 2** Make sure that they are not complicit in human rights abuses.

Company commitments:

- The right to a safe workplace is a basic prerequisite and a fundamental human right that every employer must guarantee. Most often we think of safety in terms of protection from environmental hazards or precautionary measures like training and preparatory drills. Unfortunately, in today's modern world, work-place safety must also include safeguards against terrorism and random acts of violence. Sadly, Japan has recently been witness to acts of domestic terrorism and violence and, the work environment has become a vulnerable place. In 2019 Advanet installed a badge-only entry system throughout all its locations thereby limiting access and creating a safer environment allowing its workers to feel protected and secure.
- Eurotech Group firmly and proudly supports and respects the protection of internationally proclaimed human rights.

Company Example

In 2019 Advanet installed its first bathroom facilities for the disabled. Although laws protecting the disabled have become mainstream since the 1990s, which saw most countries adopting legislation, Japan has been slow in recognizing the special needs and rights of the diversely able. Leadership decided that although there is no current need for a handicap-accessible bathroom, the time was right to install one. What makes this move so meaningful is that Japanese laws do not require such action and, Advanet did so at significant expense. In fact, when Advanet management contacted the building owners to inform them of their decision the response at best, was languid but following negotiations, it was determined that Advanet would not only

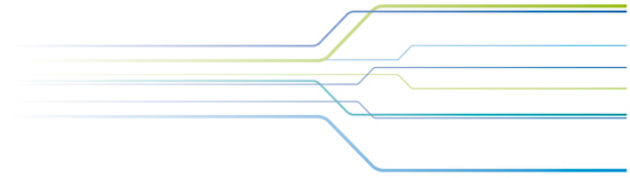


bear the total costs of renovation, it would also have to remove the facilities upon their exit. Advanet was not swayed by the building owner's negativity and went ahead with the installation knowing that it was an investment in social responsibility.

Company Example

Eurotech has always considered its products a clear sign of its sustainability and its commitment to the environment but they also demonstrate socially responsible business practices. Consider Eurotech's passenger counter: Eurotech was a forerunner of passenger counting technology in 2006 when it introduced its first PCN. Over time the technology improved as well as its possible application. It was first viewed as a tool for passenger counting for public transit. Service providers would know how many passengers were using their services. They could use this information and compare it with ticket sales. They could also study their data and determine if areas were under or over-served. Following September 11th and the terrorist attacks, it became clear that the same technology could be used to assist first responders. Installing PCN units in buildings could determine the number of people inside and expanding the use of sensors could even further detect their specific location, facilitating emergency workers. In 2019 Eurotech envisioned an even greater potential for the PCN: full inclusivity and access for all. Recognizing a need, Eurotech's Technical Director approached the Piergiorgio Community, an ONLUS organization dedicated to the full integration of the disabled in society. Eurotech envisioned its passenger counter as a means of recognizing the diversely abled and thus permitting greater access and allowing increased participation.

It is well documented that the disabled use public transport and access services less than the fully abled due to their special needs. Certainly, laws mandating handicap accessibility have helped increase access but simply modifying the curb on a street or adding a ramp is not enough for full participation by the diversely-able. In fact, the visually impaired, the elderly, mothers with small children, wheelchair users or anyone with a physical impairment have special needs, their movement is slower, they may require more space, they may require greater assistance. Recognizing these individuals as they enter public transport or public places will serve to increase their access and participation because should a need arise, their presence and location are known and they can be easily assisted.



SECTION: LABOUR

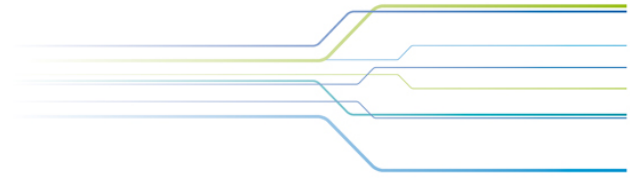
The human element may represent the most important input in the economic equation. The employee is responsible for the daily execution of tasks that make up a business plan and ensure a company's smooth operation. They possess unique and special skills and their contribution is essential to maintain a company's performance. Labor laws exist to protect workers and guarantee safety, working hours, minimum wages and prohibit the exploitation of children in employment. Laws enable a firm's regular function by dictating a set of rules that must be met by a business owner to establish any activity that requires the support of a work force, whether large or small. More importantly, they serve as an official framework for the relationship between employers and their employees. They represent one tool employers have to demonstrate their respect and support for their workers.

Laws are continually updated to reflect our evolving society and now include anti-discrimination policies to guarantee that everyone has the full right to find their place in the labor market and pursue economic activity. It is essential to protect workers and guarantee an environment and the conditions that allow them to safely and confidently carry out their given assignments. Eurotech Group is a strong supporter of labor rights and adheres to labor laws wherever it operates and believes in the complete tutelage of their employees. Sustainable employment is at the heart of sustainable society because satisfied employees are also engaged members of their communities and make better neighbors, parents and citizens.

- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4** The elimination of all forms of forced and compulsory labor
- Principle 5** The effective abolition of child labor; and
- Principle 6** The elimination of discrimination in respect of employment and occupation.

