

Consolidated Non-Financial Statement



CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 254 OF 30 DECEMBER 2016

FINANCIAL YEAR 2018

The following document is an English translation of the Italian official report. In the event of any discrepancies between the two texts, the Italian text shall prevail.

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Letter to the stakeholders

Dear all,

The events of 2018 fall within the strategic plan that has already been in place for some years now. The plan arose from the Group's wish to reposition itself and has the final objective of growth.

The updating of Group assets in terms of technology and knowledge began with a focus on improving the knowledge of shape memory materials, which has allowed the development of the business which represents about two-thirds of Group sales today. The activities then continued with the development of knowledge in the field of organic chemistry and nanomaterials. This new technology is versatile and highly innovative and is now ripe for industrial use in various application fields. The Group has identified advanced packaging as an extremely promising field of reference.

The sale of the Group's gas purification business also fits within this strategic context.

In recent years the gas purification business provided considerably satisfying results, significantly contributing to profits and cash generation, but has always had a typical cyclical performance linked to investments in the semiconductor industry that led to significant fluctuations in revenue, which for a group of SAES's size translated into high volatility and considerable fluctuations in value. Furthermore, the technology was mature and the market began shifting from the US to China, undermining growth and results. Only strong investments and a solid presence in Asia would have allowed us to maintain leadership, however with surely inferior results compared to the very high valuation expressed by the buyer, who instead had all the cards in order to effectively manage the business and make it grow.

After the sale the Group maintained stable revenues and significant operating results thanks to the excellent performance of the memory shape alloys business in the medical field and the renewed vitality of the getter applications. The Group obtained a level of financial strength that has allowed us to embark on a path of expansion in the field of innovative packaging through a process of both organic and inorganic growth.

The packaging market is currently undergoing a profound transformation, with the gradual reduction of plastics originating from fossil fuels and their replacement with recyclable and biodegradable plastic materials which can easily be disposed of without having any environmental impact. Also pushed by regulations, the market will have to develop recyclable or compostable packaging solutions which meet the requirements of the circular economy.

Our technologies allow the use of compostable plastics and foster the development of fully recyclable packaging solutions. In addition, the knowledge we have acquired relating to gas management in

sealed environments will allow the industry to study innovative forms of packaging that are able to maintain or improve the conservation conditions of packages' contents.

The Group is currently very financially strong and firmly positioned in anticyclical sectors with high growth potential and can therefore aim for a significant increase in revenue.

Lastly, it should be noted how our increasing development of products with lower environmental impact and for the medical business within our development strategies and sales demonstrates the Group's increasing focus on Corporate Social Responsibility. This focus is also reflected in the "Non-Financial Statement" with which we wish to share our activities with all Stakeholders in a transparent and measurable way, demonstrating the progress the Group has made and our will to continue working to meet the expectations of our employees, customers and partners, and the communities in which we operate.

Lainate, 13 March 2019

The Chairman of the Board of Directors

Mr. Massimo della Porta

Methodological note

SAES Getters S.p.A. falls within the scope of application of Italian Legislative Decree no. 254 of 30 December 2016, in implementation of Directive 2014/95/EU, which requires the annual preparation of a Non-Financial Statement aimed at ensuring understanding of the company's business, its performance, results and impact, covering environmental, social, personnel, human rights and the fight against active and passive corruption. Therefore, this document represents the Consolidated Non-Financial Statement (also “Non-Financial Statement” or “DNF”) related to the companies belonging to the group consisting of SAES Getters S.p.A. and its subsidiaries (hereinafter also referred to as the “SAES Group” or the “Group”), describing their main results in terms of sustainability performance achieved during 2018 (from 1 January to 31 December). The figures relating to the previous financial year are shown for comparative purposes so as to facilitate the evaluation of the business performance. The new presentation of previously communicated comparative data has been clearly indicated as such.

As envisaged by Article 5 of Italian Legislative Decree No. 254/16, this document constitutes a separate report marked with a specific wording in order to refer it to the Consolidated Non-Financial Statement required by law.

This Non-Financial Statement was prepared in accordance with the “GRI Sustainability Reporting Standards” published in 2016 by the Global Reporting Initiative (GRI), according to the “in accordance - Core” option; the European Commission Guidelines on disclosure of non-financial information have also been taken into account, where appropriate.

The content to be reported was selected while taking into account the information considered relevant for the Group and its stakeholders, through a materiality analysis process described in the paragraph “1.3 Group Stakeholders and materiality analysis”. For the purposes of a correct representation of the Group's performance and to ensure the reliability of the data, the use of estimates was limited as much as possible. The estimates, if any, are based on the best available and duly reported methods.

The data collection and control process was coordinated by the Consolidated Function, using a special package sent to the heads of all departments in charge, local offices and companies falling within the boundary of reference.

The frequency of reporting of non-financial information and publication of the Non-Financial Statement is set on an annual basis.

BOUNDARY

The boundary of the figures and economic and financial information is the same as that of the Group's Consolidated Financial Statements. With regard to qualitative information and quantitative data relating to social and environmental topics, the reporting boundary includes the line-by-line consolidated companies in the Consolidated Financial Statements of the SAES Group ¹ except for Memry GmbH that started, at the end of the 2016, preparatory activities for the closure of the company and for the transfer of production and commercial activities to other Group companies.

Furthermore, qualitative information and quantitative data on environmental topics include Group companies that manage production sites; on the other hand, companies with only commercial offices are excluded as they are not considered relevant in guaranteeing an understanding of the Group's business and the impact it has.

Note the sale of the gas purification business (Systems for Gas Purification & Handling) within the Industry Applications Business Unit of SAES. The sale was completed on 25 June 2018 and involved the affiliated American company SAES Pure Gas, Inc. and the sales organisation located in Shanghai of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. which provides commercial support to SAES Pure Gas, Inc. in the Asian market. The sale also included the purification laboratory assets of SAES Getters S.p.A. located in Lainate. Please note that SAES Pure Gas, Inc., together with the above-mentioned sales organisation based in Shanghai, SAES Getters (Nanjing) Co., Ltd., have not been included within the boundaries of the 2018 information and data relating to social and environmental aspects, given the unavailability of this information from 1 January to 25 June 2018.

Furthermore, with reference to other significant changes to the Group's structure over 2018, on 23 October 2018 the company SAES Investments S.A. was officially established, with its head office in Luxembourg and wholly-owned by SAES Getters S.p.A. The company has Euro 40 million share capital and aims to manage liquidity deriving from the sale of the purification business, with the objective of maintaining capital for possible future use.

This Non-Financial Statement was approved by the Board of Directors of SAES Getters S.p.A. on 13 March 2019; it is also subject to limited audit ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by the independent auditors Deloitte & Touche S.p.A. that, at the end of the work carried out, issues a specific report on the conformity of the information provided in the Consolidated Non-Financial Statement prepared by SAES Getters S.p.A. pursuant to Italian Legislative Decree no. 254/16.

¹ For the list of line-by-line consolidated companies, please refer to the paragraph "Scope of consolidation" in the explanatory notes of the Consolidated Financial Statements of SAES Getters S.p.A. as at 31 December 2018.

As stated in the DNF 2017, as part of the path of continuous improvement in terms of sustainability, the following table shows the current progress of the activities that the Group has developed during 2018.

- **Regulation defining the Non-Financial Statement reporting process:**

The SAES Group has defined specific regulations that formalise the roles, responsibilities and timing of the reporting process and definition of the Group's DNF. The procedure was approved by the Risk Control and Sustainability Committee on 6 February 2019 and the Board of Directors on 13 March 2019.

- **Fight against active and passive corruption:**

For some time now, the fight against active and passive corruption has been monitored by the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 adopted by SAES Getters S.p.A. In 2018 the Group began drafting an Anti-Corruption Code and a Code of Business Conduct which will be formally approved in the course of 2019. The goal of the policies is to strengthen and confirm the commitment undertaken by the Group to prevent illicit practices and promote a corporate culture based on current best practices. In support of this choice, in 2018 SAES Getters S.p.A. joined Transparency International's Business Integrity Forum. As for SAES Coated Films S.p.A. (ex Metalvuoto), preparatory activities continue for the drafting of the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01: once the assessment has been completed, the company will evaluate the need or opportunity to adopt the Model.

- **Supplier selection process and respect for Human Rights:**

The Group requires its suppliers to sign the Code of Ethics and suppliers dealing with specific categories of minerals (gold, tin, tantalum and tungsten) to sign the Conflict Minerals Policy.

Thanks to these instruments, the Group is committed to safeguarding human rights along the entire value chain. Moreover, SAES Getters S.p.A. will undertake to define the guidelines that integrate environmental and social aspects in the assessment process of suppliers, of all subsidiaries.

A project is planned for 2019 which involves analysing the supply chain of all Group company suppliers and will lead to the preparation of a Code of Conduct for Group Suppliers. Note also that a Group HR policy has been drafted with the aim, among other things, to define the principles to follow also with reference to respect for human rights. The policy will be formally approved in 2019.

- **Sustainability Risk Management:**

The Group has a special ERM (Enterprise Risk Management) process developed on the basis of the COSO ERM framework. Its objectives also include an identification of the main risks associated with material aspects of sustainability for the Group, as represented at the beginning of the chapters of this document. The activity is carried out with the support of the Risk Owners involved in the process, who for their sensitivity and understanding of the processes, business and daily operations can provide

feedback to help Management in making corporate decisions. During 2018 the Group embarked on a path to further integrate ESG risks within the corporate ERM.

The completion and finalisation of the current activities are envisaged during 2019.

Furthermore, for the next reporting year the Group intends to begin the preparation of a sustainability plan with medium and long-term goals.

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The SAES Group, a constantly evolving story

THE SAES GROUP AT A GLANCE



160,284 (thousands of Euro) of Consolidated Net Turnover

10,988 (thousands of Euro) used in R&D equal to 7% of turnover



5 ISO 9001 certified companies

1 ISO 14001 certified company

The SAES Group invents, produces and markets new families and new compounds of “functional” materials with unique characteristics, which are used in various sectors, such as:

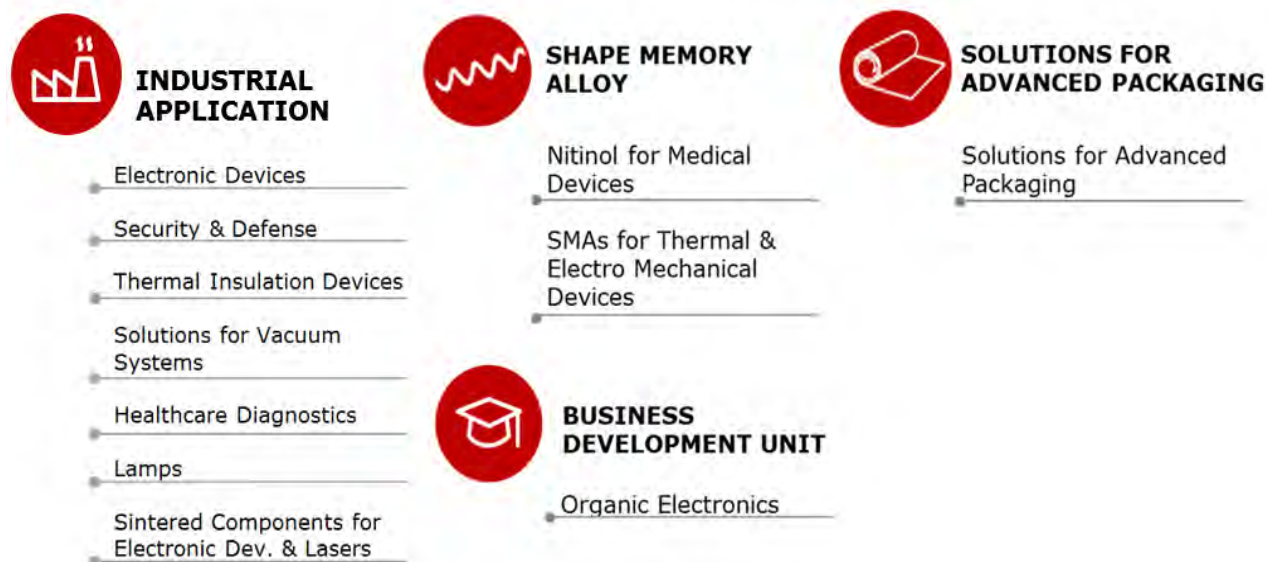
- **consumer electronics;**
- **home automation;**
- **automotive;**
- **medical;**
- **particle accelerators;**
- **advanced packaging.**

The Group has consolidated know-how and great experience and knowledge in the field of **Materials science**, which translates into the continuous development of innovative and radical ideas by the R&D department.

WHAT IS MATERIALS SCIENCE?

Materials science is the discipline that studies and invents new molecules and defines new production protocols that can be applied in various supply chains and products. Materials science is a sector that is changing the world around us and will help change it even further in the future.

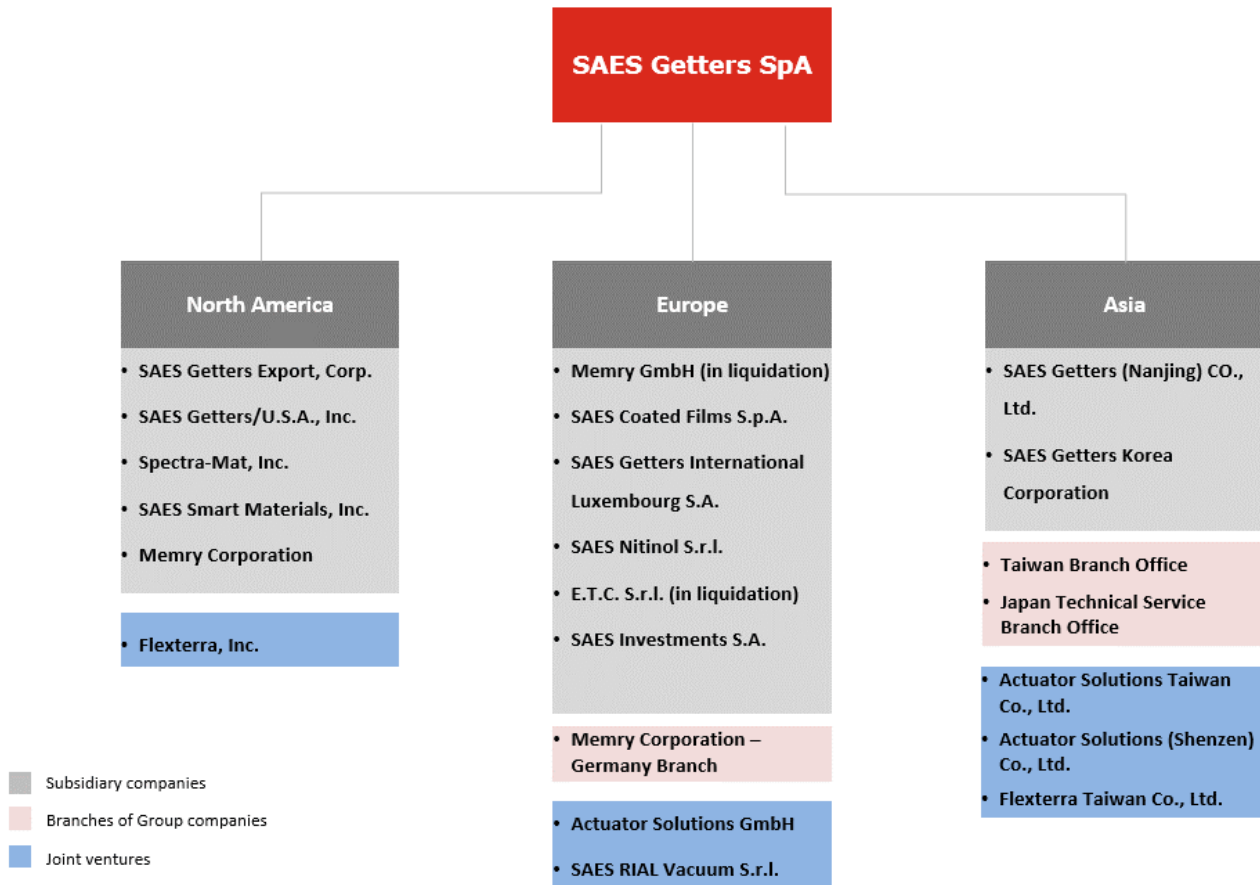
The Group is divided into 3 Business Units and 1 Business Development Unit that includes basic research projects or those under development, aimed at diversification into innovative businesses². The structure is shown below:



² For a description of the businesses and their economic and financial data, please refer to the 2018 Financial Statements of SAES Group. Recall that the gas purification business was sold in 2018 and is excluded from the reporting boundaries of 2018 data of this Non-Financial Statement, as specified in the Methodological note.

THE STRUCTURE OF THE SAES GROUP

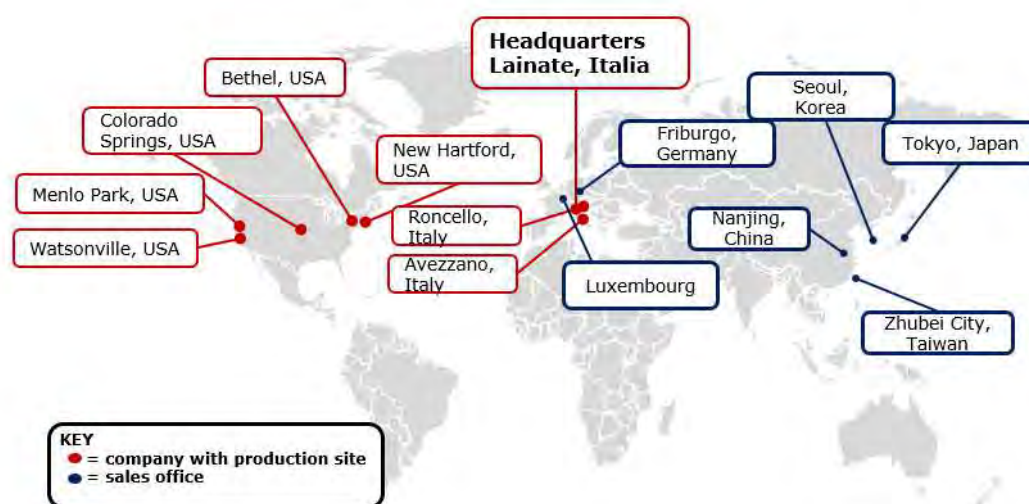
The following table shows the companies belonging to the Group as at 31/12/2018³



³ For a description of the individual Group companies and the related economic and financial data, please refer to the 2018 Financial Statements of SAES Group. Recall that the joint ventures do not fall within the reporting boundaries of this document.

