

SUS TAIN ABILITY HIGH LIGHTS 2019

**Biesse Group's
identity**

— 6

**Economic
Sustainability**

— 18

**Social
Sustainability**

— 26

**Environmental
Sustainability**

— 40

2019 HIGHLIGHTS

1969
Year founded



Dedicated reporting channels in line with "Whistleblowing" legislation

2,500

Approximately 2,500 employees and other workers involved in training courses on topics pertinent to Legislative Decree 231/2001 during the course of 2019

4,200

38 legal entities, 12 manufacturing sites, more than 200 registered patents, customers in approximately 120 countries, approximately 4,200 employees and other workers around the world



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



Transparent corporate governance that complies with legislative requirements and Borsa Italiana's Corporate Governance Code

50%

Quota for female board members

Economic Sustainability

661

Over € 661 million of economic value distributed by the Group in 2019

706

Approximately € 706 million of total revenue in 2019

89%

89% of purchases from local suppliers, as far as manufacturing plants in Italy, India and China are concerned

10

10 manufacturing plants awarded ISO 9001:2015 certification in Italy, India and China

300

Over 300 persons involved in research and development activities, totalling approximately 276,000 working hours

Social Sustainability

95%

95% of employees have permanent contracts

1,500

Approximately 1,500 persons have worked in Biesse Group for more than 10 years

95%

95% of senior management hired from the local community

120,000

Over 120,000 hours of training provided to personnel during the course of 2019

13,000

More than 13,000 hours of training dedicated to safety at work

ISO 45001

Workplace safety management system of HSD S.p.A. certified to ISO 45001:2018 standard



Support for social, cultural, artistic and sports initiatives at the local level

Environmental Sustainability

16,500

16,500 m² of photovoltaic panels installed

539

tonnes of CO₂ saved through the use of photovoltaic panels

92%

92% of waste products are non-hazardous

-11%

-11% water consumption compared to 2018



Energy audits conducted on Biesse S.p.A.'s manufacturing plants



Various energy efficiency improvement schemes implemented and planned as part of the environmental management system

GOALS

REDUCTION OF CO₂ EMISSIONS

As a sign of the Group's commitment to contribute to a sustainable, decarbonised economy, effective 2020, in addition to strengthening its existing energy efficiency improvement schemes, most of the Italian companies will purchase energy from GO (guarantee of origin) certified renewable sources, with the aim of significantly reducing indirect CO₂ emissions.



TOWARDS ISO 45001 CERTIFICATION

Biesse S.p.A. has implemented a process for the formalisation and certification of the workplace safety management system to ISO 45001 standards. This decision was taken partially based on feedback from Stakeholders, who deemed occupational health and safety to be the most predominant of the material issues addressed during the course of stakeholder engagement activities.

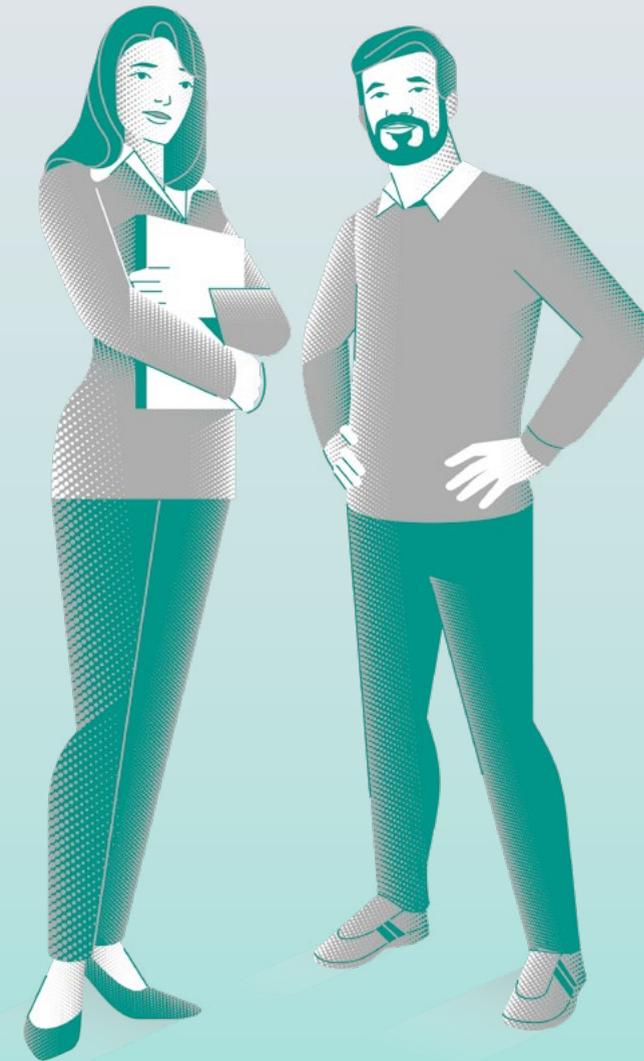


BIESSE GROUP'S
IDENTITY

**A Group made
up of people.**

**In this way,
innovation and
business ethics
also become
economic values.**

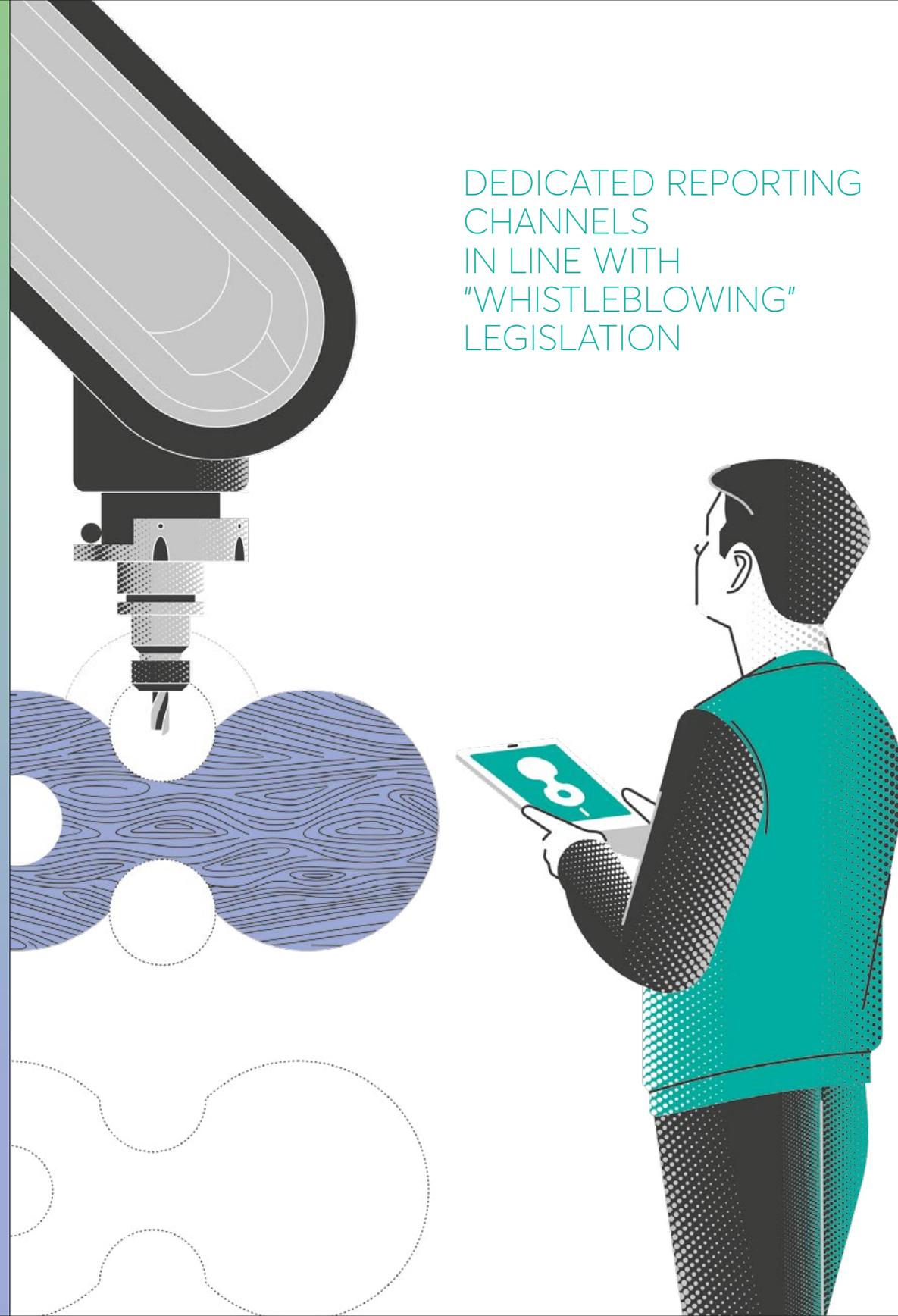
Transparent relationships
with all Stakeholders,
supported by the sharing of
knowledge and experience.