Company commitments:

- As a high-profile international organization Eurotech operates in strict obedience to all labor laws in all its locations. Moreover, it is also in compliance with those standards that are not legally required.
- Eurotech Ltd is committed to following a business model to ensure non-discrimination and equal rights are a normal part of its business. Its Employee Handbook includes Equal Opportunity, Harassment, Right to Request Flexible Working, and Training and Working Time Regulation policies and was explained to all new employees in 2019. Following the successful transition of a



transgender employee in 2016, Eurotech Ltd. is increasingly sensitive to issues regarding discrimination and is continually updating its policies.

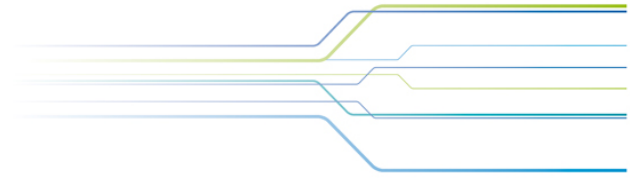
- Eurotech Group upholds the freedom of association and the effective recognition of the right to collective bargaining.
- Eurotech Group supports the elimination of all forms of forced and compulsory labour and the complete abolition of child labour.
- Eurotech Group stands against discrimination in respect of employment and occupation.

Company Example

Italian Labor laws require that employees receive regular medical check-ups to ensure that the work environment doesn't pose a threat to health or safety. 2019 saw a large number of Eurotech SpA employees receive the mandatory check-up. While these visits are compulsory, Eurotech does not limit access to the physician only to those required to update their medical status. In fact, The supervising manager reported an unexpected number of requests by the part of employees to see the doctor, even for non-work related issues. Eurotech is committed to the health and wellness of its employees and graciously allowed anyone requesting a doctor visit access.

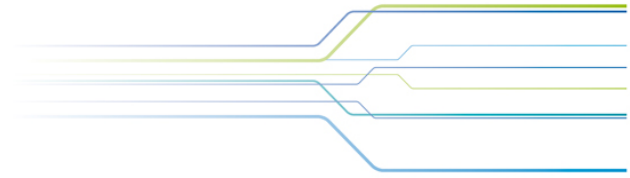
Company Example

Eurotech Group maintains its commitment to socially responsible hiring practices and it was not more evident anywhere than at their site in Japan. In 2019 Advanet hired a new female engineer moreover, they welcomed a disabled person in one of their departments. Eurotech Group since 2018 has pledged to hire more women in an effort to improve gender equality and a new engineer certainly fulfills that promise. Advanet's dedication to social responsibility was even more evident however, in the choice to employ a disabled person. In truth, Advanet had already met its legal obligation in terms of representation and therefore the decision to appoint a disabled person was based solely on their positive experiences regarding special needs employees in the past. It is important to note that while labor laws in Japan include statutes regarding the disabled, unlike other countries, their laws are not enforced by sanctions. One experience went beyond all expectations when the employee was able to move from a disabled status to fully-abled and, he retained his position as a regularly appointed employee. The employee credited the opportunity given to him as the catalyst for his change of status. The trust bestowed in him and the responsibility he was given proved to boost his self-esteem and gave him the confidence that he needed to overcome his challenges. Advanet, like all Eurotech Group companies, firmly believes in providing opportunities to those normally excluded, because they recognize that everyone benefits.



Company Example

Eurotech Inc., like all Eurotech Group companies, recognizes the lack of women employed in STEM fields and has pledged to do its part to help bridge the gap. In 2019 they hired a full-time female software engineer. In addition, they offered a woman an internship position to assist with technical documentation.



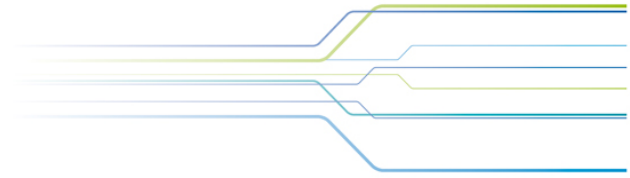
SECTION: ENVIRONMENT

2019 witnessed extensive environmental damage around the world and global warming is widely accepted as the major cause. The unprecedented fires in Australia destroyed more than 27 million acres of bush, national forests and protected areas and tragically more than 1 billion native animals died. Extreme weather brought record typhoons, cyclones, hurricanes and global heat waves with devastating repercussions. Global warming is also blamed for widespread destructive flooding across the world especially in areas that had never been witness to such phenomena. The results of these events are not just measured by the loss of life and habitat. Consider Venice, an UNESCO World Heritage site and Italy's ancient pearl of the Adriatic Sea. Record flooding in the city, normally prepared for such events, left the architectural wonder unable to cope with the increased water and flood levels. A catastrophe which led city officials to call for a state of emergency with costs estimated as high as 1 billion dollars. These disasters blamed on the earth's rising temperatures cost us not only our physical environment, they are also responsible for the loss of priceless artifacts that are testimony to our history and our culture; they represent an immense, irreplaceable patrimony. St. Mark's Basilica, perhaps the best-known monument and thought to be immune to the flooding, suffered immeasurable damage to art, marble and artifacts due to toxic substances, chemicals and refuse in the flood waters. Even after the water receded the damage continued as it left harmful salts and mold in its wake. Perhaps it was this tragic event that spurred the Education Minister to mandate climate change and sustainability studies at Italian schools beginning in 2020, making Italy a vanguard of environmental education. Eurotech Group was born in Italy and so it is no coincidence that they too are forerunners in sustainability and, it is of paramount importance in their global operations.