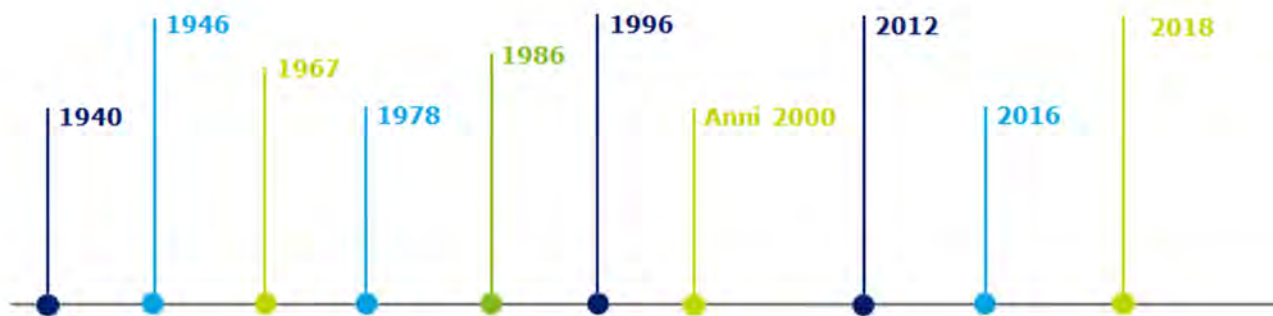
OUR PRESENCE IN THE WORLD

The SAES Group is headquartered in Lainate (Milan), Italy and is present worldwide with both production and commercial subsidiaries in Europe, the US and Asia⁴.



⁴ The geographical offices of Group companies that do not fall within the reporting boundary are excluded for the purposes of this Non-Financial Statement as described in the Methodological note of this document, to which reference should be made.

HISTORY OF THE SAES GROUP



1940: the company S.A.E.S. was established in Florence. (Società Apparecchi Elettrici e Scientifici) at the behest of the Engineer Ernesto Gabrielli.

1946: The della Porta and Canale families joined the company, in which they still currently play a leading role.

1957: S.A.E.S. patented the getter for the cathode-ray tubes of television sets, which started production on an industrial scale.

1967: New getter configurations were presented, a technology that allows the production of new products such as non-evaporable getters (NEGs) and getter pumps.

1978: After redefining the corporate structure, acquiring new companies and reaching 300 employees, S.A.E.S. became SAES Getters.

1986: SAES Getters S.p.A. was listed on the Stock Exchange.

1996: The head office of Lainate was established, currently the headquarters of the Group.

The 2000s: The Group's current structure was defined thanks to significant acquisitions and the expansion of new markets, which gave the Group its current structure.

The 2010s

2012: The SAES Group and the German company Alfmeier established a joint venture Actuator Solutions GmbH which produces devices based on SMA technology and won the "German Innovation Award" in the "medium-sized enterprises" category.

2016: SAES Getters S.p.A. created a joint venture with the Rodofil Group, SAES Rial Vacuum S.r.l., to expand its design and production of vacuum chambers.

2018: SAES Getters S.p.A. concluded the acquisition of the company Metalvuoto S.p.A., creating SAES Coated Films S.p.A., a company proposing a comprehensive and innovative offer on the flexible packaging market based on the development of active plastic films with high performance, dedicating extra attention to their biocompatibility and low environmental impact.

2018: The SAES Group sold its Californian subsidiary SAES Pure Gas Inc. and the purification business to the American company Entegris.

1. Group business management

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
ANTI-CORRUPTION	Group commitment to combat active and passive corruption through the application of policies, procedures and mechanisms for reporting potential irregularities or unlawful behaviour and specific training activities on the matter; the aspects also include the Group's transparency in relations with Political Organisations.	Correctness and transparency in the management of relations with public and private subjects, in the carrying-on of business activities	The Group also pays attention to monitoring all behaviour and negligence that, if put in place, would create the conditions constituting the risks of crime punished by the aforementioned external regulations and undertakes to provide its employees with targeted training in this area.
ETHICS, BUSINESS INTEGRITY AND COMPLIANCE	Integrity and transparency in business activities and compliance with laws and regulations; the issue includes the adoption of an Organisational, management and control model pursuant to Italian Legislative Decree 231/01 for SAES Getters S.p.A., a Code of Ethics, compliance with national and international principles and guidelines, compliance with current regulations and any specific regulations (e.g. anti-trust, monopoly, anti-competitive behaviour) where the Group operates or related to the business activity.	<ul style="list-style-type: none"> - Compliance with regulations and laws of reference - Integrity in running the business activities 	The Group pays attention to principles such as business ethics and integrity thanks to the adoption of the Code of Ethics and of the Organisational, management and control model adopted by SAES Getters S.p.A. (pursuant to Italian Legislative Decree no. 231/2001). The Group adopts and promotes among its stakeholders a healthy, correct and consistent approach with the strategic and operational objectives so as to comply with applicable laws and regulations.

1.1. Governance and Organisation

The Board of Directors (BoD) of the SAES Group consists of 9 members, including six men and three women with an average age of 60 and ranging from 77 for the oldest member to 45 for the youngest member. The composition of the BoD as at 31 December 2018 is shown in the following table:

JOB TITLE	NAME	GENDER	YEAR OF BIRTH	EXECUTIVE (E) – NON-EXECUTIVE (NE)	IND. CODE	IND. CONSOLIDATED FINANCE ACT	AUDIT, RISK AND SUSTAINABILITY COMMITTEE ⁵	REMUNERATION AND APPOINTMENT COMMITTEE ⁶	
Chairman	Massimo della Porta	M	1960	E	-	-	-	-	
Deputy Chairman, Managing Director and CFO	Giulio Canale	M	1961	E	-	-	-	-	
Director	Adriano De Maio	M	1941	NE	-	X	-	M	
Director	Alessandra della Porta	F	1963	NE	-	-	-	-	
Director	Luigi Lorenzo della Porta	M	1954	NE	-	-	-	-	
Director	Andrea Dogliotti	M	1950	NE	-	-	-	-	
Director	Gaudiana Giusti	F	1962	NE	X	X	M	C	
Director	Stefano Proverbio	M	1956	NE	X	X	M		
Director	Luciana Rovelli	F	1973	NE	X	X	C	M	
		Average age							
Directors/gender		30-50 years		>50 years		Total			
Men		-		6		6			
Women		1		2		3			

⁵ ⁶ In this column, director position within the Committee is indicated as “C” for chairman and “M” for member.

THE COMMITTEES OF THE SAES GROUP⁷

AUDIT, RISK AND SUSTAINABILITY COMMITTEE

The Audit, Risk and Sustainability Committee is responsible for outlining the guidelines that can reduce and mitigate risk, providing opinions to the Board of Directors on risk management and identification. The Committee is also responsible for overseeing issues relating to sustainability.

REMUNERATION AND APPOINTMENT COMMITTEE

The Remuneration and appointment Committee is one of the internal committees of the Board of Directors; it is responsible for preparing the Remuneration Policy pursuant to Article 123-ter of the Consolidated Finance Act; moreover, it is the body that assesses the adequacy and correctness of the Group Policy, identifying any proposals for change or improvement and monitoring its correct application.

COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES

The Committee for transactions with related parties is formed by directors who meet the independence requirements. It is chaired by the Lead Independent Director. The committee meets whenever related party transactions need to be assessed and submitted to the Committee for its opinion.

ETHICS AND INTEGRITY

The SAES Group, aware of the importance of Governance in the planning of objectives and performance of both an economic and financial nature and in terms of sustainability, undertakes to achieve a correct corporate and entrepreneurial management that makes it possible to create value for stakeholders and increase investor confidence and interest. The Corporate Governance system of the Group is in line with the recommendations contained in the Code of Self-Regulation of the Listed Companies, promoted by Borsa Italiana S.p.A. The tools used are the Code of Ethics and the Organisational, Management and Control Model according to the requirements of Italian Legislative Decree 231/2001 (hereinafter also referred to as “Model 231” or “Model”)⁸.

The **Code of Ethics** of SAES Getters S.p.A., with which all the Group companies are required to comply, was updated in 2014 and aims to define a set of rules of behaviour that makes it possible to disseminate among employees a corporate culture aimed at legality, defining the principles of SAES business. The Code defines certain values such as: legality, fairness, transparency, impartiality, diligence and professionalism, information confidentiality, environmental protection and sustainable development and competition. Moreover, if the principles of the Code of Ethics are violated by temporary workers, suppliers, consultants and commercial partners, when required the service contract will be terminated.

⁷ For a more detailed description of the Committees of the SAES Group, please refer to the other sections of the 2018 Financial Statements, the 2018 Report on Corporate Governance and the Ownership Structure, in particular.

⁸ The Code of Ethics of the SAES Group (English and Italian versions) and the Model 231 of SAES Getters S.p.A. are available and can be downloaded on the website www.saesgetters.com

THE CODE OF ETHICS AND RELATIONS WITH STAKEHOLDERS

The Code of Ethics of the SAES Group pays particular attention to the relations that the Group has with some of its key stakeholders, in particular:

- **requires** relations with **customers, suppliers and temporary workers** to be transparent and non-discriminatory;
- **commits** the Group to maintain proactive and constant collaboration in compliance with the laws and regulations in force towards the *Public Administration, Supervisory Bodies, Trade Associations and Judicial Authorities*;
- **protects equal opportunities in the selection of personnel.**

The **Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001** is the document that describes the organisational model of SAES Getters S.p.A. The Model 231, updated in 2018 (version 11), expresses the will to:

- determine, in all parties involved, the awareness of being able to incur disciplinary consequences and/or penalties in case of violation of the Model;
- reassert that the unlawful behaviour deriving from any violations of the Model are strongly condemned by SAES Getters S.p.A.;
- allow SAES Getters S.p.A. to prevent unlawful behaviour by monitoring risk areas.

SAES Getters S.p.A., as from 2017, opted for a Model 231 structured by process and no longer by category of offence, as it was originally, and composed of a general part known as descriptive, and a special part which, in turn, consists of 25 protocols. The decision to change the structure of Model 231 was made in response to the need and desire to make the Model increasingly usable and more effective in terms of “risk analysis” and identification of “risk mitigation areas”, as well as control measures.

Thanks to Model 231, SAES Getters S.p.A. condemns all forms of **corruption**, also arranging a special Supervisory Body for this purpose with its own functions indicated in the Model. During 2018 SAES Getters S.p.A. adopted a specific “Whistleblowing” reporting procedure and implemented an IT platform for managing reports anonymously and confidentially. It also created a specific email inbox to collect any reports. The inbox is added to the one which already exists for the Supervisory Board.

The platform can be accessed from the company web page “Reports - Whistleblowing” under the “About Us” section. Reports can refer to the scope of offences and risk areas defined in the Organisational Model pursuant to Italian Legislative Decree no. 231/01 as well as to incidents of fraud, corruption, or other violations of the Code of Ethics, legislation and/or all those activities that can cause damage to company assets.

COMMITMENT AGAINST CORRUPTION

The SAES Group is actively engaged in combating corruption, both public and private, as provided for by national legislation. In particular, the Group actively prevents any attempt at corruption, unlawful favours, collusive behaviour and requests for personal benefits as described in the Code of Ethics that, together with Model 231, are the tools for monitoring the occurrence of corruptive phenomena.

Specifically, in 2018 the company joined the Business Integrity Forum of Transparency International, the world's largest organisation that deals with preventing and fighting corruption. The goal is to adhere to the best practices of reference and internally promote values which contrast corruption. In this regard, in 2018 the Company initiated a process that led to the preparation of an Anti-Corruption Code and a Code of Business Conduct that will be formally approved in 2019 and will be followed, still in 2019, by a Group Code of Conduct for Suppliers, as previously reported.

The Code of Ethics refers to specific duties of behaviour, also in relation to corruptive practices, potentially present in various areas of company operations. In particular, when carrying out relations with customers and suppliers, it must be considered that gifts, contributions and entertainment expenses are allowed when of modest value and without being interpreted as aimed at obtaining improper advantages. There are also company procedures that govern relations, both institutional and commercial, with national or EU public bodies, Supervisory Authorities, public officials and public servants.

THE INTEGRATED APPROACH OF THE SAES GROUP: QUALITY, ENVIRONMENT, SAFETY & ETHICS

The SAES Group aims to achieve technological excellence in full compliance with economic, social, environmental and ethical sustainability. The Group is constantly committed to improving its production and management processes by adopting responsible management that combines quality and efficiency in business development with attention to its employees and the environment. Currently, there are 5 companies of the Group with **ISO 9001 Certification**⁹, **2 production sites**¹⁰ of the Group with **ISO 14001** certification and **3 production sites**¹¹ with sector-specific certifications.

All certifications were adapted to the new versions of the standards in the course of 2018.

SAES has adopted a “Group Integrated Policy for quality, environment, safety and ethics” (hereinafter referred to as the “Group Integrated Policy”). Each subsidiary derives its own local policy from the “Group Integrated Policy”.

⁹ The ISO 9001 certified companies of the Group are: SAES Getters S.p.A., SAES Coated Films S.p.A., Memry Corp., SAES Smart Materials, Inc., SAES Getters USA, Inc.

¹⁰ SAES Getters S.p.A. is ISO 14001 certified for the plants of Lainate and Avezzano.

¹¹ The company SAES Getters S.p.A. is IATF 16949:2016 certified for the Factory of Lainate; Memry Corp. is 13485:2003 certified for the Factories of Bethel (CT) and Menlo Park (CA); for further details, please refer to Chapter 3, "Technology at the service of innovation".

The “Group Integrated Policy” is illustrated below:

in order to guarantee continuous progress and maintain its leadership in the field of vacuum technology for scientific and industrial applications, special metallurgy and materials science, as well as reaffirming its total loyalty to its traditional “core values”, the SAES Group is committed to implementing an Integrated Quality, Environment, Safety and Ethics Management System based on compliance with the following principles:

- consider a fundamental element of the Group's global strategy to be the constant commitment to research and development of innovative products with a high technological content, through the adoption of modern and well-structured methods, so as to be able to satisfy and anticipate customer expectations and needs, guaranteeing respect for the environment and safety in use;
- concentrate its efforts on profitable businesses through actions aimed at improving economic results and maximising profits, also through the introduction of diversified products;
- combine the scientific knowledge and technical skills available within the SAES Group with those acquired through collaboration with external customers and centres of excellence, with the aim of developing “enabling” products capable of promptly and effectively meeting the demands of a market in constant development;
- adopt the most advanced international regulations and standards on quality, environment and safety, by simultaneously promoting the application and diffusion among all Group companies of a corporate culture that respects human rights and ethical principles;
- constantly enhance and promote the professional and human growth of all Group employees, involving them, informing them regularly about company objectives and programmes and ensuring safe and peaceful working conditions;
- develop a corporate culture oriented towards continuous improvement, achieved through structured processes, whose performance is constantly monitored by indicators able to measure efficiency and effectiveness in a timely manner.

CORPORATE SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

The Group has the following policies on human rights and corporate social responsibility:

- **Anti-Corruption Code:** this policy promotes compliance with ethical standards and full compliance with national and international regulations on the prevention of corruption in all its forms, as well as the integrity, transparency and fairness in carrying out its work. The Code is applied in all Group companies and effectively integrates the Group's compliance system and, with reference to Italy, the current Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231 of 8 June 2001 adopted by SAES. The document was drafted during 2018 and will be formally approved in 2019.
- **Code of Business Conduct:** this policy regulates the conduct of employees, directors and consultants of the Company and Group companies in managing business (relationships with customers, conflicts of interest, sponsorships, etc.) and outlines the minimum standards that the Group's suppliers must comply with in carrying out negotiations and managing contracts with the Group companies. The document was drafted during 2018 and will be formally approved in 2019.
- **Global HR Policy:** this policy defines the principles the Group aspires to in the promotion of a better workplace. In particular, the document sets out the principles to be followed relating to: i) shared responsibilities, ii) child labour, iii) recruitment practices, equality and non-discrimination, iv) forced labour, v) workers' health and safety, vi) salaries, vii) rewarding, viii) work hours, ix) education, x) performance communication and staff development. The document was drafted during 2018 and will be formally approved in 2019.
- **Policy on Corporate Social Responsibility (CSR):** with this policy, the Group is committed to upholding human rights without any discrimination on the grounds of gender, religion or age and to ensuring that there is no child and/or forced labour for any operations or workers. These values and principles apply to all workers including students, migrants, temporary staff, employees and all other types of workers.
- **Conflict Minerals:** with this policy, the Group requires suppliers dealing with specific categories of minerals (gold, tin, tantalum, tungsten) to sign the Conflict Minerals policy aimed at ensuring that such materials do not come from areas where there is a high risk of human rights violations and environmental degradation.

The preparation and adoption of a **Code of Conduct for Group Suppliers** is envisaged in 2019.

