

Eurotech UN Global Compact Communication On Progress

Reporting Period: January - December 2020





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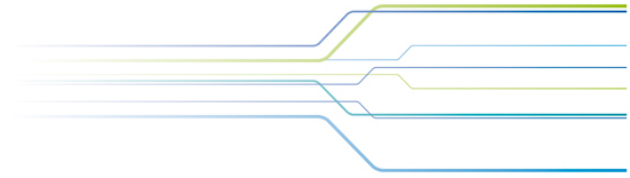


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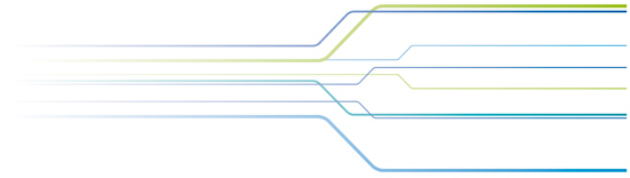
INTRODUCTION

The Global Compact was created for businesses and institutions as a framework to help establish more equitable societies and to safeguard the earth and its resources. It encourages better, more sustainable business practices and member organizations are required to clearly and transparently report their sustainability efforts. It began with ten principles and has expanded to include 17 Sustainable Development Goals to be achieved by 2030. It is an important initiative as it recognizes everyone as stakeholders, who are both beneficiaries and benefactors for the greater collective and act on behalf of the planet.

With its voluntary nature and flexible structure, it serves as a source of support and information, not as a regulatory body or policy maker. Former Executive Director, Lisa Kingo offered, “we are the guide dogs not the watch dogs” which only emphasizes the enthusiasm and commitment by the part of participants. Now more than ever, it is a tool for change and empowerment as we enter this period of post Covid-19 recovery.

It will take commitment based on action by all players to fully regain the strides that were made pre-Covid-19 but, it will be achieved. The global pandemic has proven that we are all equally susceptible and wealth and resources are not an adequate defense against a virus that is capable of rapid spread across geographic boundaries. A safe and solid future for everyone requires an approach that strengthens the weakest rather than exploiting their fragilities and profits from their further impoverishment. With greater consideration and increased awareness must also come a profound change in the way things are done including new business models and an increased application of available technology. The world’s richest nations have been forced to examine their own vulnerabilities and now must choose a more resilient path that is universally uplifting.

It can be achieved if governments and civil society initiate a change in behavior and begin to recognize that one’s personal welfare is intrinsically dependent on collective well-being. The beginning of the pandemic saw panic stricken shoppers hoarding basic supplies without regard for others. As the pandemic persisted and a growing number of countries fell victim, it became



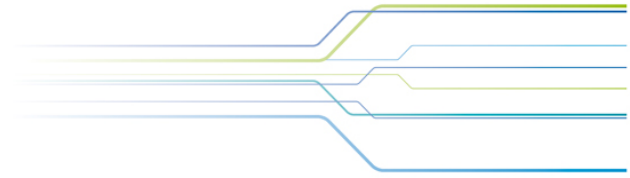
clear that no man or nation is an island and we can't safeguard ourselves without safeguarding others. Absurdly and selfishly stockpiling household resources including sanitizers and disinfectants provides a temporary sense of security but any individual's long term safety can only be assured by bolstering the most vulnerable. Our wellness is inevitably tied to others, and as the world has become progressively more connected, we are not only more aware of events in other geographic areas, we increasingly feel the effects more directly.

The Global Compact is a new point of departure. As vaccination programs begin to eliminate the virus' threat and we move on from Covid-19, we must systematically apply the principles that form the foundation of the Global Compact. They act as an equalizer and will guarantee a secure future for everyone and help maintain a healthy planet.

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: Labor

- 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.

SECTION: Environment

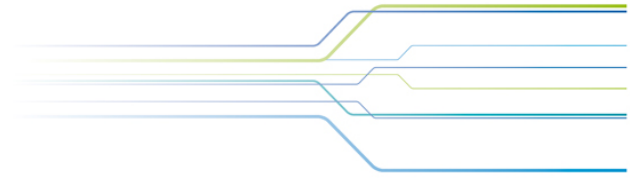
- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 Undertake initiatives to promote greater environmental responsibility; and
- Principle 9 Encourage the development and diffusion of environmentally friendly technologies.

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

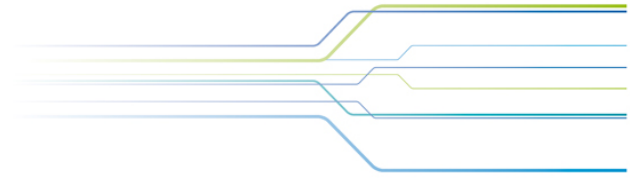
2020 was a year of uncertainty, disruption and isolation. In January the world was introduced to a new threat that left people literally fearing for their lives. But 2021 has arrived and we are finally seeing the light at the end of the tunnel, in a “new” normality.

Businesses are reopening and events are being scheduled allowing people to feel less vulnerable and alone. On a larger scale, we see governments working to draft and revise policies and enact recovery programs to overcome what has been devastating from both a health and economic perspective.

For me, 2021 also begins with a new and exciting adventure. In late March I joined the Eurotech Group, attracted by its technology recognition, impressive product catalog and a great Team, and last but not least the opportunity for my family and me to come back in Italy, following more than 25 years of living and working abroad. Eurotech HQ is placed in North-East of Italy, surrounded by mountains and natural landscape. There is a strong commitment to develop products and services that respond to the needs of today’s world and a promise to produce them efficiently and effectively, by respecting our environment.