- Principle 7** Businesses should support a precautionary approach to environmental challenges;
- Principle 8** Undertake initiatives to promote greater environmental responsibility; and
- Principle 9** Encourage the development and diffusion of environmentally friendly technologies

Company commitments:

- In 2019 Eurotech Spa in Amaro was subject to an extensive energy audit. Eurotech exploited the opportunity as an occasion to identify any weaknesses that could be addressed and remedied.
- Eurotech Ltd has assumed the role of global procurement and they have focused efforts on creating a sustainable supply chain. Among many initiatives in support of this objective, they have adopted the drop shipment method. This means reducing carbon emissions through air traffic by having the subcontractor ship directly to the customer.



- Eurotech Group European countries are conformant with REACH directives and compliance is updated every six months.
- The EU RoHs directive has been updated and increased in 2019 and Eurotech Group is not only in compliance with the new expanded directive, it can now enforce RoHS3 and can provide RoHS3 evaluation for BOMs and advice on component selection for RoHS3.
- In 2019 Eurotech Ltd updated its WEEE reporting system and is it now operational and they are fully compliant with the latest amendments.
- Eurotech Group encourages the development and diffusion of environmentally friendly technologies.
- Eurotech Group supports and adopts initiatives to promote greater environmental responsibility.
- Eurotech France has taken many small steps in favor of the environment in 2019. First they eliminated all plastic cups in favor of reusable, personal mugs and they maintain their travel policy which favors videoconferencing over travel. They eliminated office visits to one important customer and estimate significant savings as a result.

Company Example

Eurotech Group is compliant with International and European laws regarding the disposal of its waste and in particular batteries, which are a known environmental hazard. In 2019 Eurotech France earned Ecocert24000 certification for the collection and recycling of its expired batteries and portable accumulators.

Company Example

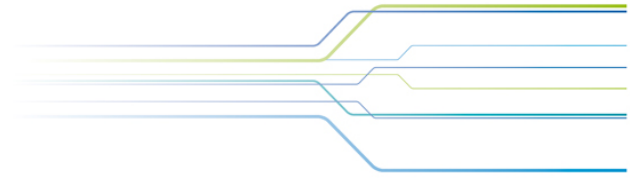
In an effort to reduce energy consumption, Eurotech SpA converted all its neon lights in its production facility at Amaro to energy saving LED lights. Advanet also began a program to substitute its neon lights with more energy efficient LED lights.

Company Example

Eurotech Spa recently added to its transportation fleet and acquired a hybrid vehicle to reduce carbon emissions. All Eurotech Group companies are encouraged to consider the transition from fossil fuel to hybrid or fully electric cars.

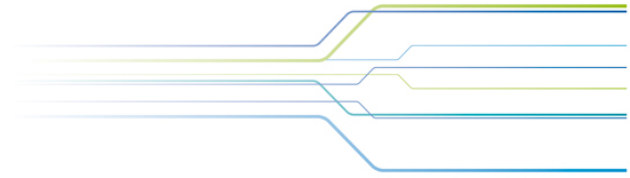
Company Example

Energy consumption is also a concern at Eurotech France. Although it represents our smallest site with under ten employees, the director contacted building management outlining energy weaknesses in their offices with the goal to improve efficiency and reduce consumption. They even requested a reduction in their electric connection as it provided more than actually required for offices activities.



Company Example

Eurotech participated in the annual M'illumino di Meno (I light up less) campaign in March. The event is an Italian initiative that supports energy savings and the responsible use of resources and has been adopted by many major European cities since its recognition by European Parliament in 2008. Direction at Eurotech Group headquarters shared the event with all its global companies encouraging them to participate both at work and at home. In addition, they shared M'illumino di Meno's Ten Commandments for sustainable living with all their global employees to advance better practices and increase sensitivity.



SECTION: ANTI-CORRUPTION

Transparency International defines corruption as the abuse of entrusted power for private gain. Further, they state that corruption hurts everyone whose life, livelihood or happiness depends on the integrity of the people in authority. It is easy to apply this to governments and make the connection to development; corruption at the state level hurts citizens and impedes development by encouraging inefficient and ineffective practices and reroutes resources. Corruption is made possible by weak regulations and a lack of accountability. Corruption at the corporate level hinders development in the same way in addition to undermining fair business practices and creating unfair conditions, placing smaller or honest businesses at a disadvantage. In Eurotech systems exist to guarantee transparency and accountability. Our strong anti-corruption stance is important for our reputation and we take pride that in every area from procurement practices, our administrative framework, budgeting and our management policies demonstrate our strong posture against corruption.

