

Corporate and Social Responsibility

Report

2021



CEO Statement

Why Corporate Responsibility is Important

To our stakeholders:

I am pleased to confirm that ICTS Italia reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

One of the Company's primary assets is its ability to adapt and evolve, quickly developing new strategies in order to meet the challenges of an ever-changing business. Environmental and social goals must similarly change in order to be relevant to these new challenges. The ICTS CSR policy will be continuously reviewed to not only ensures consistency with ongoing strategy, but also to be a direct reflection of the Company's developing vision.

Our clients and employees require assurance and transparency that they are operating responsibly in an ever-changing landscape shaped by global mega-trends, in particular, the climate change emergency, clean technology and renewable energy, digital transformation from artificial Intelligence (AI), machine learning and the Internet of Things (IoT) and increased transparency from open data. In this context a safer world can be regarded as one that has greater safety, security and sustainability.

The United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement provide the most powerful common agenda the world has ever seen for achieving peace and prosperity on a healthy planet and we are committed to playing our part in delivering the Sustainable Development Goals (SDGs) goals and are committed to the Ten Principles as a signatory of the United Nations Global Compact (UNGC).

To ensure these commitments remain high on the ICTS agenda, a Corporate Responsibility Committee has been appointed. The committee has responsibility both for the ongoing review of policy, and also for the production of periodic reports which will highlight ICTS success in this key business area. ICTS is committed to maintaining sustainability activities at the forefront of its business practice.

Paolo Franceschini
Managing Director



ICTS Italia Srl
May 5th, 2021

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1 Who We Are

ICTS Italia is a leading company in airport security and sensitive infrastructure sector. ICTS Italia is part of the ICTS Europe group, active since 1985 in 22 countries and 4 continents. ICTS Europe currently has over 18,000 employees working for an extensive list of customers in different businesses. It also boasts a department located in London, ICTS Systems, dedicated to the development of new, innovative and functional technologies, aimed at improving the quality of the security service, thus responding to changing customer needs.

ICTS Italia was inaugurated in 1987 and is presently a leading security company, operating in two distinct sectors in close synergy, Aviation and General Security Departments.

Throughout the years, ICTS Italy has accumulated extensive theoretical and operational know-how. Coupled with its broad international experience, ICTS Italia is ideally suited to provide the client with a custom-made, high-quality product.

ICTS is capable of responding to a large variety of security threats. The specific nature of each project dictates the assignment of team members. ICTS Italia employs experts in the fields of security, engineering, systems analysis, auditing, finance and economics, law, computer engineering, amongst other.

In August 2013, ICTS became part of Groupe Sofinord. Despite its impressive size, Groupe Sofinord is still a family-owned business, specializing in the delivery of reception, logistics and customer services. ICTS experience in security service delivery dovetails very neatly with Groupe Sofinord's portfolio and is well aligned with the Sofinord service ethos of Customer First, Teamwork and Innovation.

Since ICTS does not have shareholders to satisfy, company profits can be re-invested in the development and diversification of ICTS services.

1.1 ICTS Operating Ethos

ICTS is committed to providing its customers with a quality service that meets their needs (throughout the entire contract period) and offers real value.

We achieve this by employing innovative approaches (often combining technology, canine and electronic systems) and by ensuring that all ICTS employees maintain the highest ethical standards in conducting business and services on behalf of and with the Company. ICTS adheres to published service principles, based upon three simple values:

CLIENT FIRST

Our clients have chosen to work with ICTS; our duty is to serve them.

Meeting the needs (now and in the future) must remain our motivating drive

TEAM WORK

ICTS operational model is based on teamwork.

We must respect and support our colleagues. In service delivery, the frontline employee is as essential as a top level manager and must be valued as such.

INNOVATION

To retain clients, refine delivery and diversify services, we must adapt and be innovative.

Systems processes and technology must be continually appraised and improved.

INTEGRITY

Honesty and transparency are integral to our success as a business as individuals.

We must do what we say and say what we do, always.

2 Marketplace

ICTS operates across a focused but broad range of sectors: Aviation, Airline, Cargo, Financial, Corporate, Data Center etc.

Environmental and sustainable ethics and objectives are increasingly becoming a common objective across the sectors.

The ICTS aim is to be the security provider of choice, delivering innovative solutions which complement its individual client business strategies.

2.1 Our Suppliers

ICTS has a stringent approved supplier process in place, ensuring the highest quality and best value in all disciplines. All suppliers are regularly audited to ensure ongoing compliance with respective requirements.



3 Our Approach to the 10 Principles

ICTS values the opportunity to give something back to society and the wider community.

In June 2020 ICTS Italia signed up for the UN Global Compact program. At that point we could define three major areas of interest, which could guide the direction of our CSR policy, where we wanted to make a difference within the natural context of our business.

These are:

- People (employees, clients and suppliers)
- Company (at Subsidiary level)
- Company (Europe)

In this connection we decided to implement our initiatives in two stages. The first stage would thus concentrate on implementing initiatives within ICTS Italia to ensure that all members of staff understood UNs basic principles and ensure the willingness to implement sustainable solutions throughout the organization.

The second stage would hereafter be directed at initiatives outside ICTS Italia, first toward the company, locally and later at European level. To make sure that all initiatives were employee borne, we set up a CSR committee, which became responsible for choosing and implementing the internal initiatives within stage one.



