

Inxpect S.p.A.

SUSTAINABILITY REPORT

2024

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Message to the readers

The value of sustainability has become the subject of heated discussions. In the past decade the topic had reached almost paroxysmal levels of over-regulation, often becoming a fad to be followed at all costs. Today it is in danger of being not only forgotten, but even seen as an obstacle to growth.

I believe it is appropriate to analyze sustainability not so much in light of how ethical are the choices a company makes, but in light of its impact on corporate development in a strategic sense.

Two examples can help explain this point of view. The first concerns energy consumption: even putting aside common sense about the increasing exploitation of planetary resources, any business plan can benefit from actions that aim to reduce consumption. Doing “more with less resources” is a great ingredient to foster growth.

Another example relates to inclusivity and openness to diversity, which I believe can improve the effectiveness and efficiency of any team: different points of view are a resource that can help untangle the complexity of our world and improve a company's competitiveness.

Therefore, an organic sustainability plan has first and foremost strategic impacts on corporate growth, beyond the ethical meanings of the topic that might remain confined to the individual sphere.

It is with this mindset that Inxpect has been undertaking a significant effort for the past three years, first to create a system that maps all ESG data in an organic and structured manner. Based on this framework, we are then implementing actions that will enable us to achieve our business goals better and sooner by also leveraging sustainability.

This second report shows how the mechanism is being fine-tuned. This year, a Sustainability Committee was established to ensure that the monitoring of the parameters we have chosen and the resulting improvement actions do not become a pure automatism. In 2024, we have already achieved important goals, including economic sustainability, even maintaining significant investments in research and development, in improving our products, and in continuous training for all staff members.

The ambitious goals for the next two years include financial break-even, which we expect to achieve without jeopardizing one of the competitive advantages that our team has always possessed in large doses: the ability to innovate, including our approach to sustainability.

Luca Salgarelli
CEO

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General Information

The new industrial safety

Inxpect brings together the best radar experts, both Italian and international, into a team with comprehensive expertise in the development of smart radar sensors. Specialists in hardware, software, digital signal processing and other disciplines collaborate side by side, creating innovative, disruptive and yet mature technology.

We have in-depth knowledge of the global industrial safety market, its needs and dynamics. Our operations are located in Italy, Germany, North America and China. **We understand the specific requirements of different industries and aim to revolutionize the concept of safety, helping to redefine its standards, and definitively resolving the contrast between productivity and safety.**

The passion that distinguishes each member of the team and a corporate culture devoted to technology led us to become the first company in the world (and to date still the only one) to create a SIL/PLd and UL Listed certified safety radar system.

We were born and work every day with the goal of enabling industrial enterprises to combine the highest standards of safety with the highest levels of productivity, two aspects traditionally considered in conflict with each other. **Specifically, our solutions enable collaboration between industrial machinery and people, facilitating the adoption of such production models, characterized by the highest levels of efficiency.** In fact, the failure to solve some issues related to occupational safety have currently limited the adoption of these solutions, with a related economic and competitive damage: in fact, in 2020 only 4.8 percent of installed industrial robots were collaborative¹. In the same year, more than 500,000 serious accidents² occurred in the manufacturing sector in the European Union, and there were more than 2.8 million deaths in the workplace worldwide³. There are disaggregated data for more recent periods that show, unfortunately, stability in accident rates since 2020. In future editions of our report we expect to be able to present the update to the 2025/2026 period.

¹ Source: Allied Markets Res., Markets & Markets

² Source: Eurostat

³ Source: International Labour Organization (ILO)

What is radar technology

A radar is an electronic system whose name is derived from the English acronym Radio Detecting and Ranging, which means detection and localization using radio waves. This device makes it possible to determine the distance and speed of an object by using the reflection of radio waves hitting it. It consists of a transmitter, a receiver (both equipped with antennas) and a signal processing system.

The transmitter emits electromagnetic waves that, when they encounter an object, are reflected and picked up by the receiver. By analyzing the characteristics of the reflected waves, such as phase and frequency relative to the emitted waves, it is possible to calculate the distance and speed of the object, as well as infer other properties. Electromagnetic waves are highly resistant to disturbances such as dust, smoke, fog or darkness and travel at the speed of light, about 300,000 km/s.

The radar sensors developed by Inxpect use the Frequency Modulated Continuous Wave (FMCW) technique. This technology involves the continuous scanning of a very wide band, ensuring extremely high resolution even in the presence of multiple objects within the observed scenario. In addition, thanks to innovative signal processing algorithms developed by Inxpect, the power transmitted by these devices is reduced to the point of being comparable to that of common radio devices such as Bluetooth and Wi-Fi.

Radar is a mature yet highly innovative technology; it has long been used in various applications, the best known of which is position sensing in the defense and transportation sectors. The insight behind the birth of Inxpect was its application in the industrial field for occupational safety and productivity.

The corporate structure

Inxpect is a Joint Stock Company with innovative SME status established in December 2015. The company's registered office is in Brescia (BS), where the operations headquarters, consisting of an office building and warehouse, and a detached operations office are located.

Sensors are manufactured by selected suppliers located mainly in Lombardy. The Inxpect Group also includes three foreign subsidiaries⁴ of the parent company Inxpect Spa: Inxpect Electronics Co. (China), Inxpect Deutschland (Germany), and Inxpect North America (United States).

⁴ The Israeli company Inxpect System Engineering and the Spanish company Inxpect Iberica Team S.l.u, although formally present among the investees, are not currently active

Shareholder	Shareholder type	% capital	Trustee
Inxpect Spa	Own Shares/Stock Options	19,60%	-
Fondo Italiano d'Investimento SGR Spa-FITEC	Institutional investor (VC)	18,63%	-
360 Capital Partner SAS - 360 Polimi TT Fund	Institutional investor (VC)	7,69%	-
360 Capital Partner SAS - Robolution Capital 1 Fund	Institutional investor (VC)	7,69%	-
Big Trees Srl	Non-institutional investor	5,67%	Simon Fiduciaria Spa
Giuseppe Bellandi	Non-institutional investor	5,63%	Simon Fiduciaria Spa
Centaurea Srl	Non-institutional investor	5,38%	Simon Fiduciaria Spa
8A+ Investimenti SGR Spa	Institutional investor	7,54%	Simon Fiduciaria Spa
Sunshine Srl	Non-institutional investor	5,22%	Simon Fiduciaria Spa
TSec investimenti Srl	Non-institutional investor	4,72%	Simon Fiduciaria Spa
Luca Salgarelli	Non-institutional investor	4,13%	Simon Fiduciaria Spa
Superpartes Spa	Non-institutional investor	3,70%	Simon Fiduciaria Spa
Levante Capital SIS	Institutional investor (VC)	2,37%	Simon Fiduciaria Spa
Potakoi Srl	Non-institutional investor	1,09%	Simon Fiduciaria Spa
Michael Granski	Non-institutional investor	0,51%	Simon Fiduciaria Spa
Marino Piotti	Non-institutional investor	0,27%	Simon Fiduciaria Spa
I.B.I. Trust Management	Own Shares/Stock Options	0,14%	-

Inxpect's shareholder base can be grouped into three types: non-institutional investors, Institutional investors (VCs), and the company's own shares and stock options. Non-institutional investors are individuals or non-financial corporations: within this category are Inxpect's founding shareholders, among others. Overall, this type of investor owns 36.3 percent of the company's shares.

Institutional investors are institutional players who have contributed capital over time to contribute to the growth and development of the company and hold 43.9 percent of Inxpect's capital. They are the following entities:

- **360 Capital Partners SAS:** It is a venture capital firm that invests in Europe in early-stage companies with a high rate of digital innovation or developing cutting-edge Deep-Tech technologies. It is present in Inxpect's shareholder base with two funds (360 Polimi TT Fund and Robolution Capital 1 Fund);
- **Fondo Italiano d'Investimento SGR:** Established in 2010 on the initiative of the Ministry of Economy and Finance (MEF), it is majority owned by CDP Equity, and for the remaining shares by Intesa Sanpaolo, UniCredit, Fondazione ENPAM, Fondazione ENPAIA, ABI (Associazione Bancaria Italia), Banco BPM and BPER Banca. It is a shareholder of Inxpect through FITEC (Fondo Italiano Tecnologia e Crescita), Italy's first growth capital fund dedicated to taking equity stakes in small and medium-sized Italian companies with high technological content;

- **8A+ Investimenti SGR:** A Banca Generali Group company established under BG4Real, the program to connect private savings with the real economy through investments in innovative SMEs. Inxpect participates through the 8A+ Real Innovation Fund;
- **Levante Capital:** An investment company, invests in southern European companies with the aim of helping them become multinationals by supporting their expansion into Asia.

Inxpect Spa's treasury shares consist of 1.6 percent common stock, while the remaining 18.0 percent is for stock option plans for the company's managers and employees. I.B.I. Trust Management holds, on behalf of stock option recipients residing in Israel, but no longer employed by the company, their vested options, as per the Company regulations.

Inxpect has raised investment capital of more than 25 million euros in several rounds over the years. Simon Fiduciaria was created in the year 2021 during the investment round that saw the entrance of institutional investors: its purpose is to provide governance stability, ensuring adherence to shareholders' agreements in the face of a large corporate structure. In fact, all of Inxpect's shareholders, excluding Fondo Italiano d'Investimento and 360 Capital Partners, are represented by Simon Fiduciaria.

Markets and value chain

Inxpect's business model is intrinsically linked to sustainability issues related to occupational safety. In fact, our sensors are specifically designed to prevent occupational injuries: we intentionally contribute to the mitigation of a negative and measurable social impact. We operate primarily in the B2B (Business to Business) market. Our customer base consists of a variety of parties, including brand labels, specialty distributors, Original Equipment Manufacturers (OEMs), integrators, and direct customers.

Geographical distribution of sales	2024		2023		2022	
	k€	%	k€	%	k€	%
Europe ⁵	6.051	65,9%	4.050	53,0%	2.399	53,8%
Italy	1.485	16,2%	1.490	19,5%	981	22,0%
United States	817	8,9%	1.281	16,7%	460	10,3%
Rest of the world	828	9,0%	826	10,8%	622	13,9%
Total	9.180	100%	7.647	100%	4.461	100%

In reporting the data on the geographical distribution of sales, we first highlight the

⁵ Italy excluded

doubling of sales in the past two years. Our main market is Europe, which together with the domestic market accounts for about 80 percent of sales. A significant market is the United States of America. During the year, as per the business plan, we prepared the development of the South American and Far Eastern markets, where commercial actions will be intensified in the next three years.