1.2 Opportunities and risks

THE CONTEXT OF REFERENCE

Sustainability issues, such as the fight against climate change, environmental protection and the adoption of policies for the development and sustainable management of material resources, have become increasingly interesting for institutions and organisations around the world in recent years. In particular, in 2015 the 21st United Nations Framework Convention on Climate Change (known as COP21) focused on regulating greenhouse gas emissions and was ratified in 2016. The climate agreement will enter into force from 2020 and represents an important step forward in defining a global strategy to combat climate change and the increase in the temperature of the Planet Earth. In 2015, the United Nations adopted a new policy for the dissemination of sustainable development issues: the Sustainable Development Goals (17 SDGs). The 17 goals, valid for the period from 2015 to 2030, involve the public and private sector in ensuring the achievement of common objectives, such as peace, security, justice, social inclusion and environmental responsibility. In 2016, by means of Italian Law Decree no. 256, the Italian legal system adopted European Directive 2014/95 - Barnier on “Non-Financial Statement”, which requires public-interest companies that meet certain criteria to provide, starting from 2017, information on the management of social and environmental issues. Therefore, organisations are increasingly called upon to carefully assess the



development of specific scenarios and the new challenges that these present, in order to be able to seize opportunities and manage the risks involved. The SAES Group operates in a dynamic environment in continuous development, both in terms of market trends and in terms of complexity and high technological content of the sector in which it operates. It is essential for the Group to properly manage and control the risks to which

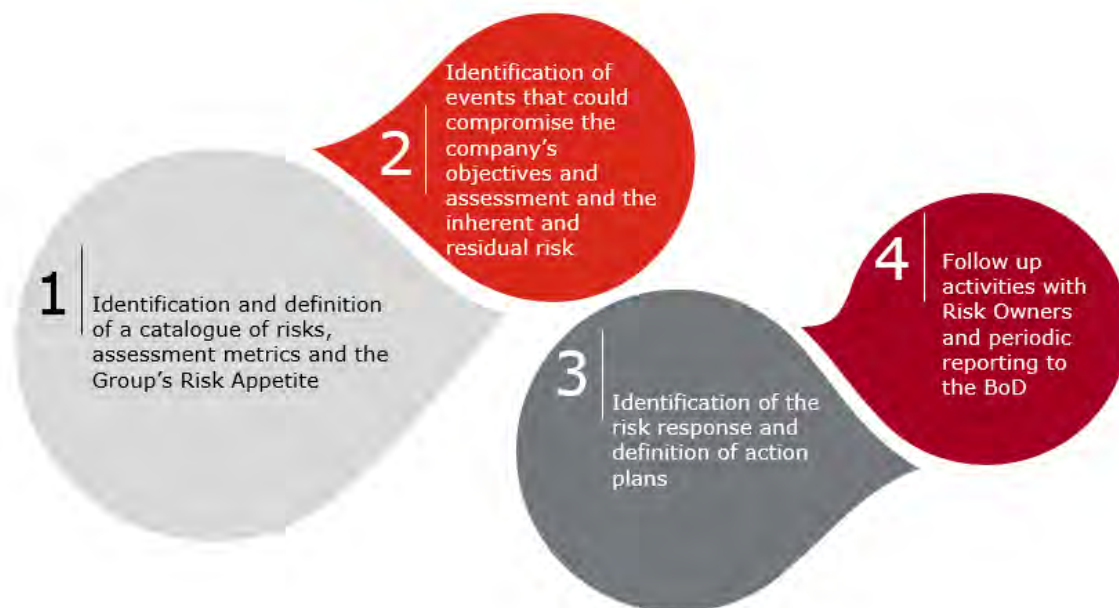
it is exposed during its business activities so as to ensure stability and balance over time and maintain lasting relations with its stakeholders.

The risk-aware management is carried out through the progressive implementation of a system that makes it possible to identify, assess and, where possible, mitigate and monitor business risks according to a precautionary approach.

In order to correctly define its risk profile, the SAES Group has adopted an Enterprise Risk Assessment process since 2012, defining and updating a risk catalogue; this operation was carried out following the requirements of the COSO Framework international standard.

The method for assessing the identified risks follows the COSO ERM framework and involves all the identified Risk Owners. The Group's objective is to ensure that the ERM strategy becomes an integral part of the assessment of decision-making processes in business planning.

THE RISK MANAGEMENT MODEL OF THE SAES GROUP



For further information on the main risk factors for the sustainability of the SAES Group and related management methods, please refer to the tables at the beginning of each chapter of this document.

1.3 Stakeholders of the Group and materiality analysis

The SAES Group recognises the importance and the need to create a transparent, two-way and constructive dialogue concerning sustainability with its customers, suppliers, shareholders, employees and all those involved in the life of the organisation. The correct approach to sustainability is one of the Group's fundamental objectives, both from a strategic point of view and in relation to the subjects with whom it interacts.

The Group pursues its interests with a view to sustainable development and environmental protection, striving for a continuous balance among economic initiatives, safety of operations from a corporate point of view and prevention of environmental risks. With this in mind, the Group decided to undertake a process that integrates into its business the assessment of all positive and negative events, through a constructive dialogue with its stakeholders.

The Group already launched a materiality analysis process in 2016 aimed at identifying the areas of greatest interest also for the purpose of developing the company business and creating value for stakeholders, with a view to long-term sustainability. On the basis of material or relevant aspects, priority indicators through which to monitor and communicate the Group's sustainability performance were identified.

STAKEHOLDER IDENTIFICATION

The Group implemented a process for mapping, identifying and prioritising the main categories of stakeholders, which has made it possible to define the Group's stakeholder map, by also identifying the level of dependence and influence on the Group.

THE MAP OF THE STAKEHOLDERS OF THE SAES GROUP



MAIN TOOLS FOR DIALOGUE WITH THE STAKEHOLDERS OF THE SAES GROUP



Company Intranet
Organisational communications
Information articles on values/products/people (“SAES In touch”)



Institutional website www.saesgetters.com
Social network
Events and trade fairs
Online/web advertising, paper advertising in trade magazines, product brochures
Telephone contacts/via email/meetings



Institutional website www.saesgetters.com
Telephone contacts/via email/meetings



Financial Statements
Information on request
Communications to be provided



Institutional website www.saesgetters.com
Conferences and seminars
Scientific communities
Social network
Telephone contacts/via email/meetings



Institutional website www.saesgetters.com



Institutional website www.saesgetters.com

Press releases

Shareholders' Meeting

Presentations of financial results

Financial Statements

Meetings with the financial community



Institutional website www.saesgetters.com

Social network

Telephone contacts/via email/meetings

MATERIALITY ANALYSIS

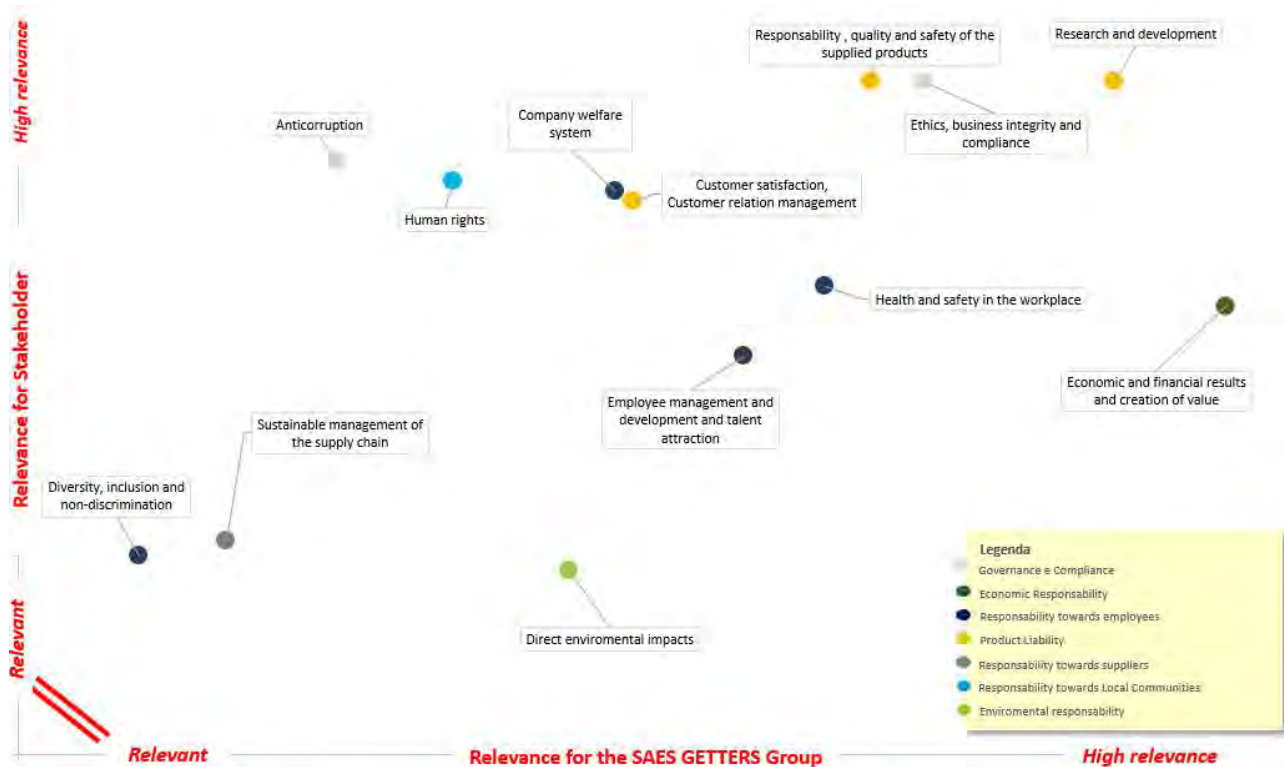
An evaluation process of relevant issues was carried out for the first time in 2017 through a materiality analysis performed internally by the management. This analysis helped to identify the significant aspects in the economic, social and environmental impacts for the Group and its stakeholders. In fact, these issues reflect the main impacts generated by the Group and its activities and are aspects which can potentially influence the feedback of its stakeholders.

During 2018, in accordance with the principles of the GRI Sustainability Reporting Standard, the materiality matrix was updated in order to confirm or revise the significant issues following internal evaluations and the involvement of certain categories of external stakeholders.

In particular, the Group expanded its analysis by involving a sample of stakeholders composed of employees and customers through the administration of a questionnaire. With regard to the economic, environmental and social impacts relating to the Group, the assessments made by management in the definition of the 2017 materiality matrix were confirmed.

The result of this process was the updating of the materiality matrix shown below:

THE MATERIALITY ANALYSIS OF THE SAES GROUP



With respect to the issues published in the 2017 DNF, which were considered material for the Group and its stakeholders, it should be noted that the topic “diversity, inclusion and non-discrimination” was found to be material, while the topic relating to “indirect economic impacts and relations with local communities” was not found to be material. It should also be noted that the topics “energy management”, “waste management”, “water resources and waste management” and “atmospheric emissions and climate change mitigation” were aggregated under the single issue “Direct environmental impacts” in order to rationalise the issues present in the matrix.

Furthermore, compared to the results of the 2017 materiality analysis, we note an increase in the importance assigned to the topics “management and development of employees and attraction of talent”, “research and development”, “economic and financial results and creation of value”, “customer satisfaction, customer relationship management” and “business ethics and compliance” emerged following the engagement activities carried out.

In the coming years, the Saes Group will continue to expand the number of stakeholders involved in assessing the relevant issues so as to monitor and constantly update the matrix.

2. Economic performance and business development

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
ECONOMIC AND FINANCIAL RESULTS AND CREATION OF VALUE	Economic and financial performance of the Group, financial stability, protection of profitability and generated economic value; creation of value in the short, medium and long term also thanks to the efficient management of tangible and intangible assets (e.g. patents, production technologies, specific know-how).	<ul style="list-style-type: none"> - Enhancement of company assets - Achievement of growth targets defined by the Management 	The Group is committed to managing its business activities responsibly by achieving sustainable profitability and growth targets, in order to generate long-term economic value that can be distributed among all stakeholders.
SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN	Responsible management of procurement processes throughout the Group's supply chain; assessment and screening of suppliers on the basis of social and environmental performance, and promotion of behaviour and social responsibilities that encourage suppliers to adopt sustainable behaviour.	<ul style="list-style-type: none"> - Availability of raw materials - Quality of supplies and financial stability of suppliers 	The Group develops correct, clear and transparent relations with all its suppliers based on compliance with principles of quality and cost-effectiveness in choosing them and favouring suppliers belonging to countries and communities in which it operates.
HUMAN RIGHTS	Management of activities, also along the value chain (suppliers and customers), which present significant risks in the field of human rights (forced labour, child labour, freedom of association and collective bargaining, discrimination at work) and any actions undertaken (e.g. training plans on issues related to Human Rights, Codes of Business Conduct and auditing activities).	<ul style="list-style-type: none"> - Respect for human rights by employees, suppliers, customers and partners 	The Group has a policy on corporate social responsibility and a specific policy on the aspect of "Conflict Minerals". With these instruments, the Group supports universal human principles such as: human rights and labour rights, committing itself to their integration into its business strategy and to their observance throughout the entire value chain.

HIGHLIGHTS



Revenues of Euro 160.3 million, up by 8.9% compared to Euro 147.1 million in FY 2017

Consolidated gross profit up by 13% compared to FY 2017

Operating results of Euro 15 million, up by 65.7% compared to FY 2017



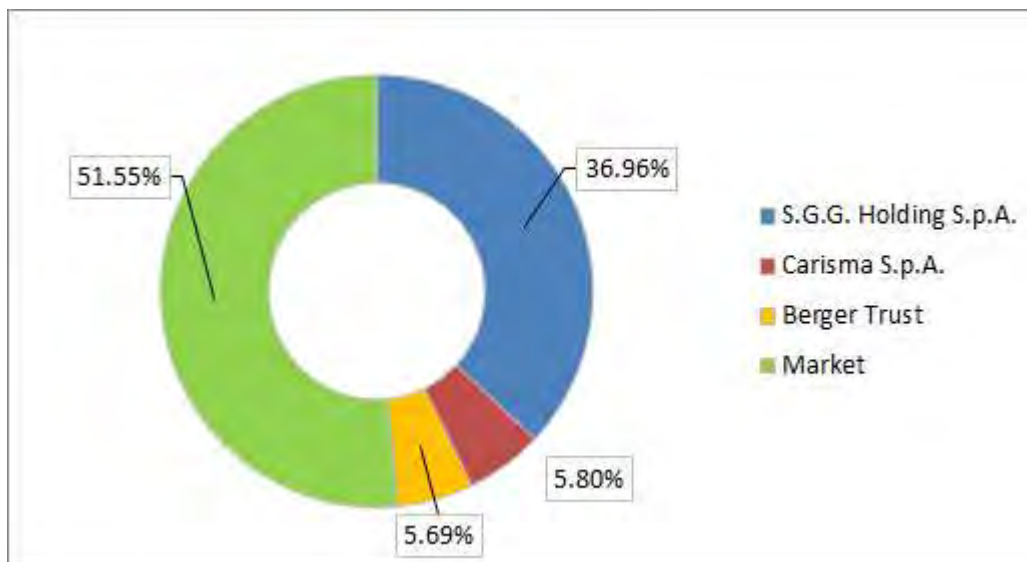
Consolidated EBITDA at Euro 26.3 million (16.4% of turnover), up sharply (43.5%) from Euro 18.3 million of FY 2017

Net financial position, following the selling of the Gas purification business, had a strong growth, improving from Euro -16.5 million of 2017 to Euro 223.3 million of 2018

2.1 Communication with the financial community

The share capital of SAES Getters S.p.A. as at 31 December 2018 amounted to Euro 12,220,000, consisting of 22,049,969 shares, of which 14,671,350 ordinary shares and 7,378,619 savings shares, with an implicit par value of Euro 0.554196 each. The shareholding structure is represented below, with regard to the ordinary shares with voting power in the shareholders' meeting.

SHAREHOLDING STRUCTURE OF THE SAES GROUP AS AT 31/12/2018



As at 31 December 2018, the majority shareholder is S.G.G. Holding S.p.A., which holds a higher share equal to 36.96% of the ordinary shares, whereas more than half of the ordinary shares (51.55%) are free-floating shares on the market. On the same date, the shareholder S.G.G. Holding S.p.A. accrued the right

under Article 11 of the Articles of Association to be able to benefit from an increased vote for a total of 6,776,065 votes, representing 42.28% of the voting rights.¹²

INVESTOR RELATIONS

The creation of value for shareholders also requires a transparent and fair relation with the financial community, which for the Group is an important element in the process of business management and development.

Meetings and conference calls were organised during the financial year with the purpose of providing periodic financial-economic information.

In addition, the Company participated in the STAR Conference organised by the Borsa Italiana S.p.A. in Milan on 27 and 28 March 2018 and in London on 23 October 2018, and on 17 and 18 May 2018 attended the event “Le eccellenze del made in Italy 2018” (The excellences of Made in Italy in 2018) organised by Intermonte S.p.A. in Genoa.

Lastly, on 5 September 2018 the Company participated in the Industrial Day organised by Borsa Italiana S.p.A. in Milan.

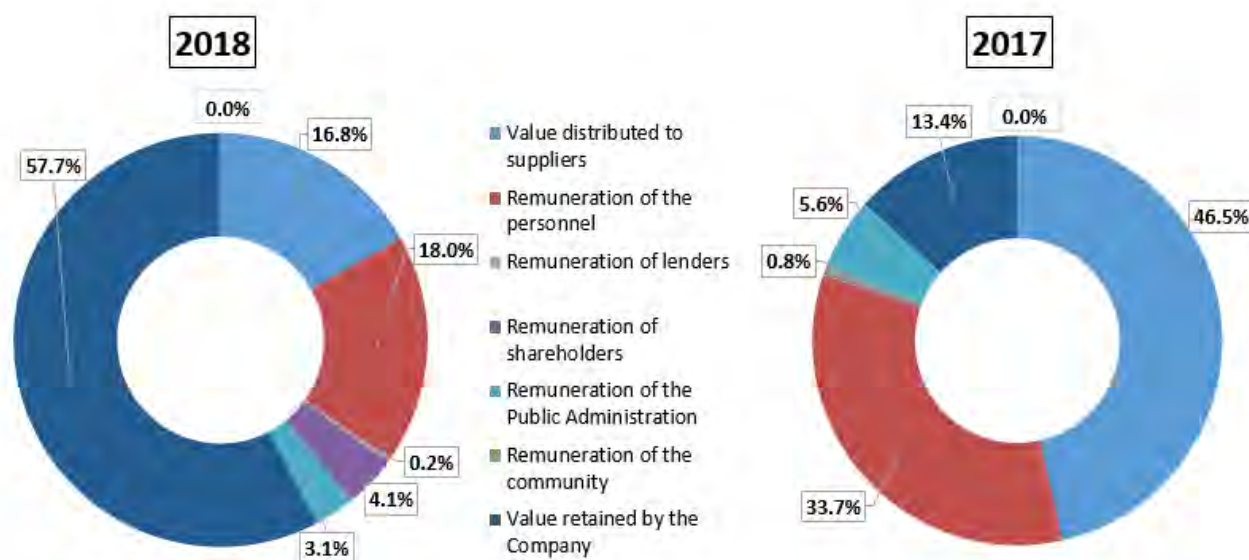
As confirmation of the transparency and importance that the Group gives to external communications, 26 press releases were issued during the year in addition to regular financial reporting and presentations. Presentations to the financial community, corporate documents, press releases and all information concerning the Group are available on the Investor Relations section of the website: www.saesgetters.com, both in Italian and English. Shareholders' Meeting documents, the Code of Ethics and the contacts of analysts following the stock are also available.