3.1 Operating Responsibly

Safety & Well-being

The ICTS Italia Top Management oversee the organization's management of Health, Safety and Environmental (OH&S) approving the annual improvement plan, and the external consultant team together with the management of each site/station of hold a Safety Board at least annually. Organizational learning drives our safety program.

We use insights from near miss reports. Near miss reports and incident/accident reports to drive continuous improvement alongside manager safety engagements. Our vision is zero harm, and we continue to aggressively challenge our working practices to reduce these numbers further.

Comprehensive OH&S training is provided to every employee, in order that they are competent to identify the hazards and apply the correct safety precautions. Dedicated campaigns are undertaken to raise awareness of safety issues or in response to incidents.

Empowerment is central to a strong safety culture and every employee is authorized to challenge unsafe situations and to stop to work if they deem a situation to be unsafe. We continue to place additional focus on employee wellness through specific training specialist mental health first aiders. As a security service company, the safety of our people is critically reliant on the safety of our client's assets and processes. We have fostered a respected culture with our clients who know that we will keep their people safe and ensure that harm does not happen on their assets and property.

Leading with Integrity

In essence our goal is to achieve optimal profitability with high integrity. We aim to be at our best more of the time and recognize that we are all responsible for our own conduct and behavior. We seek to be more inspiring, more thoughtful, challenging and supportive of each other. We seek to incorporate this into our everyday leadership practice



At its heart our goal is to enable all employees to feel they have equal access to opportunities for skills and career development, and to feel that their voice is heard.

We are implementing global inclusion principles to ensure that all ICTS Italia colleagues benefit from inclusive policies; a new gender expression policy; launching affinity groups and amongst a range of other initiatives, holding safe space conversations with colleagues from diverse backgrounds to understand their experience of working in ICTS.

The following pages detail our progress towards addressing the 10 principles of the UN Global Compact.

4 Human Rights

4.1 Principle 1 and 2

Businesses should support and respect the protection of internationally proclaimed human rights

Businesses should make sure that they are not complicit in human rights abuses.

As a Security Company we believe that our direct impacts in relation to human rights are limited within our value-chain. ICTS recognizes that its employees are a vital asset to the organization, and it must ensure that the proper provisions are made for their health and safety. ICTS believes it is essential to implement every possible initiative to ensure the highest level of safety for its workers in all places where ICTS operates.

ICTS Italia commits to provide a safe working environment for the employees and to comply with human rights including the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact.

We have robust set of policies and procedures that have Top Management-level oversight to ensure that employees are well protected as reflects ICTS's values and the minimum standards that we require to see reflected in local employment policies.

Our Anti-Slavery and Human Trafficking Policy is a public affirmation approved by our Managing Director and Top Management, that ICTS Italia is supporting and protecting internationally proclaimed human rights and confirms that ICTS is not complicit in any human rights abuses.



Our values are the foundation of our culture. They are a set of shared beliefs that underpin everything we do - whoever we are, wherever we live and whatever our role, aiming to ensure we respect human rights wherever we operate:

- We care about each other, our clients and the environment.
- We care about the safety of everyone.
- We respect each other and the wider communities we work in.
- We're passionate about leaving the world a better place than we found it.
- We strive to be the leaders in our profession with unparalleled expertise.
- We're committed to quality and work together to find the best solution.
- We're inquisitive and curious and never stop learning to further our knowledge.
- We do the right thing in every situation.
- We're independent and impartial.
- We show integrity in everything we do.
- We're brave and courageous and we never compromise on standards or safety



Our operating responsibly values are underpinned by our zero-tolerance approach to corruption, bribery and fraud; our support for the elimination of all forms of forced labor and human rights violations; and an expectation that our suppliers operate by the same set of principles.

With this in mind ICTS Italia has designed a specific, clear and easy to understand training on “Human Trafficking” available in different languages.

4.2 Code of Ethics and Code of Conduct

Help to ensure that we do things safely, ethically and responsibly. This covers anti-bribery and corruption policies and procedures; approach to conflicts of interest; and ensures that we continually reach beyond simply fulfilling minimum requirements and obligations of legislation.

4.3 Sustainable Procurement Policy and Supplier Code of Conduct

As we have a deep concern for sustainability issues, we want our suppliers to share the same values and expect them to meet the same standards for ethics, labor rights, health and safety, and the environment that we set for ourselves.

The principles are anchored in internationally recognized standards, including but not limited to the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact. Suppliers must always adhere to these principles.

We, at ICTS Italia, do not simply buy products and services from suppliers. We respect our suppliers, their corporate culture, their growth, and their employees. The quality of the relations maintained with our suppliers contributes to our long-term success and is based on respect, trust, and loyalty.

We support the development of our suppliers through a process that includes constructive dialog and joint effort.

5 Labour

5.1 Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

ICTS Italia respects employees' rights of freedom of association and representation either through trade unions, works councils or any other appropriate forum. The concept is clearly expressed at paragraph 9 of ICTSs Code of Conduct.



5.2 Principle 4 and 5

Businesses should uphold the elimination of all forms of forced and compulsory labour

Businesses should uphold the effective abolition of child labour

Safeguarding against modern slavery - Any human trafficking or modern slavery exploitation is completely incompatible with our values and ICTS Italia accordingly supports the elimination of all forms of forced and child labor.

In all recruitment activity for all staff, we use independent 3rd party screening and background check to validate and verify details of candidates. This ensures that we are not complicit in any identify fraud and validates personal details including age and whether they have the right to work in that country.