Considering the upstream part of our value chain, i.e., the supply chain, the data highlight its geographical proximity. More than 40 percent of supplier spending is in the Province of Brescia, where we are headquartered, a percentage that exceeds 70 percent by expanding the perimeter to Lombardy. **Overall, spending to Italian-based suppliers is 85.1 percent, up steadily from 78.0 percent last year and 68.4 percent in FY 2022.** In absolute terms, however, there is an overall decrease in spending after the previous year's increase, thanks to cost rationalization efforts.

Distribution of expenditures by providers	2024		2023		2022	
	k€	%	k€	%	k€	%
Province of Brescia	2.629	43,1%	2.270	33,7%	1.524	28,4%
Lombardia	1.744	28,6%	1.947	28,9%	1.250	23,3%
Italy	818	13,4%	1.040	15,4%	896	16,7%
EU	483	7,9%	819	12,2%	494	9,2%
Extra EU	425	7,0%	662	9,8%	1.207	22,5%
Total	6.099	100%	6.737	100%	5.370	100%

In addition to some services, we mainly procure products such as electronic boards, accessories, plastics, cables, mechanical components, screws, gaskets and packaging, and assembly services.

Our products

Inxpect safety radars take industrial safety to the highest level by detecting an operator's access or presence in a hazardous area, with configurations that can dynamically change in real time. **To date, we have carried out more than 20,000 installations, with steady growth in terms of industry segment diversification as well.**

Why use Inxpect products?

Our applications can boast a number of features that make their use particularly beneficial:

- **They are robust to disturbances from smoke, dust, chips, splashes and machining residues, contexts in which traditional optical systems often fail.** The Inxpect team has developed sophisticated algorithms that are able to filter out these disturbances, reducing false alarms and increasing productivity;
- They can work at high sensitivity and detect even an operator's breathing micro-movements, thus preventing accidental machine restarts;
- Radar senses space natively in 3D, enabling volumetric coverage of the dangerous area;
- Sensor parameters can be configured in real time, allowing dynamic changes to the detection zone. This feature makes them perfect for mobile robotic applications.

The product elements

Inxpect safety radar systems consist of one control unit and can include up to six radar sensors, providing maximum flexibility to adapt to a wide range of scenarios, from the simplest to the most complex.

We currently have seven types of sensors, with ranges from 4 to 9m, suitable for any type of industrial application, including outdoor ones. Completing the range are different types of control units capable of interfacing the sensors with both legacy industrial machinery and state-of-the-art industrial lines and systems. **In 2024 we launched a ruggedized control unit that is particularly suitable for harsh environments, and the new C201B-C control unit, designed with CIP Safety™ on EtherNet/IP™ safety fieldbus.**

Sensors and control units communicate through the use of proprietary software, the Inxpect Safety application. It allows the configuration of the area of coverage as well as its validation in a simple and intuitive way. The software can be installed on any PC and Mac. A range of accessories, including cables, protection kits, microSD cards, etc., complete our offering.

Applications

The extreme flexibility of our technological solutions has allowed them to be adapted to multiple situations and in very different environments, such as:

- Advanced anti-collision systems for industrial moving platforms, from gantries to Autonomous Mobile Robots;
- Access detection in CNC machining, robotic welding systems, and for robotic cells;
- Restart prevention in robotic cells, automatic palletizing lines, and automatic loading/unloading applications on numerically controlled machines;
- Access prevention in loading zones with autonomous handling systems.

Over the past year, we have continued to expand the range of applications of our products. **For example, we have completed a sizable project with one of the world's most relevant players in the large-scale retail sector, which is typically exposed to worker safety risks, with the application of our sensors to packaging machines.**

Another area that we have recently developed is the food&beverage sector, particularly in the palletizing and depalletizing stages.

Regulatory compliance and certifications

All of Inxpect's safety radar sensors are IEC TS 61496-5 certified, the latest IEC (International Electrotechnical Commission) standard, approved in 2023, which regulates the design and validation of protective radar systems for people detection in the industry. We have been part of the relevant activities since 2018, participating in numerous standardization working groups, with the goal of supporting the development of safety radar technology where it can bring value and increase operator safety.

Inxpect products are the world's first and only SIL2/PLd and UL Listed certified radars for personnel safety. SIL (Safety Integrity Level) is the quantification of the reliability achieved by any object that performs a safety-related function according to IEC 61508 "Functional Safety of Safety-Related Electrical, Electronic and Programmable Electronic (E/E/PE) Systems," the most internationally recognized reference standard written to enable the use of electronic components in safety-related systems.

The UL (Underwriters Laboratories) safety mark, a leading independent global organization in safety science, is among the most trusted and accepted worldwide and is the most widely recognized proof of a product's compliance with U.S. and Canadian safety requirements. In 2020 UL created a new industrial safety technical standard (Radar Based Protective Devices) with only one product category: Inxpect.

We have a partnership in place with Universal Robots, equipping Inxpect sensors and control units with URCap plug-ins. We thus guarantee all UR robot owners a high performance with the ability to easily access all the information they need in one place. Other partners in industrial robotics are gradually integrating our products into their ecosystems.

Compliance with technical standards not only certifies the performance of our products but also ensures their regulatory compliance. Indeed, our solutions meet numerous regulatory requirements, which may vary in different parts of the world. We ensure that our products, including those that we do not market directly, meet the requirements of each target country. **Since 2018, when our products came to market, we have not identified any non-compliance with regulations and certification schemes for our products.**

The Industrial Safety market, related to the products so far described, covers the bulk of our activity. Next to it we have a Security product line, also based on radar technology, but used in intrusion detection systems, where our sensors are able to distinguish a human intruder from an animal while minimizing false alarms, independently of weather, light or temperature conditions.

The protection of our clients

Adherence to the described technical standards helps us to ensure safety towards the end users of our products, i.e. mainly the workers of the companies that install them. However, Inxpect also attaches great importance to the protection of its customers, that is, the

companies that purchase our products. **We manage this through our quality management system, certified according to ISO 9001.**

The management system is based on a structured approach that includes performance monitoring, effective risk management and adherence to standardized procedures to ensure quality, reliability and compliance of products and services. Adopting ISO 9001 not only enables us to optimize operational efficiency, but also contributes to corporate sustainability by reducing waste and promoting a culture geared toward transparency and continuous improvement.

We monitor numerous aspects of our operations with appropriate indicators. These include response and resolution times for service requests, both pre-sales and post-sales, by setting specific performance targets. For returns management (RMA - Return Material Authorization), we have set up a dedicated procedure and made a request form available to customers directly on our website. We monitor both the number of returns received, with the intention of minimizing them, and the time required to handle them, so as to ensure optimal customer service. Likewise, we have implemented a specific procedure for handling complaints, with continuous monitoring of their frequency and resolution times, in order to ensure a high level of customer satisfaction.

In 2024 we integrated the calculation and monitoring of sustainability KPI within our management system in order to be able to manage these aspects in a timely and effective manner as well. The ultimate goal is to increasingly integrate sustainability across all areas of the company, leveraging it as a management tool for the entire enterprise.

Innovation and knowledge building

Innovation is the beating heart of Inxpect, the factor that most characterizes us and allows us to create lasting value. Investing in new ideas and technologies is not only a strategic choice, but the very reason behind the birth of Inxpect. This is why we promote a corporate culture geared toward experimentation, collaboration and the search for novel solutions, leveraging internal and external talent, partnerships with research institutions and the adoption of emerging technologies.

Investment in Research and Development (R&D)	2024	2023	2022
Investment in R&D (k€) ⁶	2.428	1.777	2.222
R&D investment on the value of production (%)	25,7%	21,4%	43,8%

Data on activities conducted during the year show sustained growth in our work in research and development. We increased, as per the established target, the number of active and new projects: the fruit of this work was the achievement of as many as eight new patent families, which were added to the many already in our portfolio. Research and development activities involved almost half of our employees and a significant number of work hours, reflecting the centrality of this area in Inxpect. Our team includes six employees with PhDs.

The target set for the year 2024 was a total investment of 3,000 k€. During the year, the company's management found that economic sustainability as a primary goal would conflict with such an ambitious investment, which was therefore scaled back by 16%. For the coming year, we expect to maintain R&D investment volumes similar to those of the year 2024, considering the possibility that a deterioration of macro-economic conditions could require it. Indeed, we believe that maintaining these levels of investment are compatible with the current and prospective short-term state of development of our company, described in the next chapter.

Activities in Research and Development (R&D) (n)	2024	2023	2022
R&D projects conducted during the year	11	8	7
R&D projects initiated during the year	5	2	0
Patent families held	26	18	17
Employee hours devoted to R&D projects	25.776	23.085	17.896
Employees involved in R&D projects	20	19	14

Coming to the subject of the activities carried out, during the year we focused in these areas:

- Development of a next-generation sensor version that allows better integration with third-party systems;
- Evaluation of next-generation sensors based on fusion sensing;
- Research work on next-generation antennas to increase the performance of radar technology;

⁶ Data include all costs pertaining to research and development activities, regardless of their eligibility under tax criteria

- Research and development activities related to applications of machine learning techniques.

The economic value generated

The value generated by Inxpect has grown steadily over the past three years, reaching more than 10 million euros. At the same time, compared with the previous year, the distributed value was reduced by about 5 percent, thanks to significant containment of operating costs. As a result, the operating loss has been sharply reduced over the past three years, meeting our targets. In fact, Inxpect is currently at a stage of development of the potential sales market and product offering, which implies the need for the company to continue to invest steadily. **In the latter part of the year, we balanced the budget, one quarter ahead of schedule.** Our business plan is to break even financially by 2026, with subsequent generation of positive cash flows, following the typical growth trajectory of a startup that has reached maturity.

Economic value	2024		2023		2022	
	k€	%	k€	%	k€	%
Value generated	10.088	100%	8.997	100%	5.089	100%
Revenues	9.153	90,7%	7.647	85,0%	4.461	87,7%
Other revenue and income	935	9,3%	1.350	15,0%	628	12,3%
Distributed value	9.857	97,7%	10.396	115,5%	8.040	158,0%
Operating costs	6.141	60,9%	6.813	75,7%	5.428	106,7%
Employee wages and benefits	3.587	35,6%	3.363	37,4%	2.490	48,9%
Payments to capital providers	101	1,0%	216	2,4%	118	2,3%
Sponsorships and donations	28	0,3%	4	0,0%	4	0,1%
Retained value	231	2,3%	-1.399	-15,5%	-2.951	-58,0%
Depreciation and amortization and provisions	753	7,5%	663	7,4%	652	12,8%
Deferred and prepaid taxes	-102	-1,0%	-102	-1,1%	-102	-2,0%
Loss	-420	-4,2%	-1.960	-21,8%	-3.501	-68,8%

Revenues pertain almost exclusively to the sale of sensor systems, while “Other revenues and income” pertains mainly to changes in inventories and financial income. In terms of distributed value, operating costs mainly include the purchase of materials for sensor production and costs for sensor research and development. Employee salaries and benefits increase reflecting the growth in staffing and economic treatment of personnel, while payments to capital suppliers, which are decreasing, relate to interest on bank loans. We increased the amount allocated to sponsorships and donations: the community chapter describes the main initiatives that we funded.