¹² After 31 December 2018, the shareholder Carisma accrued the right to benefit from increased voting rights for 656,400 shares. Therefore, the total voting rights increased from 16,027,392 to 16,683,792 and the new percentage of voting rights of S.G.G. Holding S.p.A. will be equal to 40.61%.

2.2 Generated and distributed economic value

The creation and distribution of value for its stakeholders is a constant commitment of the SAES Group. The following chart represents the wealth produced by the Group and distributed among stakeholders in the following manner: **value distributed to suppliers** (reclassified operating expenses), **remuneration of personnel** (direct remuneration consisting of wages, salaries, employee severance indemnity and indirect remuneration consisting of social security contributions), **remuneration of lenders** (interest expense), **remuneration of shareholders** (distributed dividends), **remuneration of the Public Administration** (total taxes paid). The **value retained by the SAES Group** is represented by the result for the year net of the profits distributed to the shareholders.

DISTRIBUTION OF THE VALUE GENERATED BY THE SAES GROUP¹³



The generation and distribution of the economic value created by the SAES Group were calculated based on the results for the year ended 31 December 2018. The **economic value generated** by the SAES Group in 2018, net of reclassified costs, amounted to approximately **Euro 403 million**, up 72% on the previous year. Most of this value is represented by the **value retained by the Company** (approximately **Euro 232 million**, compared to approximately Euro 31 million in 2017), followed by the **remuneration of personnel** (approximately **Euro 72 million**, slightly lower than the figure for 2017, which was around Euro 79 million). **Remuneration of the**

¹³ For the purposes of graphic representation, the non-significance of the value of the Community remuneration implies that in both annuities this item has a percentage weight equal to zero. For details, please refer to the table “202-1 Statement of distribution of the economic value generated by the SAES Group” in the attachments section.

Public Administration equalled approximately **Euro 13 million** (in line with the figure in 2017), while the **remuneration of lenders** is equal to approximately **Euro 1 million** (a slight decrease compared to approximately Euro 2 million in 2017). The **value distributed to suppliers** was approximately **Euro 68 million** (a decrease of 38% compared to the previous year's data). In 2018, the **remuneration of Communities** was Euro 15 thousand compared with Euro 33 thousand of 2017, while the **shareholder remuneration** was **approximately Euro 17 million**¹⁴, unlike 2017 where the remuneration was 0.

¹⁴ The share of the remuneration of the shareholders corresponds to the allocation of the net profit dividends for the year that the Board of Directors of the Parent Company will propose to the Shareholders' Meeting.

2.3 The supply chain of the SAES Group

All procurement and distribution activities for the SAES product portfolio are based on the essential research and development activities that characterise the Group's technological offer.

Only after defining the specific technological solution for its customers does the Group procure the raw materials, semi-finished products and finished products to make the requested product and distribute it to their customers.

FROM PRODUCT RESEARCH AND DEVELOPMENT TO DELIVERY TO GROUP CUSTOMERS



To carry out its activities, the SAES Group collaborates with its suppliers to obtain the best products and essential services for maintaining high standards of excellence.

RESPONSIBLE SALES MANAGEMENT

In order to prevent and manage possible situations at risk, the Group has implemented specific rules regarding the sale of its own products with new business partners.

When acquiring a new customer, the Group has special procedures both in case of calls for tenders with Public Administration Bodies and with private individuals.

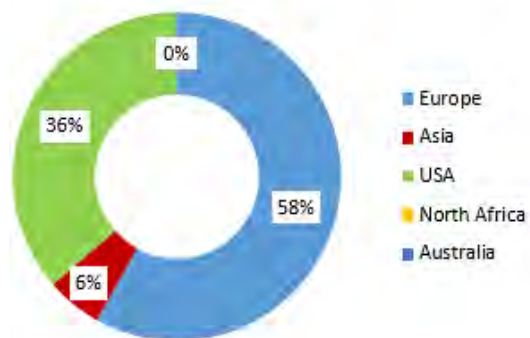
The Group's four main categories of purchases range from raw materials and semi-finished products to support services for business activities. In particular, to confirm the strong drive for innovation, the expenditure for the protection of intellectual property - a decisive asset of the SAES Group - is significant.

NUMBER OF SUPPLIERS AND TOTAL EXPENDITURE BY CATEGORY OF PURCHASES (2018)¹⁵

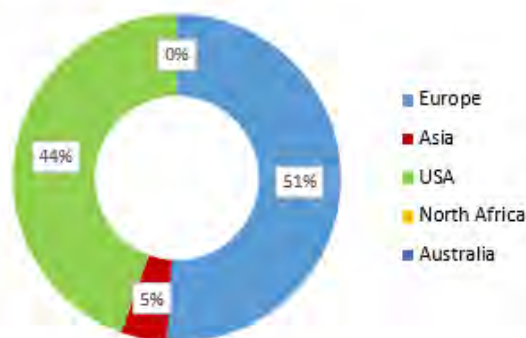
Product segment	2018		2017	
	No. of Suppliers	Value of total annual expenditure [€]	No. of Suppliers	Value of total annual expenditure [€]
1) Raw materials, semifinished and finished products, outsourced work	531	30,067,225	930	75,265,442
2) Utilities, facilities, canteen, clothing, services, rentals, fairs, events, marketing, travels, books, printed matter	1,693	32,709,495	1,798	30,776,428
3) Consultancy	198	10,218,688	227	5,533,089
4) Patent expenses	12	926,312	12	1,158,681
Total	2,434	73,921,720	2,967	112,733,640

DISTRIBUTION OF SUPPLIERS BY GEOGRAPHICAL AREA¹⁶

N. Suppliers 2018



N. Suppliers 2017



¹⁵ For the purposes of data comparability, recall the sale and the consequent exclusion of SAES Pure Gas, Inc. as indicated in the Methodological note.

¹⁶ For the purposes of graphic representation, the small number of suppliers from North Africa and Australia implies that both countries have a weight percentage equal to zero. For details, refer to the table "Supplier distribution by geographical area" in the attachments.

In order to contribute to the creation of value in the local communities where the Group operates, SAES Getters focuses on the purchase of goods and services from local suppliers. In particular, **69.8%** of the Group's total **purchases** are **made locally**.

In particular, the entire expenditure made by the companies present in Asia is related to Asian suppliers, 89.6% of the purchases of USA companies refer to suppliers in the USA and finally, 60.8% of the expenditure in Europe is focused on Italian suppliers.

PERCENTAGE OF EXPENDITURE CARRIED OUT ON LOCAL SUPPLIERS IN 2018 AND 2017

Geographical area	Percentage of expenditure on 2018 local suppliers	Percentage of expenditure on 2017 local suppliers
Europe	60.8%	61.9%
USA	89.6%	91.4%
Asia	100.0%	100.0%
Gruppo	69.8%	80.8%

3. Technology at the service of innovation

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
RESPONSIBILITY, QUALITY AND SAFETY OF THE SUPPLIED PRODUCTS	Production and sale of high quality products through actions aimed at improving the performance, durability and safety of the products manufactured.	- Compliance with specific product standards and/or standards requested by the Customer and with law regulations.	The Group pursues the objective of continuously improving the quality and safety of its products by adopting the most advanced technological solutions.
RESEARCH AND DEVELOPMENT	Research and Development activities aimed at designing products with high technological content with a special attention to innovative solutions and sustainable applications capable of generating positive externalities for the environment, society and customers; the theme includes the implementation of eco-design criteria and the use of cutting-edge technologies, patents and know-how.	- Adequacy of the product research and development process - Retention and attraction of talents and highly qualified personnel - Product innovation - Investments in research, development	The Group continuously supports and implements research and innovation initiatives, paying particular attention to the hiring of highly qualified personnel.
CUSTOMER SATISFACTION, CUSTOMER RELATION MANAGEMENT	Monitoring of the level of customer satisfaction and implementation of a customer relation management system capable of providing indications for the development and improvement of the design, implementation and marketing of products.	- Adequate structure of the process for obtaining customer feedback - Adoption of adequate data collection tools	The innovation in production processes is closely related to the supply of cutting-edge products. The Group monitors and collects complaints relating to any problems found by its customers, paying full attention in listening to and promptly resolving any problems.


HIGHLIGHTS

 <p>2 ISO 13485 certified production facilities</p> <p>1 IATF 16949 certified production facility</p>	 <p>More than 300 inventions over the last 70 years</p> <p>431 registered patents in Europe, Asia and U.S.A.</p> <p>251 scientific articles published in conference papers</p>
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3.1 Customers and markets served

Over time, the SAES Group has become a world leader in hi-tech solutions for scientific and industrial applications requiring vacuum conditions, shape memory products and functional polymeric compounds. The Group developed a high level of know-how in component and system engineering, offering a wide range of innovative solutions for more than 1,500 customers in 2016 in around 60 different countries. The Group develops and customises the functions of the materials according to the requests of its customers, such as: blue chips, start-ups, universities and research centres, using a vertical approach in production: from raw materials to the finished product, capable of meeting the specific requirements of each customer.

THE MAIN MARKETS SERVED BY THE SAES GROUP

 <p>Healthcare</p>	 <p>Automotive</p>
 <p>Consumer Electronics</p>	 <p>Scientific research areas</p>
 <p>Advanced Packaging</p>	 <p>Other industrial</p>
 <p>Security e defense</p>	

TECHNOLOGY IS OUR PRODUCT: SOLUTIONS FOR EVERY REQUIREMENT

THE MAIN FUNCTIONS OF OUR PRODUCTS





Actuate: moving parts of different mechanical devices and equipment

Recover: return to the stored shape of a device, recovering it even after large deformations

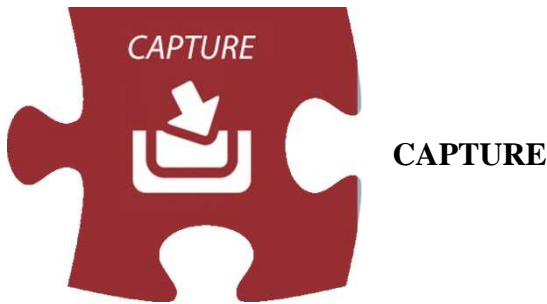
Shape Memory Alloys (SMA) are special materials that by their nature have two very special characteristics:

- the ability to return to their original shape even after considerable deformation (shape memory);
- considerable resistance to breakage under stress (super-elasticity).

Nitinol is one of the materials that presents these two characteristics and the SAES Group has been engaged for years in the development and production of this innovative alloy and the products made with it, ensuring internal control of the entire production chain: from alloy casting to finished components.

The exploitation of Nitinol's super elasticity property, together with its proven biocompatibility, is primarily used in medical applications, minimally invasive surgery and self-expanding medical devices such as aortic stents or heart valves, while form memory is primarily used in actuators in industrial applications.

The latter can be used where closing, opening or regulating actions are required, such as in thermo valves, thermostatic actuators or dosing systems. Thanks to their compactness, silent movement and light weight, they are particularly appreciated in sectors such as automotive, home automation and consumer electronics.



Capture: absorb and capture steam and gaseous elements inside hermetically sealed devices

The getter materials of the SAES Group are able, through a chemical reaction, to capture molecules of active gases such as oxygen, carbon dioxide, nitrogen, etc. in hermetically sealed devices, thus making it possible to improve and maintain the vacuum level required inside them.

The main families of metallic getters are shown below:

- **Getter Film** – application of getter technology in small devices due to their reduced thickness and customised mouldability on different substrates. For example, the main uses are image intensifiers and photomultipliers, gyroscopes and other micro devices (MEMS -Micro Electro-Mechanical Systems).
- **Hydrogen Getter** – solutions applicable to cryogenic tanks for storage of liquid gases, vacuum insulated cryogenic tubes, small-volume dewars and hermetic storage containers for hydrogen-sensitive products.
- **Non evaporable getters (NEG)** – the dimensional constraints of the devices that need to maintain the vacuum, the special process temperature conditions, the need for capacity or rate of gas absorption at different temperatures etc. have led to the development of a variety of getter alloys and components, with different sizes and configurations, used in devices ranging from lamps, X-ray tubes, solar collectors, sensors, insulated panels and much more.



DISSIPATE

Dissipate: managing heat transfer and dissipation

Components in sintered materials allow good heat dissipation, a factor of great importance in small or very sophisticated devices. These components (cathode bases and special filaments) are used in the production of gas lasers, high brightness LEDs, microwave power amplifiers for radar transmitters, medical X-ray therapy, photovoltaics, etc.



PROTECT & SEAL

Protect and seal: apply highly innovative materials to absorb gas or seal

The SAES Group provides innovative materials and solutions for the flexible packaging of products and devices in which the management of the composition of the atmosphere in contact with the product is essential for durability and correct operation. Through a solid technological base, the Group provides advanced functional chemical composites that enable it to capture water vapour, oxygen and other harmful gases and contaminants at the right time.

These materials are used in sectors ranging from food packaging, to home & personal care, nutraceuticals, the pharmaceutical industry up to consumer electronics.



RELEASE

Release: *emit, weigh out and deposit controlled quantities and qualities of metallic vapours, gases*

The Group produces components and devices capable of releasing small doses of metallic vapours for specific applications. The products of this division include certain types of **getters** and **dispensers** capable of emitting, distributing and depositing precise quantities of metal or gas vapour, such as mercury, alkaline metals and oxygen.

Some products are also designed to ensure the emission of a stable, constant and controlled electron current necessary for the operation of some electronic devices.

The main applications for these products are in electronic and photonic devices, sensors and fluorescent lamps.



VACUUM

Vacuum: *Obtain and maintain vacuum, high or ultra-high vacuum in a specific volume or chamber*

The SAES Group pumps, based on getter materials, are able to create very high **vacuum** conditions in particle accelerators and advanced analytical equipment, where space constraints limit the adoption of vacuum technologies other than getter technologies. The most important fields of use concern analytical instrumentation, vacuum systems and particle accelerators.

Other less sophisticated products are also used in vacuum thermal insulation solutions.

3.2 Innovation, research and development

The identity of the SAES Group has always been oriented towards a natural propensity to research, development and innovation of new solutions that can have commercial, technological and global value for the Group and its main Stakeholders. The technological diversification that the Group proposes, both from a production point of view and in the different sectors served, is the result of a precise strategic choice, aimed at consolidating its leadership position in the high-tech products market. In fact, more than **12% of Group employees and associates**, in line with 2017, is engaged in R&D activities. In this context, the Group protects:

- the intellectual property of strategic importance;
- the selection of qualified personnel with the necessary know-how;
- the updating of design and production technologies.

The Corporate Research & Development area, in synergy with the other Companies of the Group, invests in the development of the most functional and specific technical aspects for the various subsidiaries, constantly involving the partners present at a global level. To support the strong drive for innovation, in 2018 the Group dedicated Euro 10,988 thousand to R&D activities, equal in percentage terms to approximately 7% of consolidated net turnover.

NUMBER OF PATENTS REGISTERED BY THE SAES GROUP BY GEOGRAPHICAL AREA (1999 -2018)

Geographical area	Number of registered patents
Europe	96
China	92
Japan	76
Korea	61
USA	106
Total	431

The results of this approach have allowed the Group to achieve significant results with more than **300 inventions** developed in about **70 years** of activity, and the average in the last period is about **8-10 inventions** per year protected by the registration of patent applications.

Since the fifties, the Group has linked its commercial success to the ability to continuously innovate, developing its products according to customer requirements and courageously entering cutting-edge sectors. During its history, the SAES Group perfected a series of patents that have become real milestones for the development and identity that the Group still holds today. These include patents that contributed to the development of gas purification applications in the eighties and metal alloys dedicated to advanced applications in the nineties.

Today, the SAES Group can count on a broad technological portfolio, developed over decades of research and know-how transfers, which actively supports a large number of high-tech applications and new products.

SAFETY AND QUALITY OF PRODUCTS

The Group carries out analyses and provides health and safety assessments of its products. All the products manufactured are labelled in accordance with current regulations¹⁷. These are then in accordance with the Safety Data Sheets (SDS) issued at the head office in the language of the country of use, in compliance with the local laws of the areas of use and production, and in particular with the REACH regulation in EU. The Group also adopts a restrictive policy regarding the use of hazardous substances in its products and production processes and promotes green design (Design for Environment methodology). A careful analysis of possible safety impacts on designed and manufactured products is also carried out.

QUALITY MANAGEMENT OF PRODUCTION PROCESSES

The presence of certifications attesting the Group's commitment to implementing a quality management system is considered a fundamental element in the SAES Group strategy. With regard to the quality of its production processes, the Group can boast:

- **IATF 16949:2016 Certification** for shape memory alloys at the Lainate factory;
- **ISO 13485:2016 Certification** for Nitinol-based products for use in medical devices at the factories of Memry Corp.

¹⁷ In particular, the products of the SAES Group are subject to regulation CLP 1272/2008 for the Italian and European markets, and to Hazcom 2012 for the US markets on finished and intermediate products.

CUSTOMER CARE: COMPLAINT HANDLING

Customer care and complaint handling are areas that the SAES Group supervises and manages on a daily basis with care. The commercial function directly manages the reports that are subsequently included, for the parent company SAES Getters S.p.A., in the online platform Customer Support Application: this tool makes it possible to manage all the steps of the process for checking and solving complaints. The Quality function manages the reports, carrying out analyses and issuing any technical report in case of need. **302 complaints** were received in 2018, mainly for non-compliant products. The figure is not comparable with that shown in the previous statement, because the data of all the SAES Group companies – not just the data of the Parent Company – has only been reported since 2018.