My international background and experiencing in growing businesses allow me to bring new insights to the Eurotech journey. Drawing on my latest experience with sensors, software, and connectivity in mission critical applications I believe I can help the team channel their profound technical knowledge towards solving digitally the most pressing customer problems. Sustainability must be a focus point too: no future will be granted if we won’t respect a set of common rules fixed in 2030 Agenda and Global Climate Summits.



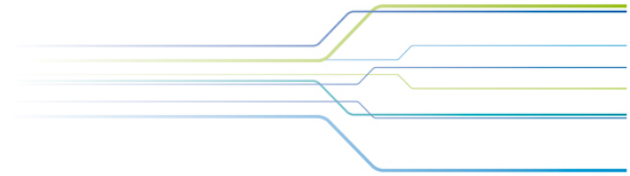
Our attention must turn back to climate change and sustainability for our planet. Digital technologies can be the “vaccine” that serve not only as a viable means of prevention but can offer lasting immunity and efficiencies to the issue’s climate change is responsible. Climate change and its effects cause the inequalities that are splitting our planet. It is not merely our health and comfort that depend on reversing climate change, our survival depends on it.

Amanda Gorman recited her poem, “The Hill We Climb” during US President-elect, Joe Biden’s inauguration. Her words eloquently capture what her country must do in order to mend its divisions, “We will not march back to what was, but move to what shall be, a country that is bruised, but whole, benevolent, but bold, fierce, and free.” These sage words apply to all nations and companies and reinforce that we must forge a new path for society out of the current crises and towards a more solid and sustainable world leveraging digitalization as an accelerator.

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.

Amaro (Italy), June 23rd, 2021

Signed by
Paul Chawla
CEO



SECTION: HUMAN RIGHTS

In contrast and in keeping with the forward-thinking that has become synonymous with its name, Eurotech has always pledged to protect these basic, undeniable rights; the Human Rights. They not only proudly and clearly state their support in our Code of Ethics, they demonstrate it in our actions. From understanding carbon footprint to supporting women in achieving equality or helping disadvantaged communities in underdeveloped countries, Eurotech's commitment to human rights could not be stronger.

Principle 1 Businesses should support and respect the protection of internationally recognized proclaimed human rights; and

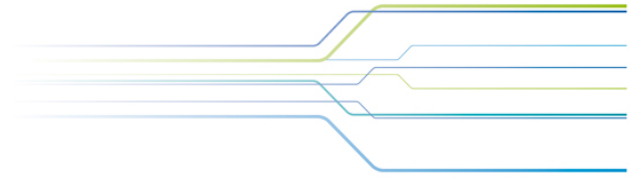
Principle 2 Make sure that they are not complicit in human rights abuses.

Company commitments:

- Eurotech is committed to the 30 articles on Human Rights as expressed in the UN's Universal Declaration on Human Rights. In particular, Eurotech Group, as employers, support the affirmations, as described in articles 7, 18, 20, 23, and 24.
- Eurotech Group firmly and proudly supports and respects the protection of internationally proclaimed human rights.

Company Example

Each year in our COP, it is with pride that we include our products as testament to our commitment to the environment and how they promote sustainability. But, just as tackling climate change contributes to all of the SDGs, our products serve as a plurifunctional tool for sustainability. Specifically, in early 2020 a small start-up that included entrepreneurs, technology specialists and environmental advocates approached Eurotech with their REN4WATER project. The project began in 2015 and aims to provide safe, inexpensive drinking water in developing nations where clean water is often unavailable without the use of chemicals or fossil fuels. In fact, boiling water is the most widespread method of water purification and the elimination of organic toxins and contamination. However, this method requires carbon fuels, often resulting in deforestation and produces CO2 emissions. Project founders sought an innovative solution that not only offered clean, affordable water but would be 100% powered by renewable sources and carbon emission free. Eurotech was impressed by the ambitious project that delivers an essential need through the use of sustainable technology. Moreover, the eclectic team includes not only technology and business experts but an anthropologist as well, thus ensuring that the project respects cultural and social sensitivities and targets real need where it is employed.



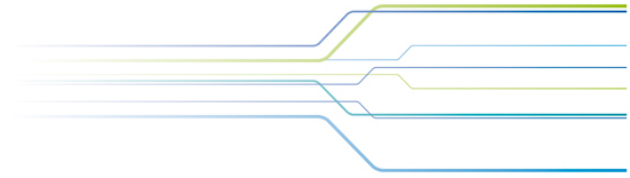
Eurotech donated two of its IoT gateways to the project to help provide potable water, an essential human right.

Company Example

Eurotech Ltd., responsible for global procurement, studied EU new conflict mineral regulations due to take effect in 2021 and became compliant in 2020, ahead of schedule.

Company Example

Safety and security represent basic human rights that should be universally protected and are among an employer's primary responsibilities to its workforce. In 2019, due to increasing incidents of terrorism and acts of violence, Advanet installed new access system to secure its locations and further protect employees. In 2020 It completed installation and the system was upgraded and now also serves as a medium to define the precise location of individuals within the premises. It is an important asset to first response workers in the event of a natural disaster and is essential in a country that regularly experiences powerful earthquakes.



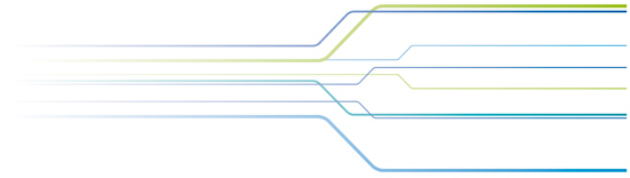
SECTION: LABOUR

Eurotech understands that decent work is a fundamental aspect of sustainability and goes above and beyond the mandatory legal stipulations to demonstrate that its employees are important stakeholders. Satisfied employees share the Group's mission and are an essential element for Eurotech to Imagine, Build and Succeed.