Sustainability as a strategic choice

The materiality analysis process

Materiality analysis is a strategic process aimed at identifying relevant sustainability issues, so-called “material issues,” for an organization and its stakeholders. The materiality analysis provided by the GRI Standards focuses on the impacts (“impact materiality”) that an organization has on the economy, environment and society. Once impacts are identified, they are assessed against their materiality and grouped into sustainability themes. Through materiality analysis, organizations can in fact focus on actions and goals that reflect strategic priorities, optimizing the reporting of their performance on critical issues and creating value for both the organization and its stakeholders.

Stakeholders play a key role in materiality analysis because they represent the different perspectives and expectations that influence an organization's strategy and decisions. Involving stakeholders provides insight into what issues are a priority and are relevant to those who are directly or indirectly impacted by the organization's activities, such as customers, employees, suppliers, investors, and local communities. Their active participation in the evaluation process ensures that the analysis is not only an internal assessment, but also takes into account external needs and concerns. This approach helps organizations identify the most significant risks and opportunities, enhancing their ability to make informed, long-term decisions that can create shared value and strengthen the organization's trust and credibility with its stakeholders.

With this in mind, Inxpect conducted a stakeholder engagement process during the year to complement the materiality analysis carried out when preparing its first sustainability report covering the year 2023. The original analysis was carried out by integrating a sustainability assessment conducted by external professionals according to the UNI EN ISO 26000:2020 “Guide to Social Responsibility” standard with a series of interviews with the CEO and managers of the company and with an analysis of internal documentation related to sustainability procedures and data. Once the identification and assessment of impacts was completed according to a numerical scale, the sustainability issues and their degree of relevance were determined by the CEO, following a discussion with the team of external experts.

In 2024 the engagement involved the following categories of stakeholders: shareholders, employees, customers, and suppliers. The main objectives of the activity were to understand the general relevance of sustainability to these stakeholders and to collect their assessment of the relevance of the sustainability issues identified by Inxpect in the previous year: we considered re-proposing the same issues given the absence of changes in Inxpect's business model and operating environment and thus, consequently, the related impacts. In addition to these purposes, we collected ideas and suggestions with respect to the management of sustainability issues and surveyed the willingness of suppliers and customers for possible collaboration in this area.

We engaged with stakeholders with online questionnaires. A total of 88 questionnaires were sent out: 14 to shareholders, 50 to employees, and 12 each to suppliers and customers. **The average response rate stood at 80.7 percent, with very strong participation particularly from employees, who provided numerous insights and suggestions regarding possible actions with a view to sustainability.** All stakeholders rated sustainability in general as a very important or important issue for Inxpect. There was also relative uniformity with respect to the assessment of the relevance of sustainability issues: the slight differences that emerged are largely explained by how close each stakeholder category is to each individual issue.

The main finding that emerged was the substantial agreement with the results of the analysis conducted for the 2023 Sustainability Report. **Also in light of this evidence, the Inxpect Board of Directors, during its meeting on 05/09/2024, confirmed the list of material issues as outlined below and the relative degree of significance.**

Theme	Relevance
Safety in the use of products	Priority
Enhancement of workers	Priority
Corporate welfare and personal care	Priority
Innovation and knowledge building	Priority
Ethics and transparency in management	Very relevant
Environmental protection	Very relevant
Customer protection	Very relevant
Economic performance	Very relevant
Relations with suppliers	Very relevant
Diversity, inclusion and multiculturalism	Relevant
Circular economy	Relevant
Community relations	Relevant

The table below provides an overview of the 2030 Agenda Goals to which Inxpect contributes through the management of its material themes. The 2030 Agenda, consisting of the 17 Sustainable Development Goals (SDGs) approved by the United Nations in 2015, is the main international reference for sustainable development. Inxpect has identified the following Sustainable Development Goals to which it believes it can make a significant contribution:

- SDG 5: Gender Equality
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production

Theme	SDG 5	SDG 8	SDG 9	SDG 11	SDG 12
Safety in the use of products		x	x	x	
Enhancement of workers	x	x	x		x
Corporate welfare and personal care	x	x			x
Innovation and knowledge building		x	x		x
Ethics and transparency in management	x	x	x		x
Environmental protection		x	x	x	x
Customer protection		x	x		x
Economic performance		x	x		x
Relations with suppliers		x	x		x
Diversity, inclusion and multiculturalism	x		x		
Circular economy		x	x	x	x
Community relations			x	x	x

The sustainability plan

For Inxpect, managing sustainability issues in a practical and responsible way is a fundamental commitment, which goes beyond mere compliance with regulations and reporting aspects. **Starting with an awareness of the impacts of our activities noted in the materiality analysis, we are committed to adopting a sustainable approach in every area of our business.** Through the active management of material issues, we aim not only to reduce the risks associated with environmental, social and governance factors, but also to create long-term value for our stakeholders.

For each material theme, we have first identified our goals and commitments.

Theme	Goals and commitments
Safety in the use of products	- Ensuring the health and safety of people that work in the environments where Inxpect products are installed
Professional development	- Encouraging personal development and growth - Provide quality continuous- and cross-training to its workers
Corporate welfare and personal care	- Protecting the health and safety of workers - Management of a workplace based on the centrality of the human person
Innovation and knowledge building	- Carry out research and development activities aimed at continuous product improvement and the introduction of new solutions
Ethics and transparency in management	- Transparency with all corporate stakeholders - Operate in accordance with the company's ethical principles and commitments
Environmental protection	- Pursue business development that includes minimizing direct and indirect impacts on the environment in terms of energy consumption, climate-changing gas emissions and water consumption
Customer protection	- Provide products that meet all applicable quality and technical standards - Provide timely and effective customer service
Economic performance	- Create sustainable economic value for all stakeholders in order to preserve the continuity and development of the company
Relations with suppliers	- Fairness and transparency with suppliers - Collaboration with suppliers who share the company's ethical principles
Diversity, inclusion and multiculturalism	- Respecting and integrating the specificities of each person involved in business processes
Circular economy	- Adoption of policies and actions aimed at reducing natural resource consumption and waste generation
Community relations	- Contribute to the social and cultural development of the target community - Be a vector of positive change within the community

The above objectives are turned into concrete actions and the adoption of quantitative targets. The sustainability plan is updated on an annual basis: each action and target is assigned to a manager who is accountable for its implementation. In the following table we list the sustainability actions we have already implemented and those we plan to implement in the future. Some of these actions were planned in last year's action plan and reported in the last sustainability report: for them we give evidence of the progress achieved and the activities carried out in this regard. The actions already implemented are distinguished between those

we introduced for the first time during the year (“Newly implemented”) and those we have maintained from previous years (“Continued from previous years”).

Theme	Objective	Action	Implementation Status
Corporate wellness and care of personnel	Increase the workforce in line with the company's development plans by ensuring appropriate working conditions	Expansion of the corporate workforce	Implemented - Continued from previous years
		A new corporate headquarter	Planned - To be implemented in 2026
	Ensuring the well-rounded well-roundedness of workers at Inxpect	Monitoring plan to ensure the proper use of vacation time	Implemented - Continued from previous years
		Conducting a survey to survey corporate well-being on an annual basis	Implemented - Continued from previous years
		Introduction of mechanisms to incentivize the contribution of severance pay to supplementary pension plans	Implemented - New Implementation
		Drafting a company policy for the management of internships	Implemented - New Implementation
		Making a document on the details of the pay system available to employees to enable them to understand it	Implemented - New Implementation
		Conducting a business climate analysis through a dedicated project	Planned - To be implemented in 2025
		Evaluation of the possibility of selecting a single corporate welfare platform for employee corporate bonus conversion	Planned - To be implemented in 2025
Circular Economy	Minimize resource consumption from the use of packaging	Reuse of intermediate packaging used for intra-supplier transfers	Implemented - Continued from previous years

Theme	Objective	Action	Implementation Status
	Limiting environmental impacts throughout the product life cycle	Packaging optimization study	Implemented - New Implementation
		Writing disassembly instructions for products to be provided to customers	Implemented - New Implementation
		Integration of ecodesign criteria into design	Implemented - New Implementation
	Minimizing the use of resources and promoting digitization in offices	Transition to recycled paper	Implemented - New Implementation
		Creation of an internal corporate channel aimed at exchanging products among employees	Planned - To be implemented in 2025
Ethics and transparency in management	Ensure compliance with laws and regulations and avoid incidents of corruption	Continuous updating of the Organization, Management and Control Model pursuant to Legislative Decree 231/01	Implemented - Continued from previous years
	Managing ESG issues effectively and transparently	Construction of the monitoring system of ESG indicators and their integration into the management system in the year	Implemented - New Implementation
Innovation and knowledge building	Carry out research and development activities aimed at continuous product improvement and the creation of new solutions	Development of a sensor version aimed at integration with third-party management	Implemented - New Implementation
		Evaluation of next-generation sensors based on fusion sensing	Implemented - New Implementation
		Research work on next-generation antennas to increase radar performance	Implemented - New Implementation
		Research and development activities related to applications of machine learning techniques	Implemented - New Implementation

Theme	Objective	Action	Implementation Status
Economic performance	Ensuring economic development and growth	Achieving economic balance	Implemented - New Implementation
		Market development in South America and the Far East	Implemented - New Implementation
		Achievement of corporate financial break even as per plan	Planned - To be implemented in 2026
Relations with suppliers	Adopt fair and transparent behavior toward suppliers	Monitoring with dedicated system of suppliers' payment times in order to ensure compliance	Implemented - Continued from previous years
	Work with suppliers who share the company's ethical principles and based on ESG criteria	Application of the supplier selection procedure based on ESG criteria not only to suppliers involved in production, but to all those who receive a significant share of spending	Implemented - New Implementation
		Draw up a supplier code of conduct and require their suppliers to sign it	Planned - To be implemented in 2025
		Introduction of a policy regarding conflict minerals	Planned - To be implemented in 2025
Relationships with the community	Contribute to the social and cultural development of the target community	Participation in workplace safety awareness initiatives and campaigns	Implemented - New Implementation
		Funding for a doctoral fellowship at the University of Brescia	Implemented - New Implementation
		Extending collaborations with additional colleges and universities	Planned - To be implemented in 2025
		Conduct an awareness campaign among employees for blood donation with the involvement of AVIS	Planned - To be implemented in 2025

Theme	Objective	Action	Implementation Status
		Stipulation of employee agreements with local businesses	Planned - To be implemented in 2025
Safety in the use of products	Ensuring the highest health and safety standards for Inxpect products	Maintenance of SIL2/PLd and UL Listed certifications.	Implemented - Continued from previous years
Customer protection	Deliver products that meet quality standards and in the agreed manner	Implementation of our ISO 9001 certified quality management system	Implemented - Continued from previous years
Environmental protection	Minimizing environmental impacts in terms of energy consumption and climate-changing gas emissions	Use of electricity from 100% certified renewable energy for all Inxpect locations	Implemented - Continued from previous years
		Use of led lights at the Snake Street location	Implemented - Continued from previous years
		Use of heat pumps to heat the offices in Serpent Street	Implemented - Continued from previous years
		Optimization of shipments through the use of a broker that avoids multiple carriers	Implemented - Continued from previous years
Professional development	Encouraging the development and personal growth of workers	Structured evaluation and recognition of worker performance	Implemented - Continued from previous years
	Providing quality continuing and cross-training to workers	Conducting a corporate training plan linked to the training needs survey	Implemented - Continued from previous years

In addition to actions, we have a set of targets established on the basis of quantitative indicators, so that we can drive and monitor the degree to which we are achieving our sustainability goals. We report them in the table below, while the reader will find more details in the following chapters.