4. The people of the SAES Group

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
EMPLOYEE MANAGEMENT AND DEVELOPMENT AND TALENT MANAGEMENT	<p>Professional growth and retention of talents; development and training activities aimed at strengthening the technical, managerial and organisational skills of employees and consolidating the professionalism required by the covered role.</p> <p>Plans and actions aimed at attracting qualified and specialised personnel with specific technical skills related to the Group's business activities.</p> <p>Development of a constructive dialogue with the trade unions.</p>	<ul style="list-style-type: none"> - Adequacy of the recruitment process - Retention and attraction of talents - Adequacy of personnel development and training plans - Adequacy of agreements and relations with trade union representatives and other labour organisations 	<p>The SAES Group is committed to defining professional growth objectives for all its employees, recognising the achieved merits and goals. The Group supports and encourages the carrying out of growth activities for all employees by encouraging the involvement and sharing of the Group's growth objectives among all employees.</p> <p>The Group is committed to establishing constructive and responsible relations with trade unions in order to develop a positive dialogue.</p>
COMPANY WELFARE SYSTEMS	<p>Policies, benefits (economic and non-economic), actions to improve the well-being of employees and to create a comfortable working environment that meets the requirements and expectations of employees.</p>	<ul style="list-style-type: none"> - Adequacy of welfare policies and convergence with regard to the personnel requirements and expectations 	<p>The Group is committed to reconciling the working and personal lives of its employees. The SAES Group encourages the development of policies, projects and benefits that can contribute to meeting the expectations and requirements of employees.</p>
HEALTH AND SAFETY IN THE WORKPLACE	<p>Development of practices and programmes to promote safety in the workplace; promotion of specific training on health and safety of employees, monitoring and prevention of workplace injuries in order to reduce their number.</p>	<ul style="list-style-type: none"> - Compliance with regulations on health and safety at work - Protection of workers' health - Adequacy of investments and training plans in health and safety matters 	<p>The Group is committed to reducing the number of injuries by engaging itself in improving the working environment and reducing the personnel absences.</p>
DIVERSITY, INCLUSION AND NON-DISCRIMINATION	<p>Policies and programmes that aim to protect and ensure the promotion of diversity, inclusion and equal treatment within the Group.</p>	<ul style="list-style-type: none"> - Respect and promotion of diversity - Pay equity between men and women at the same professional level - The occurrence of cases of discrimination 	<p>The Group condemns all forms of discrimination, both internal and external, and is committed to ensuring that all decisions relating to its employees are considered while taking into account the skills, knowledge and work performance of each, without any differentiation based on age, gender, sexual orientation, health, race, nationality, religious beliefs and political opinions.</p>

HIGHLIGHTS



933 Group employees as at 31 December 2018

7 average hours of training per capita



89% of senior managers are employed in their country of origin

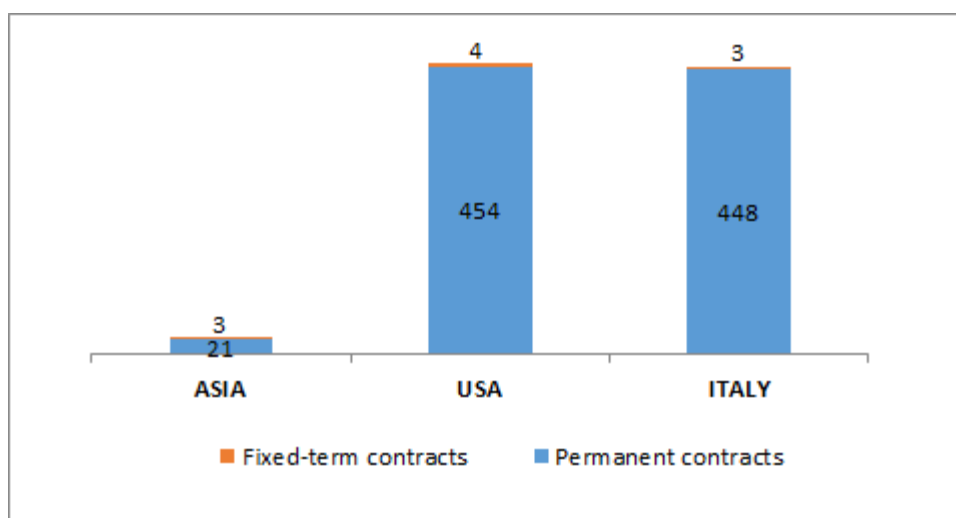
4.1 Our people

The SAES Group considers the management of its human resources to be of paramount importance as a key factor for the company's success. For this reason, the Group is active in the implementation of policies that can enhance the contribution provided by employees, developing their potential and, at the same time, the skills that can bring added value to the organisation.

At 31 December 2018, the Group's total workforce amounted to **933** people.

The Group headcount is largely concentrated in the USA (**49%**) and Italy (**48%**). The remaining portion (**3%**) is employed in the offices located in Korea, China, Taiwan and Japan, hereinafter referred to as “Asia”.

DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA AS AT 31 December 2018



The SAES Group strongly believes in the professionalism of its employees. As a demonstration of the Group's desire to create strong and long-lasting professional relations, in 2018, about **99% of the total workforce** consisted of employees with **permanent contracts**¹⁸.

As at 31 December 2018, the Group employed **87 temporary workers** (mainly contract workers) up on 65 temporary workers in the previous year. Moreover, supporting the commitment to develop new talents during the reporting year, **12 internship opportunities/school-work alternation projects** were offered.

Compared to the professional categories, **most employees** (527) fall under the **blue collar** category, one of the key roles for achieving the high quality standards of the SAES Group's products. **White collars**, on the other hand, represent approximately **34%** of employees and, finally, the category of managers, which includes key executives and managers, corresponds to approximately **10%** of the total.

DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER¹⁹

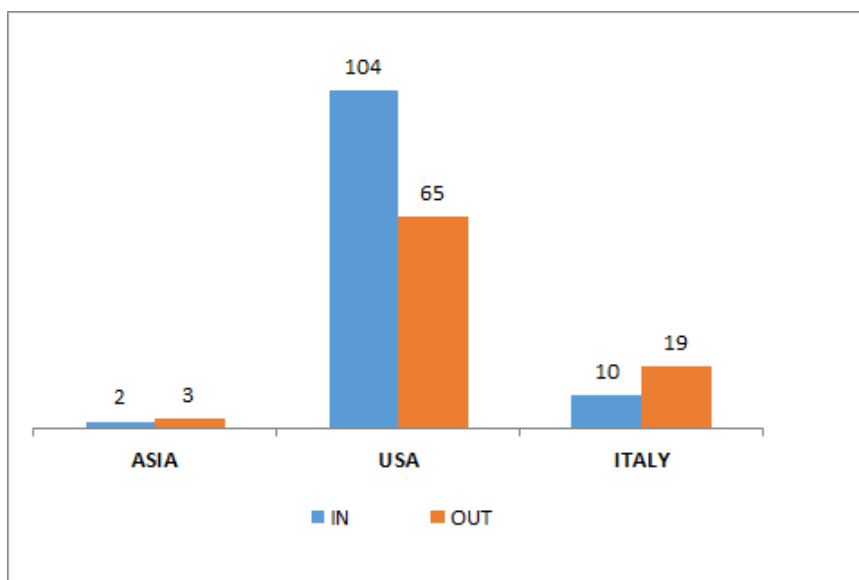
	2018			2017		
	Men	Women	Total	Men	Women	Total
Manager	78	13	91	77	11	88
White Collars	213	102	315	249	115	364
Blue collars	372	155	527	462	159	621
Total	663	270	933	788	285	1,073

¹⁸ Employees hired by SAES Getters USA, Inc. signed an at-will contract that, in the representation of the Group data, was classified as “permanent” because the contractual agreement does not establish a time limit for the employment relationship.

¹⁹ For the purposes of data comparability, the data include the sale and consequent exclusion of SAES Pure Gas, Inc. (as at 31/12/2017 with 160 employees) and sales organisation located in Shanghai of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. (as at 31/12/2017 with 9 employees) as indicated in the Methodological note.

With regard to turnover within the Group, **116 new employees were recruited** in 2018, compared to **87 who left** the Group.

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES WHO JOINED AND LEFT THE GROUP IN 2018



As a result of the hires made in 2018, the **hires rate**, i.e. the ratio between the number of hires and the total number of employees as at 31 December, was equal to **12%**, as can be seen in the following table.

HIRES AND HIRES RATE

	2018				2017			
	<30	30-50	>50	Rate	<30	30-50	>50	Rate
Men	27	34	16	12%	48	53	21	15%
Women	15	14	10	14%	15	15	8	13%
Total	42	48	26	12%	63	68	29	15%

Referring to the **outgoing turnover rate**, i.e. the ratio between the number of outgoing employees and the total number of employees as at 31 December, the value recorded in 2018 was 9%.

OUTGOING AND TURNOVER RATE²⁰

	2018				2017			
	<30	30-50	>50	Rate	<30	30-50	>50	Rate
Men	15	30	16	9%	32	43	17	12%
Women	8	12	6	10%	10	13	5	10%
Total	23	42	22	9%	42	56	22	11%

In all Group companies, minimum notice periods for significant operational changes in business comply with current laws, regulations and collective bargaining agreements.

4.2 Resource development and talent management

The SAES Group recognises the importance of developing and training its own resources so that they become the added value necessary to achieve a leadership position in the markets in which the Group operates. Since it is present in dynamic markets influenced by rapid technological changes, the SAES Group invests a lot of funds in research activities, which could not be carried out without the presence of highly qualified and constantly trained personnel.

The management and retention of human capital is guaranteed by the training activities provided for staff development, which amounted to **6,981 hours** in 2018, with a **per capita average** of approximately **7 hours**.

AVERAGE HOURS OF TRAINING PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY (2018)²¹

	Men		Women		Total	
	No. of hours	Average hours	No. of hours	Average hours	No. of hours	Average hours
Manager	1,628	21	150	12	1,778	20
White Collars	2,546	12	955	9	3,501	11
Blue collars	1,248	3	455	3	1,703	3
Total	5,421	8	1,560	6	6,981	7

²⁰ For the purposes of data comparability, the data include the sale and consequent exclusion of SAES Pure Gas, Inc. (as at 31/12/2017 with 160 employees) and sales organisation located in Shanghai of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. (as at 31/12/2017 with 9 employees) as indicated in the Methodological note.

²¹ Note that in reference to Memry Corporation, the training hours were estimated considering the average training for each employee.

The importance of personnel training is certainly a milestone for the Group, in order to achieve excellence in the development and marketing of its products. In particular, **technical training** within the R&D Department is considered a **strategic asset**, because of the peculiarities and the innovation that characterise the products of the SAES Group. But also at a more general level, the Group objective is **ensuring that all employees are qualified** to perform their duties in order to guarantee the economic efficiency of processes, the product quality and to keep the relevant environmental and safety impacts under control.

Every year, each function manager identifies the specific training needs of his own staff in order to reach, maintain and improve adequate skills in the performance of the assigned tasks.

When identifying training needs, each manager takes into account any changes made to company processes, the level of development of the personnel, the requirements and expectations of internal and external customers.

Continuing along the same lines as the previous year, 2018 was mainly characterised by the adoption of a methodological approach, always attentive to resources, with a particular focus on external training, economic investment in managerial roles through tools such as MBA experience, Development Centre projects and individual and group Coaching sessions, as well as interventions to consolidate soft skills in line with the company strategy and the long-term business needs.

The most significant initiatives undertaken during the year of reporting are the following:

- **Research & Development:** MBA, Project Management, discussions on specialised topics for research and development activities (such as, for example, non-linear statistical simulation, cyclic voltammetries, food packaging and heat treatments, crystallography), internal training of new employees. In addition to these training programmes, an in-depth event focusing on radical innovation in the corporate world was created for the resources of the R&D Department and the Parent Company's laboratories.
- **Health and safety, quality and environment:** Safety and business risks, fire update, PAS PES PEI certification, self-propelled trucks certificates, toxic gases licences, Internal Quality Auditor AICQ, the revision of OHSAS 18001 - the new ISO 45001, energy efficiency, training new employees.
- **Legal Privacy Training:** internal training provided by the Legal Department to the resources of the Italian offices, following the entry into force of the new European Regulation 2016/679 GDPR and Italian Legislative Decree 101/2018 on privacy.
- **Technical update training** in the field of industrial property/patent preparation, Operations, Taxes, Administrative, Legal and Labour law.
- **Managerial training:** Development Centre, Individual & Team Coaching, the effective management of change, managing conflict and negotiating effectively, effective meetings, public speaking, assertive communication, the characteristics of an effective team.
- **Active ageing:** pilot process for raising awareness of the entire Parent Company's workforce on the theme of active ageing (interviews with key roles and training initiatives), with the aim of creating awareness about the impact ageing has on the professional and social life of each person, in order to stimulate a positive and proactive reaction to the challenges resulting from it in terms of changes in openness, flexibility, ability to acquire new skills and motivation.

In addition to the activities outlined in the training plan, in continuity with the activities of the previous years, each function took an active part in the organisation of **on-the-job training**, in terms of instruction or coaching. The objective is also sharing company know-how with the company's youngest resources.

In the training area, the planning of activities concerning health and safety, prevention and quality is confirmed for the next reporting year, as are updates on tax, legal, administrative and labour law issues and training sessions for new employees.

Alongside the above activities, actions are envisaged which are aimed at:

- the development of technical skills, with a specific focus on priority emerging issues for the Research & Development Department and the Businesses;
- the strengthening and/or development of management skills on the topics economics, project management, leadership, organisation, feedback, team working, public speaking, problem solving, assertiveness and negotiation;
- the creation of individual and team development paths through Coaching and Development Centre sessions;
- the continuation of the Active Ageing project, furthering the relevant issues related to active ageing.

The Group is committed to creating a merit-based and non-discriminatory working environment that is appropriate for the development and well-being of its employees.

74% of workers **receive regular evaluations of their performance** and are given **career development** opportunities. The continuous comparison among the resources of the SAES Group contributes to the continuous improvement of the organisation.

EMPLOYEES RECEIVING A REGULAR PERFORMANCE AND CAREER EVALUATION (2018)

	Men	Men %	Women	Women %	Total	Total %
Manager	76	97%	13	100%	89	98%
White Collars	173	81%	75	74%	248	79%
Blue collars	236	63%	120	77%	356	68%
Total	485	73%	208	77%	693	74%

INCENTIVES AND REMUNERATION

In order to attract, motivate and retain the resources having the qualities and professional skills (technical and managerial) necessary to achieve its objectives, the SAES Group annually approves the “Remuneration Policy” which is defined in order to align the interests of top management with those of shareholders, which, by creating a strong identification with the company, pursue the challenging goal of creating sustainable value in the medium to long term.

For the reporting year, the remuneration package of executive directors and key management (meaning those resources that cover organisational roles relating to the planning, direction and control of the Group), is composed as follows:

- a **gross annual fixed component** (RAL), defined taking into account different factors, such as: labour market trends, the specific nature of the business in which the SAES Group works, the benchmarks of comparable companies, the role and relative responsibilities, length of service, competences, potential and career growth prospects of individual managers.
- a **variable component** divided into:
 - **MBO** (*Management by Objectives*) for the executive directors, which allows evaluating the recipient's performance on an annual basis, subject to the achievement of the “EBITDA” parameter; **PfS** (*Partnership for Success*) for managers and certain employees considered strategic, with annual disbursement, achievable based on the achievement of pre-defined business/role objectives.
 - **LTI Plan** (*Long Term Incentive Plan*), a deferred disbursement designed to retain and motivate key corporate resources and consequently allow the Company to enjoy greater organisational stability over the medium/long-term (3 years), linked to specific objectives contained in the three-year strategic plan.

Furthermore, an **incentive plan**, the so-called **Asset Plan**, was formulated during the reporting year with the purpose of paying the beneficiaries (executive directors, officers with strategic responsibilities, members of the Corporate Management Committee and employees participating in the *Partnership for Success* project) in relation to extraordinary transactions, such as the transfer of shareholding assets (patents, fixed assets, assets) of the company or a business unit if value and economic benefits are created for the Company through such operations.

The above incentive plan seeks to retain the beneficiaries and align their performance with corporate interests. The Plan is therefore a standalone incentive mechanism that considers the skills, seniority and experience of each recipient as added values in guiding and supporting the achievement of excellent strategic results.

The remuneration policy for the year 2018 lastly envisaged the activation of a **long-term plan** called the **Phantom Shares Plan** in order to remunerate managers (executive directors and members of the Corporate Management Committee) who are able to affect the company's results and increase its capitalisation.

The Plan provides for the bonus issue of a certain number of phantom shares to each beneficiary, which give him the right to receive a cash incentive payment which is parametrised in relation to the increase in the market share price on the date on which certain predetermined events occurred (such as, for example, change of control of the Company, resignation for just cause, reaching retirement age, death, delisting), with respect to the allocation value.

Also in this case, the principle objectives are the retention of the beneficiaries and better alignment of their performance with the interests of the shareholders and the Company.

4.3 Company welfare

With the aim of guaranteeing its employees a high degree of flexibility and the possibility of balancing work requirements with private life, the SAES Group offers its personnel various concrete initiatives to ensure good company welfare, such as **part-time** contracts, which benefited **16 people** in 2018, a slight decrease compared to 2017 (25 people).

To confirm the support to employees in managing the work-life balance, the Group also offers, in some of its premises, the possibility of flexible working hours, both in and out.

The Group's constant commitment to guaranteeing cutting-edge policies, in terms of working conditions, made it possible to achieve a favourable internal climate and low levels of work-related stress, thus guaranteeing Group employees a quiet place to work.