- 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 some of those standards that are not legally required.
- Eurotech Group is committed to offering a safe workplace to all its employees worldwide. Whether it is an employee stationed at a desk, a warehouse employee or a laboratory technician, their safety and comfort are priority. Eurotech provided its global staff the equipment necessary to allow them to work from home.
- 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 labor and the complete abolition of child labor.
- Eurotech Group stands against discrimination in respect of employment and occupation.



Company Example

Due to the Covid-19 pandemic businesses, schools and non-essential services were temporarily suspended to minimize contact in the hopes of controlling the spread of the virus. Companies mobilized to enable their personnel to work from remote and at the virus' peak, four out of ten workers in Europe were engaged in smartworking. Despite the overwhelming number of people working from home, many more were furloughed, including some Eurotech employees. Those furloughed were largely specially trained technicians that require the tools and machines in our production facilities. In addition, a minority of workers asked to be furloughed following the government's authorization to reopen facilities as they felt vulnerable due to personal issues. Eurotech understood the gravity of the situation and was sensitive to the needs and concerns of its employees. Anyone that asked to be furloughed was allowed to stay home and receive the government compensation allocated for the crisis. Eurotech further protected its workforce by providing an advance on the government's assistance, ensuring its employees regular retribution, even during the crisis.

Company Example

In March France began a strict lockdown which lasted two months and was gradually relaxed in May 2020. Government guidelines required smart working for those employees whose job allows for remote working as well as for individuals whose health may put them at higher risk for Covid complications. Employers were required to take steps to protect the physical and mental health of their employees, including the adoption of mask requirements and social distancing. The French government enacted a "partial activity" scheme, a short term furlough of employees, while maintaining a portion of their salary, generally 70%. Eurotech France participated in the partial activity program for its employees however, it still provided 100% of their salary.

Company Example

Worldwide, all Eurotech locations adopted procedures to safeguard employees against the Covid-19 virus. In Japan smartworking was adopted in their Tokyo office as limited office space made social distancing nearly impossible. When circumstances required an employee to be present in the office, a reservation system was devised to guarantee a safe environment. Instead, at their production facilities in Okayama, where only a fraction of employees maintains a role compatible with smartworking, a more creative solution was needed to keep their production staff active but at the same time keep them safe. Direction devised a schedule that reduced employee presence by 50% but did not entail production stoppages or lay-offs. The work day was lengthened such that two shifts could be implemented, thus allowing the same daily output with just half of the employees present at one time. Overall employees enjoyed the rotating shifts as they provided extra free time in the morning or in the afternoon. In addition to adopting a staggered workday, direction at Advanet paid for Covid tests for employees to help with costs and ensure responsibility, moreover they purchased covid test kits to have available on-site for workers.

Company Example

As a technology company Eurotech feels particularly compelled to close the gender gap in employment and especially in STEM roles. In 2020 several women were hired worldwide including three women in Amaro, two in technical positions. In Japan, a new female engineer was also hired. Moreover, a female engineer who has worked among the ranks of Advanet's R&D was promoted after three years to project manager and has been given considerable responsibility and an important leadership position. In addition, a woman was hired to work alongside management in general affairs. Her appointment is notable as it demonstrates Advanet's continued support of the diversely able. They all represent important placements as Japanese culture still tends to overlook women in the workplace.

Company Example

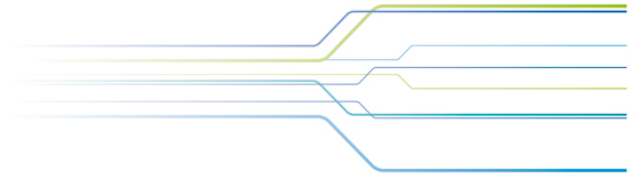
Since 2016 Eurotech Inc has operated without a specific HR figure. However, changes within the workplace and safety regulations introduced in 2020, due to the covid crises, brought increased responsibility and required a specialist to fulfill the role. Eurotech Inc decided to seek the services of a consulting firm to manage their HR.

Company Example

Eurotech Group boasts that all over the world it employs the most competent and qualified people who are passionate about their field and who continue to update their skills and widen their professional horizons. Training and formation are necessary to maintain a high-quality workforce and Eurotech knows that it must provide these mutually beneficial opportunities to maintain a satisfied and an engaged staff. Even during the uncertainty of 2020 and the disruptions in the workplace, Eurotech made sure its employees, worldwide, had access to training. In Amaro alone, over 500 hours of training and formation were offered. Courses continued in an on-line format, rather than in person. In some cases, this even proved advantageous as Eurotech engineers in the UK, US and Italy were able to participate, in real time, in a course specific to their needs. Courses are not limited to hard skills, rather, they include language courses and other soft skills that serve employees even outside the workplace. All courses are on a voluntary basis, open to all employees and are completed funded by Eurotech, in addition to being offered during the regular workday.

Company Example

Eurotech understands the strain of working from home and during quarantine sent out several mails regarding the importance of self-care. They stressed the importance of taking a break which should include physically moving, and maintaining usual business hours, avoiding working longer days, even if many employees found it easy to extend their working day, especially when they did not have a long commute to face.



SECTION: ENVIRONMENT

Being a global company is a source of pride, it proves the value of Eurotech products and services which represent the catalyst for company growth and expansion. From a small start-up in an unknown corner of northern Italy to a major technology company with offices and customers all over the world, Eurotech is an important presence and a driver of innovation.