Theme	Objective	Indicator	Detail	Target 2024	Value 2024	Target 2025
Corporate wellness and care of personnel	Ensuring the all-round well-being of Inxpect workers	Flexibility of working hours and smart working	% employees with flexible working hours and smart working	100%	100%	Maintenance
		Staff welfare survey	% positive responses to indicators of corporate well-being	-	94,1%	>90%
Professional improvement	Providing quality continuing and cross-training to workers	Capacity and skill development	% Employees with at least one non-mandatory training course conducted during the year	>75%	100%	>80%
	Encouraging the development and personal growth of workers	Employee evaluation	% employees with periodic performance appraisal	100%	100%	Maintenance
	Recognize the performance expressed by workers	Performance-related pay	% employees with opportunity for pay linked to individual performance	100%	100%	Maintenance
Diversity, inclusion and multiculturalism	Fully comply with obligations to hire disadvantaged persons under Law 68/99	Coverage of Law 68/99 obligation	% Workers hired directly or through agreement ex Art. 14 on the number of covers provided by Law 68/99	100%	100%	Maintenance
Relations with suppliers	Work with suppliers who share the company's ethical principles and based on ESG criteria	Sharing the code of ethics with suppliers	% Expenditure with qualified suppliers who have shared the code of ethics	>80%	68,8%	-

Theme	Objective	Indicator	Detail	Target 2024	Value 2024	Target 2025
		Sharing the code of conduct with suppliers	% Spending with qualified suppliers who have shared the code of conduct	-	-	>80% ⁷
		ESG selection of suppliers	% New suppliers qualified with ESG criteria	100%	100%	Maintenance
Circular Economy	Minimize resource consumption from the use of packaging	Renewable materials in packaging	% Renewable material used for packaging	-	83,7%	>80%
		Recycled materials in packaging	% Recycled material used for packaging	-	49,1%	>45%
		Recyclable materials in packaging	% Recyclable material used for packaging	-	99,5%	>95%
Ethics and transparency in management	Ensure compliance with laws and regulations and avoid incidents of corruption	Anti-corruption training	% of employees who have received anti-corruption training	-	92,5%	>90%
Innovation and knowledge building	Carry out research and development activities aimed at continuous product improvement and the creation of new solutions	R&D investment	Annual investment in R&D (k€)	>3.000	2.428	Maintenance
		R&D projects conducted	Research and development projects conducted during the year	>8	11	10
		New R&D projects	New research and development projects launched during the year	-	5	2

⁷ Target referring to the year 2026

Theme	Objective	Indicator	Detail	Target 2024	Value 2024	Target 2025
		Patents	Total number of patents registered	>18	26	30
		R&D employee hours	Hours devoted to research and development activities	-	25.776	Maintenance
		R&D Employees	Employees dedicated to research and development activities	-	20	Maintenance

The relationship with stakeholders

Inxpect firmly believes that collaboration with its stakeholders, both internal and external, is an essential element in establishing strong and lasting relationships, as well as fostering a positive impact on people and the environment. Thanks to the robustness of its stakeholder network, consisting of organizations and individuals who share a commitment to sustainable growth, we have succeeded over the years in making measurable contributions to sustainable progress, which we intend to increase more and more in the future.

In 2024 we have updated the mapping of our stakeholders. We report a description of them by dividing them into the most significant categories, specifying the relevant involvement activities.

Stakeholders	Subjects	Modes of Involvement
Shareholders	- Non-institutional investors - Investment funds	- Budgets - Provision of periodic reports and data - Shareholder meetings
Staff	Employees	Individual ad hoc meetings

	• Sales representatives • Continuous collaborators	• Satisfaction monitoring surveys • Annual evaluations • Semi-annual collective update meetings • Training satisfaction feedback • Daily activities of Human Resources
Customers	• Brand Label • Specialty Distribution • Original Equipment Manufacturer (OEM) • Integrators • Direct Customers	• Communications through corporate channels • Participation in trade shows • Face-to-face meetings
Suppliers	• Direct Suppliers • Distributors	• Face-to-face meetings • Company visits • Qualification process and monitoring
Credit institutions	• Banks	• Periodic meetings • Provision of periodic reports and data
Communities and colleges and universities	• University of Brescia • Polytechnic University of Turin	• Career day • Presentations • Recruiting activities • Conferences and public meetings
Standards and Notified Bodies	• CEI (Italian Electrotechnical Committee) • UNI - Ente Italiano di Normazione • IEC (International Electrotechnical Commission) • ISO (International Organization for Standardization)	• Participation in regular meetings • Participation as members in working groups • Conducting assessments
Institutional and associational networks	• Confindustria • Italy-China Chamber of Commerce • Wisconsin Chamber of Commerce • Italian Tech Alliance • A3 Advanced Automation Association • AHTD Association for High Technology Distribution	• Participation in events and conferences • Periodic meetings

In addition to the usual ways of engagement, this year we carried out an engagement activity

aimed at informing the materiality analysis. This activity involved both internal and external stakeholders. The methods and results have been described earlier in this document.

Focusing on internal stakeholders, repeated the corporate well-being survey for our employees. The survey is designed to analyze the corporate climate by exploring the quality of relationships between employees, their managers and each work team. It also includes questions about perceptions of one's future in the company and provides an opportunity to suggest areas to invest in to foster continuous improvement in the organization. At the end of the process, responses are analyzed for signs of dissatisfaction or cues for improvement. Among the aspects that the survey considers, particular attention is paid to the perceived well-being of employees in Inxpect. The positive response rate to questions investigating this aspect was 94.1 percent compared to 96.3 percent in the previous year: despite the slight decrease, the percentage remained above our target of 90 percent. We have also maintained the semi-annual plenary update meetings, during which management explains to our employees and associates the current situation of the company and its future prospects.

As a testament to the importance we assign to the involvement of our employees, next year we intend to conduct a corporate climate analysis using the services of an occupational and organizational psychologist. The findings of this analysis will provide an important basis for guiding our future choices in the organizational sphere.

With regard to external stakeholder engagement, we have conducted intensive outreach to our customers by participating in numerous initiatives around the world. First of all, we highlight our participation again this year in the trade shows **SPS Italy, SPS Nuremberg and SPS China**. SPS (Smart Production Solutions) is the brand of trade fairs on automation and digital for industry; it was born and has been held for more than 30 years in Nuremberg and, in addition to Italy, is held in China and the USA. In Germany, we also participated in **FANUC Europe Open House** and **All about automation**. This year for the first time we participated in **Advanced Factories**, one of the world's most important trade fairs on industrial innovation topics that has been held in Barcelona since 2017. We were also present at the **A3 International Robotic Safety Conference** hosted by the Association for Advancing Automation in Houston in the United States and dedicated to safety in robotics.

Governance information

Governance

Inxpect is managed by a five-member Board of Directors (BoD). The composition of the Board of Directors was confirmed at the Shareholders' Meeting on 04/23/24 and will remain as such until the date of approval of the 2026 financial statements.

First and Last Name	Role	Gender	Date of Birth	Date of first appointment	Executive/Non-Executive
Luca Salgarelli	President-CEO	Man	20/03/1970	17/12/2015	Executive
Michael Granski	Councilor-VP of Technology	Man	27/02/1957	17/12/2015	Executive
Giuseppe Bellandi	Counselor	Man	15/01/1958	17/12/2015	Non-Executive
Cesare Maifredi	Counselor	Man	06/07/1975	05/02/2021	Non-Executive
Claudio Catania	Counselor	Man	25/05/1970	05/02/2021	Non-Executive

The BoD is entirely composed of male directors, four over the age of 50 and one between the ages of 30 and 50. In the case of a five-member BoD, and given the current shareholding composition, the statutory provisions imply that:

- one member be appointed by the majority of shares, including the affirmative vote of 360 Capital Partners and the affirmative vote of the majority of shares held by Fondo Italiano d'Investimento, 8A+ Investimenti and Levante Capital;
- two members be appointed by the majority of shares;
- one member be appointed by 360 Capital Partners;
- one member be appointed by the majority of shares held by Fondo Italiano d'Investimento, 8A+ Investimenti and Levante Capital.

Directors Luca Salgarelli, Giuseppe Bellandi and Michael Granski have proven knowledge of the sensor technology and industry from academic and entrepreneurial experiences. Board member Cesare Maifredi is General Partner of 360 Capital Partners and board member Claudio Catania is Senior Partner of FITEC.

There are no independent directors on the Board of Directors. The company, in order to comply with best governance practices, is evaluating the separation of the roles of Chairman and CEO in a medium-term time frame. Possible conflicts of interest are prevented and mitigated in accordance with current relevant legislation. The company's bylaws also stipulate that any transaction with a Related Party, defined pursuant to Article 3, paragraph 1, letter a) of the Regulation containing provisions on transactions with related parties, adopted by Consob with Resolution No. 17221 of 12/03/2010, including any relatives and relatives-in-law up to the fourth degree, must be approved by the Board of Directors. There are no formal mechanisms for evaluating the performance of the Board of Directors, whose performance is in any case subject to evaluation by the Shareholders' Meeting.