TRANSPARENT CORPORATE GOVERNANCE THAT COMPLIES WITH LEGISLATIVE REQUIREMENTS AND BORSA ITALIANA'S CORPORATE GOVERNANCE CODE

DEDICATED REPORTING CHANNELS IN LINE WITH "WHISTLEBLOWING" LEGISLATION

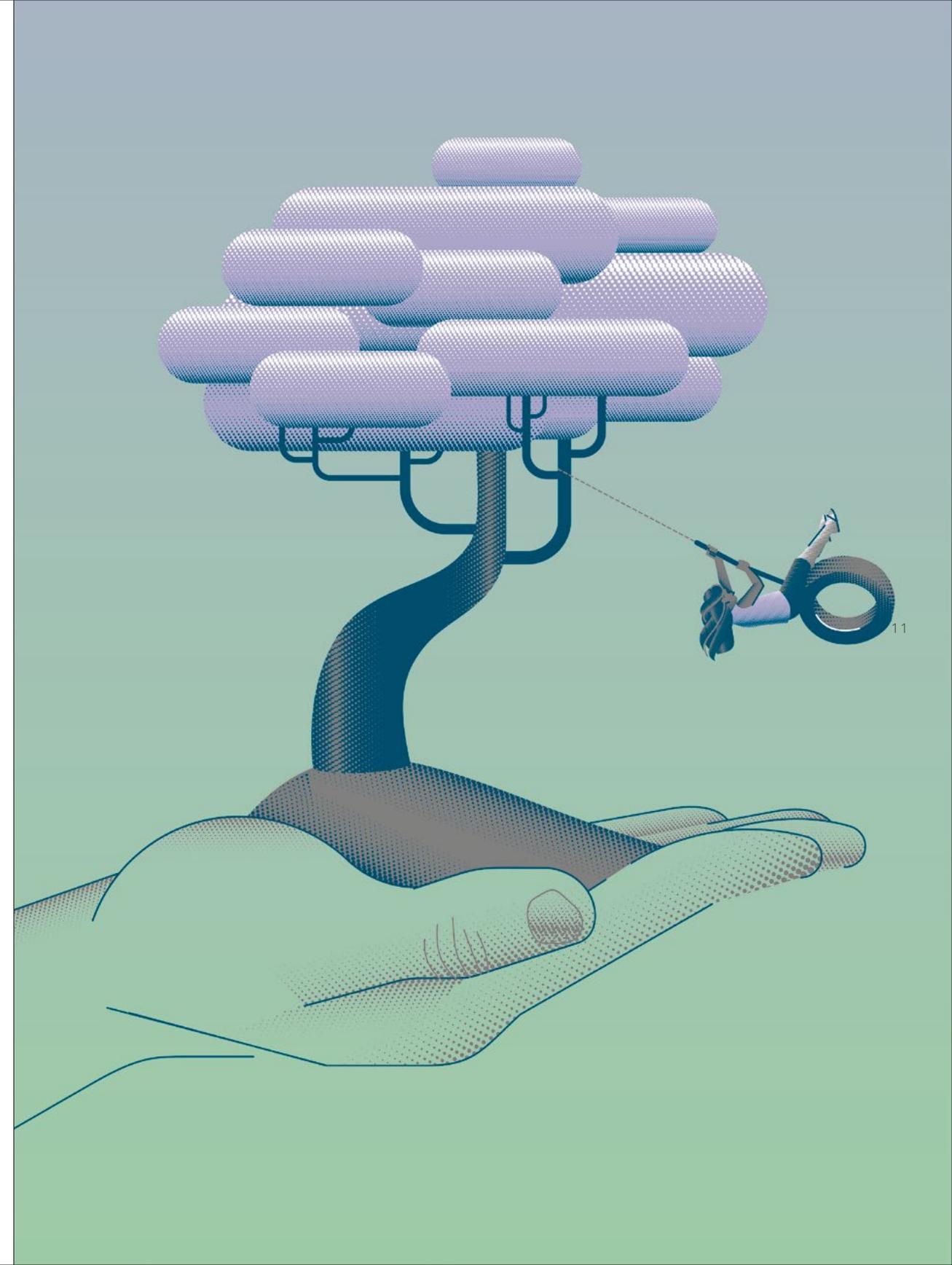


Group overview

Biesse Group is a multinational leader in technology for the processing of wood, glass, stone, metal and technological materials. It designs, manufactures and distributes machinery, integrated systems and software for furniture, windows, doors, building components, nautical and aerospace manufacturers.

With its head office located in Pesaro, it operates through 12 manufacturing facilities, 38 companies around the world and selected dealers and counts among its customers prestigious Italian and international design brands.

Founded in 1969 by Giancarlo Selci, Biesse S.p.A. has been listed on the STAR segment of the Italian Stock Exchange since June 2001 and is currently included in the FTSE IT Small Cap index. As at 31 December 2019, the Group had approximately 4,200 employees and other workers around the world.



VISION

Biesse Group's vision is embodied by the term "Think forward": a stimulus to look ahead and anticipate the future by setting new standards to support technological innovation and digital transformation.

MISSION

To create and share innovation through the conception, implementation and dissemination of integrated solutions and advanced services that enable us to produce better, more and safely, thus helping our customers to excel and succeed.

VALUES

Biesse Group is a global business with a strong Italian identity and is capable of communicating with its Stakeholders based on the core values that characterise the Group: innovation, reliability and respect.

INNOVATION

Innovation is the driver of Biesse Group in its continuous pursuit of excellence to support the competitiveness of each customer. It constitutes the continuous development of solutions to provide customers with greater manufacturing efficiency, while simplifying their operations. It also constitutes the pursuit of automation and the simplification of processes designed to create safer working conditions.

RELIABILITY

Reliability comes not only from the technologies produced and the services offered, but also from a clear and proper relationship with all Stakeholders, supported by the sharing of knowledge and experience and founded on a climate of mutual trust and transparency.

RESPECT

Respect is a sense of profound responsibility towards each of the Stakeholders in contact with the world of Biesse, as well as being a transversal and intrinsic value in every aspect of one's working life. Respect for workers, which translates into the complete fulfilment of commitments made; respect for the work of our customers, which takes the form of the design and production of efficient and safe solutions and of the commitment to maintain standards of excellence in the level of service; respect for suppliers via the agreements entered into therewith; and respect for the locality and the community in which the business operates. Respect forms the basis for every activity, in the full awareness that, currently, doing business primarily means a common thought process that contemplates a more sustainable economic, social and environmental future.

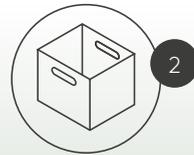
Ten principles to better serve our customers while continuing to grow together.