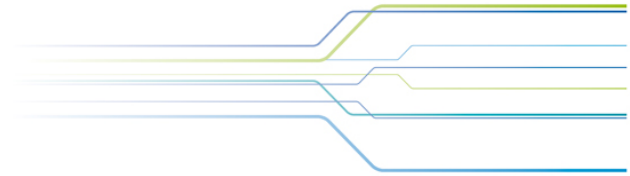
However, with these bragging rights comes a responsibility. Eurotech Group must consider its impact both where it operates and where its products and services are employed. Eurotech has always pledged to operate responsibly and with caution with regards to the environment. Its updated code of ethics makes its position clear, “The Company continuously seeks solutions permitting the reduction of the environmental impact of its activities, products, and services. It also works on the implementation of systems for managing environmental variables that envisage building awareness and involvement of employees.”

Eurotech recognizes it can play an important role in supporting sustainable development. From drafting a new Code of Supplier Responsibility to donating products to remote villages to supply drinking water, Eurotech’s promise to the environment and sustainable development has never been stronger.

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|--------------------|---|
| 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:

- All Eurotech Group companies are subject to environmental audits.
- When Eurotech Ltd assumed the role of global procurement one of the first actions was the adoption of the drop shipment method. As they continue their efforts towards a truly sustainable supply chain, they regular control the production activities of sub-contractors.



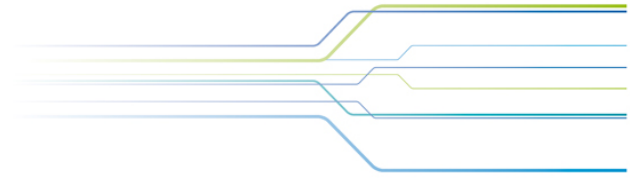
- Eurotech Group European countries are conformant with REACH directives and compliance is updated every six months.
- Eurotech Group is not only in compliance with the new, expanded EU RoHS directive, it can now enforce RoHS3 and can provide RoHS3 evaluation for BOMs and advice on component selection for RoHS3.
- Eurotech is WEEE2 compliant since updating its WEEE reporting system 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.

Company Example

In early November 2020 Eurotech partnered with a local start-up that specializes in assisting businesses achieve more sustainable business practices, thereby fulfilling its promise to review its energy consumption and gauge its carbon footprint. Understanding its energy consumption has been a goal since becoming a member of the Global Compact and finally Eurotech found the right partner to undertake the challenge. “Carbon footprint” project is now limited to its main branch located in Amaro (Italy) and the Italian operating locations. However, the collaboration is expected to last at least a few years allowing headquarters to eventually take over the process of gathering, deciphering, and reporting information. Once procedures have been established other Group companies will evaluate their consumption and determine their own carbon footprints to then begin a reduction plan. The project is developed into three main steps: assessing the carbon footprint on the base of the life cycle approach, adopting the action plan to reduce the greenhouse gas emissions and the carbon footprint, reaching carbon neutrality by purchasing certified carbon credits. In 2020 Eurotech completed the first step.

Company Example

The Italian Railway Safety Agency regulates the railway industry to guarantee safety and quality standards. Systems approved for use on Italian trains must meet strict operating conditions including, life cycle and reliability requisites. Eurotech systems meet the required standards and go beyond mandatory guidelines. For example, the paints used on systems employed on Italian trains are water based. It is a voluntary choice to protect both the environment and the technicians performing the conformal coating.

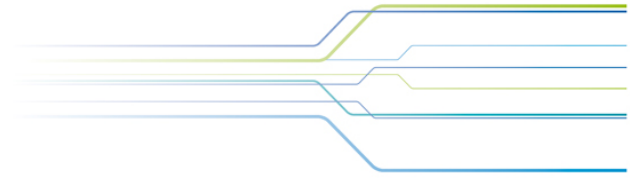


Company Example

Eurotech has a long history within the railway industry with customers all over the world. It is proud to collaborate with its German railway customers that are introducing hybrid motors for a new fleet of trains that will run on both electricity and diesel.

Company Example

Eurotech Group is committed to sustainable operations, which includes responsible energy use. Advanet installed a system to monitor its power consumption at its production facilities in Okayama. Direction's goal was to define any weaknesses or outright waste and make corrections where needed. Thanks to the focus given on efficiency and responsibility, they witnessed a 5% reduction in consumption even though they significantly expanded their hours by opening earlier, closing later and even working some weekends and holidays.



SECTION: ANTI-CORRUPTION

Eurotech prides itself on its history of honesty, transparency, and integrity. It understands that corruption at the corporate level risks the environment and the livelihood of not only its employees but all its stakeholders. Eurotech strives to be efficient, effective and above all responsible in the development and production of its goods and services. It avoids any conflict of interest and commands that its employees report any irregularities that compromise its anti-corruption stance.

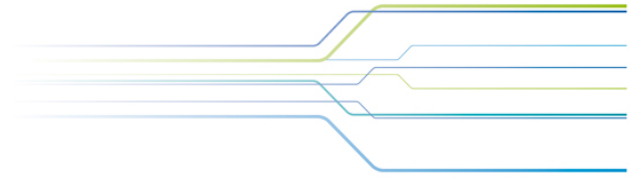
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Company commitments:

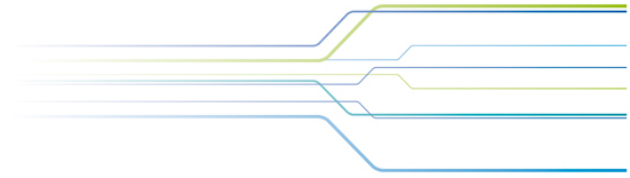
- Eurotech SpA in Italy is subject to regular audits, both financial and customers audits. We believe our full cooperation is proof of our transparency and commitment to fight corruption.
- Eurotech Group companies hold multiple certifications that are updated yearly and vary from quality assurance, 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

In November 2020 Eurotech began a series of courses to educate employees on current laws regarding privacy and the protection of personal data. The course was mandatory for everyone and served both new employees, who may not be familiar with existing privacy laws, as well as



longtime employees, to update previous training on the handling of sensitive information and personal data. The course, although brief, was in-depth and detailed and featured clear case examples. Eurotech takes the protection of data seriously, whether it's information regarding our employees, customers or confidential company information; we treat it all with the same discretion and privacy is a priority.