Directors do not receive remuneration for the company's administration activities. The company's top managers, in which the operating directors are also included, receive compensation consisting of a fixed portion and a variable portion linked to the company's performance, in addition to enjoying a stock option plan. The aforementioned remuneration, as per statutory provisions, is proposed by the Remuneration Committee and determined by the Board of Directors. To date, the Remuneration Committee is composed of Cesare Maifredi (Chairman), Luca Salgarelli and Claudio Catania. In addition to remuneration above the threshold provided by the bylaws, the Remuneration Committee is also responsible for discussing and proposing stock option plans and their beneficiaries.

The Board of Directors is supported by a three-member Board of Statutory Auditors, which is responsible for supervising compliance with the law and the articles of association, respect for the principles of proper administration, and, in particular, the adequacy of the organizational, administrative, and accounting structure adopted by the company and its actual functioning. Completing Inxpect's governance system is the auditing firm, which is responsible for the statutory audit of the accounts.

Sustainability governance

The oversight of sustainability issues is directly entrusted to the CEO, who received training on these matters when Inxpect's sustainability journey was launched. By resolution of the Board of Directors in October 2024, a Sustainability Committee was established for the purpose of supporting the CEO with respect to this function, to which he or she is directly accountable.

The Sustainability Committee has been delegated to lead, monitor, and promote sustainability initiatives within Inxpect. In detail, its objectives include:

- Propose and implement sustainability strategies aligned with Inxpect's values and mission;
- Encourage good sustainability practices across all departments;
- Monitor progress toward sustainability goals and implementation of the sustainability plan on a regular cadence;
- Oversee the sustainability reporting process;
- Facilitate dialogue and engagement with relevant stakeholders.

The Sustainability Committee is composed of internal and external members. This allows for the input of expertise and experience in sustainability while ensuring its internalization. The Sustainability Committee is currently composed of:

- Alberto Boem - External member - ESG consultant;
- Laura Fiabane - Internal member - HR Director;
- Mario Benito Mazzoleni - External member - Strategic Advisor.

Ethics and transparency in management

Inxpect defines and manages the approach to ethics and transparency issues within its Organization, Management and Control Model according to the requirements of Legislative Decree 231/2001. Integral parts of the Model are the Code of Ethics, the Disciplinary System and the procedure for handling whistleblowing, flanked by the instructions for using the whistleblowing platform: all the documents mentioned above are publicly available on our website. The Model is regularly updated every year.

The Organization, Management and Control Model implemented by Inxpect aims to create a well-structured and organized system of principles, rules and procedures. The main objective is to prevent the crimes set forth in Legislative Decree 231/2001. To this end, a risk assessment was conducted, regularly updated on an annual basis, thanks to which risks and the related system of controls were mapped and sensitive processes and activities were identified with respect to the risk that the aforementioned crimes could be committed. Subsequently, protocols aimed at adjusting the control system were implemented, consisting mainly of policies and procedures and the Code of Ethics itself.

The Code of Ethics is the reference document in Inxpect's commitment to its stakeholders and summarizes the principles and values by which it is inspired and the ways in which it intends to apply them. All workers and collaborators, including business partners and suppliers, are requested to act under the principles outlined in the Code.

The Code of Ethics, first adopted in 2021, was updated this year.

Inxpect bases its actions and behavior on four groups of values:

- Openness to change and diversity of opinion, to technology, to the possibility of making mistakes, to “trial and error” procedures as the foundation of knowledge building and value;
- Transparency to stakeholders and communities that are affected by our work, so that we never act in isolation from the contexts in which we move;
- Multiculturalism, not only in terms of respecting the social roots and conventions of all the people who work on the Inxpect Project, but also in terms of a commitment to

integrate different expressions of culture, from the humanities to technology, into everyone's professional life;

- Ambition to become a vector of positive change both inside and outside the company to the world and societies we inhabit.

Our values are translated into the founding principles of our business, such as the centrality of the human person, work safety as a tool for personal growth and the progress of society, developing the principles of individual responsibility and competence, environmental protection and sustainable growth. The ethical principles with which we comply are legality, integrity and transparency, fairness and honesty, efficiency and responsibility to the community.

In order to ensure compliance with the values and principles described in the Code of Ethics, in addition to prevention with respect to the commissioning of the crimes provided for in Legislative Decree 231/2001, an internal control system is in place and a Supervisory Board (SB) has been appointed. The Supervisory Board has the task of verifying the adequacy and effectiveness of the Model, as well as taking care of its updating. The composition, duties and powers of the Supervisory Board are described in detail in the appropriate Regulations. The Supervisory Board must be informed, by means of appropriate reports from those required to comply with the Model, of events that could give rise to Inxpect's liabilities under Decree 231/2001. In addition to this, the identified corporate functions are required to periodically provide a series of information listed in a special procedure. In turn, the Supervisory Board is required to address a series of communications to the Board of Directors, including a list of reports received and any issues that have arisen in the verification activities.

The system of reporting any violation or suspected violation of the Model protects the authors of reports by keeping their identity confidential, without prejudice to legal obligations. To this end, we have adopted the "Procedure for Handling Reports (Whistleblowing)," which has been updated following the enactment of Legislative Decree 24/2023. Whistleblowing reports can be made through a dedicated platform, available on our website, guaranteeing the confidentiality of the identity of the whistleblowers, other persons involved and the content of the reports.

Inxpect promotes dissemination and training activities of the Model to ensure effective awareness to recipients in different ways depending on the different degree of involvement in sensitive processes and the type of relationship established. The Model is formally communicated to corporate bodies and employees through briefing meetings, internal briefing notes, computer media and publication of documentation on the company's servers and intranet, as well as e-mail updates. **To ensure effective knowledge of the Model, in cooperation with the SB, training of personnel on a periodic basis will be performed.** All board members have received training in this regard. With regard to employees, we have set a goal of keeping at least 90 percent of the total number of employees trained, given the need to combine the significant pace of hiring with the scheduling of dedicated in-depth training sessions: however, we guarantee training with basic content and access to the entire documentation related to each new employee during their onboarding.

231 Model Training - Anticorruption	2024	2023	2022
% employees trained out of total	92,5%	56,1%	75,7%

Another aspect to which we pay special attention is the protection of corporate data and personal information of our stakeholders. To this end, we have prepared a set of dedicated procedures and conduct regular training of our employees and associates with respect to cybersecurity issues.

In the past three years, no reports or complaints have been received at the Supervisory Board. During the same period, there have been no significant cases of non-compliance with laws or regulations, nor have any fines been imposed by the relevant authorities in this regard. Likewise, there have been no incidents of corruption or human rights violations or data breaches.

The relationship with suppliers

In our business model, suppliers are a key element in ensuring quality, innovation and sustainability throughout the value chain. We carefully select our partners, preferring ones that adopt responsible and certified practices in line with our values. We establish lasting collaborative relationships based on transparency, reliability and sharing of our ethical and quality standards. We constantly monitor the performance of our suppliers through periodic audits and reviews, ensuring that they meet our technical, environmental and social requirements. This synergy enables us to optimize processes, reduce risks, and guarantee our customers state-of-the-art and reliable solutions.

Qualified suppliers	2024	2023	2022
Number of qualified suppliers	37	28	40

We work with 37 qualified suppliers, up from 28 last year. **We apply our qualification process both to suppliers involved in the manufacturing of products, as typically required by quality management systems, and, starting in 2024, to all those suppliers to whom we allocate significant amounts of spending**, irrespective of their position in our value chain. In this way we are able to subject all significant suppliers to ESG scrutiny. The increase in qualified suppliers was mainly due to this adjustment: during the year we qualified only one new supplier, evaluating it as per procedure according to ESG criteria.

Expenditure by type of supplier	2024		2023		2022	
	k€	%	k€	%	k€	%
Direct suppliers	2.933	82,8%	2.296	83,2%	1.515	82,5%
Distributors	611	17,2%	464	16,8%	322	17,5%
Total	3.544	100%	2.760	100%	1.837	100%

The qualification process requires new suppliers to complete a questionnaire that, in addition to assessing the quality of service, includes an ESG (Environmental, Social & Governance) analysis. In addition to the traditional criteria of environmental compliance and occupational health and safety, we examine aspects such as energy efficiency, use of recycled materials, presence of employee training programs, management of diversity and inclusion, and adoption of anti-corruption policies. Suppliers who provide items deemed critical to the manufacture of the product are also subject to an on-site audit. At the end of the assessment, a score is calculated that must be above a certain threshold to successfully complete the qualification process. **Suppliers are monitored over time through the calculation of performance indicators and an audit update program: during the year we audited 7 of our suppliers.**

For 2024, we had set a goal of achieving at least 80% of our spending with qualified suppliers who shared our Code of Ethics. Due to the significant expansion of the qualified supplier base, we managed to reach 68.8%. In light of this, we decided to strengthen our approach by drafting a Code of Conduct for suppliers in the coming year that specifies, in addition to the value principles, the concrete ESG behaviors and practices that we expect to be followed by our suppliers. We have therefore consequently decided to focus our efforts by adopting a spending share target with qualified suppliers who have signed the Code of Conduct.

Social information

Our people

Inxpect is a young technology company with an extraordinary team and corporate culture that has enabled it to develop the world's most advanced safety radar. Our people are truly the most important resource we can count on for our growth. **Over the past year, our employee team has grown by 12 to a total of 53 people.** The gender distribution remained essentially unchanged from the previous year, with a ratio of women to men of about one to three. We expect similar growth in absolute terms in the workforce in the coming year: the significant pace of increase in the number of employees is in line with the planned development of a company like ours that is in an advanced stage of start-up.

Employees by gender	2024		2023		2022	
	Number	%	Number	%	Number	%
Women	14	26,4%	11	26,8%	10	27,0%
Men	39	73,6%	30	73,2%	27	73,0%
Total	53	100%	41	100%	37	100%

As in the past year, our team also includes five members who work as professional contractors in the research and development area. This form of employment was agreed upon at the request of the professionals themselves: as a company policy we always propose an indeterminate employee contract in the first instance. We apply to all our employees the National Collective Bargaining Agreement (CCNL in Italian) for the metalworking sector for workers in the private metalworking and plant installation industry. The CCNL provides that employees have access to supplementary health benefits provided by the *Metasalute* fund and can join the *Cometa* supplementary pension fund with certain benefits.

The performance related to hiring was particularly significant: the hiring rate remained basically stable at around 30 percent, but in absolute numbers, hiring further increased compared to the previous year. The efforts of our recruiting team led to the number of 16 hires: compared to the previous year we note a significant incidence of hiring employees under 30, alongside the traditional 30-50 age group. This hiring dynamic has brought the average age of our corporate population below 40: more precisely, it has gone from an

average of 41.6 years to 39.7.