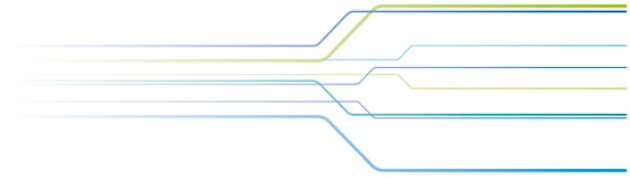
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery

Company commitments:

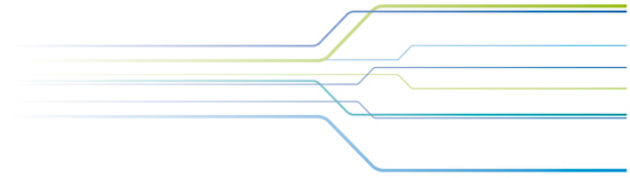
- Eurotech SpA in Italy is subject to regular audits, both financial and customers audits. We believe our full cooperation is proof of our transparency and commitment to fight corruption.
- Eurotech Group companies hold multiple certifications that are updated yearly and vary from quality assurance, environmental issues, health and safety, that further testify its dedication to transparency and its firm stance against corruption of any kind.
- Eurotech Ltd has an Anti-Corruption policy and carries out an annual audit requesting all employees to confirm they have read and understood this policy. There is also a Public Interest Disclosure policy detailing the duty of all employees to report wrongdoing whilst protecting their rights.
- Eurotech Group works against corruption in all its forms, including extortion and bribery.

Company Example

The IT office in Amaro held training courses in 2019 for its entire global work force to advise, inform, and clarify company policies regarding its Information Security Management System. The course outlined the company's policy and stressed the importance of following its guidelines to avoid errors and eliminate risks and vulnerabilities. These courses not only serve to protect sensitive data, they are also an effective tool to fight corruption within the company. For example, all company assets are inventoried and there is a log of



their users as well. This guarantees that employees can't appropriate company devices such as telephones, PCs and other equipment. In addition, IT works closely with HR, during the "on-boarding" process of new hires to enable access to IT systems and IT devices. This ensures that the new employee has the proper tools to effectively carry-out their new position and is instructed on their correct use.



RESEARCH, COMMUNITY INVOLVEMENT AND RECOGNITIONS

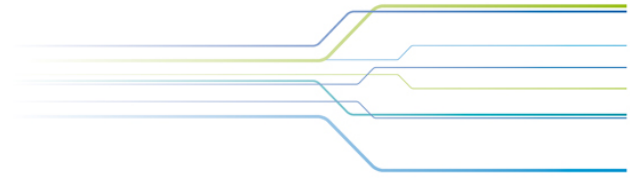
Eurotech has always been committed to supporting research. It does so by investing in its own R&D department so that its product catalog boasts the highest technologies and newest innovations. In addition, it also supports and helps fund research and lends its expertise in collaboration with other companies, universities and European projects. In fact, about 30% of the Group staff is dedicated to research activities. Eurotech works in close collaboration with Universities in the areas in which it has facilities. The fruits of our labor lie first in our cutting edge products and services but numerous prizes and our partnerships prove and augment their value.

RESEARCH ACTIVITIES

Eurotech continues to invest in its research activities. Research is vital for the development of new products. New products help us remain competitive and guarantee our presence as a dominate force on the market. Beyond the financial returns that research eventually deliver in terms of new products and services, research serves another purpose. Our activities are dedicated to solving problems and encouraging sustainability. We have our eyes on market demands and the needs of the overall population. Our research is an important element of our strategic planning and will continue to be an important activity of our engineering departments. In 2019 Eurotech engineering teams were involved in several important research projects including:

Arrowhead Tools - The Arrowhead Tools project aims for digitalization and automation solutions for the European industry, which will close the gaps that hinder the IT/OT integration by introducing new technologies in an open source platform for the design and run-time engineering of IoT and System of Systems. with the joint ambition to improve Europe's competitiveness in automation and digitalization engineering. A successful execution of the Arrowhead Tools concept and approach is expected to impact to the overall engineering cost for digitalization and automation solutions. Such solutions will impact our society in a way where more and more of our society seamlessly is sharing information for benefit of e.g. production efficiency, energy efficiency, transportation efficiency, environmental footprint,

Eurotech is responsible for the study of the engineering process of industrial automation use cases and is involved in the development of IoT systems, including edge IoT devices and the related cloud-based integration platform, that will be adopted in these use cases.

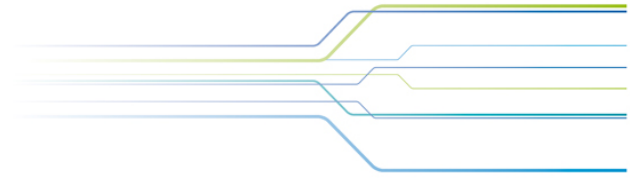


CPS4EU - In recent years Cyber Physical Systems (CPS) technologies have become a game changer in strategic sectors such as Automotive, Energy and Industry Automation, where Europe is a world leader. In fact, CPS is a key driver for the innovation capacity of European industries, large and small, generating economic growth and supporting meaningful jobs for citizens. CPS are key infrastructures for our modern society and represent one of the key factors of Industry 4.0. They can improve the quality of life of citizens and the competitiveness of European industry. CPS4EU aims to arm Europe with extensive value chain across key sectors. The vision of CPS4EU is to foster innovation that will maintain and strengthen European leadership in key sectors of the economy by creating synergies between SMEs, large companies and large research organizations operating in the CPS sector. The project proposes to develop a new generation of CPS based on a modular, standardized and pre-integrated architecture, simplifying the design and development of new devices and reducing the time to market. CPS4EU achievements will be benchmarked and demonstrated through 15 demonstrators that cover Automotive, Industry Automation and other key industrial sectors (eg. Energy).