Moreover, for both full-time workers and part-time or temporary workers, the SAES Group envisages a series of benefits that vary according to the specific requirements of employees working in the various countries where the Group operates. Some of the company welfare solutions proposed by the various companies are shown below:

- **life/injury insurance;**
- **company health insurance** that envisages different levels of coverage based on the role in the company and the contract applied;
- **parental leave** guaranteed on the base of local legislation;
- **social security system to support employees**, in Italy in particular, white collars, blue collars and executives are covered both by the INPS social security system and by the supplementary scheme - COMETA (for white collars and blue collars) and PREVINDAI (for executives) - whose registration is optional;
- **medical examinations**, such as annual check-ups for key executives and regular check-ups at the company, including annual gynaecologist visits, eye tests and flu vaccines;
- **internal gym** to support the physical well-being of employees.

In addition, in 2018 the well-established *Flexible Benefits* programme continued, which provides beneficiaries with a certain amount of money to purchase a wide range of educational, welfare and/or recreation services.

4.4 Health and safety of employees

The SAES Group considers safeguarding the safety and health of its workers of primary importance and has the objective of complying not only with all the specific regulations on the matter but also of implementing an effective action aimed at prevention and continuous improvement of working conditions.

The focus of this objective is on assessing the health and safety risks associated with company activities in order to implement an effective risk prevention and management programme. These activities are carried out throughout the Group in accordance with the requirements and peculiarities of applicable local regulations.

In particular for the Italian companies, the “Risk Assessment Document” identified the appropriate prevention and protection measures and planned their implementation with the support of specialised figures.

The risk assessment was translated into a document containing:

- a report on risk assessment for safety and health at work that specifies the assessing methods used;
- identification of protection and prevention measures;
- personal protective equipment;
- the programme of the measures considered appropriate to ensure that safety levels are improved over time.

In addition to the “Risk Assessment Document”, a detailed environmental and safety emergency management plan, which establishes and explains the rules of behaviour to be used in the event of fire, injury, spill of hazardous substances, natural disasters and machinery/plant malfunctions, was prepared.

A key aspect in prevention is providing the workforce with training and information. For this reason, within the scope of their specific duties and competences, each worker will receive continuous and adequate information and training on the procedures concerning first aid, fire-fighting, evacuation of workplaces and on the names of the workers responsible for applying first aid and fire prevention measures.

To encourage the sharing of problems and ideas for improvement, periodic meetings are held with Workers' Safety Representatives (RLS) related to the results of the risk assessment.

During 2018, the Group recorded 17 injuries at work, 12 of which related to men and the remaining 5 to women; data on temporary staff is also monitored and it should be noted that 4 injuries were recorded, while no cases of occupational diseases were recorded in 2018.

	2018			2017		
	Men	Women	Total	Men	Women	Total
Injury rate ²²	10.14	11.32	10.46	14.78	10.38	13.67
Severity index ²³	0.079	0.000035	0.07	0.06	0.0002	0.09

The injury rate has significantly declined across the group, this is an indication of the constant attention to safety and the efficacy of the training carried out.

With regard to **absenteeism**, the value recorded in 2018 was **2%**, in continuity with the previous year.

	2018			2017		
	Men	Women	Average value	Men	Women	Average value
Absentee rate ²⁴	2%	2%	2%	1%	2%	1%

²² The injury rate was calculated according to the following formula: (injuries at work/working hours)*1,000,000. It should be noted that the hours worked by temporary workers were not included in the calculation (total number of temporary workers 87 in 2018).

²³ The severity index was calculated according to the following formula: (Lost days to injuries/working hours)*1,000. It should be noted that the hours worked by temporary workers were not included in the calculation (total number of temporary workers 87 in 2018).

²⁴ The absentee rate was calculated according to the following formula: (days of absence/working days)%. It should be noted that the hours worked by temporary workers were not included in the calculation (total number of temporary workers 87 in 2018). Note that the absentee rate in the US does not include absences due to illness.

4.5 Diversity and non-discrimination

As described in its Code of Ethics, the SAES Group condemns all forms of discrimination, both internal and external, and is committed to ensuring that all decisions relating to its employees are considered while taking into account the skills, knowledge and work performance of each, without any differentiation based on age, gender, sexual orientation, health, race, nationality, religious beliefs and political opinions. The commitment promoted by the Group is also based on the decision to employ **270 women** in its business activities, equal to 29% of the total. The figure, upward compared to 2017, shows the willingness of management to invest in a process of diversity, despite the characteristics of the industrial sector that has always been characterised by an accentuated male presence.

From the point of view of remuneration, the Group is also committed to providing fair remuneration for all its employees.

The gross minimum entry wage paid to new employees (blue collars) is higher than the local minimum wage envisaged by national law both for men and for women. In the Italian companies of the Group, in line with the previous year, the ratio stands at **1.01**²⁵, that means the minimum starting wage is on average 10% higher than the minimum legal requirement. On the other hand, the value reached in 2018 in the companies operating in the United States was **1.19**²⁶.

The personnel of the Group is also more concentrated in the age group that includes employees aged between 30 and 50 (48%). The other brackets contain 40% (more than 50 years old) and 11% (less than 30 years old), respectively.

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

	2018				2017			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Manager	0	37	54	91	0	34	54	88
White Collars	24	184	107	315	41	206	117	364
Blue collars	83	228	216	527	106	288	227	621
Total	107	449	377	933	147	528	398	1,073

Although it invests in the promotion of diversity and internationalisation as a strategy for cultural growth, the Group recognises the importance of a management class that is able to guarantee proper business management

²⁵ The data refers to Saes Getters S.p.A.

²⁶ The data refers to Memry Corporation.

in line with local needs. For this reason, **89%** of **managers** are **employed in their country of origin**. In particular, all women managers are hired locally²⁷.

²⁷ Locally hired managers is intended as the employee's national origin

5. Our commitment to the environment²⁸

Material aspects	Description	Sustainability risk factors	Management Procedures (MP)
DIRECT ENVIRONMENTAL IMPACTS	Efficient energy management through actions, programmes and management systems; decrease in energy consumption from fossil fuels and promotion of the production and purchase of energy from renewable sources.	<ul style="list-style-type: none"> - Adequacy of plants and of energy production and management technologies - Compliance with local laws and regulations 	The Group is committed to complying with the current national and international regulations in force by promoting the monitoring and reducing energy consumption of production processes through initiatives to reduce energy consumption (e.g. assessment of life cycle cost and environmental impact of civil and industrial plants, Corporate Environmental Indicators).
	Monitoring, prevention and reduction of greenhouse gas (GHG) emissions from production, logistics and business travel activities; other pollutant emissions such as: NOx, SOx and VOC.	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Maintenance and upgrading of plants at production sites 	The atmospheric emissions generated by the activities of the Group are monitored and limited in compliance with the relevant environmental regulations. The Group is committed to monitoring micropollutants emitted into the atmosphere and defines actions and measures to reduce greenhouse gas emissions.
	Responsible and efficient management of water resources; definition of strategies to increase efficiency in the use of water with particular attention to possible specific uses; monitoring the quality of wastewater discharges and implementing actions to improve the chemical, physical and biological quality of discharges.	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Adequacy of periodic checks on wastewater discharges 	The Group develops projects and initiatives to optimise water consumption, also through initiatives that facilitate the reuse and recovery of water within production processes. Particular attention is paid to monitoring the chemical and biological quality of wastewater discharges and, where necessary, the adoption of special wastewater treatment systems in line with law provisions.
	Responsible management of hazardous and non-hazardous waste associated with the business of the Group; dissemination of a corporate culture aimed at maximising the efficiency of waste management by promoting responsible management methods and practices such as: reuse, differentiation and recycling of produced waste.	<ul style="list-style-type: none"> - Compliance with environmental laws and regulations - Adequacy of the waste delivery, transport and disposal service 	The Group responsibly manages waste in full compliance with environmental laws and regulations, making all its employees aware of the proper delivery of waste in order to promote its recycling and recovery (e.g. waste classification and collection). Particular attention is paid to the proper management of waste from industrial processes (e.g. guidelines for the use of safer chemicals in SAES Group product and processes).

²⁸ The environmental figures include all the Companies of the Group included in the reporting boundary where the production sites are located. On the other hand, companies with only commercial offices are excluded as they are not considered relevant.

HIGHLIGHTS



45 Kg of CO₂ saved through specific energy saving projects



About 60% of waste produced by the Group is recycled (50% in 2017)

The units of Lainate and Avezzano are ISO14001:2015 certified

5.1 Management of environmental impacts

“Technological innovation to build the future and environmental sustainability to preserve it”, this is the motto that characterises the strategy and actions of the SAES Group in relation to its business activities. In fact, the Group implemented the vertical integration of its production processes, allowing it to focus on technological excellence and on the inflexible responsibility for environmental sustainability.

Therefore, the **eco-friendly strategy** is guaranteed by the control of the entire life cycle of the products of the SAES Group and by the systematic approach adopted for the pursuit of environmental protection. This method of action, in line with the best practices of the **UNI EN ISO 9001 quality management system** certification obtained for the Group's main production sites²⁹, is based on the following points:

- **measurement tools** of business performance to correctly assess the impact of the organisation's production on environmental resources;
- **long-term planning** to define and implement work processes with low environmental impact, deeply innovative and based on the results of the analysis;
- **compliance** with the most important **international regulations**;
- development of **advanced products**, which have safe and **environmentally-friendly** features and limit the use of environmentally hazardous substances.

In order to strengthen its commitment to environmental issues, the SAES Group implemented an environmental management system capable of including the protection of the environment and the safety of future generations in the company's objectives. The Group's commitment is expressed through the **ISO 14001 environmental management system certification, updated to the 2015 version during the course of 2018**, obtained for the production plants of Lainate and Avezzano.

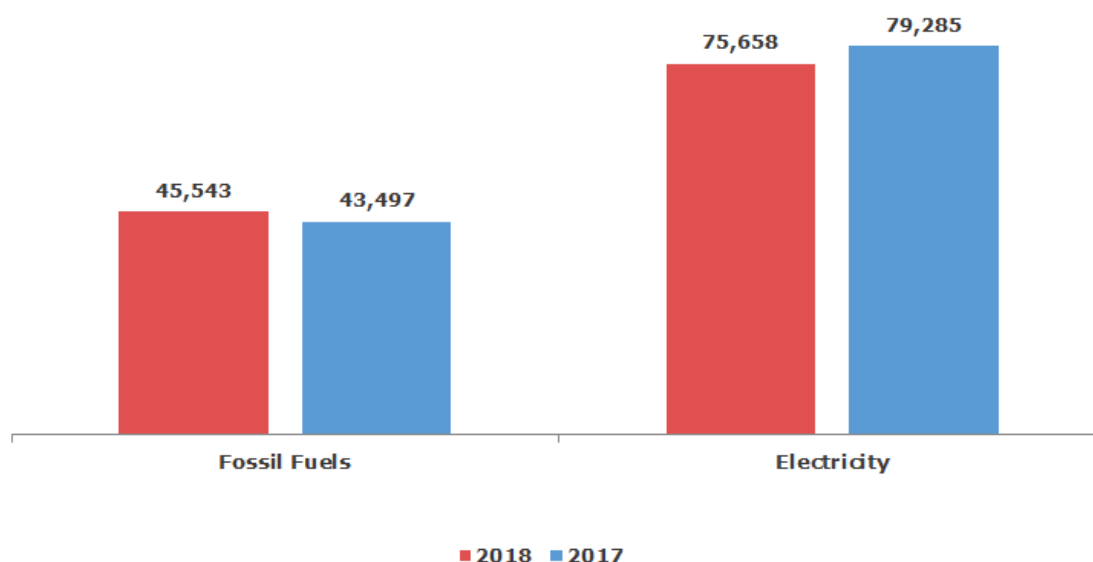
²⁹ The ISO 9001 certified companies of the Group are: SAES Getters S.p.A., Memry Corp., SAES Smart Materials, Inc., SAES Getters USA, Inc., SAES Coated Films S.p.A.

5.2 Energy consumption

At the end of 2018, the Group's total energy consumption amounted to **121,201 GJ**³⁰, slightly down compared to the previous year (1%)³¹. The main consumption derives from the use of non-renewable fuel for heating (mainly natural gas) and purchased electricity.

The electricity consumption has remained substantially stable within the same boundary, while that of natural gas increased by 3%.

ENERGY CONSUMPTION BY TYPE OF SOURCE (in GJ)



The **energy intensity value resulting from direct consumption**³² for the year 2018 equals **1.20**, a significant increase compared to the value of 2017, equal to 0.87. This figure represents the organisation's energy efficiency. The increase is due to the exit of Pure Gas from the SAES Group, which had an excellent level of energy efficiency.

³⁰Note that, as a result of a reporting system improvement process, the 2017 data relating to the consumption of fossil fuels has been restated. For the previously published data, please refer to the Consolidated Non-Financial Statement 2017, published in the Sustainability section of the site www.saesgetters.com.

Conversion factors used for the calculation of energy consumption: Source: DEFRA 2018.

³¹ For the purposes of data comparability, recall the sale and the consequent exclusion of SAES Pure Gas, Inc. as indicated in the Methodological note.

³² The **energy intensity deriving from direct consumption** was obtained from the ratio between the value of energy consumption of fossil fuels and electricity by the organisation (in GJ) and the cost of goods sold (€), multiplied by one thousand.

With regard to the Group's commitment to reducing its energy consumption, in 2018 the organisation **saved 95 GJ (45 kg of CO₂³³)** through the implementation of various programmes and initiatives to reduce consumption and/or improve efficiency. For example, the headquarters and the Avezzano office have revised their water cooling systems in certain departments

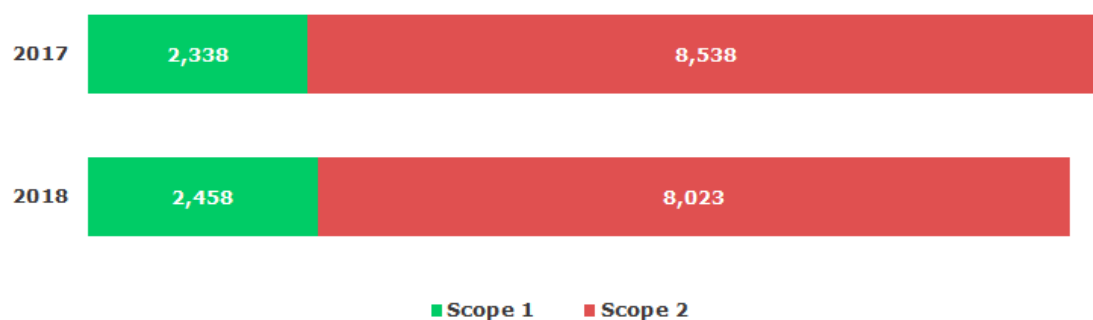
5.3 Emissions into the atmosphere

During 2018, the SAES Group produced **10,481 tons of CO₂eq³⁴**, **down 4%³⁵** compared to 2017.

In reference to **direct emissions** (Scope 1), i.e. the emissions resulting from consumption relating to the use of fossil fuels, the 2018 data is equal to **2,458 tons of CO₂eq**, **an increase of about 5%** compared to 2017. The increase is due to an increased use of natural gas, a more accurate report of the fuel consumption of company cars, and the Group's USA companies LPG consumption.

Indirect emissions (Scope 2) deriving from the purchase of electricity remained substantially stable within the same boundary, and amounted to **8,023 tons of CO₂** in 2018.

DIRECT EMISSIONS, SCOPE 1, AND INDIRECT EMISSIONS, SCOPE 2 (IN TONS OF CO₂eq)³⁶



³³ The CO₂ savings were calculated with the Market-based method

³⁴ The figure for CO₂ emissions of the Group reported in this section “atmospheric emissions” refers to emissions calculated using the location-based method.

For the conversion factors used to calculate CO₂ emissions, see the table in the annexes.

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

³⁵ For the purposes of comparability of the data we recall the sale and the consequent exclusion of SAES Pure Gas, Inc as indicated in the Methodological note.

³⁶ Note that following a process to improve the reporting system, the CO₂ emissions, and in particular the update of the sources of the emission factors used for the 2018 calculation, the data relating to 2017 has been re-stated compared to that published in the previous Non-Financial Statement, using the new emission factors. For the previously published data, please refer to the 2017 Consolidated Non-Financial Statement in the Sustainability section of the website www.saesgetters.com.

Other types of emissions released into the atmosphere by the SAES Group are mainly NOx (nitrogen oxides derived from combustion), SOx (Sulphur oxides) and particulates, as shown in the following table.

OTHER TYPES OF EMISSIONS INTO THE ATMOSPHERE (TONS/YEAR)³⁷

	2018	2017
NOx	1.07	1.49
SOx	0.33	0.28
Particulate (PM)	0.43	0.38

In this regard, there were no significant changes.