Hiring	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	2	7	9	1	1	2	0	0	0
30-50	1	6	7	2	10	12	3	4	7
> 50	0	0	0	0	0	0	0	1	1
Total	3	13	16	3	11	14	3	5	8

Hiring rate	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	4,9%	17,1%	22,0%	2,7%	2,7%	5,4%	0%	0%	0%
30-50	2,4%	14,6%	17,1%	5,4%	27,0%	32,4%	9,7%	12,9%	22,6%
> 50	0%	0%	0%	0%	0%	0%	0%	3,2%	3,2%
Total	7,3%	31,7%	39,0%	8,1%	29,7%	37,8%	9,7%	16,1%	25,8%

The main change from the previous year occurred in the area of terminations: they decreased from 10 to 4. The year 2023 had been marked by some resignation incidents that occurred shortly after the placement of some figures in sales, which had led to an increase in the turnover rate; also as a result of our experience, we introduced an interview with an occupational psychologist into the selection process for some profiles. The turnover rate dropped from 27.0% in 2023 to 9.8% in 2024. Maintaining high hiring rates and decreasing terminations resulted in an increase in headcount of as many as 12, up from 4 in the previous year. Widening the view, our team has increased by about 50 percent in the past two years, in line with our growth needs.

Terminations	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	0	2	2	0	1	1	0	0	0
30-50	0	2	2	1	8	9	1	0	1
> 50	0	0	0	0	0	0	0	1	1
Total	0	4	4	1	9	10	1	1	2

Turnover rate	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	0%	5%	5%	0%	2,7%	2,7%	0%	0%	0%
30-50	0%	4,9%	4,9%	2,7%	21,6%	24,3%	3,2%	0,0%	3,2%
> 50	0%	0%	0%	0%	0%	0%	0%	3,2%	3,2%
Total	0%	9,8%	9,8%	2,7%	24,3%	27,0%	3,2%	3,2%	6,5%

Inxpect's policy with respect to contracts offered to our employees is to favor permanent partnerships, both to ensure people's growth and well-being. **As in previous years, almost all of our employees are therefore hired on a permanent basis.**

Employees by type of collaboration	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Indefinite time	13	38	51	10	30	40	9	27	36
Fixed-term	1	1	2	1	0	1	1	0	1
Total	14	39	53	11	30	41	10	27	37

We consider the provision of part-time work time as a work-life balance measure, and therefore it is used only at the request of the employee. The reasons are typically related to managing children and studies. Compared to last year, we have one less part-time contract among men due to termination. Thus, the incidence of this contract type is 7.5 percent of the total number of employees.

Employees by type of employment	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full Time	11	38	49	8	28	36	8	25	33
Part Time	3	1	4	3	2	5	2	2	4
Total	14	39	53	11	30	41	10	27	37

At Inxpect, we make use of internships as a form of job placement. **As evidence of this policy, of the six internships that ended during the year, four of them ended up with employment.** Two internship contracts out of the five activated during the year were active at the end of the year. Four of these internships, relating to two men and two women, were created for the purpose of employment with placement in our corporate departments. One intern, on the other hand, was engaged for a fee in manning the switchboard while simultaneously having the opportunity to use Inxpect's premises as a study room. This internship, included among those completed during the year, was agreed to be not for the purpose of employment.

Corporate wellness and personal care

The centrality of the person is one of Inxpect's core values. It is embodied in the protection of workers' health and safety, in the creation of a workplace that ensures workers' well-being, and in listening and responding to their needs.

The Risk Assessment Document (DVR in Italian) is regularly updated as required by Legislative Decree 81/2008. This document analyzes and identifies specific risks related to the work activity, thus representing a fundamental tool for monitoring and planning strategies to ensure the safety and protection of workers. Risk management is based on awareness and the ability to perceive it, which is why Inxpect is committed to providing its employees with adequate information and encouraging responsible behavior. Each staff member plays a key role in the continuous improvement of the risk prevention and management system, either by complying with company directives, reporting any hazards or suggesting solutions to increase safety. The DVR details the activities and areas covered by the health and safety management system.

In accordance with current regulations, assignments have been assigned and formalized for the various roles provided within the scope of occupational health and safety management. In addition, we regularly organize, at least once a year, a review and planning meeting, which is attended by the Employer, the Prevention and Protection Service Manager (RSPP), the competent Doctor and the Workers' Safety Representative (RLS), the latter as the spokesperson for the entire staff.

Safeguarding the health of employees is also ensured through the occupational health service, which Inxpect outsources to a specialized external body. In addition to the preventive medical examination carried out prior to employment, periodic check-ups are scheduled, the frequency of which is established by the appointed Competent Doctor. The latter draws up the Health Surveillance Protocol, aligning it with the risks identified in the assessment in which he or she actively collaborated.

Occupational health and safety indicators	2024	2023	2022
Number of hours worked	83.089	68.939	58.655
Number of deaths	0	0	0
Number of injuries with serious consequences	0	0	0
Number of injuries	0	0	0
Accident frequency index	0	0	0

Injury severity index	0	0	0
Absenteeism rate	2,40%	0,56%	1,12%

Thanks in part to the efforts put in, we have not had a single work-related injury in the past three years. In addition to injury data, we also monitor the rate of employee absenteeism, which includes sick leave⁸, in order to detect possible signs of health issues. The figure for the year is up from the previous two, but it is still at a physiological level. The reason for this increase is mainly attributable to a single case related to an employee who had to take an extended period of absence.

The well-being of every worker is closely linked to a proper work-life balance. We are aware that being part of Inxpect requires a significant commitment and, precisely for this reason, we adopt a policy of flexibility in schedules, allowing each person to manage his or her personal needs as best as possible. We offer all our employees the opportunity to freely choose their time in and out of the workplace. During the year 2025 we will begin the search for a new corporate headquarters where we can relocate all our employees: the goal is to ensure adequate space and amenities for the growth of our corporate population.

In addition, as part of our corporate philosophy, we allow smart working for all employees, consistent with their roles. We do not adopt systems to quantify hours worked remotely, reflecting the maximum freedom and flexibility with which this tool can be used. At Inxpect, we firmly believe in a goal-based working model, in which the relationship with employees is based on mutual trust and a sense of responsibility. We are convinced that this approach is a key element in the success of our organization.

For this reason, we pay special attention to the selection and onboarding processes, having specific policies and procedures in place to ensure effective integration. We are looking for people who share our values, corporate culture, and enthusiasm for our project, so that each new addition will actively contribute to Inxpect's growth and innovation.

The project on supplementary retirement pension plan

This year we paid special attention to a training and awareness project aimed at our employees regarding supplementary pension plans and management of their severance pay (TFR). This is a complex and often overlooked topic, but one that has significant importance in the life of an employee and requires proper awareness and planning.

In fact, the transition in Italy from the retributive system to the contributory system for calculating the pension amount will result in young workers receiving a pension equal to about half of their salary obtained during their working period.⁹ For this reason, since 2007, the so-called supplementary pension plan has been regulated, which is based on voluntary contributions by the employee and the use of his or her severance pay for this purpose. However, the decision with respect to whether and how to join this form of pension plan is very

⁸ The absenteeism rate is calculated according to the following formula: (Total hours of absence from work due to injury and illness)/(Total hours of hours worked - Overtime hours worked + Total hours of absence from work due to injury and illness)

⁹ Source: Sole24ore - January 22, 2025 - "Pension funds? Essential. But watch out for the boomerang effect."

personal, depending on each person's situation and goals. Hence the need to inform oneself in order to make an informed decision suitable for each individual.

As Inxpect, we decided to provide this information service to all our employees through a partnership with a specialized company, Hello Elsa. At the semi-annual meeting with our employees, held on July 19 in Brescia, a specialized consultant gave a one-and-a-half hour general training session. Afterwards, we provided our employees with the opportunity to have a one-hour one-on-one meeting with the project partner's consultants, so that each employee could learn more about his or her personal situation.

As a result of this initiative, nine employees made the choice to contribute their severance pay to the pension fund, increasing the percentage of members in our workforce from 17.0% in the year 2023 to 30.2% today. **As a further gesture of caring for the needs of our workers, we have also voluntarily agreed to pay into the company's accumulated past severance pay for those employees who chose to switch to the pension fund during the year.**

The value of employees

We are aware of how empowering employees not only is an element of individual well-being, but a key strategic lever for corporate growth and competitiveness. An environment that recognizes and develops the talent of its employees fosters motivation, engagement and, consequently, the overall performance of the organization. Valuing people is both an ethical duty and a winning strategic choice to meet the challenges of an ever-changing market.

We believe in continuous training, fostering a collaborative climate and creating opportunities for professional growth as tools to fuel our team's passion, a passion through which we have already achieved important results and which will empower our future work.

The regular provision of training opportunities is central to what we do. We detect with a structured process the professional training needs of our teams and prepare a corresponding program accordingly, while maintaining a willingness to assess unplanned, punctual needs that may arise during the course of the year. **As visible from the data reported, this year we have gone so far as to provide non-statutory training opportunities to all our employees.**

Non-mandatory training	2024	2023	2022
% employees who have participated in at least one non-mandatory training course	100%	95%	76%
Total non-compulsory training hours received	1.471	1.222	573

In addition to courses tailored to the needs of individuals, we also provide cross-curricular courses that focus more on so-called “soft skills” with the aim of creating and cultivating a shared corporate culture. In 2024 we involved a group of 25 people in a speak-up course in which we covered topics such as new media, body language, using appropriate language, active listening, handling difficult situations, constructive feedback, and managing emotionality in speeches. For next year we plan to launch a similar course focused on the topic of effective time management.

Including statutory training on occupational health and safety in the overview, average hours of training per capita remained similar to the previous year. The non-substantial difference by gender is maintained, while they are more evenly distributed among categories than in the previous year. The reason for this dynamic can be attributed to the lower incidence in terms of hours of a course reserved mainly for executives and managers related to effective and assertive communication and leadership, which will continue during 2025. This year we also started an individual coaching course that will be extended to other figures in the coming year.