We are committed to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-slavery and Human Trafficking Policy reflect our commitment to act ethically and with integrity in all our business relationships and to

implement and enforce effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

We have a compliance team, which consists of the Company Secretary as the Senior Anti- Trafficking and Slavery Compliance Officer for the Company, strictly linked to the Company Human Resources Manager

5.3 Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation

ICTS encourages a working environment in which diversity is recognized, valued and encouraged; appreciating the multi-cultural and diverse nature of the ICTS workforce and society in general. ICTS is committed to principles of fairness and mutual respect in which the concept of individual responsibility is accepted by all.

At ICTS Italia we believe that we deliver better and more sustainable results when different perspectives shape our thinking. Our teams, and increasingly our leadership, should reflect the communities we operate in and the marketplace we serve.

ICTS Italia is dedicated to being an inclusive place to work where everyone can make a difference and give their best.



One of our greatest assets is the diversity of our workforce.

ICTS recognizes that discrimination in the workplace in any form is unacceptable and, in most cases, unlawful. ICTS has therefore, adopted the Equal Opportunities and Diversity Policy to ensure that all job applicants and employees along with those who use our services are treated fairly and without favor or prejudice.

ICTS is committed to applying this throughout all areas of employment; recruitment and selection, training, development, benefits, rewards, promotion, and dealing with grievances and in its treatment of disciplinary issues.

The selection methods ICTS uses for recruitment will be related to the job requirements and the Company does not seek irrelevant qualifications. Applicants for employment are shortlisted/ selected solely on the basis of their assessed capabilities.

ICTS will ensure that no job applicant or employee receives less favorable treatment on the grounds of their protected characteristics:

- Age
- Disability
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race (including color, nationality, ethnic or national origin)
- Religion or Belief
- Sex
- Sexual Orientation

We understand that we all have an obligation to respect and value each other and a responsibility to ensure that no discrimination of any kind is taking place. We believe that our employees are our most important resource and in order to provide the best possible service to our clients we want to attract, develop and retain the most talented people from the largest possible pool of talent available. A responsible organization we will ensure that we comply with the legal obligations intended to promote equal opportunities and incorporate best practice where appropriate.

6 Environment

6.1 Principle 7

Businesses should support a precautionary approach to environmental challenges

The ICTS goal of environmental management is to protect and enhance the environment by improving environmental performance and by avoiding or reducing environmental pollution, where technically, organizationally, and economically feasible. Extensive external Auditing (in compliance with ISO 14001) and self-monitoring within the scope of a continuous corporate eco audit program are essential elements of environmental management.

The two guiding principles of our environmental management efforts are: accepting responsibility and ensuring transparency.

Accepting greater responsibility means going beyond the minimum legal compliance and voluntarily do all we can to effectively protect the environment.

The ICTS environmental management system's goal of improving environmental performance must also be seen against this background. This system allows ICTS to implement at all levels and for all functions the company's commitment to environmental protection as formulated in its business mission. The company's environmental policy is reflected in concrete goals and measures, and it is implemented in daily business operations as well as in the products and services of the company.



To maintain our connection with nature, ICTS has made a special commitment to environmental protection, prevention of pollution, and environmental sustainability.

We believe that environmental protection does not stop at our workplace boundaries, and we go beyond what is legally required of us.

Our employees understand the importance of commitment and participate actively to achieve common goals. They are willing to assume responsibility and stand by the results of their actions. Clear and decentralized management of responsibilities allows sound decision-making.

Environmental awareness is promoted among ICTS staff at all levels. Management and employees communicate with each other in a concerted effort to improve environmental protection in all areas of the company.

The following are our key themes and risk priorities for the coming year and contain the action we will be taking. ICTS Italia commitment is to:

- Continually improve our environmental performance by monitoring progress against targets and objectives on a regular basis
- Prevent pollution and reduce our impact on the environment
- Efficient use of water and energy
- Sustainable transport
- Monitoring reports of environmental near misses
- Raising awareness and training employees on environmental issues
- Working with clients and suppliers to encourage high environmental standards

6.2 Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

Our Integrated HSE management system is consistent with the principles of continuous improvement and aligned with the international management systems standards and certified to ISO 14001, OHSAS 18001 and migration to the new Health & Safety standard, ISO 45001 is underway.

Our primary environmental responsibilities are to ensure the implementation of environmental policies and procedures and deploy campaigns of environmental awareness.

To measure and monitor environmental performance there are a set of KPIs tracked by our HSE team, which include consumption of energy and water at ICTS offices, business travel by air, car or rail and, where possible, volumes of waste generated and disposal routes. This data is aggregated annually.

In addition to these indicators described we have an incident management and reporting system, that all ICTS employees have access to, via mobile and desktop applications, where they can log HSE incidents, near-misses and concerns. Any incidents logged are allocated a risk rating which triggers workflows and notifications to HSE professionals and local management to respond and conduct investigations.



There are a number of live environmental initiatives that aim to measure our direct impacts, determine actions to address improvements and engage with colleagues to adopt more positive environmental behaviors:

- 1) Office environmental standards – We have set standards and goals against waste, energy, natural resource use and low impact travel. In the past year our offices were assessed against implementation of the principles enabling us to form a greater understanding of the level of environmental controls across the organization, identify areas for individual and systemic improvement and found best practices to share.