RESEARCH, COMMUNITY INVOLVEMENT AND RECOGNITIONS

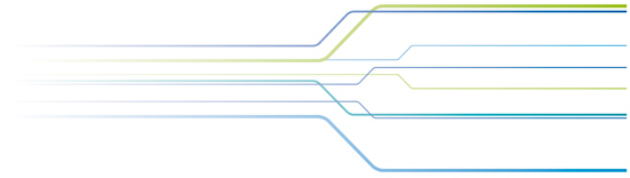
RESEARCH ACTIVITIES

Eurotech has always been committed to supporting research. It fully owns and directs the vision and strategic path of its research center, Eth Lab. This sophisticated research center and talent factory focuses on innovation and partners with academics, national and European government agencies, and other leading players in the private sector to develop new concepts and technologies to shape the future.

In 2020 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. In a society that is seamlessly sharing information, such solutions will impact on many sectors including e.g. production efficiency, energy efficiency, transportation efficiency, environmental footprint. In this project, 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 are key drivers 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

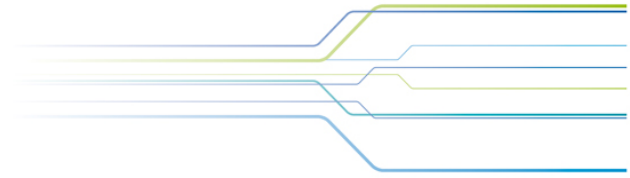


market. CPS4EU achievements will be benchmarked and demonstrated through 15 demonstrators covering Automotive, Industry Automation and other key industrial sectors (eg. Energy). In this project, Eurotech has an important role and contribution in the design and development of IoT and cyber-physical solutions 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 trustable, explainable and not just a black box.

InSecTT will foster cooperation between big industrial players from various domains, a number of highly innovative SMEs distributed all over Europa and cutting-edge research organizations and university. The project features a big 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 huge impact on both high and broad level, going from citizens up 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”. In this project, Eurotech is involved in the design and development of IoT solutions oriented to wireless smart sensing for the domains of public transportation and airports security.

ECSEL Strategic Research and Innovation Agenda (SRIA) - 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 SRIA 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. The 2021 release, prepared in 2020, consisted in a major update, intended to reflect the state of the art and future vision of the digitalization solutions based on ECS. Based on analysis of the major applications fields where Europe must maintain and/or develop its leadership, and of its current and foreseeable technology capabilities, this ECS-SRIA aims to identify the main focus areas for research and



innovation in Europe in Electronic Components and Systems and Key Digital Technologies for the next 10–15 years. To achieve these objectives, it must reflect the dynamics of our industry, characterized by continual technological advances and new applications being invented at an ever-increasing pace. Therefore, this cannot be a static document, and it will continue to evolve – with reviews every year and a major update every three years. This continuous process will enable all ECS stakeholders to be constantly aware of new emerging technologies, potential game-changers and the evolving long-term vision of the industry. Eurotech is a member of the core team that defines year by year the ECS SRIA and contributed to many chapters on topics related to embedded and cyber-physical systems, AI, Edge computing, IoT integration platform and digitalization solutions.

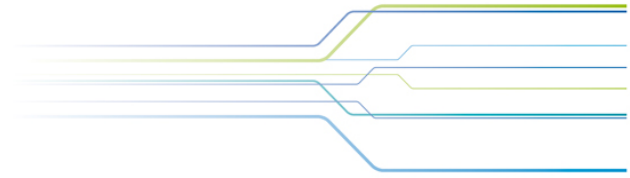
Recently, the European Commission coined the term “Key Digital Technologies” (KDT) to express why ECS are the basis on which many other digital technologies and many application areas are founded. The ECS-SRIA 2021 will provide direction not only to new KDT joint undertakings (alias ECSEL 2), but also to longer-term R&D&I activities on ECS in Horizon Europe, as well as to EUREKA clusters such as PENTA and EURIPIDES, and their successors. Eurotech is strongly involved in this new initiative, that represents the reference point for the ECS research in the next seven years.

COMMUNITY ENGAGEMENT

Many annual events in which Eurotech directly participates or helps sponsor, such as Open Factory and coding events, had to be postponed or cancelled entirely due to the Covid pandemic. Eurotech regrets the missed opportunity to contribute to the communities it values and leave a positive impact but agrees safety is first priority. However, this does not mean Eurotech was absent at such a critical time.

Here are a few examples of Eurotech’s involvement and actions they were able to take in 2020 to demonstrate their solidarity and partnership:

VOCE DONNA (WOMAN’S VOICE) Eurotech reached out to the local non-profit organization to ask for their support in offering a course regarding gender violence. Eurotech direction was impressed by the many services the group offers. Their activities include, legal counsel, safe-houses for battered women and their children, support groups and therapy, professional training, violence prevention seminars, job placement, literacy programs for foreign women and guidance for establishing police protection and filing complaints with the proper authorities. Following the overwhelmingly positive reception by employees to the gender violence



workshop, Eurotech decided to make a generous donation to the association in support of their activities.