Eurotech has an important role and contribution in the design and development of IoT and cyber-physical solutions for the industrial automation.

InSecTT - Artificial Intelligence of Things (AIoT) is the natural evolution for both Artificial Intelligence (AI) and Internet of Things (IoT) because they are mutually beneficial. AI increases the value of the IoT through machine learning by transforming the data into useful information, while the IoT increases the value of AI through connectivity and data exchange. Therefore, InSecTT – Intelligent Secure Trustable Things, a pan-European effort with 54 key partners from 12 countries (EU and Turkey), will provide intelligent, secure and trustworthy systems for industrial applications to provide comprehensive cost-efficient solutions of intelligent, end-to-end secure, trustworthy connectivity and interoperability to bring the Internet of Things and Artificial Intelligence together. InSecTT aims at creating trust in AI-based intelligent systems and solutions as a major part of the AIoT, i.e. moving AI to the edge and making AI and ML based systems more than simply a black box but something credible and explicable.

InSecTT will foster cooperation between big industrial players from various domains, a number of highly innovative SMEs distributed across Europe and cutting-edge research organizations and university. The project features a large variety of industry-driven use cases embedded into various application domains, i.e. smart infrastructure, building, manufacturing, automotive, aeronautics, railway, urban public transport, maritime as well as health. The demonstration of InSecTT solutions in well-known, real-world environments like trains, ports, airports and the health sector will generate a huge impact on both the high and broad level, from citizens to European stakeholders. It will establish the EU as a center of intelligent, secure and

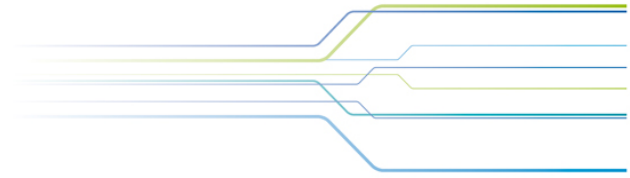


trustworthy systems for industrial applications enabled by a strong industry with a strong reputation and an informed society, in order to enable products and services based on AI compliant to European values and “Made in Europe”. Eurotech has been involved throughout 2019 in the preparation of the InSecTT project which will launch in 2020. Eurotech will be involved in the design and development of IoT oriented solutions including wireless smart sensing.

ECSEL Strategic Research Agenda (SRA) - A radical, digital transformation is going on and strongly influencing how we live and how we work. The innovations that lie at the heart of this transformation are founded on the rapid developments of Electronic Components and Systems (ECS)-based applications. The ECS SRA sets the strategic priorities and technical pathways to enable European industry to become stronger and more competitive, and to have a significant and beneficial impact on society and the economy. In the 2020 update, prepared in 2019, the authors reflect the growing importance of Artificial Intelligence, and documented the required technology developments and the impact of Artificial Intelligence across all application domains. In addition, ultra-low power consumption of electronic components and systems was identified as a mandatory element to sustain the current pace of digital innovation in the long run. The Research, Development and Innovation (R&D&I) strategy addresses the essential capabilities required to meet the application needs, dissolving barriers between application sectors to create a complete ecosystem of companies, universities and research institutes cooperating together to develop key technologies and applications. Finally, in establishing an adequate environment to transform the research results into successful solutions, Europe will be strengthened and become a more competitive force. Implementing the ECS SRA will translate not only into economic value but also have profound societal impact, by contributing to meet the challenges of sustainable living and of the long-term European policy on zero carbon dioxide emissions. Eurotech is a member of the core team that defines year by year the ECS SRA and contributes to many chapters on topics related to embedded and cyber-physical systems, IoT integration platform and digitalization solutions.

COMMUNITY ENGAGEMENT

Eurotech is engaged in the communities where it operates and aims to have a positive impact through their sponsorship and participation in various initiatives and their contributions to local organizations. In 2019 Eurotech Group companies were active and present community members, not simply businesses operating in the areas where they are located. They have always represented good neighbors that share interests and



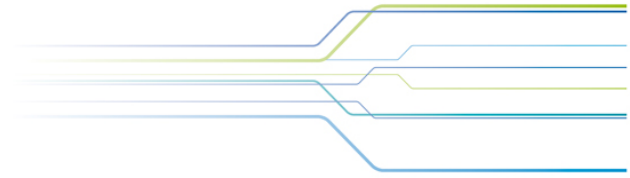
support local residents. Here are a few examples of Eurotech's involvement and actions they took in 2019 to demonstrate their solidarity and partnership:

Open Factory 2019 - Eurotech SpA participated again this year in the nation-wide initiative meant to showcase manufacturing and highlight some of Italy's most important players. We see it as an opportunity to introduce our company and our technologies to those in the community where we operate. The day featured a full program of events including site tours, product demonstrations, hands-on activities for younger visitors and, perhaps the best part, an opportunity to hear our CEO share Eurotech's technological vision. The event also serves as an occasion for our employees, who take great pride in what they do, to share their work environment with friends and families. They spend a majority of their time in our offices and laboratories and, Open Factory allows their loved ones to experience what they do every day.