- 2) Personal engagement – we have established a new training on environmental behaviors, called ‘Environmental Awareness Training’, with the aim of making environmental issues personal. Using awareness raising of global mega-trends in sustainability and environment reinforced by personal and practical changes that can be made on an individual basis.
- 3) Pandemic response – due to the pandemic response in early 2020 we have seen a partial shift to a virtual workforce. A ‘new ways of working’ initiative is being implemented that, among other goals, will reduce our overall carbon footprint by rationalizing our office footprint will and significantly reduced business travel and commuting. The absolute reductions in emissions achieved through this will be reinforced by efforts to reduce the emissions intensity of our reconfigured travel behaviors.

6.3 Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

Environmental awareness is a core topic and common mind-set throughout the organization.

ICTS is committed to doing its utmost to preserve and respect the environment in which it operates. It is imperative that ICTS does not waste resources and that its equipment does not end up in landfills.

PAPER USAGE & PACKAGING MATERIALS

- ICTS uses paper that is produced using ECF (Elementary Chlorine Free) Pulp, produced in mills that are ISO 9001 and 14001 certified and EMAS - Registered (EU’s Eco Management and Audit Scheme).
- All paper is from well managed forests and sustainable sources.
- ICTS does not print unless necessary and duplex prints whenever possible.
- ICTS uses the reverse side of (non-sensitive) printed paper for taking notes.
- All used paper is collected monthly and recycled and electronic communications are not printed unless a physical copy is specifically

required. This is supported by the following message added to email signatures: Please consider the environment before printing this email.

- Packaging material is re-used where possible, and any waste is mechanically compressed on site before being collected for recycling.
- Administrative materials are ordered once a month to reduce vehicle usage and excessive packaging.
- ICTS Italia has launched in 2020 a new program of digital reporting and paperless offices.

WATER



ICTS has replaced water bottle dispensers with energy efficient tap-water filter units for both hot and cold drinks. We have greatly reduced bottle wastage and energy consumption by chilling/heating only the required amount of water each time.

ELECTRICAL & ELECTRONIC EQUIPMENT

WEEE - Waste Electrical and Electronic Equipment

ICTS' primary supplier of electronic equipment is responsible for the collection and environmentally friendly disposal of obsolete equipment.

The majority of the equipment is sent to developing countries to raise funds to provide professionally refurbished IT equipment to schools, universities, hospitals and non-profit organizations. Used inkjet and laser toner cartridges are collected and recycled.



Power

- Energy efficient lighting is used in all offices
- Networked, multi-functional devices are used wherever feasible
- Air conditioning units have independent thermostats
- All lights, desk top computers, monitors and air conditioning are turned off at the end of each day

TRANSPORT

Employees are encouraged to use public transport or cycle to work, if possible.

ICTS ITALIA operates a fleet of 41 vehicles. These are a mix of cars and light vans predominantly used in core business operations. The split is 39 operational and 2 regional/national manager cars. When vehicles are renewed, they will always be new vehicles benefitting from the latest EU emissions standards. There is a clear direction of travel towards cleaner cars. Diesel engines are being phased out in favor of petrol, and hybrids where possible.

2 x hybrid replacements were put on the fleet in 2018, replacing outgoing diesel vehicles. These two cars, in use in our General Security business sector, will travel a combined annual mileage of about 99.000, at greatly reduced fuel consumption, and emissions output. There is likely to be further uptake of hybrid vehicles or CNG or LPG, and smaller petrol engines.



When the national charging infrastructure and local operational conditions allow there will be a move towards pure electrics.

Fleet management systems are in use requiring safety checks of every vehicle, on a smartphone app, at least once per month. This allows proactive monitoring of vehicle condition between services, awareness of tire condition, and prompt attention to any reported defect. GPS systems are also utilized that provide management data regarding vehicle use, to support safe vehicle operation.

Maintaining a safe, and environmentally positive vehicle fleet is a key plank in our business strategy and will continue to be proactively managed.

7 Anti-Corruption

7.1 Principle 10

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

Good business ethics are integral to who we are and what we do, and our Anti-Bribery and Anti-Bribery and Transparency Statement is at the heart of our efforts to operate responsibly.

This policy sets out our responsibilities, and of those working for us, in observing and upholding our zero-tolerance position on bribery, corruption and fraud; and provides information and guidance to those working for us on how to recognize and avoid and report suspicions of bribery, corruption and fraud.



The responsibility for compliance of this policy rests with the top level of management of the Company, which will exercise oversight, make assessments of risk, deal with decisions where potential for bribery exists, receive and investigate reports of bribery and supervise the measures put in place to prevent bribery.

Anti-Bribery and Transparency Statement applies to all ICTS Italia employees, directors, consultants, contractors, agents and is communicated on at least an annual basis.

8 Action in Support of UN Goals and Issues

- We will pursue emissions reductions in our own operations, reinforce our Zero Harm commitments, progress towards diversity and inclusion targets, and continue to ensure our people access development and equal opportunities.
- We are committed to making supply-chains more transparent and resource-efficient, providing real-time assurance and data driven recommendations to drive efficiencies through reduced water usage, energy efficiencies and for responsible supply-chains.
- We are committed to helping the necessary transition to clean energy, to tilting the energy balance in favor of low carbon energy away from fossil fuel production and to working towards global carbon reduction targets.
- We are committed to work with our clients to decarbonize energy, develop more efficient and responsible supply-chains so that we can jointly tackle the global challenge of climate change, steering their and our own transformation to low- or no-carbon operating models.
- We will continue to engage with UN initiatives in support of action to tackle climate change.

WE SUPPORT



9 Measurement of Outcomes

The following pages detail our progress towards addressing the 10 principles of the UNGC.

9.1 The working environment and health of the employees

Our vision is for Zero Harm to people, the environment and those affected by our activities.