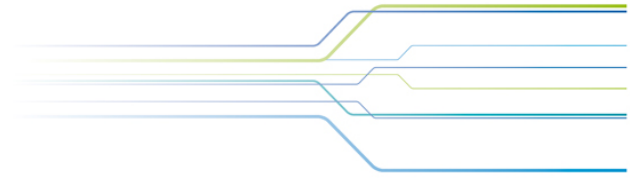
Safety In Our City Markets Eurotech contacted the city of Udine with the interest of donating passenger counters to be used at entrances to Udine's outdoor city markets in an effort to better manage large groups of people, to prevent the spread of Covid.

Making Masks More Effective Eurotech donated sensors and software technology to a local company that began producing masks during the peak of the Covid crisis. The sensors were used to test the effectiveness of the masks and gauge their protection from small particles. The real value and sense of community in this project lies in the fact that the project design was left "open" to allow companies interested in producing masks, the possibility to produce them with the same technology and effectiveness, free of charge.

Sponsorization, Charity 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. In this spirit, Eurotech Ltd. generously gave up their annual Christmas party in favor of organizing a charity event for an organization close to their hearts, Macmillan Cancer Support.

AWARDS AND RECOGNITIONS

Eurotech has always been an innovator and global leader in embedded products and software and is a key player in the development of IoT and even more advanced technologies like AI. The long list of awards and recognitions it has received over its twenty-five plus year history proves that it not only understands the market of today but, it has played an important role in shaping the future and the direction of technology and its interaction in our lives. Notwithstanding the standstill imposed by Covid and the impossibility to participate in global events and showcase Eurotech products and technologies, Eurotech still received awards and recognition by top field experts.



IoT Excellence Award 2020 - Eurotech received TMC and Crossfire Media's 2020 IoT Excellence Award for its BoltGATE 20-31.

The 2020 IoT Evolution 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.

"This award demonstrates for the umpteenth time Eurotech's ability to simplify the intrinsic complexity of every IoT project" commented Giuseppe Surace, Eurotech's Chief Product & Marketing Officer. "The BoltGATE 20-31 provides a modular and flexible component to win the challenges of the digitalization of Railway and Transportation applications. This approach allows the customer and final user to easily manage edge devices and integrate data with IT applications both at the edge and in the cloud".

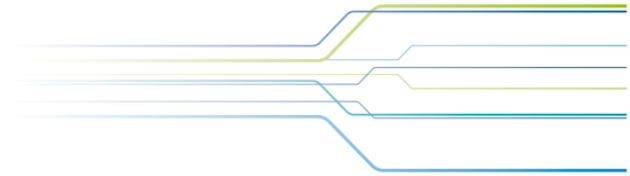
"It is my pleasure to recognize the BoltGATE 20-31 with an IoT Excellence Award for its Excellence in Innovation," said Carl Ford, CEO & Community Developer, Crossfire Media. "As a leader in this rapidly evolving industry, I look forward to seeing Eurotech's future successes".

Best in Class in "IoT platforms based on open source" by PAC (teknowlogy Group)

The purpose of the PAC RADAR from the market research and strategic consultancy PAC (teknowlogy Group) is to provide a holistic evaluation and visual positioning of leading IT providers within a defined IT segment on a local market. Using predefined criteria, the providers' revenue volumes and development and market share are assessed and compared alongside their performance and specific competences in the relevant market segment.

Their analysts concluded: "Eurotech is a uniquely positioned company in the market, able to offer IoT and edge computing building blocks, from very compact High Performance Embedded Computers (HPECs) to edge servers and IoT gateways, in combination with integrated IoT software framework for edge and cloud computing, fully based on open source".

Eurotech has nearly 30 years of experience in delivering hardware, software and services to win the challenges of next-gen applications in many vertical markets. This expertise, along with strong relationships built with many customers, system integrators and ecosystem partners such as IBM, Red Hat, VMware, AWS and Microsoft, allows the company to develop trusted IIoT edge components to enable the digital transformation of enterprises of any size with an end-to-end security approach.



Eurotech is Leader in SPARK Matrix™: Industrial IoT (IIoT) Platforms, 2020

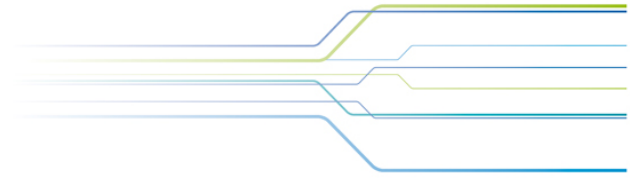
Eurotech recognized as 2020 technology leader in the SPARK Matrix analysis of the global Industrial IoT (IIoT) platforms market by Quadrant Knowledge Solutions

Quadrant Knowledge Solutions named Eurotech as the 2020 technology leader in the SPARK Matrix analysis of the global Industrial IoT (IIoT) platforms market. Quadrant Knowledge Solutions SPARK Matrix™: Industrial IoT (IIoT) Platforms, 2020 report examined Eurotech and sixteen other vendors by evaluating the company's product portfolios, technology strategies, market presence, and customer value proposition. Quadrant Knowledge Solutions' SPARK Matrix provides a snapshot of key market participants and a visual representation of their positioning, along with strategic insights on how each vendor participant ranks related to its competitors along several axis representing a range of performance parameters coinciding with technology excellence and customer impact.