Average hours of training by category	2024	2023	2022
Executive	32,0	51,5	8,0
Middle manager	30,3	44,8	31,1
Employee	32,2	30,6	19,3
Worker	15,5	9,0	8,0
General Average	31,3	33,3	20,6

Average hours of training by gender	2024	2023	2022
Women	30,1	35,8	19,3
Men	31,7	32,4	21,1
General Average	31,3	33,3	20,6

Another personnel enhancement tool that we provide in Inxpect is the incentive for our employees. Six of our employees are MBO awardees. Personnel-based forms of rewards, however, are not reserved solely for them. **Each year we carry out a structured performance evaluation of each employee, analyzing the results achieved during the year.** Employees who distinguish themselves by outstanding efforts during the year receive an individual one-time bonus. In compliance with regulations on the taxation of year-end bonuses, employees were given a choice with respect to the mode of disbursement (one-time gross in payroll or meal vouchers/welfare vouchers). The goal for 2025 is to select a corporate welfare platform that allows increasing choice for our team members. In addition to the awarding of these rewards, the annual evaluation process is also an opportunity to award any stable pay increases, contractual level advancements or increases in the amount of MBO.

An important initiative for the enhancement and involvement of our employees is the possibility offered to them to participate in a stock option plan. We specify that this initiative is not reserved only for management figures, but any employee or collaborator can be included. Among the benefits we currently provide, in addition to the provisions of the collective bargaining agreement, is a company car fleet intended for employees who are engaged in activities toward customers. We also provide free products such as sweet and savory snacks, coffee etc. for all our employees in the refreshment area.

Diversity, inclusion and multiculturalism

In the context of an increasingly interconnected world, diversity, inclusion and multiculturalism are core values for growth and innovation in any organization. We believe that a fair and inclusive work environment, in which every individual is valued and respected, is essential to foster people's well-being and improve business performance. At Inxpect, we believe that diversity is not just a goal to be pursued, but an intrinsic asset that contributes significantly to the success of the company. For us, multiculturalism means not only respecting the social roots and conventions of all the people who work at Inxpect, but also represents a commitment to integrating different expressions of cultures, from the humanities to technology, into everyone's professional life.

Data on the age-related aspect of diversity show that the majority of our workforce is made of employees between the ages of 30 and 50, with a good balance with respect to other age groups.¹⁰

¹⁰The nationwide shares for enterprises with the same economic activity as Inxpect (Division Ateco Code 2007: Manufacture of electrical and non-electrical household equipment) for 2023 are: 15.2 percent under 30, 48.5 percent in the 30-50 range, and 36.3 percent over 50 (Source: INPS - Statistical Observatory on Non-Agricultural Private Sector Employees - Data 2023)

Employee categories by age group	2024				2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Executive	0	2	0	2	0	2	0	2	0	1	0	1
Middle manager	0	4	4	8	0	4	4	8	0	4	3	7
Employee	10	26	5	41	3	23	3	29	4	20	3	27
Operaio	0	1	1	2	0	1	1	2	0	1	1	2
Total	10	33	10	53	3	30	8	41	4	26	7	37

Employee categories by age group (%)	2024				2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Executive	0	3,8	0	3,8	0	4,9	0	4,9	0	2,7	0	2,7
Middle manager	0	7,5	7,5	15,1	0	9,8	9,8	19,5	0	10,8	8,1	18,9
Employee	18,9	49,1	9,4	77,4	7,3	56,1	7,3	70,7	10,8	54,1	8,1	73,0
Worker	0	1,9	1,9	3,8	0	2,4	2,4	4,9	0	2,7	2,7	5,4
Total	18,9	62,3	18,9	100	7,3	73,2	19,5	100	10,8	70,3	18,9	100

In 2024, the incidence of people under 30 in our corporate population has significantly increased. This dynamic can be attributed to a number of hires in this age group, many of which occurred as the conclusion of an internship. We believe that this mode of entry to work contributes positively to our culture regarding diversity.

We then proceeded to draft a policy for managing internships throughout the year. Our trainees are paid a higher salary than that stipulated by law. In addition to this, we have provided a dedicated onboarding procedure, during which each trainee receives an individual training plan with specific goals. We have provided for an evaluation session in the middle and at the end of the internship supported by dedicated forms, also for the purpose of assessing the chances of placement as an employee and providing for improvement actions along the way.

The percentage of female employees has remained constant over the years standing at 26.4 percent in 2024¹¹. Going down to category details, women are 50 percent among blue-collar workers and managers, while for white-collar workers and middle managers they represent

¹¹The same figure holds at the national level for enterprises with the same economic activity as Inxpect (Division Ateco Code 2007: Manufacture of electrical and non-electrical household equipment) for 2023 is 30.0% (Source: INPS - Statistical Observatory on Non-Agricultural Private Sector Employees - Data 2023)

26.8 percent and 12.5 percent, respectively.¹²

Employee category by gender	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	1	1	2	1	1	2	1	0	1
Middle manager	1	7	8	1	7	8	1	6	7
Employee	11	30	41	8	21	29	7	20	27
Worker	1	1	2	1	1	2	1	1	2
Total	14	39	53	11	30	41	10	27	37

Employee category by gender (%)	2024			2023			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	1,9	1,9	3,8	2,4	2,4	4,9	2,7	0	2,7
Middle manager	1,9	13,2	15,1	2,4	17,1	19,5	2,7	16,2	18,9
Employee	20,8	56,6	77,4	19,5	51,2	70,7	18,9	54,1	73,0
Worker	1,9	1,9	3,8	2,4	2,4	4,9	2,7	2,7	5,4
Total	26,4	73,6	100	26,8	73,2	100	27,0	73,0	100

Regarding the gender pay ratio, the data show no particular trends over the past three years: relative to this year, there is a 14 percent gap in favor of men in terms of Gross Annual Remuneration¹³ (RAL in Italian) and 16 percent in terms of total remuneration. This is due to the fact that the men in the company are highly skilled profiles and mainly placed in the R&D team, while most of the women have other profiles assigned to office/back office duties.

¹² The national-level shares for enterprises with the same economic activity as Inxpect (Division Ateco Code 2007: Manufacture of electrical and non-electrical household equipment) for 2023 are: 28.0 percent for blue-collar workers, 35.7 percent for white-collar workers, 19.1 percent for middle managers, and 13.8 percent for executives (Source: INPS - Statistical Observatory on Nonfarm Private Sector Employees - Data 2023)

¹³ The same figure holds at the national level for enterprises with the same economic activity as Inxpect (Division Ateco Code 2007: Manufacture of electrical and non-electrical household equipment) for 2023 is 14% (Source: INPS - Statistical Observatory on Non-Agricultural Private Sector Employees - Data 2023)

Women to men pay ratio	2024		2023		2022	
	RAL ¹⁴	Remuneration ¹⁵	RAL	Remuneration	RAL	Remuneration
Average wages for women/Average wages for men	0,86	0,84	0,85	0,79	0,89	0,84

The ratio of the annual compensation of the person within the company receiving the highest compensation to the median compensation of all employees was 3.05¹⁶, which was essentially stable compared to past years (3.02 for the year 2023 and 3.11 in 2022). As a result, the ratio of the percentage increase in the annual compensation of the person receiving the highest compensation to the percentage increase in the median compensation of all employees compared to 2023 was 5.87. The same change between the year 2023 and the year 2022 was -0.79.

Finally, coming to the disability dimension, we have on staff, as in the previous year, two employees with certified disadvantages under Law 68/99, fully covering the obligations under this regulatory provision. We interpret the provision of the law as a starting point in the belief that the ability to create a work environment that enhances the conditions of people with disability is a benefit not only to society but also to the company itself.

Community relations

In our desire to contribute to sustainable development, we recognize the importance of investing in the community. In line with one of our goals, which is the creation and sharing of knowledge, we are particularly dedicated to supporting research and collaboration with academia. We believe that collaboration with universities and research institutions is critical to promoting innovation, economic growth and social progress. For this reason, we are committed to supporting research projects, scholarships and educational initiatives that contribute to the dissemination of knowledge and the growth of talent. Through strategic partnerships and dedicated programs, we work to create a positive impact in society.

In 2024 we started sponsoring a doctoral fellowship in collaboration with the University of Brescia. The course started in November, will last three years and will have as its research object the integration of proactive safety in perception and control algorithms for collaborative automation. The doctoral thesis will be developed within the Joint Research Lab (JRL)

¹⁴ This is defined as the Gross Annual Hourly Remuneration.

¹⁵ This is defined as hourly wages. Salary is calculated by adding to the RAL, if awarded, bonuses and monetary awards and the annual portion of the auto fringe benefit

¹⁶ Consider that the ratio between the annual salary of the person within the company receiving the highest and lowest compensation is 5.67 for the year 2024. By way of comparison, the regulations for Third Sector Entities (Decree No. 117/2017) and Social Enterprises (Decree No. 112/2017) provide a maximum ratio of 8 for these non-profit organizations

“Laboratory of Automated Controls for Intelligent Robotics,” born from the collaboration between the University of Brescia and CNR-STIIMA. The research activity will focus specifically on online replanning strategies in collaborative robotics, with the initial goal of ensuring proactive safety within the robotic cell. It will also involve the integration of safety sensors from Inxpect in order to implement dynamic safety zones within the robotic cell. This will enable precise delineation of areas where the robot can operate at higher speeds, thereby improving operational efficiency. **With the additional goal of contributing to the development of scientific knowledge in the area, we sponsored the participation of Brescia's Liceo Scientifico Copernico high school (which turned out to be the winner, moreover) in the national robotics competition for the last classes of high schools.**

At the end of the year we participated in partnership in the call for proposals “Collabora & Innova,” promoted by the Lombardy Region and aimed at conducting a research and development project in the Smart safety field, called sAlfe. The project is led by the University of Brescia and, in addition to Inxpect, the CNR (National Research Council) and medium and small companies from Brescia that are leaders in the creation of innovative technological solutions and knowledge transfer such as Gexcel, Thimus and Aifos, as well as two leading companies from Brescia in the construction and metallurgy sectors such as Pavoni and Metalpres Donati are also collaborating on it. If the project is approved, the initiative will focus on Brescia and will last two years starting in 2026. It aims to create innovative solutions in the field of occupational health and safety in order to improve working conditions and quality of life, contributing to the sustainable development of the area by following a participatory approach.

Another opportunity for collaboration with academia was the conduct of two seminars at the Polytechnic University of Turin by our Chief Technical Officer Lorenzo Nava. One seminar was dedicated to solutions for self-driving vehicles within the course of “Sensors, embedded systems and algorithms for Service Robotics” taught by Professor Marcello Chiaberge. Another one focused on the concepts of applied functional safety and was conducted within the “Testing and fault tolerance” course taught by Professor Matteo Sonza Reorda. We have also initiated a series of interactions with the University of Modena and Reggio Emilia, the University of Brescia and ITIS Castelli of Brescia to explore possible areas of collaboration.