Early Childhood Childcare Center: Advanet, Eurotech Group's subsidiary in Japan, made good on its promise last year to set up an early childhood care center for their workers. As discussions progressed and plans advanced, it was decided to make the service available for those in the community as well. Finding quality, affordable childcare while parents work is a universal concern. Advanet recognized that providing this service for their employees was not only in the company's interest but it could serve the larger community as well. Advanet takes pride in being a leader in social responsibility and its childcare center represents just one initiative that fosters socially sustainable business practices.

Trieste4digital was a free event held in concurrency with the European Coding Week in October to educate both young and old about digital technologies. It was a collaborative effort and included the participation of technology companies, the University of Trieste, the city of Trieste and several organizations dedicated to coding. The event featured laboratories and seminars of interest to all age groups that focused on digital awareness and creativity. The occasion also served to guide participants towards computational thinking, useful in problem solving and applicable across all fields.

Sponsorization and Financial support Eurotech is actively involved in the areas where it operates in fact, all Eurotech companies give back to their local communities through the sponsorization of teams, clubs and local initiatives. Eurotech SpA, headquarters of the Eurotech Group, encourages its companies to follow their lead and support the organizations in their areas because it is these organizations that transform a city from simply a place to live, to a community center where people are engaged and committed, creating an environment that is a safe, sustainable haven for our families.



AWARDS AND RECOGNITIONS

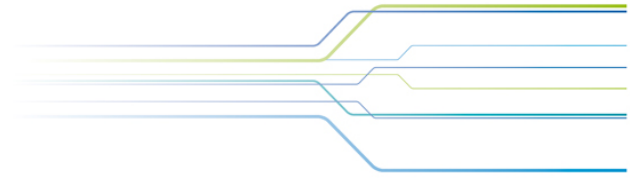
Eurotech has been a technology leader since its inception. Its portfolio of innovative products and services are recognized throughout the industry as the standard to follow. In 2019 Eurotech products and services were again recognized by top industry professionals and technology specialists:

IoT Platforms - Global - Growth, Innovation and Leadership Frost Radar Award 2019 Frost & Sullivan Best Practices Award 2019 - Based on its recent analysis of the global Internet of Things (IoT) platforms market, Frost & Sullivan recognizes Eurotech S.p.A with the 2019 Global Growth, Innovation & Leadership Frost Radar Award for its Everyware Cloud IoT Integration Platform. The full-suite platform can be hosted in the cloud, on-premise in a data center or at the edge to access, manage, and update devices. Its edge portfolio comprises IoT Gateways, edge servers, and high-performance edge computers for various vertical (stationary and mobile) markets and applications.

Frost and Sullivan best practices Award 2019: European Internet of Things Solutions for Rail Systems Competitive Strategy Innovation and Leadership Award - Based on its recent analysis of the European Internet of Things (IoT) solutions for rail systems market, Frost and Sullivan again recognizes Italy-based Eurotech with the Best Practices Award 2019 - European Competitive Strategy Innovation and Leadership. Its hardware line for rolling stock and secure IoT integration platform has attracted the attention of top rail industry participants, such as operators and train manufacturers like Deutsche Bahn. Its compact compute, data storage, transmission, and signalling system devices help urban and freight rail companies monitor life-cycle performance, detect anomalies, and manage systems more effectively.

Best in Show Award - IoT World 2019 - Eurotech edge-to-cloud IoT platform, Everyware IoT, was awarded best in show in the *Wired and Wireless Connectivity*, including IoT and IIoT category by *Embedded Computing Design* at IoT World Conference and Expo 2019 in Santa Clara, California. The platform offers an open, integrated and managed IoT architecture to easily manage large IoT deployments and simplify the development of IoT projects. The scalable platform increases operational efficiency and security at device and cloud level, integrating industry-certified IoT gateways and Edge Computers, an enterprise-ready IoT Edge Framework and an IoT Integration Platform to digitalize data and connect field devices with leading IoT cloud services.

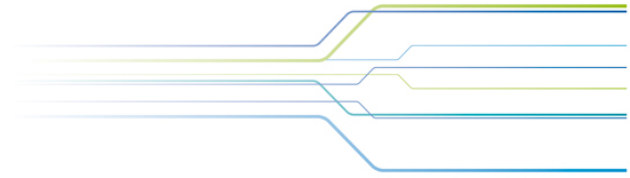
Innovation Day 2019 - In 2019 *Selezione di Elettronica* (Electronic Selection) recognized Eurotech's liquid cooled, DynaCOR 50-35 HPEC. The respected and well-established monthly periodical, dedicated to the



electronics sector, highlights new technologies, products and applications. Their field experts awarded Eurotech for the category “Embedded Systems”.

TMC and Crossfire Media’s 2019 IoT Excellence Award - The 2019 IoT Excellence Award honors innovative products that support the availability of information being deduced, inferred and directly gathered from sensors, systems and anything else that is supporting better business and personal decisions. The ReliaGATE 10-14 together with a strong hardware modularity delivers the benefits of a software framework to collect and manage the data at the Edge while integrating OT and IT in the Cloud to easily build manageable and flexible end-to-end IoT solutions.

"Congratulations to the winners of the 2019 IoT Excellence Award," said Carl Ford, CEO of Crossfire Media. "The recipients have demonstrated excellence and represent leaders in the IoT industry. We look forward to seeing their future endeavors." For more than 20 years, TMC has been honoring technology companies with awards in various categories. These awards are regarded as some of the most prestigious and respected honors in the communications and technology sector worldwide. Winners represent prominent players in the market who consistently demonstrate the advancement of technologies. Each recipient is a verifiable leader in the marketplace.