The principles underpinning this Zero Harm aspiration are simple:

- We believe everyone has the right to go home unharmed.
- All harm is preventable, and all incidents can be prevented.
- Everyone has a responsibility for their own health and safety, to protect the safety of others and be environmentally responsible.

We aim to achieve our Zero Harm aspiration by managing HSE across all our businesses in a structured and planned way, with strong and effective control measures for the significant risks.

In practice, this means that wherever we operate we:

- Ensure everyone is trained and competent to understand the tasks, risks and activities they undertake
- Comply with or exceed all regulations and HSE Management System requirements
- Never lose sight of our significant risks and continually question how we can further reduce or mitigate those risks
- Engage with and support our clients, contractors and communities wherever we operate. Maintain a constant vigilance and readiness to

prevent, and where required, respond to and effectively manage any incident

- Establish challenging HSE objectives that drive continual improvement

9.2 Activity

One of the enablers to fulfilling our Zero Harm vision is managing risk in a planned, systematic way where HSE is at the heart of what we do. We have therefore simplified our safety and environmental systems into a consolidated HSE framework which forms an integral part of ICTS's corporate leadership policies and standards.



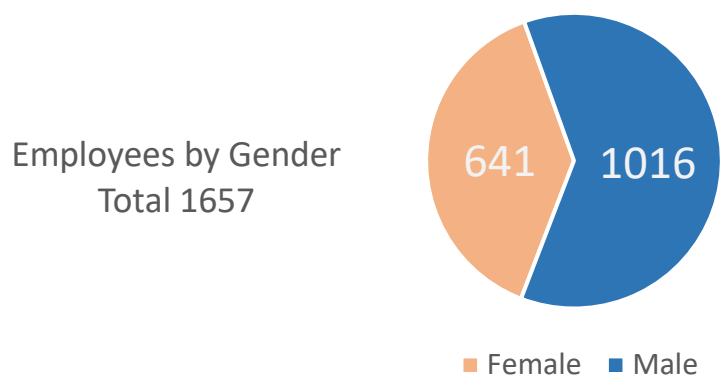
Our HSE Management System, subject to an internal and external audit regime, is certified to OHSAS 18001 and ISO 14001 and we ensure we are operating to the latest ISO standards so will be migrating our certification to meet the new ISO 45001 standard for Health & Safety in June 2021.

Our values are the foundation of our culture. They are set to share beliefs that underpin everything we do - whoever we are, wherever we live and whatever our role.

The ICTS Italia Values are:

- We care about each other, our clients and the environment.
- We share our expertise with each other, with our clients and with all of our stakeholders.
- We do the right thing in every situation.

9.3 Employee numbers Year 2020



Employment type	Female	Male	Total
Apprentice		1	1
Office workers and Agents	583	965	1548
Supervisors	56	48	104
Managers	2	2	4
	641	1016	1657

Female by Age	<25	25-30	31-40	41-50	51-60	>60
Apprentice						
Office / Agents	100	116	209	118	37	3
Supervisors		2	23	20	11	
Managers			1		1	
	100	118	233	138	49	3

Male by Age	<25	25-30	31-40	41-50	51-60	>60
Apprentice		1				
Office / Agents	173	186	264	184	135	23
Supervisors		1	31	14	2	
Managers				1	1	
	173	188	295	199	138	23

Female Seniority	<1	1-3	4-6	7-14	14-20	>21
Apprentice						
Office / Agents	219	182	22	60	65	35
Supervisors			12	4	12	28
Managers				1		1
	219	182	34	65	77	64

Male Seniority	<1	1-3	4-6	7-14	14-20	>21
Apprentice		1				
Office / Agents	408	337	56	111	29	24
Supervisors			23	4	11	10
Managers				1		1
	408	338	79	116	40	35

Female new hire 2020	<25	25-30	31-40	41-50	51-60	>60	Total
Office / Agents	65	48	49	45	10	2	219
	65%	41%	21%	33%	20%	67%	34%

Male new hire 2020	<25	25-30	31-40	41-50	51-60	>60	Total
Office / Agents	117	90	86	48	59	7	408
	68%	48%	29%	25%	43%	30%	40%

Female turnover 2020	<25	25-30	31-40	41-50	51-60	>60	Total
Office / Agents	5	4	4	2		1	16
Supervisors	1			1			2
	6%	3%	2%	2%	0%	33%	3%

Male turnover 2020	<25	25-30	31-40	41-50	51-60	>60	Total
Office / Agents	6	9	6	2	2		25
	3%	5%	2%	1%	1%	0%	2%

ICTS is committed to maintaining and developing a safe environment and healthy workforce, respecting equality and diversity whilst embracing the highest standards of ethical behavior.

ICTS recognizes the importance of valuing its employees, who are fundamental to its continuing success. It is, consequently, of critical importance that the Company continues to invest in the future of all its employees. The ICTS goal is to create the optimum working environment.

ICTS has invested in training schemes, providing staff with learning and development opportunities to enable them to reach their full potential.

During 2020 ICTS Europe has developed a new Learning Management System platform. All staff have been able to attend a number of trainings on different topics, even during pandemic and lockdown times.

The courses were online, accessible by, and individually tailored to, every member of staff. On the LMS, in addition to mandatory/compliance courses, trainings about "Human Trafficking" and Environmental and OH&S Awareness are available.