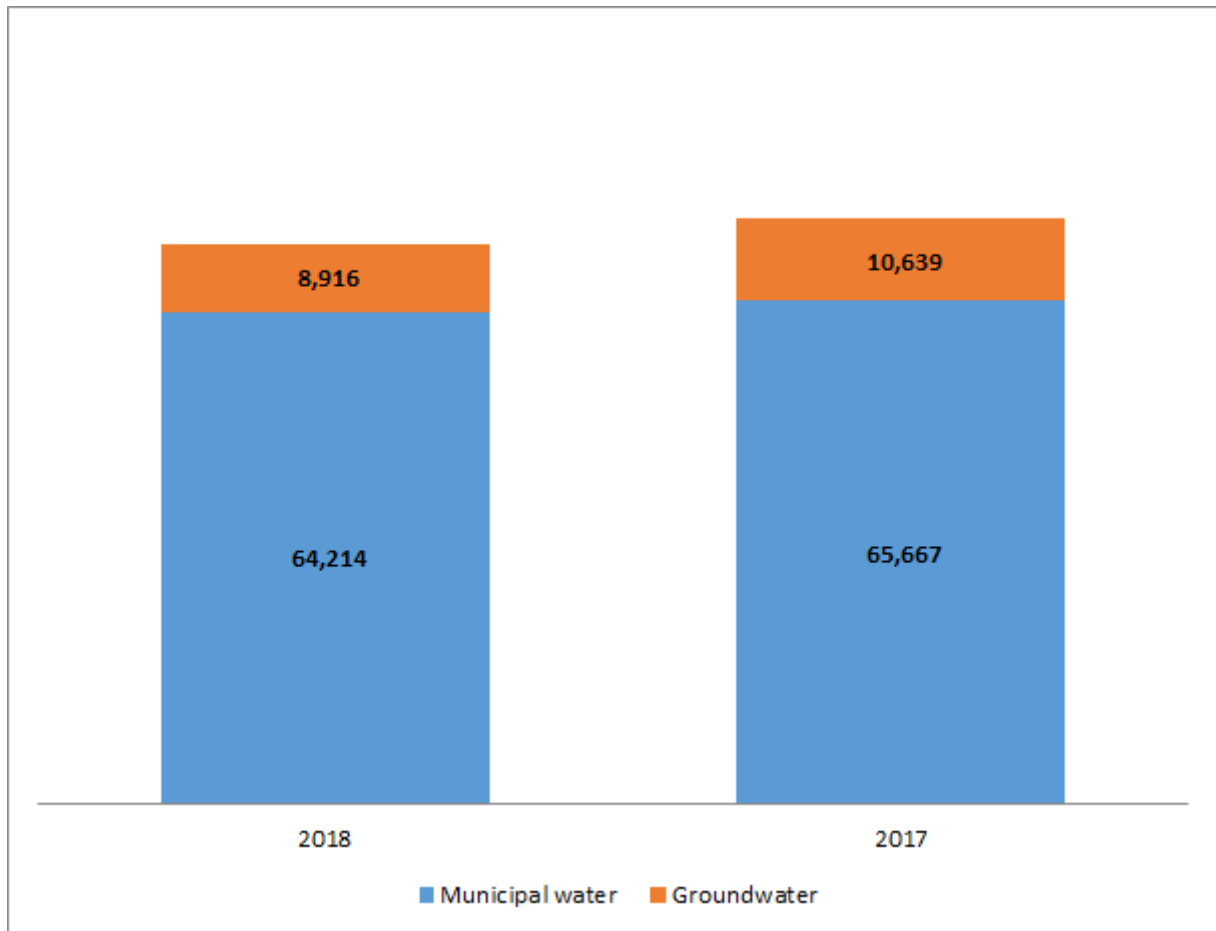
³⁷ The boundary refers only to those companies that envisage monitoring emissions into the atmosphere as required by current regulations and are: SAES Getters S.p.A. - Lainate and Avezzano Plants, (excluding the heating systems of Avezzano), SAES Smart Materials, Inc., considered relevant to ensure an understanding of the impacts of the Group's activities.

5.4 Water consumption

The use of water resources is managed with the utmost responsibility, also through the development of policies to reduce consumption and, where possible, recirculate the water already used.

During 2018, the SAES Group consumed **73,130 m³** of water supplied by municipal water and groundwater.

COMPARISON OF 2018 AND 2017 WATER CONSUMPTION



In particular, it should be noted that the main water withdrawals are attributable to the withdrawal from municipal water (88%) and the remaining part from groundwater (12%).

5.5 Management of waste and water discharges

The waste produced by the Group totalled **1,712 tons**, a **decrease of 15%**³⁸ over the previous year, mainly due to the decrease of non-hazardous waste destined for disposal, particularly in Avezzano. The waste was divided by family, assigning each a specific hazard according to the classification in this regard, regardless of the country of origin. In line with Group policy, waste is recycled whenever possible; if recycling or re-use is not possible, it is disposed of according to the type of waste. The responsible management of hazardous and non-hazardous waste is one of the most important points of the Group's environmental protection policies.

The largest portion of waste produced is for recycling (58%) and, following this, the other portions are those for disposal (36%), a residual portion for incineration (4.6%) and landfill (0.9%). With regard to the division between hazardous and non-hazardous waste, the former amounts to 330 tons (19% of the total), while the non-hazardous waste amounts to 1,382 tons, or 81% of the total.

WASTE DISPOSED BY TYPE (TONS)

	2018			2017		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Disposal	263.8	359.1	623	330.2	649.0	979
Recycling	15.2	980.5	996	8.4	1,013.0	1,021
Incineration	47.9	30.4	78	2.6	23.0	26
Landfill	2.9	12.5	15	0.2	0.0	0.16
Total	330	1,382	1,712	341.2	1,685	2,026

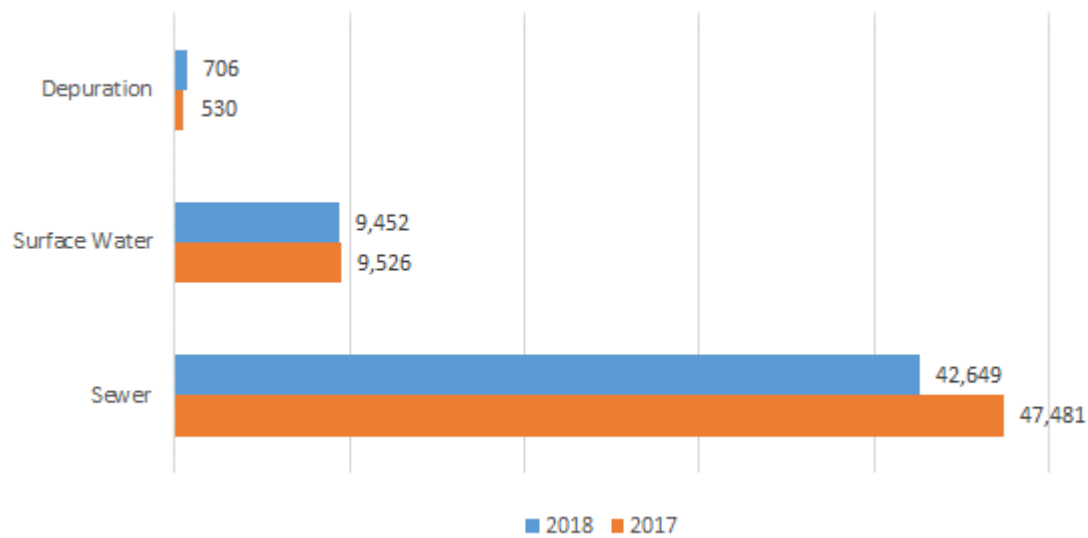
Also with regard to wastewater discharge practices, the Group applies the most advanced management practices, respecting the environment and the territory. Where wastewater treatment plants are present, the SAES Group ensures continuous maintenance of the plants and internal and external periodic analysis to check the quality of wastewater, which therefore does not present a risk to the environment.

Other forms of virtuous management are applied at the factory of the company SAES Smart Materials, Inc., which confers its wastewater to the cooling system of the Municipal incinerator, to be used instead of clean water. Other factories, more specifically Lainate and Avezzano, are instead equipped with a closed cooling circuit which allows considerable savings in the use of water.

³⁸ For the purposes of data comparability, note the sale and consequent exclusion of SAES Pure Gas, Inc as indicated in the Methodological note.

During 2018, the Group discharged **52,807 m³ of water**. The main destination of the Group's water discharge is sewerage (81%) followed by surface water (e.g. rivers and lakes) (18%) and water treatment plants (1%).

WATER DISCHARGE BY DESTINATION (m³)



Attachments

CHAPTER 1: Group business management

MATERIALITY ANALYSIS – DEFINITION OF MATERIAL ASPECTS

Material aspect	Area	Boundary		GRI Topic Reconciliation
		Where the impact occurs	Type of impact	
Ethics, business integrity and compliance	Governance and Compliance	Group	Generated by the Group	Environmental compliance; socio-economic compliance.
Anti-corruption	Governance and Compliance	Group	Generated by the Group	Anti-corruption
Economic and financial results and creation of value	Economic responsibility	Group	Generated by the Group	Economic performance, Market presence
Diversity, inclusion, non-discrimination	Responsibilities towards local communities	Group	Generated by the Group	Diversity and equal opportunity
Employee management and development and talent attraction	Responsibility towards employees	Group	Generated by the Group	Employment; labor/management relations; training and education; diversity and equal opportunities;
Occupational health and safety	Responsibility towards employees	Employees and collaborators of Group companies which manage production sites	Generated by the Group and directly connected through a business relationship	Occupational Health and Safety;
Company welfare systems	Responsibility towards employees	Group employees	Generated by the Group	Employment
Responsibility, quality and safety of the supplied products	Product liability	Group	Generated by the Group	Customer Health and Safety; marketing and labelling;
Research and development	Product liability	Group production sites;	Generated by the Group	N.A.

Material aspect	Area	Boundary		GRI Topic Reconciliation
		Where the impact occurs	Type of impact	
Customer satisfaction, customer relation management	Product liability	Group	Generated by the Group	N.A.
Sustainable management of the supply chain	Responsibility towards suppliers	Group, suppliers and business partners	Generated by the Group and directly related through a business relationship	Procurement practices; supplier environmental assessment; supplier social assessment;
Human rights	Responsibilities towards Local Communities	Group, suppliers and business partners	Generated by the Group and directly related through a business relationship	Child labour; forced or compulsory labour;
Direct environmental impacts	Environmental responsibility	Group production sites and electricity suppliers	Generated by the Group and directly related through a business relationship	Effluents and waste; water; emissions; energy

CHAPTER 2: Economic performance and business development

201 – 1 Table of distribution of the economic value generated by the SAES Group

<i>Table of the Generated Value</i>		
Determination of the Generated Value	2018	2017
	<i>Thousands of Euro</i>	<i>Thousands of Euro</i>
Directly generated economic value	402,740	234,092
Distribution of the Generated Value	2018	2017
	<i>Thousands of Euro</i>	<i>Thousands of Euro</i>
Value distributed to suppliers	67,774	108,742
Remuneration of the personnel	72,348	78,966
Remuneration of lenders	987	1,811
Remuneration of shareholders	16,580	0
Remuneration of the Public Administration	12,545	13,145
Remuneration of the community	15	33
Value retained by the Company	232,491	31,395
Generated economic value	402,740	234,092

GRI 408-1: Identification of operations and main suppliers at significant risk for incidents of child labour and measures undertaken³⁹ and GRI 409-1 Identification of operations and main suppliers for incidents of forced or compulsory labour and measures undertaken⁴⁰

Transactions for which the Conflict Minerals Policy has been requested to be signed						
Geographical area	2018			2017		
	Conflict Minerals compliant transactions	Total transactions	%	Conflict Minerals compliant transactions	Total transactions	%
Italy	2	401	0.5	3	410	0.7
USA	3	139	2.2	2	270	0.7

³⁹ and ⁴⁰ The total number of transactions indicated relates only to suppliers of raw materials, semi-finished and finished products, external processing.

GRI 204-1 Proportion of spending on local suppliers⁴¹

SAES GROUP						
Local / foreign suppliers	2018			2017		
	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure
Purchases from the country of origin (local suppliers)	2,053	51,587,888	69.8%	2,537	91,104,230	80.8%
Purchases from countries outside the country of origin	381	22,333,832	30.2%	430	21,629,410	19.2%
Total	2,434	73,921,720	100.0%	2,967	112,733,640	100.0%

EUROPE						
Local / foreign suppliers	2018			2017		
	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure
Purchases from the country of origin (local suppliers)	1,183	31,034,623	60.8%	1,248	25,078,394	61.9%
Purchases from countries outside the country of origin	306	20,015,978	39.2%	340	15,446,122	38.1%
Total	1,489	51,050,601	100.0%	1,588	40,524,516	100.0%

USA						
Local / foreign suppliers	2018			2017		
	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure
Purchases from the country of origin (local suppliers)	774	19,938,550	89.6%	1,194	65,548,570	91.4%
Purchases from countries outside the country of origin	75	2,317,855	10.4%	90	6,183,288	8.6%
Total	849	22,256,404	100.0%	1,284	71,731,858	100.0%

ASIA						
Local / foreign suppliers	2018			2017		
	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure	No. of Suppliers	Value of total annual expenditure [€]	% of expenditure
Purchases from the country of origin (local suppliers)	96	614,714	100.0%	95	477,266	100.0%
Purchases from countries outside the country of origin	-	-	0.0%	-	-	0.0%
Total	96	614,714	100.0%	95	477,266	100.0%

⁴¹ Purchases from local suppliers refer to purchases carried out with suppliers belonging to the geographical area of reference (Europe, USA or Asia).

Supplier distribution by geographical area (SAES Group)

Suppliers				
Geographical area	2018		2017	
	No. of suppliers by category	Value of total annual expenditure by category [€]	No. of suppliers by category	Value of total annual expenditure by category [€]
Europe	1,414	37,519,922	1,513	33,613,302
Asia	134	2,349,464	135	6,184,929
USA	883	31,647,142	1,318	71,560,410
North Africa	1	2,400,000	1	1,375,000
Australia	2	5,192	-	-
Total	2,434	73,921,720	2,967	112,733,640

CHAPTER 3: Technology at the service of innovation

Number of Complaints by product type⁴²

Complaints		
	2018	2017
Getters	26	29
Shape Memory Alloy	158	4
Vacuum Pump	30	27
Dispenser	3	2
Dryers	1	3
Coated films	54	N.A.
Cathodes	30	N.A.
Total	302	65

⁴² For the purpose of data comparability, recall that the number of complaints relating to 2017 only refers to SAES Getters S.p.A.

Number of complaints by type

Complaints		
	2018	2017
Non-compliant product (products with functional or dimensional problems)	220	61
Logistics (Problems related to transport, invoicing, shipping documentation)	34	1
Packaging (problems related to primary or secondary packaging)	48	3
Total	302	65

CHAPTER 4: The people of the SAES Group⁴³

GRI 102-8 Information on employees

SAES GROUP						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Permanent	656	267	923	782	282	1,064
Fixed term	7	3	10	6	3	9
Total	663	270	933	788	285	1,073

ITALY						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Permanent	332	116	448	340	117	457
Fixed term	3	0	3	3	0	3
Total	335	116	451	343	117	460

ASIA						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Permanent	14	7	21	22	9	31
Fixed term	1	2	3	1	2	3
Total	15	9	24	23	11	34

USA						
Total number of employees by type of contract and gender						
Type of employment contract	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Permanent	310	144	454	420	156	576
Fixed term	3	1	4	2	1	3
Total	313	145	458	422	157	579

⁴³ It should be noted that the employees of the Italian geographical area also include the employee of SAES Getters International Luxembourg and therefore coincide with the employees of the geographical area Europe.

SAES GROUP						
Total number of employees broken down by full-time and part-time employees						
Full-time/Part-time	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Full-Time	660	257	917	779	269	1,048
Part-time	3	13	16	9	16	25
Total	663	270	933	788	285	1,073

GRI 102-41 Collective bargaining agreements

Percentage of the total number of employees covered by collective bargaining agreements		
	As at 31 December 2018	As at 31 December 2017
Group percentage	48%	43%
Group percentage excluding USA and Asia data ⁴⁴	100%	100%

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage, by most significant operating premises

ITALY ⁴⁵				
New employees	as at 31 December 2018		as at 31 December 2017	
	Men	Women	Men	Women
Ratio of standard entry level wage compared to local minimum wage, by gender	1.01	1.01	1.01	1.01

USA ⁴⁶				
New employees	as at 31 December 2018		as at 31 December 2017	
	Men	Women	Men	Women
Ratio of standard entry level wage compared to local minimum wage, by gender	1.19	1.19	1.09	1.09

⁴⁴ Excluding USA and Asia since there are no national collective bargaining agreements.

⁴⁵ The data refers only to Saes Getters S.p.A.

⁴⁶ The data refers only to Memry Corporation.

GRI 202-2 Proportion of senior management hired from the local community, by most significant operating premises

Percentage of senior management hired from the local community						
	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Group	87%	100%	89%	91%	100%	89%
Percentage of senior management hired from the local community, by most significant operating premises						
Italy	100%	100%	100%	88%	100%	84%
USA	67%	100%	71%	93%	100%	93%
Asia	100%	100%	100%	100%	100%	100%

GRI 401-1 New employee hires and employee turnover⁴⁷

SAES GROUP										
IN										
Number of persons	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	27	34	16	77	12%	48	53	21	122	15%
Women	15	14	10	39	14%	15	15	8	38	13%
Total	42	48	26	116	12%	63	68	29	160	15%
OUT										
Number of persons	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	15	30	16	61	9%	32	43	17	92	12%
Women	8	12	6	26	10%	10	13	5	28	10%
Total	23	42	22	87	9%	42	56	22	120	11%

⁴⁷ For the purposes of data comparability, recall the sale and the consequent exclusion of SAES Pure Gas, Inc. (160 employees at 31/12/2017) and the commercial structure, located in Shanghai, of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. (9 employees at 31/12/2017) as indicated in the Methodological note.