"Eurotech, with its comprehensive OT-centric approach, edge-to-cloud IoT architecture, and seamless integration with IT systems, is well-differentiated in a crowded market and is well suited for complex industrial IoT applications", says Priyanka Jadhav, Senior Analyst at Quadrant Knowledge Solutions. "Eurotech's differentiated value proposition includes deep OT experience and domain knowledge, focus on OT solution and IT-OT integration, based on open architecture and no-vendor lock-in, TCO-focused approach, and complete stack of OT-centric technology for a broad IoT solution portfolio, including IoT gateways, edge computers, IoT edge middleware, and IoT integration platform" adds Jadhav.

2020 Global Competitive Strategy Leadership Award

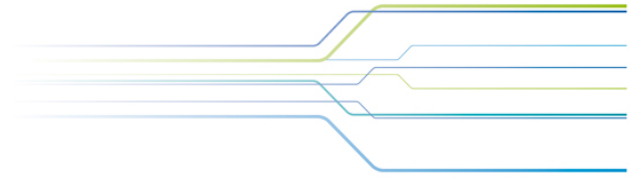
Frost & Sullivan recognized Eurotech with the 2020 Global Competitive Strategy Leadership Award for its focus on IT-OT integration. They noted, "company has nurtured a large ecosystem of partners, including OT and IT market leaders, to provide IoT solutions that address real-world business needs. By bridging the gap between IT and OT, Eurotech has developed products that adopt open source and open standards to 'uncomplicate' IoT deployments." Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analyses, and extensive secondary research to identify best practices in the industry.



FUTURE GOALS AND THE 17 SDGS

Future Goals:

- Eurotech SpA in Amaro began the process of determining its carbon footprint. It is hoped that in 2022 other Group companies can also begin the process.
- In 2019 Eurotech SpA expressed a desire to earn SA8000 certification, the management system standard based on human rights that addresses social accountability in the workplace. The hope was to meet with specialized consultants throughout 2020 and achieve certification by 2021
- After completing the first step of its carbon footprint calculation, Eurotech will select an environmentally friendly initiative to support to off-set its emissions.
- Eurotech Ltd., as global procurement head, oversaw adapting policies to meet new conflict mineral regulations that would take effect in 2021. They were compliant in advance of the deadline however, Brexit means that the UK will be drafting its own conflict mineral legislation. Again Eurotech Ltd. is leading efforts to ensure compliance and, Eurotech Group policies will reflect the standards which are, overall, most sustainable.
- In 2021 will offer a course on Italian Law 231/01. This law refers to administrative liability and companies found liable may face penalties for crimes committed by their employees if the company benefits as a result of the infraction.
- Eurotech Group is formally drafting its rules of Corporate Supplier Responsibility; it should be distributed to new and existing suppliers by the end of 2021. They include a code of conduct as well as a questionnaire for suppliers, to ensure that its partners share the same vision and values for a truly sustainable supply chain.
- In recent years, the Japanese labor market has experienced significant changes with an important shift in attitude by both employers and employees. Advanet, Eurotech's subsidiary in Japan, is planning to redesign its HR framework to better respond to the needs of its employees and gain a deeper understanding, not only of their unique skill sets, but also their career aspirations to more effectively match people and positions thus breeding more satisfied employees.
- In addition to revising its HR structure, Advanet remains a staunch supporter of gender equality and pledges to increase female representation in the workplace, especially in



technical positions. To fulfill this promise, a new female engineer will join their R&D in 2021. Advanet's commitment to provide a dynamic environment where employees feel like important stakeholders proves they are vanguards of not just technical innovation in a society that often resists change.

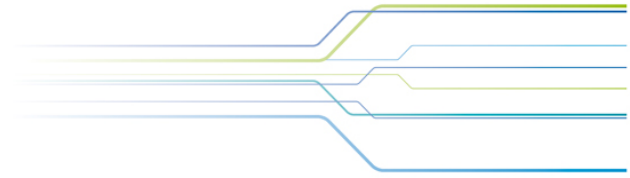
The 17 Sustainable Development Goals

- **#3: Good Health and Well-Being:** Eurotech SpA in Amaro purchased three large ornamental plants to be placed in different areas throughout the company. In R&D, an area which is infrequently aerated, a dracaena trifasciata was chosen. This variety of houseplant has been shown to have the potential to filter indoor air, removing most of the toxins responsible for the effects of sick building syndrome.
- Eurotech tries to facilitate its employees by offering professional assistance with their annual tax return statements.
- **#4 Quality Education:** With so much of Eurotech staff engaged in research and a number of former university docents serving as current employees, it is no surprise that Eurotech considers education and offering supervised practical experiences to students a high priority. Eurotech Group has maintained a commitment to academics by hosting school groups, internships, and offering valuable professional opportunities with qualified experts. even in 2020 during the Covid pandemic. Eurotech kept its promise by finding new ways to reach out to students including sending Eurotech engineers and its technical director to meet with students. Eurotech believes that while this is a worthwhile effort, nothing replaces the experience within the laboratory working side by side with professionals and is redesigning its internship programs such that students can safely return to our offices and our research and development facilities.
- Eurotech provided ITIS Guglielmo Marconi, a technical school in the region, technology and equipment including, RFID transponders, readers, gateways, software and cloud for their project, Internet, or Behavior. For the study, students attach microscopic transponders to the bees' thorax to monitor the insects' behavior. Students examine the data collected to better understand the factors that threaten the species for example, phytosanitary treatments. The results will be useful in disease recovery and prevention and will contribute to the conservation of this vital insect species.