The ICTS Health and Safety Manual, and DVRs, are key documents for promoting the ICTS values. Both are regularly updated to take into account legislative changes and updated operating procedures. The ICTS appraisal system based on effective coaching and counselling, also aims to assist with clear and concise communication channels throughout the Company.

9.4 Staff Welfare

ICTS recognizes how important our personnel are, and that their welfare is essential in achieving our business goals. We believe that the wellbeing of all personnel must be our primary concern, and that investment in their welfare is also an investment in the efficiency and effectiveness of our organization.

ICTS is committed to producing a caring and supportive environment which is conducive to the welfare of all employees and which enables them to develop towards their full potential. As part of our commitment to staff welfare, we ensure that activities associated with protecting, promoting and supporting the welfare

of personnel are recognized as part of our strategic objectives and incorporated into all aspects of our work culture.

This includes:

- The provision of a healthy work environment
- Provision of mentoring and welfare support for individuals, as required
- Ensuring all personnel are treated in a fair, sensitive manner
- Raising awareness of staff welfare roles and responsibilities at all levels
- Consulting with professional organizations regarding the advice, information and support we provide.

To achieve this, we have adopted a focused, multi-layered approach to staff welfare. At a corporate level, ICTS employs numerous mechanisms to promote and monitor employee welfare, through good times and bad.

Examples of these mechanisms include the provision of:

- Employee forums – providing employees with a relaxed and informal venue to discuss issues;
- Regular company newsletter – written primarily by the employees, for the employees;
- Gifts and awards on special occasions;
- Long service achievement awards;
- Special commendations for outstanding behavior (in and outside of work);
- Professional Counselling;
- One-to-one meeting
- Mentoring

We understand the important role our management teams play in maintaining the welfare of our personnel. Our managers have a primary responsibility for the welfare of staff under their supervision. We expect our management teams to maintain an open, honest and communicative working environment, fostering and encouraging a happier and more motivated workforce.

ICTS is committed to staff development which applies to all categories of its staff. Staff development is important in order to enable individuals to carry out their duties effectively, to prepare them for changes that affect their roles, to equip them to meet the challenges and demanding objectives articulated in corporate plans, release creativity and enable them to maximize their potential.

Staff development is intended to benefit individuals, groups, teams and the organization by encouraging the enhancement of skills, knowledge and practices and the use of structured reflection to enable personnel to identify ways of improving effectiveness of performance.

9.5 Monitoring and evaluating performances

Constant dialogue with the employees is deemed the best way of securing a good working environment and preventing stress. The management therefore has a responsibility of monitoring the employees' well-being, both on a regular basis and through the yearly review meeting.

January 2021 saw the ICTS conduct its first ever Company-wide annual staff survey, designed to provide the senior management team with a greater understanding of the opinions of our staff across the board on a range of issues.

During 2021 we are working hard to try to improve our scores in all areas and mainly in the areas of Team Spirit and Communication.

9.6 Staff Development and Advancement Report

ICTS produces a staff development and advancement report in order to inform ICTS employees of the development paths open to them and show real examples of how these opportunities have been used by their own colleagues.

9.7 Measuring our Environmental Objectives and Performance Indicators

The environmental impact of a security services company and our scope for reducing the carbon footprint is smaller in scale than in many other industries.

Even so, we find that this is no excuse not to make an effort. We have therefore adopted a green purchasing policy, in which environmental considerations are essential.

Therefore, the new printers, which have been leased consume considerably less power than other printers, and the supplies are sustainable. This applies not only to consumption but also disposal and transport of packaging.

We have also introduced a digital reporting system allowing a great reduction in the usage of paper and toner.

With regards to lighting, we chose low-energy solutions wherever possible, buying energy efficient light bulbs and purchasing electricity which primarily derives from wind power.

We have furthermore installed videoconferencing facilities in order to reduce CO2 emissions from travelling.

In 2021/22 we will work to establish an emissions reduction target aligned with the latest climate science.

In our induction training, we introduce all our employees to our environmental practices and incentives and encourage active participation for our common goals.

9.8 How we monitor and evaluate performance

Our performance measures (PM) include both leading and lagging indicators, which we will monitor. This performance information will be provided to the Senior Management team for review

Lagging Indicators:

- PM1: To Reduce Scope 1 Carbon Emissions by 5%

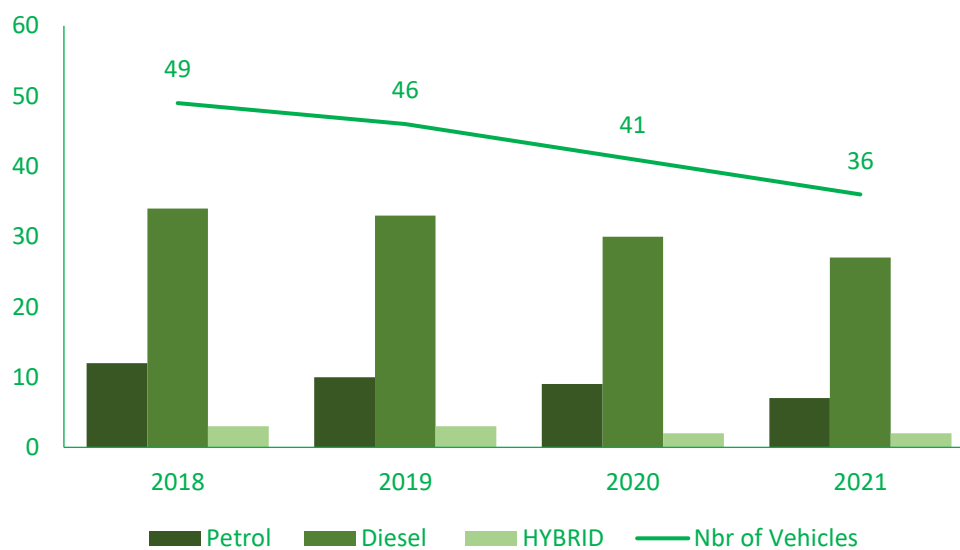
Leading Indicators:

- PM2: To Increase IT recycling by 2%.
- PM3: To Increase Confidential Waste recycling by 5%.
- PM4: To Increase the use of ICTS Water Bottles by 5%.
- PM5: To Score 100% in the 2023 ISO 14001 recertification audit.