The values that guide the Group are also summarised in the ten principles laid down by the founder, Giancarlo Selci.



1 THE BUSINESS'S CAPITAL: ITS PEOPLE

An irreplaceable element. Let us go to the people, let us learn with them and let us live with them: let us listen, motivate and involve. Push people to better themselves, to make suggestions and to make decisions, but also to be creative and innovative and to learn to work in teams. Help develop leadership and other skills. Lead them by example and with passion.



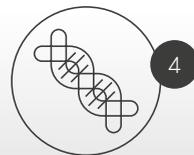
2 TIDINESS AND CLEANLINESS

We need to keep our workplace clean and tidy: in the factory, in the office, everywhere. A place for everything and everything in its place. We need to clean and we need to create standards and visuals to maintain order via the encouragement of self-discipline.



3 SUPPLIERS, OUR PARTNERS

Excellent quality, competitive prices, certainty in delivery times. But also willingness to invest in organisation, innovation and co-design and with strong problem solving skills. We choose partners with these characteristics and invest in them, thus helping them to grow. We respect them, but challenge them to improve.



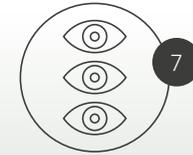
4 NEW PRODUCTS

Standardisation, simplicity, innovation. One less part is one less code to handle and one less code to purchase, to check, to assemble and to store in inventory. We bombard new products during the prototype development stage with tests and trials. That which is not validated is not sold nor added to the product price list. Reliability, reliability and... again reliability.



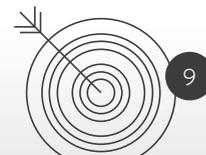
5 INNOVATION IS OUR ENGINE

Innovation comes from passion and the desire to realise one's ideas. We make long-term investments in innovation projects. We innovate products, thus setting new standards in the market and innovate sales and marketing with creative ideas. We need to encourage our people to embrace the culture of innovation. Innovation is in our DNA. The past, the present, the future.



7 SEE FOR YOURSELF

Do we want to learn something new, solve a problem or check something out? We should go in person to see for ourselves. In the factory, in the office, in a production unit or at a supplier's premises. Even managers and executives should go and see for themselves if they want to fully understand the situation and make the right decisions. Be wary of those who never enter the factory.



9 QUALITY

Quality is everywhere, quality is in each of us. In the factory, in technical departments, in product departments, in after sales, in purchasing, in sales and marketing and in communication. Quality means keeping the factory clean, having the right tools and the appropriate assembly equipment, the provision of training and information at all levels, ensuring that people work safely and that machinery complies with the standards required by applicable regulations. It means compliance with product development rules, including the exact tolerances in the design. We need to make quality and safety a strength and to encourage it as a corporate culture.



6 COMMUNICATION

We should talk more and write less. Speaking to a colleague is often faster and more effective than writing lengthy emails. We need to develop the ability to synthesise in any form of communication. We should communicate internally and externally, in a direct, concise and consistent manner.



8 WASTE REDUCTION

We should question the general situation regarding all business processes in order to bring out the issues. Scrapping is waste par excellence. Obsolete materials, reworking, overproduction and excessive stocks of raw materials and finished products are also a waste, as is the case with interminable meetings without constructive conclusions and unwillingness to accept responsibility. Cost reduction starts with waste reduction in every process.



10 WE ARE BIESSE GROUP

"Strength lies in differences, not in similarities." Never stop being passionate about your work, never stop wanting to learn new things. Always be proactive and open to change, never polemical. Be curious, get to the root of a problem, be reactive and quick to tackle and resolve it, go and see for yourself, bypass the hierarchy, if need be, and do not be afraid to make a decision. Always be willing to listen and give advice.

BUSINESS' SECTOR

The machinery and integrated solutions produced by the Group are designed for a heterogeneous target, ranging from joiners to large-scale industry, as well as for furniture, windows, doors, building components, nautical and aerospace manufacturers. Biesse Group operates in the market with the following brands.

BIESSE

Biesse is the specialised brand associated with the manufacture and marketing of wood processing machinery. Since 1969, this business has designed, manufactured and marketed a complete range of technologies and solutions for the furniture, windows and doors and wood building components industries. The Biesse brand offers solutions for the processing of technological, packaging, construction and visual communication materials, including the processing of expanded and compact plastic materials, composite materials and cardboard.

Intermac is the brand under which the Group, since 1987, has designed, manufactured and marketed machinery for the processing of glass, stone and metal for flat glass and stone processing businesses and the furniture, construction and automotive industries. Born from an intuition to transfer the leadership it had acquired in wood processing centres to the glass industry, Intermac has revolutionised this industrial segment, having quickly become one of the most recognised brands in this sector.

INTERMAC

DIAMUT

Under the Diamut brand, the Tooling division manufactures and markets tools for the processing of glass, stone and ceramic. Its synergy with Intermac has enabled it to develop a range of tools, which in terms of reliability, have become a benchmark in the market. For more than 20 years, it has offered a complete range of processing solutions that are used on both the Group's machinery and on competitors' machinery.

HSD MECHATRONICS

The Group directly designs and manufactures all high-tech components for its machinery. Thanks to its mechatronics division (HSD), the Group manufactures electrospindles, 5-axis heads, bevel gearboxes and drilling units for numerical control processing centres. These are key components that help ensure that customers will benefit from high performance and a competitive advantage. Electrospindles and technologically advanced components for metal, metal alloys, composite materials and wood for automotive, aerospace, consumer electronics, robotics and furniture manufacturers and the construction industry.

SERVICES

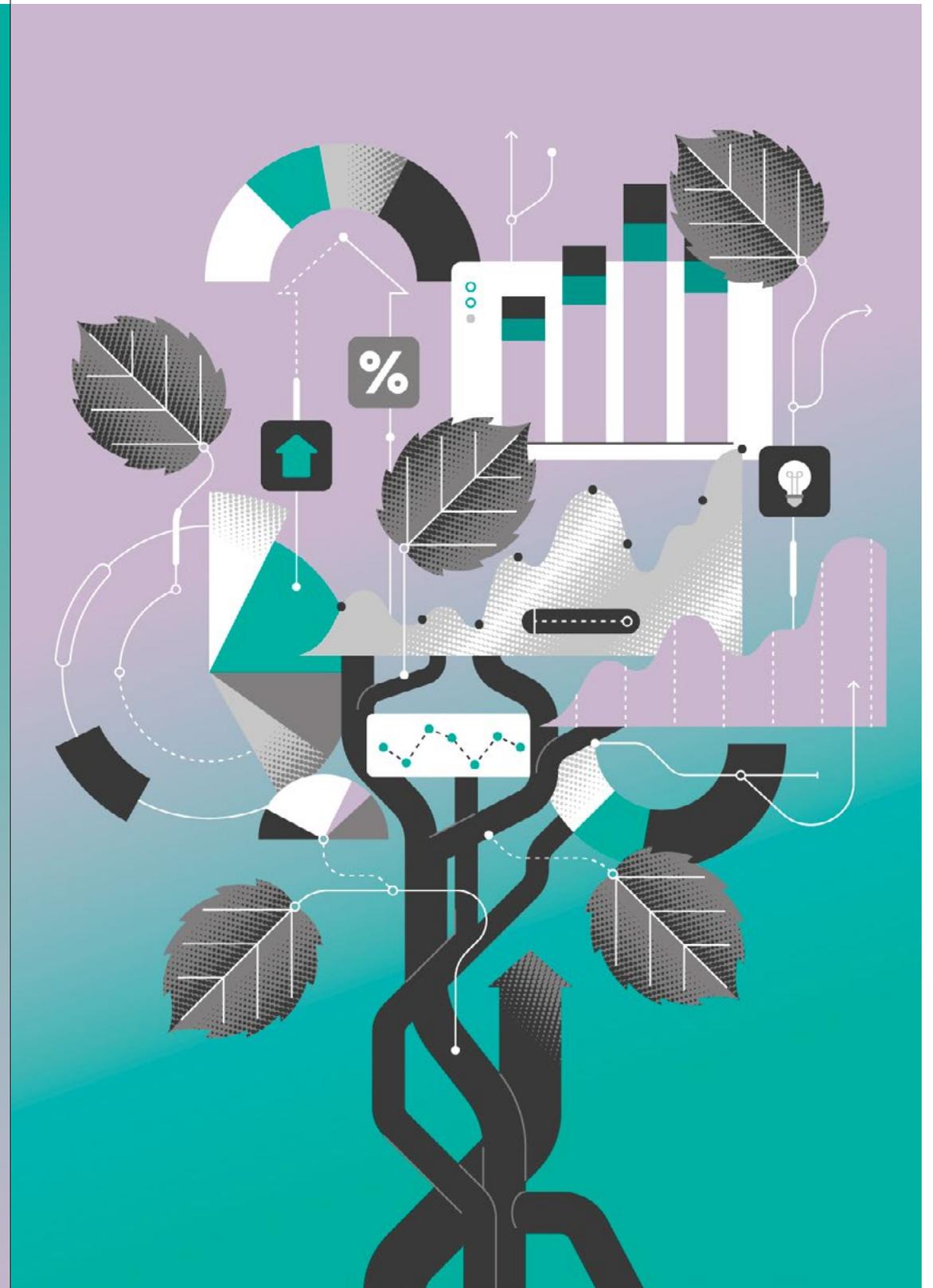
Biesse Group not only offers high quality machinery, components and complete systems, but also countless services aimed at fully meeting its customers' expectations. Through dedicated personnel, the Group provides professional pre-sale consulting services, aimed at assisting customers in choosing the best product to meet their needs, and continuous after sales assistance to ensure the correct installation and start-up of machinery, software and systems, as is also the case for the maintenance thereof over the years.