- **#5 Gender Equality:** Eurotech scheduled a course to raise awareness regarding the issue of gender violence for all its employees and associates. The course docents are members of the non-profit organization, Women's Voice, which offers free legal and counseling services in addition to providing safe houses for victims as well as a variety of services such as literacy programs to help disadvantaged woman find safety and self-reliance.
- **#8 Decent work:** Eurotech strives to recruit the best talent and realizes that it must offer an equally inviting environment to be an attractive career option. From the outset, 2020 was a year filled with doubt, fear, and rapid change. At their sites in England and the US, Eurotech maintained an open channel of communication by offering regular town-hall style meetings for direction and employees to provide a medium for people to voice their questions and concerns. In addition, Eurotech Inc. began a newsletter which summarized those meetings and offered the latest news regarding Covid.
- **#8 Decent Work, #11 Sustainable Cities and Communities:** Eurotech enabled a large majority of its employees to work from home, guaranteeing their safety and their peace of mind. The option was available through year's end and, Company direction pledged to assess the situation, at all its sites in early 2021, to evaluate the possibility of smart working in the new year.
- **#9 Industry, Innovation and Infrastructure:** Innovation is the creation of a new idea or process with the aim of improving efficiency or effectiveness while, necessity is said to be the real mother of invention. In recent years, we have not witnessed a time of greater urgency, than during the Covid crises, to develop new systems and solutions to adjust to a constantly evolving situation. Eurotech was founded on the premise of innovation and many technologies that have been in development have been adapted for use in covid infection spread prevention. For example, a location system which can verify that safe distances are maintained in public places; it is based on a network of radio transmitters that allow the localization of portable/wearable devices. These are equipped with air quality monitoring nano-sensors and accelerometer/gravimeter to collect data on orientation in space. The device can provide information to profile the regular use of an area, limit infections, and provide reports for people's safety. Another innovation regards masks and their true efficacy, which can be altered by user breathing habits, type of mask and length of use. Sensors in a clip that is attached to the mask collect data on mask use, mask performance, and the wearer's breathing characteristics. The user can be warned if the mask is correctly used and/or if it has lost its filtering capacity. The data can also be sent via Bluetooth to the mobile phone so a user can monitor mask efficiency and alert any irregularities. Finally, a device

initially designed to detect tuberculosis infection, which is the number one world killer from infectious disease, with diagnosis requiring up to three months, has been modified to detect covid infection. The system, enclosed in a small suitcase, includes a gateway that accesses the cloud and is equipped with ESF, Eurotech exclusive software, a database, dashboard, and sensors. A technician collects breath samples that will be used to train neural networks, currently under design. Once enough samples have been studied and analyzed and the AI is able to function with acceptable accuracy, it can be used on personal portable economic devices, the size of a mobile phone, for immediate covid profiling. This system will allow society to return to normalcy and permit activities that draw large crowds like concerts, theater events and cinema as stewards can administer the test outside event venues. Moreover, the system will still be available for its original intent, tuberculosis diagnosis.

- Eurotech Ltd. reduced the use of packing materials and continues to review packing requirements as products become smaller.
- In 2019 Advanet demonstrated its sustainability not only to its employees, but also the community in Okayama where it operates, by establishing a nursery school for workers and residents. It is fully operational and fully booked, helping employees balance their personal and professional lives by facilitating childcare in a convenient location, right across the street from the company. In further support of the endeavor Advanet's highest officer, it's President and Director, personally took part in an event at the nursery school and planted a tree in a ceremony with the children. It is a symbolic gesture that will contribute to the aesthetics but it also teaches the value of planting trees and instills a sense of environmentalism with the children at an early age.
- **#17 Partnerships for the Goals:** Xylem is a leading water technology company committed to meeting the world's water and energy needs and they are UNICEF partners as well as Eurotech customers. Xylem, like many companies, saw COVID-19 and the subsequent fallout as a catalyst to act and focus recovery on projects that are sustainable and further resiliency. Eurotech backs Xylem's humanitarian efforts and demonstrates this through financial support of their projects. One project which received a \$500 donation was for the supply of a hand-operated water pump to provide access to safe drinking water.



CONCLUSION

While promoting IoT technologies, early advocates of Industry 4.0 cautioned that no amount of wealth will be sufficient to survive when the planet's vital resources such as water, arable land and clean air have been exhausted. And yet, here we are at least a decade on and in the face of a global pandemic, and there has been no significant shift from the status quo. We did not just look the other way in the face of old challenges and new opportunities; we completely lost sight.

20/20 describes perfect vision and anyone who witnessed the events of the past year would be quick to denounce the year 2020 as anything but perfect. But, thanks to the havoc of 2020 we have acquired better focus, increased clarity, and an overall increased range of sight. It was the very chaotic and uncertain nature of 2020 that has given the planet perfect vision because following the pandemic, political upheaval and social and economic disruptions, we have finally found the right prescription. We have moved beyond the narrow focus, limited sensitivity, and the biased, partial view that was the past. Digital technologies are the lenses that are so desperately needed, so everyone, all over the planet, put your glasses on now.

In 2020 companies and organizations quickly adapted their operations to permit economic activity. These measures included social distancing, use of masks and across the world employees began Smartworking. It was a revolution no one instigated or planned but one that available technology made possible. It was perhaps the biggest factor in limiting the spread of the virus since, people spend so much of their time on- the-job and in close quarters with colleagues. The ability to limit one's contact while at the same time continuing to provide an income has been essential for people and families everywhere. Smartworking represents just one example of how digital technologies will play an important role in recovery and sustainable development. An article published by McKinsey and Company states, "Recent data show that we have vaulted five years forward on consumer and business digital adoption in a matter of around eight weeks." Governments across the globe have been just as quick to identify digital technologies as an important aspect of recovery. So while everyone looks forward to returning to normal, when we can gather, travel and reclaim social customs like handshakes and hugs, in fact, we must never return to what was the conventional, comfortable way. A healthier, more equitable and more sustainable world will inevitably be a more digital world.