The CSR committee regularly informs the organization, which initiatives have been initiated.

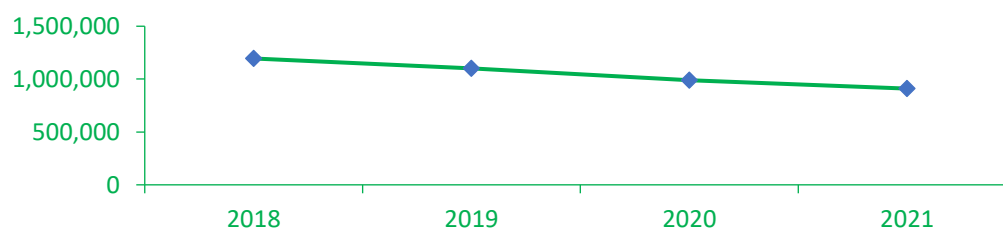
9.9 General Statistics – 2020 Update

Number of Vehicles

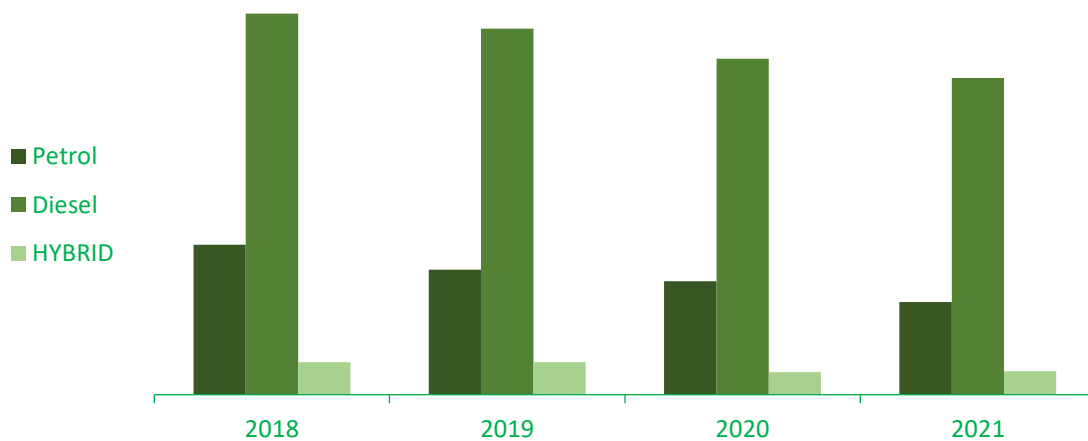


	2018	2019	2020	2021
Petrol	12	10	9	7
Diesel	34	33	30	27
HYBRID	3	3	2	2
Total	49	46	41	36

Total Kilometres

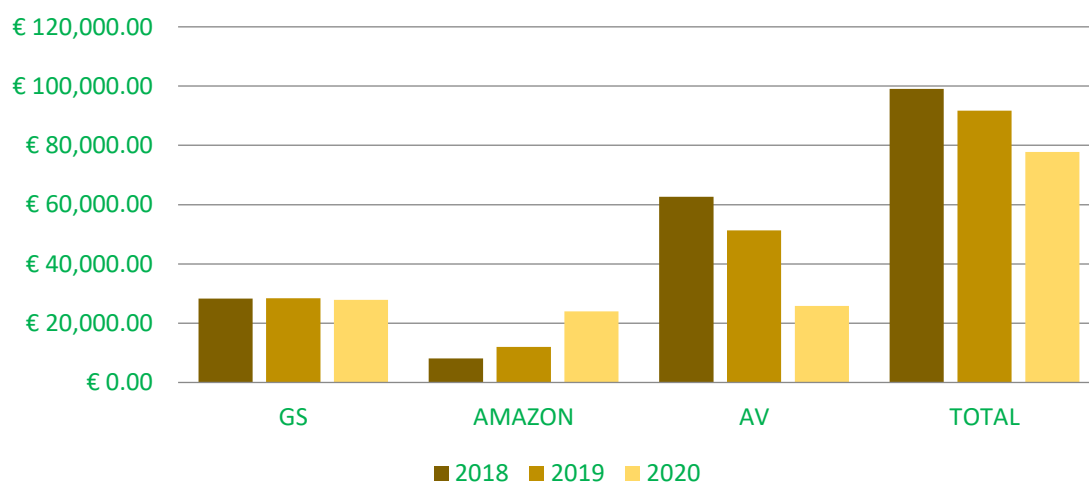


Annual Fuel in Litres

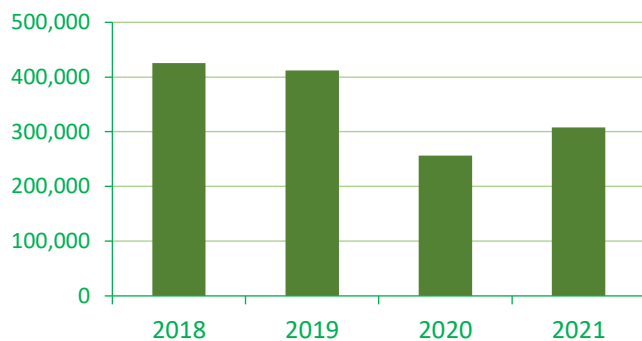


	2018	2019	2020	2021
Petrol	18.000	15.000	13.600	11.100
Diesel	45.700	43.900	40.300	38.000
HYBRID	3.900	3.900	2.700	2.800
Total	67.600	62.800	56.600	51.900