When
technology cuts
distances.

Industry 4.0
and the irresistible
tendency to think
about the future.

Constant technological
innovation that generates
economic value
for Stakeholders.

A continuous search
for excellence to support
the competitiveness
of every customer.



715,393,241

Economic value generated by the Group (€)

226,314,671

Employee remuneration (€)

11,980,058

Public administration remuneration (€)

2,987,017

Lenders' remuneration (€)

600,006

Community remuneration (€)

419,354,638

Reclassified operating costs (€)

54,156,851

Economic value retained by the Group (€)

300+

Persons involved in research and development activities, totalling approximately 276,000 working hours



ISO 9001:2015

10 manufacturing plants
awarded ISO 9001:2015
certification in Italy, India
and China

22

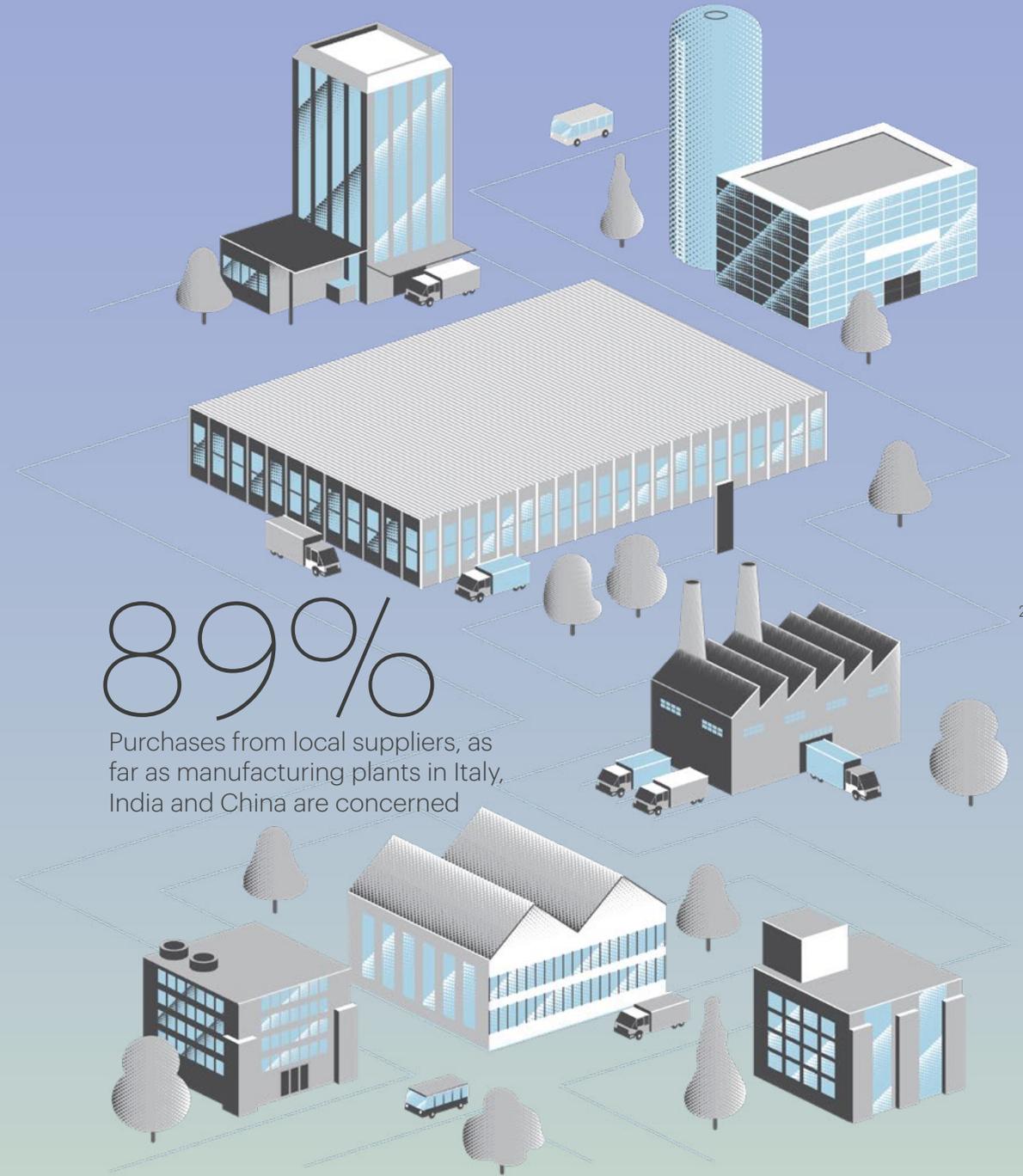
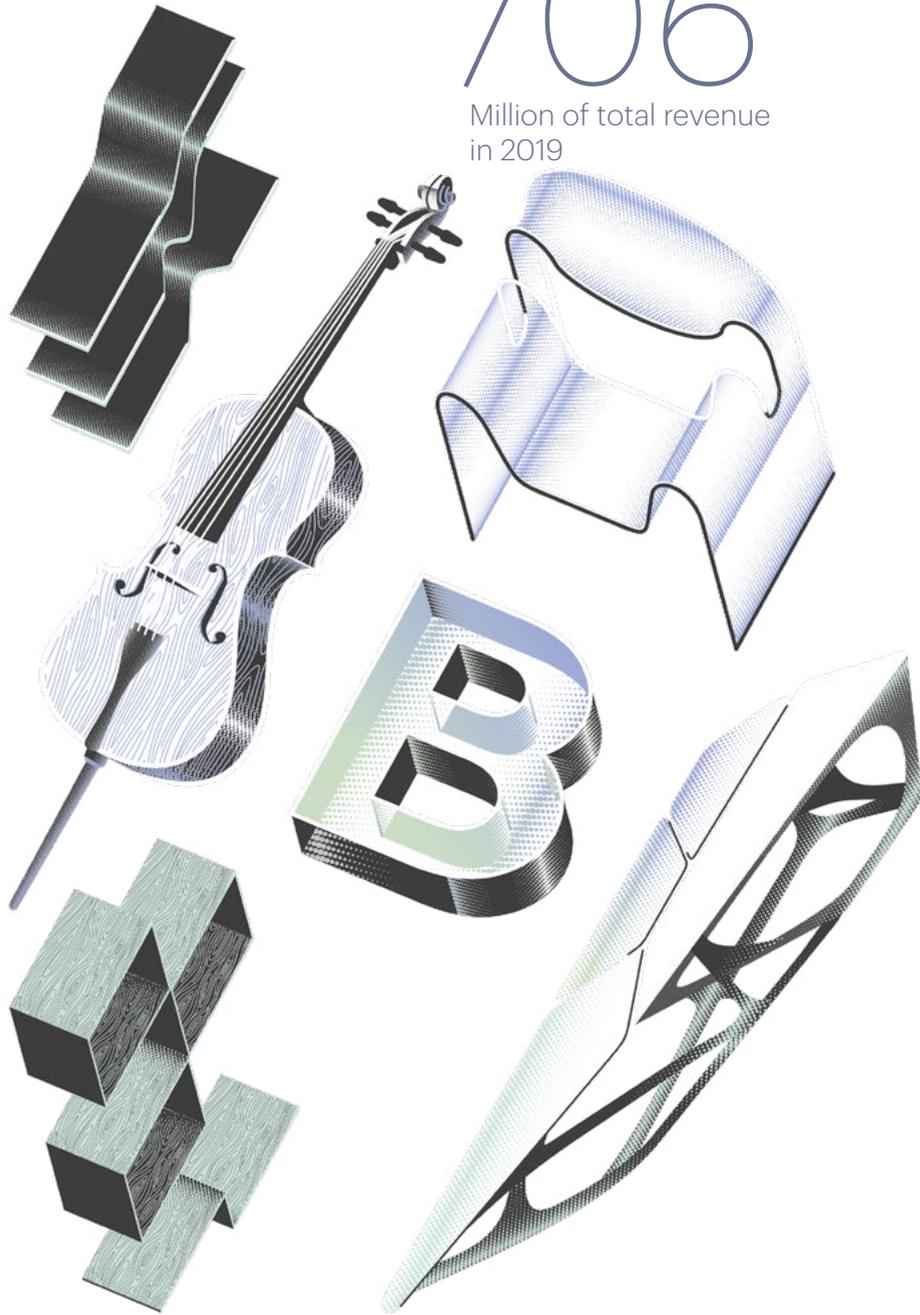