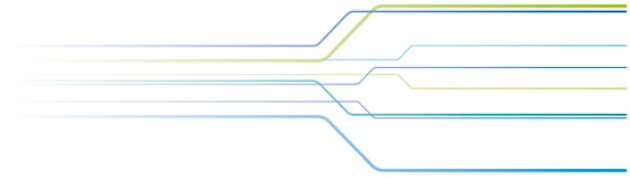
FUTURE GOALS AND THE 17 SDGS

Future goals:

- Eurotech SpA is reevaluating its NDA framework to include a clause that requires co-signers to comply with its Code of Ethics.
- Eurotech Ltd. has sought estimates to substitute its light fixtures in favor of LED lights and hopes to make the change in 2020.
- Eurotech Ltd. has scheduled the replacement of its boilers in 2020 in favor of more energy efficient models.
- Eurotech Group is sensitive to the impact the commute to work has on the environment especially when it considers its global workforce of more than 300 employees. Direction is evaluating options to carbon offset this affect.
- Eurotech engineers and product developers are keenly aware of the impact electronic devices have on the environment and resources. They are working to reduce not only the power requirements of our products but the packing materials used as well.
- Eurotech Ltd. carried out an initial environmental audit to determine the full range of environmental aspects and impacts so that they can build a management plan during 2020
- The EU has drafted new conflict mineral regulations to be active in 2021. Eurotech Ltd. is studying the ordinance and hopes to be compliant in 2020 before the regulation goes into effect.
- Roberto Siagri has called for a formal, written declaration, together with other technology companies, promoting sustainability and outlining measures based on digital foundations. Dr. Siagri affirms that we have reached a crucial point for the entire world and, in the belief that sustainability can be achieved through innovation and technology, it is time for those within the industry to act.
- Planned for early 2020, Eurotech SpA will offer a seminar dedicated to gender violence with special emphasis on the less evident, nonphysical expressions of violence including, emotional and psychological rooted in the use of language, intentional or not.
- Eurotech Spa will participate in the annual M'illumino di Meno (I light up less) event again in 2020. It will also encourage all Group companies to participate both at work and at home. They have also called on Group companies to share similar events in their countries in order to make an even greater impact, worldwide.

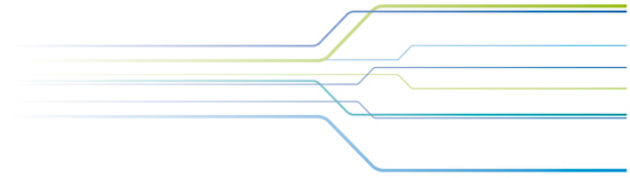
The 17 Sustainable Development Goals

- **#3: Good Health and Well-Being:** In 2019 Advanet established a smoking area for its employees. While direction encourages those who smoke to quit due to well recognized adverse health effects, smoking is still very widespread throughout Japan and, unlike most countries, it does not ban smoking in public places or require designated areas. In fact, the country is currently debating how to manage smoking for the upcoming Olympics. Advanet took a stand and

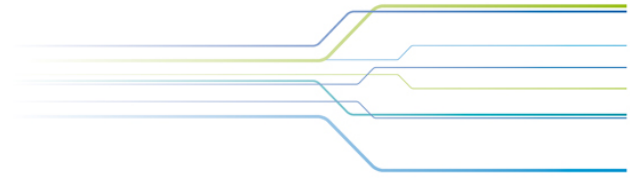


has clearly defined an external area where smoking is permitted. Unexpectedly, the move is not universally popular but, it was decided that in the best interest of non-smokers the policy would be implemented. Similarly, they opened an outdoor terrace for their non-smoking employees so that they too have an outdoor area for breaks, eat lunch or simply enjoy some fresh air during their work day.

- **#4 Quality Education:** Eurotech Group promises to maintain its commitment to schools and quality education by continuing its pledge to host school groups, internships, and offering valuable professional experiences with qualified experts.
- **#5 Gender Equality:** Eurotech demonstrates its support of women and their full inclusion in society everyday through its fair employment policies in all its companies worldwide. However, Eurotech and Dr. Roberto Siagri in particular, recognize that until full participation has been realized, special attention must be paid. Throughout 2019 Dr. Siagri served as technical consultant, mentor and firm supporter of a female led initiative meant to improve air quality and offer traceability within the food industry in areas of Africa, home of the project's creator. Recognizing the importance and sustainability at the heart of the project's goals, Dr. Siagri regularly met with the project's founder to follow progress and offer advice.
- It is no surprise that Eurotech France regularly participates in events dedicated to women in technology given that its director is a woman who just happens to be a physicist and an electrical engineer. She is all too aware that we have not reached gender parity in the workplace, above all in STEM fields and she feels it is her duty to motivate and educate women and help them find their place in technology related companies. She often attends conferences on IoT, Edge Computing and HPEC and shares her experiences with groups at her alma mater. In 2019 she was featured in the project, *Some Digital Women*, which highlights women in industry and the broad range of professions they represent. The project also serves to introduce female role models, breaking down stereotypes especially in technical fields.
- **#8 Decent Work and Economic Growth:** While Eurotech is currently compliant with ISO45001, which regards Occupational Health and Safety, its goal is to have official ISO45001 certification by 2021.
- Youth unemployment is an issue throughout the world and in underdeveloped countries in particular. Advanet strives to be socially responsible and to curb youth unemployment by extending professional opportunities to disadvantaged groups including those outside Japan. One way they do this is through hosting foreign workers. They offer eight-month training programs to young foreigners to increase their skills and gain experience. The program has not been broadly embraced in a country that cleaves to its traditions and takes pride in its ethnic homogeneity. Direction is steadfast however in the belief that the program is mutually beneficial. The foreign worker benefits by participating in a valuable work experience and local workers benefit by sharing their skills and culture and they have an opportunity to improve their English skills.