FUEL COSTS YEAR ON YEAR 2018 - 2020



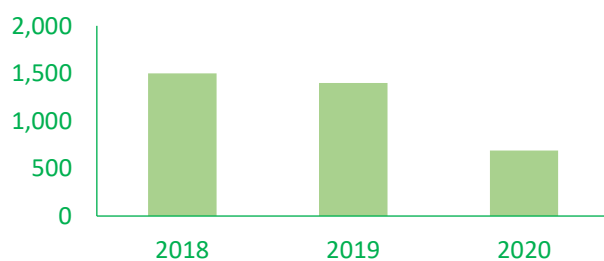
KW Consumption



KW

2018	425.756
2019	412.139
2020	256.652
2021	307.982

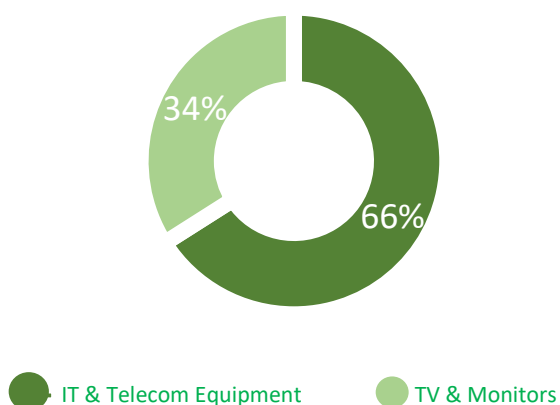
Paper Stacks Used



Paper Stacks

2018	1.500
2019	1.400
2020	609

IT Recycled Material



Note

IT equipment sent under the WEE Directive for a 2-year period, it is proposed to do this annually going forward so the 2020 Data

10 Priorities for 2021/22

CSR issues maintained central to its strategy, and this continues to be the aim for 2021. Outstanding progress has been made this past year and we wish to continue the momentum with teamwork and group collaboration.

The Company will continue to conduct the employee survey on an annual basis, and the areas being surveyed will be the same every year. This will allow us to review our progress on an ongoing basis and measure the success of the initiatives we implement in response to the survey results.

The Company will continue to focus on ways to improve ICTS Staff Benefits. Company documents will be reviewed and revised in accordance with ICTS vision.

Whilst the Company continues to grow, it will continue to look at ways of inspiring employees to engage and support the CSR policy through improved channels of communication and this include increasing its Social Media presence.

During 2021 we will introduce a whistleblowing mechanism, where employees are able to raise serious concerns, which they believe indicate malpractice or wrongdoing within ICTS Italia, without fear of being dismissed or otherwise disciplined or jeopardizing their position

ICTS Italia operates a formalized and documented OHS management system that is certified to OHSAS 18001.

There is an active program to migrate the system to ISO45001 by June 2021. The program is applicable to all employees and contractors working on behalf of ICTS Italia.

The purpose of the OHS management system is to:

- Enhance OHS performance and support the realization of LR's Zero Harm aspiration. Establish a systematic and risk-based approach to each of our significant risks, with clearly defined accountabilities.
- Ensure legal compliance.

- Define the minimum requirements that all ICTS Italia operations must comply with.
- Provide clear, auditable criteria against which HSE management systems can be assessed across all operations.
- Provide a basis from which to drive continual improvement.

The OHS management system is formed of a series of documents. Each document has a different purpose and expectation. ICTS's Management System is consistent with the principles of continuous improvement and aligned with the international management systems such as ISO 14001 and OHSAS 18001.

A key element of our HSE management system is our standard for proactive communication and consultation.

Worker participation and consultation is performed in a variety of ways on topics such as:

- The identification of hazards and assessment of risks and opportunities
- The introduction and revision to policies, procedures and standards
- The selection and provision of control measures, including PPE, equipment or supplies.

Practical Training – over 1,600 of ICTS employees underwent safety training to address risks that they face every day whilst delivering services.

Practical training was held in First aiders, Covid-19 and Fire.

No sanctions for environmental and socio-economic non-compliance issue were raised during the years

10.1 Moving Forward

"Our objectives for 2021 are to reduce our carbon emissions and increase our recycling"

The following are our key themes and risk priorities for the coming year and contain the action we will be taking. ICTS Italia commitment is to:

- Continually improve our environmental performance by monitoring progress against targets and objectives on a regular basis
- Prevent pollution and reduce our impact on the environment
- Efficient use of water and energy
- Sustainable transport
- Monitoring reports of environmental near misses
- Raising awareness and training employees on environmental issues
- Working with clients and suppliers to encourage high environmental standards



Pushing for Success...

“Environment is no one’s property to destroy; it’s everyone’s responsibility to protect”

--- DOCUMENT END ---

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