23



706

Million of total revenue
in 2019



89%

Purchases from local suppliers, as
far as manufacturing plants in Italy,
India and China are concerned

Continuous training and improvement.

Growth and development of skills as an appreciation of differences.

The Group provides the highest standards of safety for operators.

It provides contributions and donations in support of the region.

95%

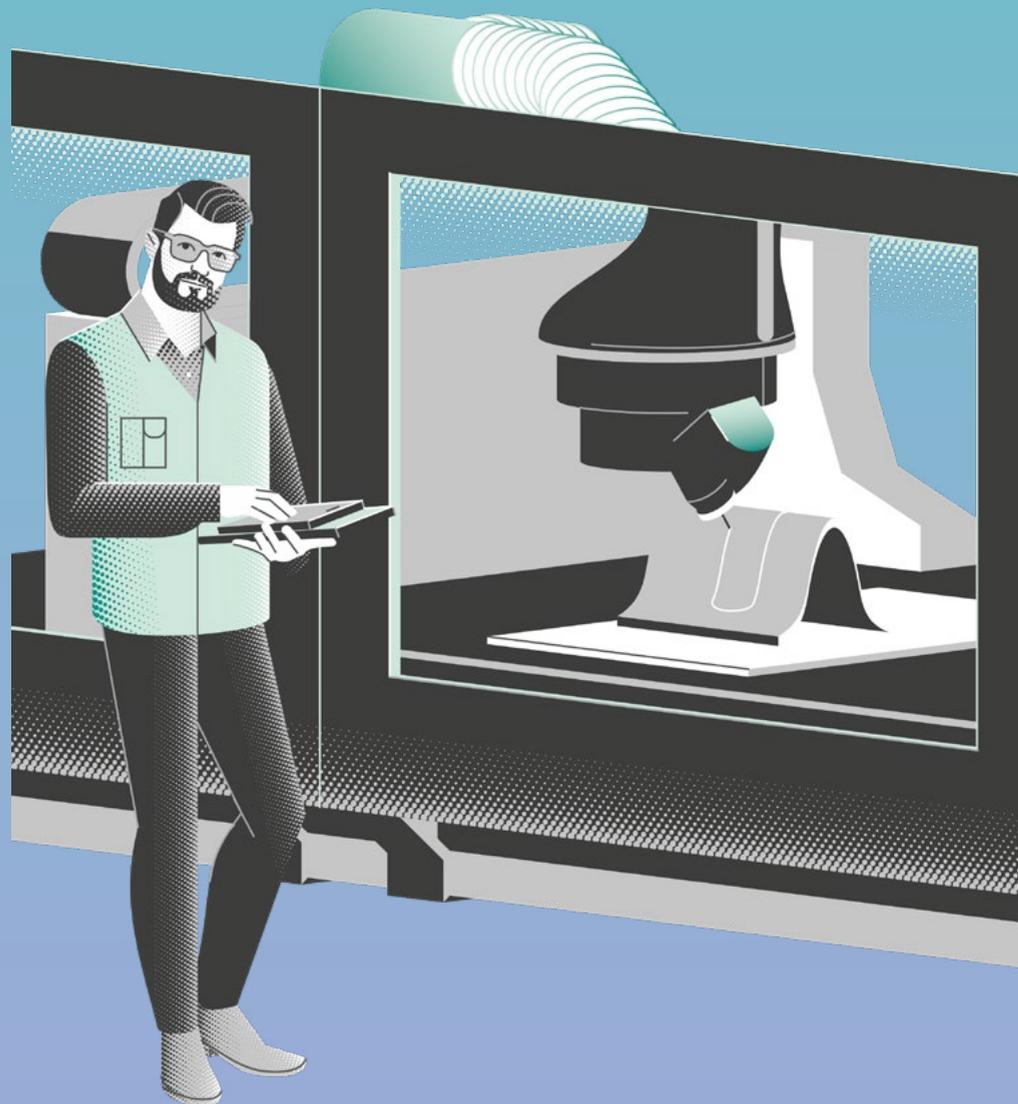
of Senior Management hired from the local community

Support for social, cultural, artistic and sports initiatives at the local level



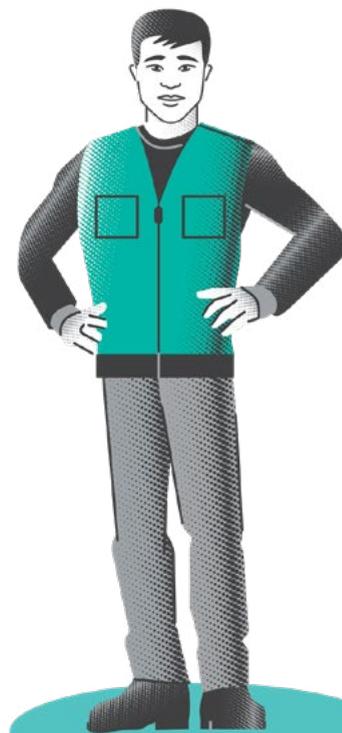
ISO 45001

Workplace safety management system of HSD S.p.A. certified to ISO 45001:2018 standard