- **#11 Sustainable Cities and Communities:** Eurotech France contributes to the “Green Attitude” initiative in their industrial zone by supporting the electric bus that employees of the companies within the zone can use for free. It connects the zone with the tram and the metro and encourages the use of public transport.
- **#12 Responsible Consumption and Production:** To achieve the most efficient operations and uniform standards within our supply chain, our main procurement activities have been centralized to our office in Cambridge and fall under the direction of our World Wide Supply Chain Manager. His main focus is making sure our suppliers’ activities are not only sustainable on paper but also in practice. In addition, our Head of Purchasing at Eurotech SpA is actively involved in the selection of new suppliers and although he relies on audits and the information he gathers, most important, he personally visits our biggest suppliers to gauge their activities and evaluate their production sites.
- **#13 Climate Action:** Our site in Amaro, to conserve energy for heating and cooling, which represents the biggest portion of consumption, is evaluating the installation of a direct expansion heat pump.
- **#15 Life on Land:** Guests at this year’s Open Factory at headquarters in Italy were not only treated to tours, presentations, and hands-on activities, they received a small gift as a part of their participation; Eurotech provided everyone with an eco-friendly pencil. They were not only made from sustainable sources, they contained seeds and could be planted and therefore help reduce carbon dioxide and other greenhouse gases.
- **#16 Peace Justice and Strong Institutions:** Eurotech is working towards SA8000 certification. This standard regards Social Accountability and like other international standard certifications, is uniform, recognized and verified through third-party audits. It goes beyond existing labor policy and further enforces Eurotech’s commitment to socially sustainable business practices
- **#17 Partnerships for the Goals:** Eurotech is working closely with Comunità Piergiorgio, an ONLUS organization that supports the disabled by offering traditional healthcare services and more important, teaching skills that encourage independence, including training courses and organizing work experiences.



CONCLUSION

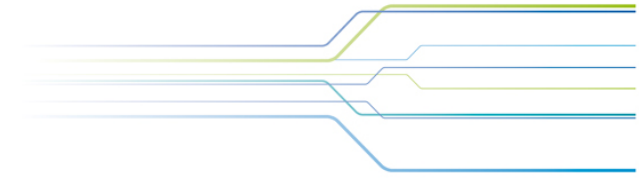
The 20th century was witness to incredible advances in technology which eradicated disease and brought previously unimagined advances in medicine, raised living standards which contributed to long overdue social progress, and increased our understanding of the universe even permitting space exploration. As we enter the second decade of the 21st century it is time to finally address and rectify the challenges and inequalities that still exist around the globe. The UN has identified the most pressing concerns we face and outlined targets in the 17 SDGs and the 2030 agenda.

The greatest chance to fulfill the agenda lies in the development and application of new technologies. They will have an even greater impact in this century than in the previous. They can balance inequalities and represent a source of unlimited opportunity. In fact, in 2018 MGI estimated that an additional \$13 trillion could be added to global GDP by 2030 through digitization, automation and AI. Their impact will be felt in transport, manufacturing, ICT, networking services especially retail, and media and entertainment, the health sector, finance, smart energy even in HR. They will offer new opportunities, provide new markets and given the wide range and nearly limitless potential to reach every aspect of our life, digital technologies will be an integral part of any solution to eliminate underdevelopment and achieve the 17 SDGs.

Roberto Siagri, founder and CEO of Eurotech has long recognized the potential of technology to improve the quality of life and stated late last year, “I don’t believe that man was put on this earth to suffer but rather, to find the answers to our existence.” His comments came in an interview which followed his intervention at a symposium which took place in 11 Italian regions and is considered the most important event dedicated to Corporate Social Responsibility and social innovation in Italy. In his presentation he emphasized how technology will serve not only to simplify our lives but, how it has the potential to redistribute wealth and encourages sustainable practices.

Alongside the expansion of digital technologies there must be a focused effort to eliminate the digital divide so that existing inequalities will not be exacerbated. International support is necessary for developing nations to unlock the potential digital technologies offer to the SDGs. The Global Compact is an important and effective platform to encourage uniform application and to prioritize underdeveloped nations for the expeditious accomplishment of the 17 SDGs and the 2030 agenda.

Our goal in Eurotech is to continue research in technologies and develop products that make our lives better and contribute to our well-being. Most important, our products like digital technologies and the advances they bring, together with other advocates of the Global Compact, will help us end suffering and bring about universal prosperity. They will allow us the time and freedom to finally explore the existential question, “why are we here?”.



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