ITALY										
IN										
Number of persons	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	1	0	3	4	1%	8	8	2	18	5%
Women	0	6	0	6	5%	1	1	0	2	2%
Total	1	6	3	10	2%	9	9	2	20	4%
OUT										
Number of persons	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	1	5	6	12	4%	0	8	2	10	3%
Women	0	5	2	7	6%	0	3	3	6	5%
Total	1	10	8	19	4%	0	11	5	16	3%

ASIA										
IN										
Number of persons	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	0	0	0	0	0%	1	1	0	2	9%
Women	0	1	1	2	22%	1	1	0	2	18%
Total	0	1	1	2	8%	2	2	0	4	12%
OUT										
Number of persons	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	0	1	0	1	7%	0	0	1	1	4%
Women	2	0	0	2	22%	0	0	0	0	0%
Total	2	1	0	3	13%	0	0	1	1	3%

USA										
IN										
	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	26	34	13	73	23%	39	44	19	102	24%
Women	15	7	9	31	21%	13	13	8	34	22%
Total	41	41	22	104	23%	52	57	27	136	23%
OUT										
	From 1 January to 31 December 2018					From 1 January to 31 December 2017				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	14	24	10	49	15%	32	35	14	81	19%
Women	6	7	4	16	12%	10	10	2	22	14%
Total	20	31	14	65	14%	42	45	16	103	18%

GRI 403-2 Accident types, injury index, severity index, absentee rate and number of work-related deaths relative to Group employees

SAES GROUP						
	2018			2017		
	Men	Women	Average value	Men	Women	Average value
Absentee rate	2%	2%	2%	1%	2%	1%

ITALY						
	2018			2017		
	Men	Women	Average value	Men	Women	Average value
Absentee rate	4%	5%	5%	3%	6%	3%

ASIA						
	2018			2017		
	Men	Women	Average value	Men	Women	Average value
Absentee rate	0%	3%	1%	0%	3%	1%

Non-Financial Statement of the SAES Group

USA						
	2018			2017		
	Men	Women	Average value	Men	Women	Average value
Absentee rate	0%	0%	0%	0%	0%	0%

SAES GROUP						
no. of days	2018			2017		
	Men	Women	Total	Men	Women	Total
Lost days due to injuries	96	16	112	82	85	167
Injuries and occupational disease						
no. of cases	2018			2017		
	Men	Women	Total	Men	Women	Total
Occupational disease	-	-	-	-	-	-
Injuries	12	5	17	21	5	26
of which fatal	-	-	-	-	-	-
Type of injuries						
no. of cases	2018			2017		
	Men	Women	Total	Men	Women	Total
Injuries at work	12	4	16	21	5	26
Injuries while travelling to/from work	-	1	1	-	-	-
Health and safety indicators						
	2018			2017		
	Men	Women	Total	Men	Women	Total
Severity index	0.079	0.000035	0.07	0.06	0.0002	0.09
Injury rate	10.14	11.32	10.46	14.78	10.38	13.67

ITALY						
no. of days	2018			2017		
	Men	Women	Total	Men	Women	Total
Lost days due to injuries	80	16	96	5	-	5
Injuries and occupational disease						
no. of cases	2018			2017		
	Men	Women	Total	Men	Women	Total
Occupational disease	-	-	-	-	-	-
Injuries	4	2	6	1	-	1
of which fatal	-	-	-	-	-	-
Type of injuries						
no. of cases	2018			2017		
	Men	Women	Total	Men	Women	Total
Injuries at work	4	1	5	1	-	1
Injuries while travelling to/from work	-	1	1	-	-	-
Health and safety indicators						
no. of days	2018			2017		
	Men	Women	Total	Men	Women	Total
Severity index	0.136	0.083	0.123	0.009	-	0.006
Injury rate	7.110	10.972	8.055	1.84	-	1.40

USA						
no. of days	2018			2017		
	Men	Women	Total	Men	Women	Total
Lost days due to injuries	16	-	16	77	85	162
Injuries and occupational disease						
no. of cases	2018			2017		
	Men	Women	Total	Men	Women	Total
Occupational disease	-	-	-	-	-	-
Injuries	8	3	11	20	5	25
of which fatal	-	-	-	-	-	-
Type of injuries						
no. of cases	2018			2017		
	Men	Women	Total	Men	Women	Total
Injuries at work	8	3	11	20	5	25
Injuries while travelling to/from work	-	-	-	-	-	-
Health and safety indicators						
no. of days	2018			2017		
	Men	Women	Total	Men	Women	Total

	Men	Women	Total	Men	Women	Total
Severity index	0.026	-	0.018	0.09	0.27	0.14
Injury rate	12.89	11.56	12.50	22.82	16.01	21.03

Calculation method of health and safety indexes

The injury rate was calculated according to the following formula: (injuries at work/worked hours)*1,000,000. It should be noted that the hours worked by temporary workers were not included in the calculation (87 total consultants in 2018).

The severity index was calculated according to the following formula: (Lost days to injuries/working hours)*1,000. It should be noted that the hours worked by temporary workers were not included in the calculation.

The absentee rate was calculated according to the following formula: (days of absence/working days)*100.

GRI 404-1 Average hours of training per employee, broken down by gender and category

Hours of training						
as at 31 December 2018						
	Hours per men	Average hours/men	Hours per Women	Average hours/women	Total Hours	Average hours/category
Manager	1,628	21	150	12	1,778	20
White Collars	2,546	12	955	9	3,501	11
Blue collars	1,248	3	455	3	1,703	3
Total	5,421	8	1,560	6	6,981	7

Hours of training ⁴⁸						
as at 31 December 2017						
	Hours per men	Average hours/men	Hours per Women	Average hours/women	Total Hours	Average hours/category
Manager	1,042	14	237	22	1,278	15
White Collars	4,169	17	1,610	14	5,779	16
Blue collars	4,618	10	1,032	6	5,649	9
Total	9,828	12	2,878	10	12,707	12

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

⁴⁸ It should be noted that with reference to Memry Corporation the training hours were estimated considering average training for each employee.

SAES GROUP						
Employees receiving regular performance and career development evaluation						
Number of persons	as at 31 December 2018					
	Men	Men %	Women	Women %	Total	Total %
Manager	76	97%	13	100%	89	98%
White Collars	173	81%	75	74%	248	79%
Blue collars	236	63%	120	77%	356	68%
Total	485	73%	208	77%	693	74%
Number of persons	as at 31 December 2017					
	Men	Men %	Women	Women %	Total	Total %
Manager	73	95%	11	100%	84	95%
White Collars	204	82%	90	78%	294	81%
Blue collars	326	71%	122	77%	448	72%
Total	603	77%	223	78%	826	77%

GRI 405-1 Diversity of governance bodies and employees

SAES GROUP						
Personnel of the Group by professional category and gender						
	as at 31 December 2018			as at 31 December 2017		
	Men	Women	Total	Men	Women	Total
Manager	78	13	91	77	11	88
White Collars	213	102	315	249	115	364
Blue collars	372	155	527	462	159	621
Total	663	270	933	788	285	1,073

Non-Financial Statement of the SAES Group

SAES GROUP								
Personnel of the Group by professional category and age								
Number of persons	as at 31 December 2018				as at 31 December 2017			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Manager	0	37	54	91	0	34	54	88
White Collars	24	184	107	315	41	206	117	364
Blue collars	83	228	216	527	106	288	227	621
Total	107	449	377	933	147	528	398	1,073

SAES GROUP				
Personnel of the Group by professional category and gender				
	as at 31 December 2018		as at 31 December 2017	
	Men	Women	Men	Women
Manager	86%	14%	87%	13%
White Collars	68%	32%	68%	32%
Blue collars	71%	29%	74%	26%
Total	71%	29%	73%	27%

SAES GROUP						
Personnel of the Group by professional category and age						
	as at 31 December 2018			as at 31 December 2017		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Manager	0%	41%	59%	0%	39%	61%
White Collars	8%	58%	34%	11%	57%	32%
Blue collars	16%	43%	41%	17%	46%	37%
Total	11%	48%	40%	14%	49%	37%

CHAPTER 5: Our commitment to the environment⁴⁹

GRI 302-1 Energy consumption within the organisation

Energy consumption					
Type	Unit of measurement	2018		2017	
		Total	Total GJ	Total	Total GJ ⁵⁰
Fossil fuels					
Natural Gas	m ³	1,181,574	44,900	1,144,650	43,497
Propane	m ³	832	77		
Petrol for vehicle engines	l	2,664	91		
Automotive diesel	l	12,508	475		
Electricity					
Purchased electricity	kWh	21,016,103	75,658	22,023,679	79,285

Total energy consumption				
Energy consumption	Unit of measurement	2018		2017
		Total		Total
Fossil fuels	GJ	45,543		43,497
Purchased electricity	GJ	75,658		79,285
Total	GJ	121,201		122,782

GRI 302-4 Reduction of energy consumption

SAES Getters S.p.A. – Unit of Avezzano

Initiatives to reduce energy consumption			
Initiative	Unit of measurement	Year of reference	Estimate of savings achieved
Reorganisation of the 30 °C cooling water system for machinery c/o factory “F4”. Savings calculated over 4 months (September to December)	kWh	2018	26,286
Total energy savings			26,286 kWh

⁴⁹ The environmental data include all the Group companies included in the reporting boundary where production sites are present. However, companies with only sales offices are excluded since they are considered not relevant.

⁵⁰ It should be noted that following a reporting system improvement process, the 2017 figure regarding the consumption of fossil fuels has been restated. For previously published data, see the 2017 Consolidated Non-Financial Statement in the Sustainability section of the website www.saesgetters.com.

GRI 303-1 Water withdrawal by source

Water withdrawal			
Source	Unit of measurement	2018	2017
		Volume	
Municipal water	m ³	64,214	65,667
Groundwater	m ³	8,916	10,639
Total	m³	73,130	76,307

305 -1/305 – 2 Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions⁵¹

Scope	Unit of measurement	2018	2017
Scope 1	Tons CO ₂ eq	2,458	2,338
Scope 2 (Location-based)	Tons CO ₂ ⁵²	8,023	8,538
Total	Tons CO₂eq	10,481	10,876

Emissions, Scope 2 (2018)	
Location-based method	Market-based method
Tons CO ₂	Tons CO ₂
8,023	9,605

Emissions, Scope 2 (2017)	
Location-based method	Market-based method
Tons CO ₂	Tons CO ₂
8,538	10,045

Location-based electricity emission factors		
Country	kg CO ₂ /kWh	Source
USA	0.421	<u>Terna International Comparisons 2016</u>
Italy	0.36	<u>Terna International Comparisons 2016</u>
Market based electricity emission factors		
Country	kg CO ₂ /kWh	
USA	0.421	<u>Terna International Comparisons 2016</u>

⁵¹ Note that following a greenhouse gas emissions reporting system improvement process, and in particular the updating of the emission factor sources used for the calculation of the 2018 data, the data for 2017 have been restated compared to those published in the previous Non-Financial Statement, using the new emission factors. For the previously published data, please refer to the 2017 Consolidated Non-Financial Statement in the Sustainability section of the website www.saesgetters.com

⁵² Scope 2 emissions are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO₂eq) as can be deduced from the reference technical literature.

Italy	0.477	<u>AIB 2018</u>
Natural gas emission factors		
Country	kg CO₂eq/m³	Source
USA	2.04275	<u>Defra 2018</u>
Italy	2.04275	<u>Defra 2018</u>
Propane emission factors		
Country	kg CO₂eq/Gj	Source
USA	59.5777	<u>Defra 2018</u>
Diesel emission factors		
Country	kg CO₂eq/Gj	Source
USA	68.80	<u>Defra 2018</u>
Italy	68.80	<u>Defra 2018</u>
Gasoline emission factors		
Country	kg CO₂eq/Gj	Source
USA	64.94	<u>Defra 2018</u>
Italy	64.94	<u>Defra 2018</u>

305-7 NO_x, SO_x, and other types of emissions into the atmosphere

Other gas emissions				
	2018		2017	
	Unit of measurement	Global mass balance	Unit of measurement	Global mass balance
NO _x	Ton/year	1.07	Ton/year	1.49
Particulate (PM)	Ton/year	0.43	Ton/year	0.38
SO _x	Ton/year	0.33	Ton/year	0.28

GRI 306-1 Water discharge by quality and destination

Wastewater discharges			
	Unit of measurement	2018	2017
		Total	Total
Sewerage	m ³	42,648.83	47,481.55
Surface waters	m ³	9,451.94	9,526.44
Water treatment	m ³	706.23	529.71
Total	m³	52,807.00	57,537.70

GRI 306-2 Waste by type and disposal method

Waste by type and disposal method									
Method of disposal	Unit of measurement	2018				2017			
		Hazardous	Non-hazardous	Total	%	Hazardous	Non-hazardous	Total	%
Disposal	Ton	263.8	359.1	623	36.38%	330.2	649.0	979	48.32%
Recycling	Ton	15.2	980.5	996	58.15%	8.4	1,013.0	1,021	50.41%
Incineration	Ton	47.9	30.4	78	4.6%	2.6	23.0	26	1.3%
Landfill	Ton	2.9	12.5	15	0.90%	0.2	0.0	0.16	0.01%
Total	Ton	330	1,382	1,712	100.0%	341	1,685	2,026	100.0%

GRI Content Index

GRI Standards indexes	Description	Pages	Omission
Organisational profile			
102-1	Name of the organisation	327	
102-2	Activities, brands, products, and services	326	
102-3	Location of headquarters	328	
102-4	Location of operations	328	
102-5	Ownership and legal form	346	
102-6	Markets served	354	
102-7	Scale of the organisation	325-328; 364 Market cap equals to Euro 413.27 million at 28/12/2018	
102-8	Information on employees and other workers	364-365; 391-392	
102-9	Supply chain	350-351	

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Organisational profile (continues)			
102-10	Significant changes to the Organization and its supply chain	322; 346	
102-11	Precautionary Principle or approach to risk management	338-339; 376	
102-12	External initiatives	323-324; 335	
102-13	Membership of associations	347	
Strategy			
102-14	Statement from senior decision-maker	319-320	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	333-334; 337	
Governance			
102-18	Governance structure	332-333	
Stakeholder engagement			
102-40	List of stakeholder groups	341	
102-41	Collective bargaining agreements	392	
102-42	Identifying and selecting stakeholders	341	
102-43	Approach to stakeholder engagement	342-343	
102-44	Key topics and concerns raised	343-344	

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Reporting practice			
102-45	Entities included in the consolidated financial statements	322	
102-46	Process for defining report content and topic boundaries	321; 343-344	
102-47	List of material topics	344; 384-385	
102-48	Restatement of information	321; 378-379	
102-49	Changes in reporting	344; 384-385	
102-50	Reporting period	321	
102-51	Date of most recent report	March 2018	
102-52	Reporting cycle	321	
102-53	Contact point for questions regarding the report	324	
102-54	Claims of reporting in accordance with the GRI Standards	321	
102-55	GRI content index	405-415	
102-56	External assurance	418-420	
SPECIFIC STANDARD DISCLOSURE			
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ECONOMIC PERFORMANCE			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	

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Economic performance			
201-1	Direct economic value generated and distributed	348; 386	
Market Presence			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	
Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	374; 392	
202-2	Proportion of senior management hired from the local community	374-375;393	
PROCUREMENT PRACTICES			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	
Procurement practices			
204-1	Proportion of spending on local suppliers	352; 388-389	
ANTI-CORRUPTION			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	331	
103-3	Evaluation of the management approach	331	
Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	There were no cases of active or passive corruption during the reporting year	

CATEGORY: ENVIRONMENTAL			
ENERGY			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	376	
103-3	Evaluation of the management approach	376	
Energy			
302-1	Energy consumption within the organisation	378; 401	
302-3	Energy intensity	378	
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WATER			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	376	
103-3	Evaluation of the management approach	376	
Water			
303-1	Water withdrawal by source	381; 402	
EMISSIONS			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	376	
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Emissions			
305-1	Direct (Scope 1) GHG emissions	379; 402	
305-2	Energy indirect (Scope 2) GHG emissions	379; 402	
305-5	Reduction of GHG emissions	379	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	380; 403	
EFFLUENTS AND WASTE			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	376	
103-3	Evaluation of the management approach	376	
Effluents and Waste			
306-1	Water discharge by quality and destination	383; 403	
306-2	Waste by type and disposal method	382; 404	
ENVIRONMENTAL COMPLIANCE			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	331	
103-3	Evaluation of the management approach	331	
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	No fines and/or sanctions are reported for violations of laws and regulations on the matter during the reporting year	

SUPPLIER ENVIRONMENTAL ASSESSMENT			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	
Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	323 The group does not adopt policies for screening suppliers using environmental criteria	
CATEGORY: SOCIAL			
EMPLOYMENT			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	363	
103-3	Evaluation of the management approach	363	
Employment			
401-1	New employee hires and employee turnover	366-367; 393-395	
LABOUR/MANAGEMENT RELATIONS			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	363	
103-3	Evaluation of the management approach	363	
Labour/Management Relations			
402-1	Minimum notice periods regarding operational changes	367	

OCCUPATIONAL HEALTH AND SAFETY			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	363	
103-3	Evaluation of the management approach	363	
Occupational Health and Safety			
403-2	Types of injuries and rate of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	372-373; 395-398	
TRAINING AND EDUCATION			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	363	
103-3	Evaluation of the management approach	363	
Training and Education			
404-1	Average hours of training per year per employee	367; 398	
404-3	Percentage of employees receiving regular performance and career development reviews	369; 399	
DIVERSITY AND EQUAL OPPORTUNITY			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	363	
103-3	Evaluation of the management approach	363	
Diversity and equal opportunities			
405-1	Diversity of governance bodies and employees	332; 374; 399-400	

CHILD LABOUR			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	
Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labor	387	
FORCED OR COMPULSORY LABOUR			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	
Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	387	
SUPPLIER SOCIAL ASSESSMENT			
Management approach			
103-1	Explanation of the material topic and its boundary	385	
103-2	The management approach and its components	345	
103-3	Evaluation of the management approach	345	
Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	323 The Group does not adopt policies for assessing suppliers on the basis of social criteria	

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CUSTOMER HEALTH AND SAFETY			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	353	
103-3	Evaluation of the management approach	353	
Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	361	
MARKETING AND LABELLING			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	353	
103-3	Evaluation of the management approach	353	
Marketing and Labelling			
417-1	Requirements for product and service information and labelling	361	
SOCIOECONOMIC COMPLIANCE			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	331	
103-3	Evaluation of the management approach	331	
Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	No fines and/or sanctions are reported for violations of laws and regulations on the matter during the reporting year	

RESEARCH AND DEVELOPMENT			
Management approach			
103-1	Explanation of the material topic and its boundary	384	
103-2	The management approach and its components	353	
103-3	Evaluation of the management approach	353	
CUSTOMER SATISFACTION, CUSTOMER RELATION MANAGEMENT			
Management approach			
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103-2	The management approach and its components	353	
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**Independent Auditors' report
on the Consolidated Non-Financial Statement**

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

**To the Board of Directors of
Saes Getters S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter the "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Saes Getters S.p.A. and its subsidiaries (hereinafter "Saes Getters Group" or "Group") as of December 31, 2018 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 13, 2019 (hereinafter "NFS").

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

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative ("GRI Standards"), which they have identified as reporting framework.

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

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

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

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

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

Specifically we carried out the following procedures:

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

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

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

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

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

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following subsidiaries and sites, Saes Getters S.p.A. and Memry Corporation, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Saes Getters Group as of December 31, 2018 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Gasperini
Partner

Milan, Italy
March 28, 2019