95%

Employees with permanent contracts



≈ 1,500

Persons have worked in Biesse Group for more than 10 years





13K+

Hours of training dedicated to safety at work

120K+

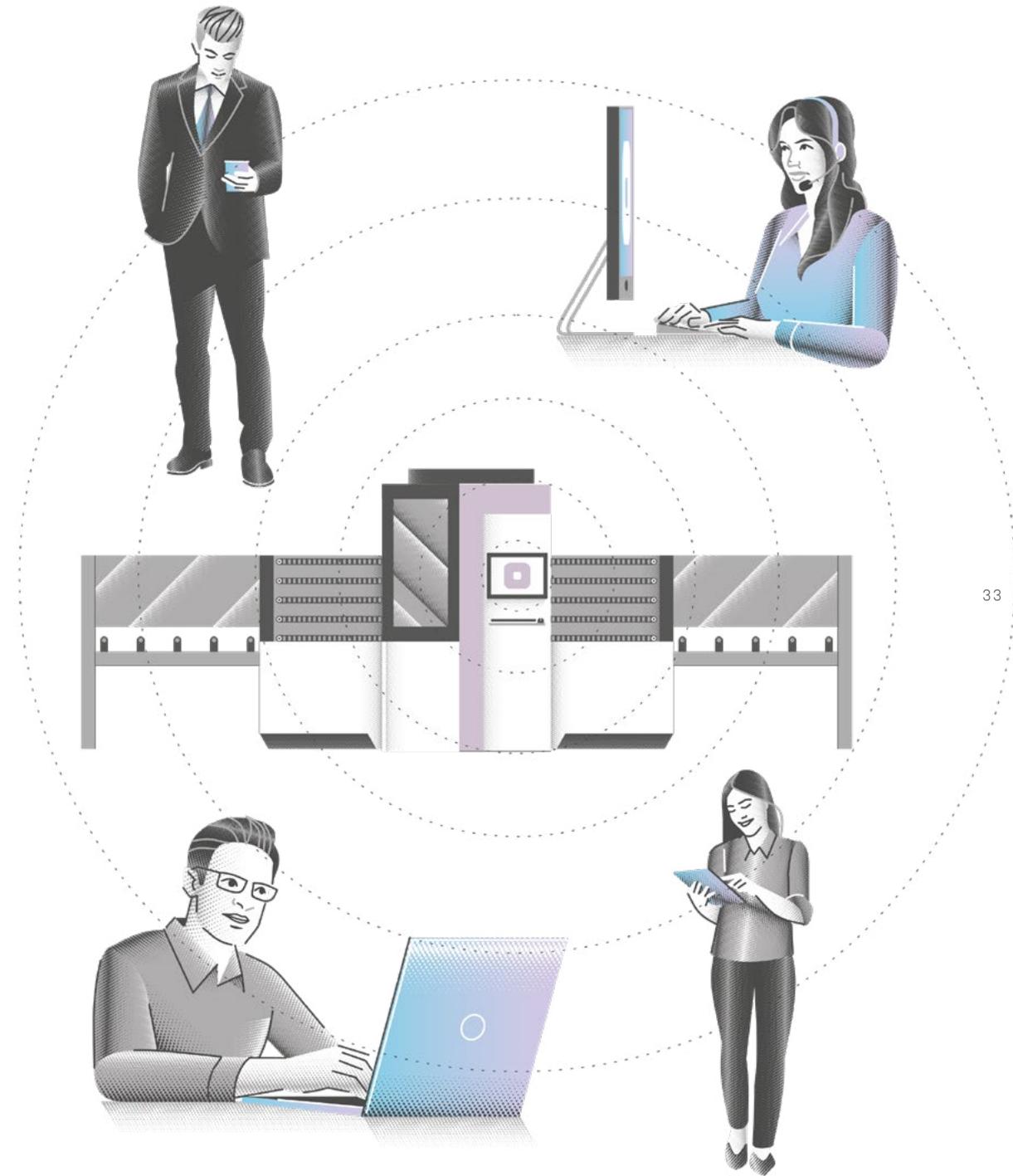
Hours of training provided to personnel during the course of 2019



Our people

The Group acknowledges that human resources are indispensable for its success, because the ability to innovate and pursue excellence in the realisation of products is the consequence of the passion and dedication of all those who form part of the Biesse Group *family*.

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33

Biesse Group and the communities

The Group is in contact with institutions, training bodies and organisations active in the locality, it listens to their requests and expectations and is attentive to the needs of the various local communities in which it operates. It is committed to the promotion of social and cultural initiatives, it has a preference for collaborations aimed at supporting training and the locality, while paying particular attention to projects focused on children, youth and culture. With a firm belief in the value of constant training, it fosters a participatory dialogue with national and international institutions, universities, training schools and research centres and develops, with their contribution, projects of common interest to facilitate the entry of young people into the world of work, while conducting research for the development of new technologies and business practices. In the year just ended, Biesse Group has supported numerous social, cultural, scientific and sports initiatives, having made contributions and donations of approximately Euro 600,000 and by having collaborated with various national and international non-profit institutions and entities.



SOCIAL COMMITMENT

The main social initiatives promoted by the Group in 2019 are the following:

Thanks to an active contribution by Banco Alimentare and Caritas, unconsumed food in the company canteen on the Pesaro Campus is recovered under a project inspired by circular economy models, thus fighting waste and making good use of food that would otherwise have been discarded. Banco Alimentare recovers hot meals, bread, desserts, fruit and vegetables from the company canteen three times a week and, thanks to its volunteers, it redistributes them locally the same day, thus offering tangible, constant support to the needy. Thanks to a constant relationship with the Group, Caritas also collects, on a daily basis, excess food from the canteen, by means of which it provides support to "Casa Tabanelli", an emergency reception centre located in Pesaro, thus guaranteeing a meal every day to the centre's guests. During the course of 2019, approximately 14,000 complete meals were recovered.

FIGHT AGAINST WASTE IN COLLABORATION WITH BANCO ALIMENTARE AND CARITAS

THE EDUCATIONAL VALUE OF SPORT

Biesse Group believes in the importance of promoting sports culture as an educational and aggregative element for young people, thus offering them an opportunity to engage and test themselves, in a healthy and constructive manner. For this reason, the Group has confirmed its support for various local sports clubs, with a particular focus on youth. In 2019, it actively supported Team Vis Sauro Nuoto (swimming team), Victoria Libertas pallacanestro (basketball team), Bees basket, Pesaro rugby, Robursport women's volleyball team, GS Muraglia Calcio (football team), VIS Pesaro (football team) and other sports clubs.

SUPPORT TO FONDAZIONE FRANCESCA RAVA N.P.H. ITALIA ONLUS AND A.I.D.O.

At Christmas, Biesse Group renewed its support to the earthquake-hit zones of Central Italy in partnership with Fondazione Francesca Rava - N.P.H. Italia Onlus, by supporting a further reconstruction project, a multipurpose centre in Pieve Torina, designed to provide its citizens with safe, beautiful and useful structures for a return to daily life and wellbeing, to be used for school activities and as a civic centre open to its citizens. Moreover, the Group has decided to support via a donation to A.I.D.O., a non-profit organisation, which, for forty years, by means of transplant medicine, contributes to saving the lives of thousands of people.

SUPPORT TO "I BAMBINI DELLE FATE"

Via the "I bambini delle fate" association, the Group supports social inclusion projects aimed at families with autism and other disabilities, thus contributing to the dissemination of a new vision for diversity and inclusion.

BIESSE AMERICA – SUPPORT TO THE "OPERATION SANDWICH" INITIATIVE

At Christmas, Biesse America supported the "Operation Sandwich" initiative launched by the local authorities to offer a sandwich to the homeless in Uptown Charlotte's surrounding areas. Biesse America contributed by offering the ingredients and by allowing its employees to participate, for a day, during their lunch break, in the preparation of the sandwiches.

BIESSE AMERICA – SUPPORT TO KEYSTONE MONTESSORI SCHOOL

Biesse America has provided support to Keystone Montessori School, Charlotte, by donating innovative shelving that has been custom designed for children, thus enabling the school to improve its services.

BIESSE FRANCE - LES RESTOS DU COEUR

Again this year, Biesse France supported the Les Restos du Coeur association over the Christmas period, with its "Opération paquets cadeaux" initiative, providing the subsidiary's employees with a chance to engage in volunteer activities, by taking turns to do so during the working day. The proceeds from the activities are to be donated to the association for its charitable work.

BIESSE MANUFACTURING INDIA – CSR & COMPANY LAW

During the course of 2019, Biesse Manufacturing, in collaboration with Bangalore University and SIP Academy (coaching institute dedicated to the development of skills for children in India), organised a walkathon event and contributed to the planting of approximately 1000 fruit trees in the biopark on the Bangalore University campus, as well as having contributed to the construction of wells needed for irrigation of the park. Again in 2019, the company, which is actively committed to the development of the locality in which it operates, sponsored the construction of a drinking water system as well as wells and a network of pipes close to the village of Jakkasandra, Bangalore, to provide access to drinking water to neighbouring communities. Moreover, Biesse Manufacturing is supporting the construction of a public drinking water system close to the Nelamangala factory in Bangalore, which will provide benefits for the local community. The project will be completed by the end of 2020.



CULTURE, EDUCATION AND INSTRUCTION

Again in 2019, the Group collaborated with numerous technical institutes, universities and training institutions. The main initiatives are the following:

COLLABORATION WITH URBINO UNIVERSITY ON COMMUNICATION AND BUSINESS SUPPORT

Biesse Group has participated in a business game launched as part of the master's degree in Communication and Advertising for Organisations offered by Urbino University. The second year students challenged each other by presenting five different communication projects focused on competitor analysis, communication strategies and creative ideas. A member of the team that presented the winning project will be selected for an internship with the Group. The project forms part of the Group's collaboration with the academic world and its desire to invest in the development of talent and skills.

BIESSE MANUFACTURING INDIA – SUPPORT TO THE LOCALITY

During the course of 2019, Biesse Manufacturing India donated books and English dictionaries to the Government Higher Primary School, located near Makali and supported the creation of an IT laboratory at the Moraji Desai Model Residential School in Chikkaballapur. Lastly, Biesse provided computer equipment to the police station in Nelamangala, making it possible to offer a more efficient service to users in the locality.

PARTNERSHIP WITH UNIVERSITÀ POLITECNICA DELLE MARCHE

The partnership with the University of Ancona has continued; specifically, Biesse has commenced collaboration with the Department of Industrial Engineering and Mathematical Sciences (DIISM), by supporting the development of additive manufacturing (or 3D printing) projects, a revolutionary Industry 4.0 technology, whose main advantages are greater freedom of design and use of materials strictly necessary for the creation of a product, thus guaranteeing waste reduction and a positive environmental impact. Research will be focused on the optimisation of processes, the development of design software and the pursuit of new materials.

Again in collaboration with DIISM, 2019 saw the completion of a project concerning the study of technologies for the innovation of products and processes that fall within Industry 4.0 scenarios, with a particular focus on predictive maintenance services.

BIESSE MANUFACTURING INDIA – INSTITUTE OF WOOD SCIENCE & TECHNOLOGY

In line with the global vision of openness and dialogue with the world of education, collaboration has continued in India with the Institute of Wood Science & Technology, which works under the Indian Council of Forestry Research and Education of the Ministry of Environment and Forests. The project is governed by a Memorandum entered into between the Institute and Biesse Group that requires a 5-year commitment to provide infrastructures and financing needed, with the objective of facilitating the dissemination of knowledge of the most innovative wood processing technologies. This collaboration has resulted in the launch of a one year diploma course that focuses on advanced wood processing technologies and of three brief courses aimed at students with basic knowledge, with the aim of training future operators and technicians and, in the long term, of encouraging participants to pursue business and personal growth objectives. The first diploma course was successfully completed in 2019.

Savings and respect.

The environmental strategies implemented.

Centralised
overhaul of all
Biesse SpA plants.

Extension of the automatic
electricity consumption
monitoring system.

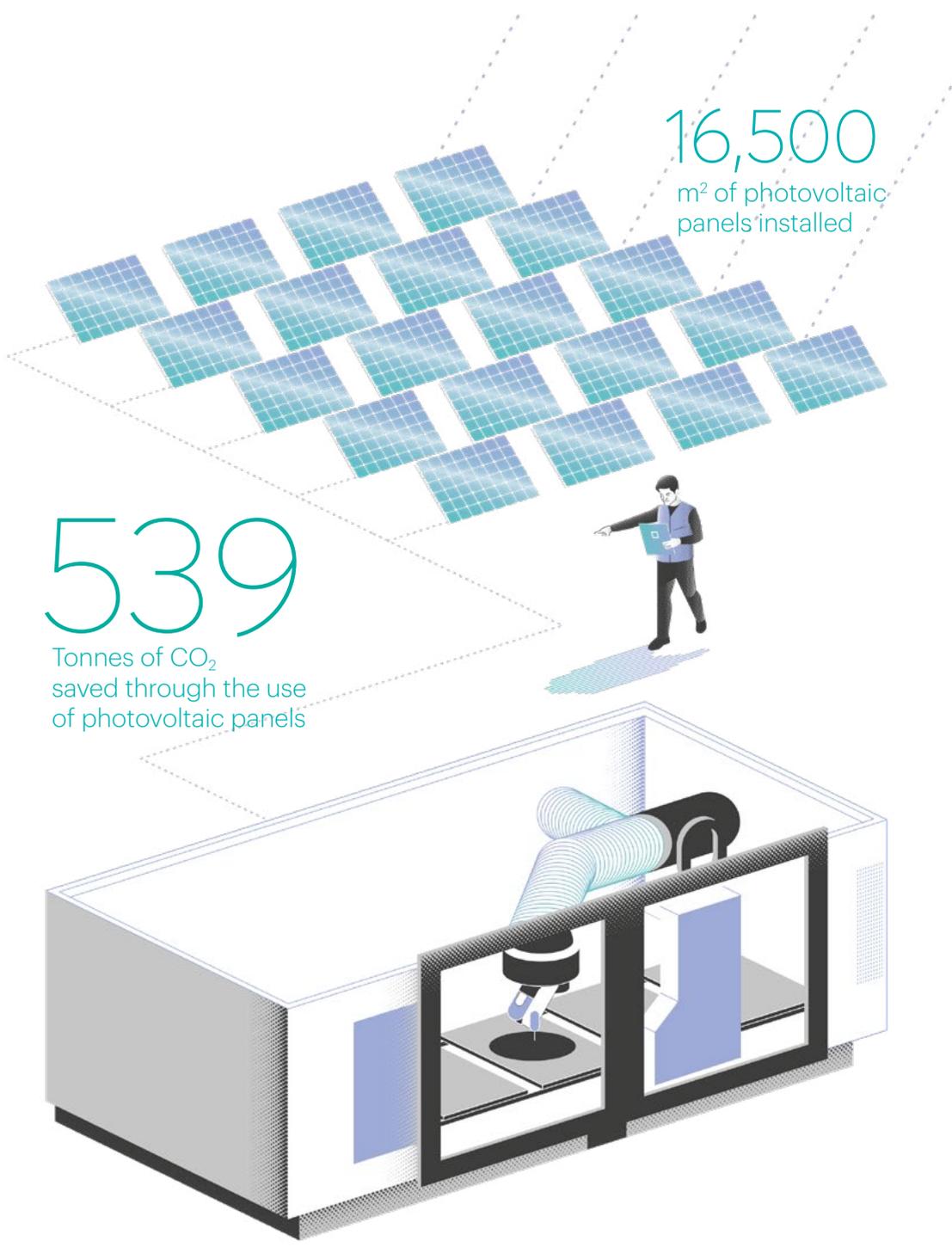
92%

of waste products
are non-hazardous

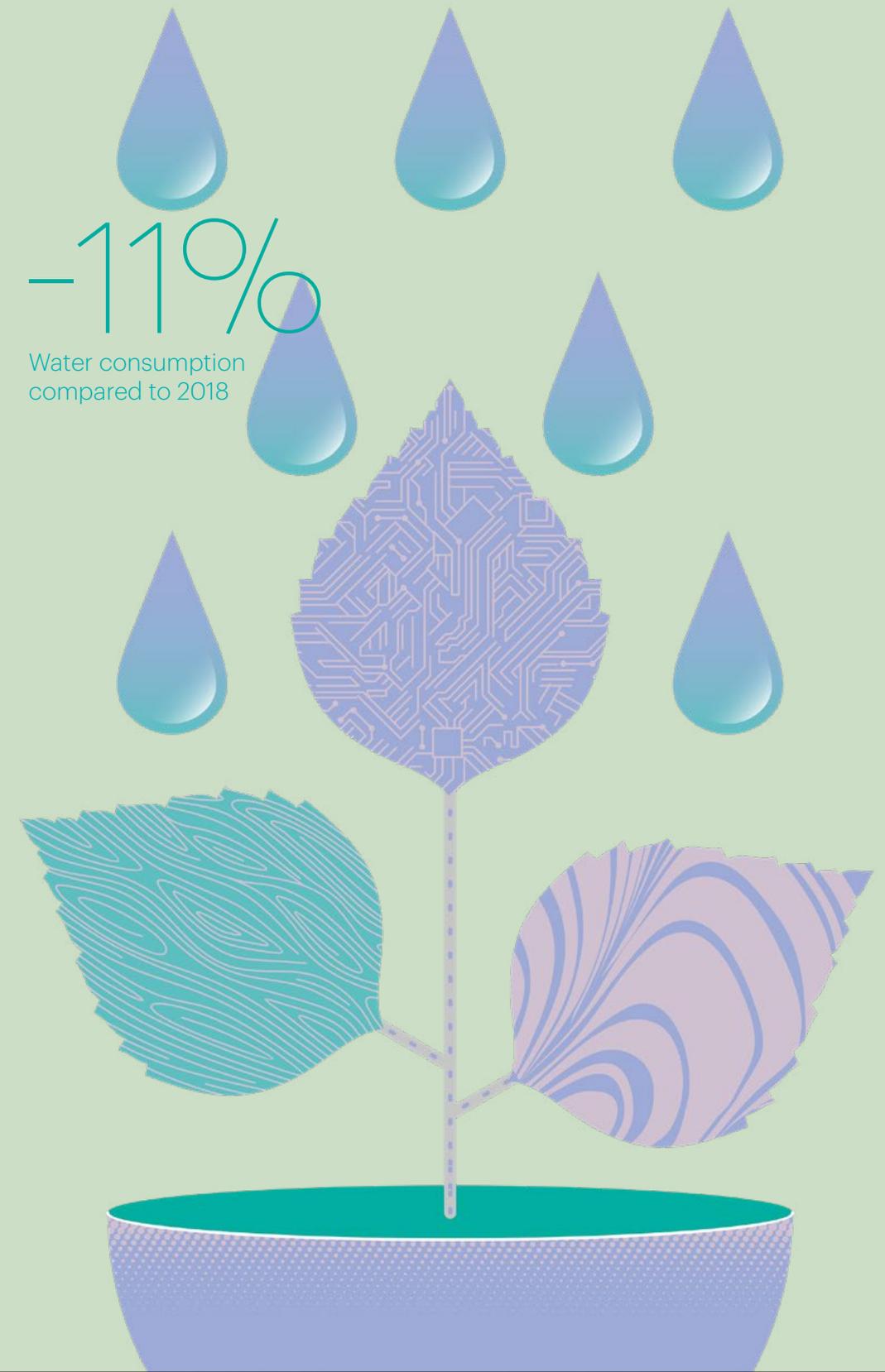


16,500
m² of photovoltaic
panels installed

539
Tonnes of CO₂
saved through the use
of photovoltaic panels



-11%
Water consumption
compared to 2018



Environmental Sustainability

Biesse Group pursues the objective of contributing positively to the protection and safeguard of the environment through the development of strategies and initiatives aimed at minimising the environmental impact arising from the activities carried out thereby.

Accordingly, the Group is committed to the constant pursuit of the most appropriate solutions to ensure responsible use of resources, a decrease in energy consumption and better management of atmospheric emissions.

APPROACH TO ENVIRONMENTAL MANAGEMENT

In line with its Environmental Policy, the Group has identified the following lines of strategic action:

Natural resource savings

Biesse Group is committed to produce better, by consuming less energy and less resources and by optimising the management of environmental aspects (resources, water, waste and commodities) to leave a less impoverished and more liveable environment for future generations.

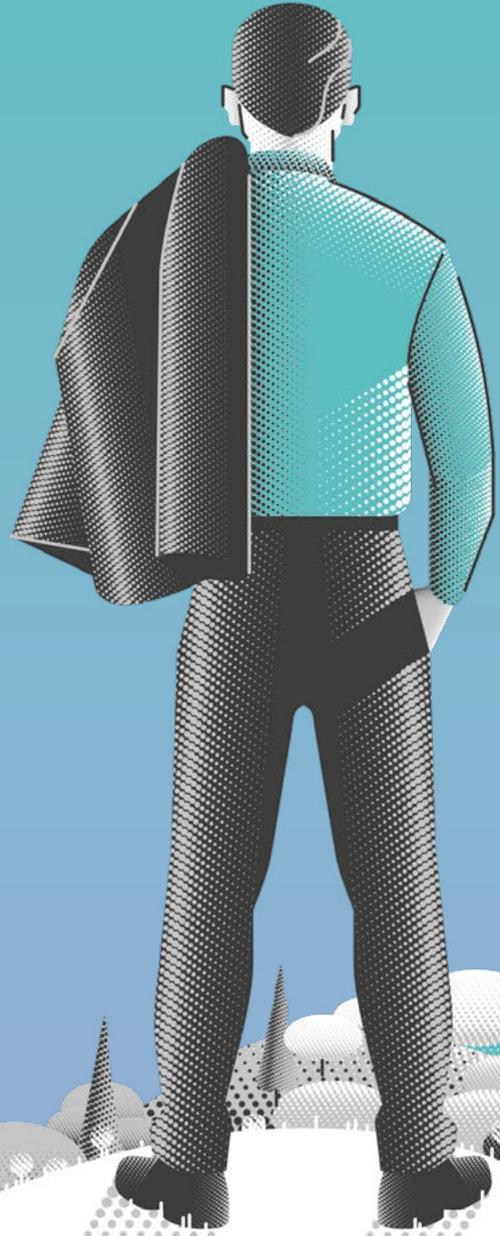
The commitment comprises a revision of Biesse products by redesigning and studying them with the objective of obtaining a low environmental impact in terms of longer life and greater flexibility, energy savings and increased recyclability of components.

Reduction of the impact of production systems

Biesse Group is committed to reviewing and redesigning processes and technologies that prevent and/or reduce their environmental impact. This will only be possible by applying the best operating techniques and by ensuring rational and efficient use of energy resources and commodities.

Compliance with relevant legislation

Biesse Group's commitment to compliance with environmental legislation constitutes an obligatory passage point and reflects the maturity achieved by Biesse's production facilities and management system, which guarantees a sustainable use of natural resources and waste management.





SOURCE: 2019 SUSTAINABILITY REPORT
[BIESEGROUP.COM/SUSTAINABILITY](https://www.biessegroup.com/sustainability)