We carried out a sponsorship activity intended for Aumac (Automation and Machine Safety), an event aimed at stimulating a critical approach and technical and regulatory updating in the world of automation. It is organized by the Automation Topic Group ASTRI - AEIT Society Science and Technology for Research and Industry. The event, held in Italy, brings together experts from different areas of technology, regulations and legislation (national and European) in the field of automation and machinery. Through qualified speeches, the state of the art and technologies in the field are presented, delving into the most relevant issues of the moment for the benefit of industry professionals. This year there were valuable speeches and discussions on regulations such as UNI EN ISO 13849-1, UL 2111, the UK CA mark and the new European essential health and safety requirements.

In the coming year we want to start extending our engagement to other community stakeholders through the conduct of two initiatives. First, we intend to carry out an awareness campaign among our employees with respect to the importance of blood donation with the

possible involvement of AVIS (Italian Volunteer Blood Association). We also want to enter into a series of agreements with local businesses: the aim is both to offer an additional benefit to our employees and to contribute, in proportion to our size, to the development of the local economic fabric.

05

Environmental information

Environmental protection

As reported in previous chapters, the manufacturing of Inxpect's products is outsourced to our suppliers. It is common for an organization's direct environmental impacts to represent a minority share of its overall environmental impacts. We are therefore aware, in reporting on our direct environmental impacts and especially our initiatives in this regard, that we will be required to gradually extend our efforts outside our corporate boundaries, consistent with our ability to influence our supply chain. It is our desire to do so as environmental protection is one of the founding principles of Inxpect's actions: we want to combine the development and growth of the company with the minimization of impacts on the environment.

We report data with respect to energy consumption, climate-altering gas emissions, and, in the next chapter, of the use of materials for products. We have not collected data with respect to the use of water resources and waste production because they are not relevant: water is used only for our office services, and the type and amount of waste we produce directly is comparable to that of a household.

Electrical Consumption	2024		2023		2022	
	KWh	%	KWh	%	KWh	%
HQ Via del Serpente	34.193	83,0%	29.814	85,3%	32.460	100%
Office Via Flero	6.998	17,0%	5.155	14,7%	0	0%
Total	41.191	100%	34.969	100%	32.460	100%

District heating consumption	2024		2023		2022	
	KWh	%	KWh	%	KWh	%
Office Via Flero	38.601	100%	53.696	100%	6.791	100%
Total	38.601	100%	53.696	100%	6.791	100%

Motor vehicle consumption	2024		2023		2022	
	Liters	%	Liters	%	Liters	%
Diesel	12.571	89,5%	10.118	97,1%	8.286	100%
Gasoline	1.476	10,5%	303	2,9%	0	0%
Total	14.047	100%	10.421	100%	8.286	100%

We use electricity for the needs of the offices in our locations and in particular for heating the Via del Serpente office through highly efficient heat pumps, thus avoiding the consumption of methane gas. We have taken additional steps to reduce electricity consumption and associated climate-changing gas emissions: we have installed LED lamps in the Via del Serpente office, and during the year we switched 100 percent of our company's electricity consumption to the supply of energy from certified renewable sources. **Thanks to the latter measure, the share of energy consumed from renewable sources in the overall total increased from 14.0 percent last year to 18.8 percent this year.**

The other energy sources we use are district heating for the Via Flero office and fuels (gasoline and diesel) for our corporate fleet. The increase in fuel consumption is mainly attributable to the growth of our network of salespeople who use the vehicles for their own travel. This type of consumption accounts for the bulk of our overall energy consumption, thus leading to an overall increase in consumption. In relative terms to the value of production, on the other hand, the values remained stable at 83.6 GJ/M€ compared to 83.7 GJ/M€ last year.

Overall Consumption	2024		2023		2022	
	GJ	%	GJ	%	GJ	%
Electrical consumption	148,3	18,80%	125,9	18,1%	116,9	26,5%
District heating consumption	139,0	17,60%	193,3	27,8%	24,4	5,5%
Motor vehicle consumption	502,8	63,60%	376,3	54,1%	300,2	68,0%
Total	790,1	100%	695,5	100%	441,5	100%

We report data on our Scope 1 and Scope 2 climate gas emissions according to the GHG Protocol, the latter calculated using both local-based and market-based methodology. Scope 1 emissions are the so-called direct emissions, i.e., those related to the company's own or controlled activities: in our case, they are related only to the combustion of fuels in our company vehicles¹⁷.

Scope 2 emissions are the indirect emissions derived from the production of the energy purchased and used by the organization: for Inxpect they pertain to electricity consumption

¹⁷The computation employs coefficients of the Department for Environment, Food and Affairs "UK Government GHG Conversion Factors for Company Reporting" (Defra)

and district heating¹⁸. The local-based method reflects the average emission intensity of climate-altering gases from the power grids where the power is consumed, primarily using data on the average emission factor in relation to the power grid. The market-based method calculates emissions resulting from electricity generation that an organization has deliberately chosen by obtaining emission factors from contractual instruments.

Carbon Footprint - Scope 2 Local Based	2024		2023		2022	
	t CO2e	%	t CO2e	%	t CO2e	%
Scope 1	35,1	72,6%	26,1	63,3%	21,2	67,6%
Scope 2 ¹⁹	13,2	27,4%	15,2	36,7%	10,1	32,4%
Totale	48,3	100%	41,3	100%	31,3	100%

Carbon Footprint - Scope 2 Market Based	2024		2023		2022	
	t CO2e	%	t CO2e	%	t CO2e	%
Scope 1	35,1	90,9%	26,1	74,9%	21,2	57,8%
Scope 2 ²⁰	3,5	9,1%	8,8	25,1%	15,5	42,2%
Totale	38,6	100%	34,9	100%	36,7	100%

Both calculation methods show an overall increase in climate-changing gas emissions, mainly due to Scope 1 emissions related to the fuel consumption of our company vehicles that more than offset the reduction in Scope 2 emissions. **Due to the use of electricity from certified renewable sources, the emissions calculated by the Market Based method are lower than those calculated by the Local Based method: emissions avoided through the use of renewable energy amounted to 20.6t CO2e, which adds up to 12.1t CO2e last year.** In relative terms to the value of production, emissions remain stable considering both the Local Based method calculation (from 5.0 t CO2e/M€ last year to the current 5.1 t CO2e/M€) and the Market Based method calculation (from 4.2 t CO2e/M€ last year to the current 4.1 t CO2e/M€).

¹⁸ For the calculation, we used the emission factor most recently communicated by the supplier A2A Calore e Servizi Srl for the district heating network operating unit of the Brescia system

¹⁹ The emission factors published by Ipsra in its annual reports "Efficiency and decarbonization indicators in Italy and in the biggest European Countries" were used for the calculation

²⁰ Emission factors for the national residual mix taken from the European Residual Mixes of the Association of Issuing Bodies (AIB) were used for the calculation

Circular Economy

During the year, we conducted a series of initiatives with the aim of minimizing the impact of the consumption of natural resources used for our products and packaging. First of all, we finalized the system for measuring the type of materials we use: improving from the previous year, we were also able to recover the figure for secondary cardboard packaging, as per our commitment. The increase in material used, particularly for packaging, should also be read in light of this fact. In general, the materials we use the most are plastic and aluminum for the sensor shells, the electronic boards that are inserted into them, and cardboard for primary and secondary packaging.

Materials used	R/NR ²¹	2024		2023		2022	
		Kg	%	Kg	%	Kg	%
Plastic	NR	3.205	30,0%	3.229	38,5%	1.723	35,1%
Aluminum	NR	1.367	12,8%	1.081	12,9%	489	10,0%
Electronic board	NR	1.118	10,5%	1.141	13,6%	649	13,2%
Steel	NR	232	2,2%	128	1,5%	122	2,5%
Rubber	NR	134	1,3%	154	1,8%	69	1,4%
Brass	NR	32	0,3%	16	0,2%	0	0%
Total material for products	-	6.088	57,1%	5.749	68,5%	3.052	62,2%
Cardboard	R	3.525	33,0%	1.988	23,7%	1.238	25,2%
Plastic	NR	747	7,0%	382	4,6%	420	8,6%
Paper	R	288	2,7%	278	3,3%	196	4,0%
Biodegradable Flo-pak	R	22	0,2%	0	0%	0	0%
Total material for packaging	-	4.581	42,9%	2.649	31,5%	1.854	37,8%
General total	-	10.669	100%	8.398	100%	4.905	100%

The totality of the materials used in the manufacture of our products are non-renewable: since we are dealing with electronic products, this is a physiological fact. We have therefore focused our efforts with respect to this aspect on packaging, trying to use paper and cardboard more over time than plastic. **As a result of these efforts, 83.7 percent of the materials used in packaging are renewable, basically in line with last year's 85.6 percent.**

Another initiative aimed at reducing the materials used that we implement is the digitization of all business documents, with the only exception of those required in paper format by law. Thanks to this policy during the year we purchased only 0.9 reams of paper per employee for

²¹ R=Renewable; NR=Nonrenewable

the offices, down further from 1.1 over the previous year. We also switched to purchasing recycled paper for this use as well.

With respect to the use of recycled materials, we also find a similar dynamic between products and packaging. With respect to the former, the stringent regulatory and certification requirements to which they must be subjected prevent us in particular from using recycled plastic: this is the material we purchase the most, whose low recycled content therefore affects the overall figure. It is improving by standing at around 30 percent due to a slight change in the mix of materials purchased.

As for packaging, the figure for the percentage of recycled material used is down from the previous year, after significant growth in 2022. In fact, the shift to the use of recycled paper has not been able to offset the effect of the introduction of cardboard for secondary packaging into the data collection: unlike that used for primary packaging, it does not in fact have recycled content. We explored various solutions in this regard over the course of the year, but at the moment we have not identified any that are sufficiently protective with respect to the risk of wetting the contents if the wrappers are exposed to bad weather during transport. **We introduced biodegradable flo pack chips used as gap fillers within the second-tier packaging: they are made from biodegradable and compostable corn starch and decompose on contact with water without leaving any toxic waste.**

Recycled material used	2024		2023		2022	
	% of material ²²	% of total ²³	% of material	% of total	% of material	% of total
Aluminum	92,0%	11,8%	92,0%	11,8%	92,0%	9,2%
Steel	89,4%	1,9%	88,5%	1,3%	84,6%	2,1%
Brass	59,9%	0,2%	60,0%	0,1%	-%	-%
Plastic	8,9%	2,7%	8,7%	3,3%	5,1%	1,8%
Rubber	0%	0%	0%	0%	0%	0%
Electronic card	0%	0%	0%	0%	0%	0%
Total material for products	29,1%	16,6%	24,3%	16,6%	21,0%	13,0%
Paper	99,7%	2,7%	0%	0%	0%	0%
Cardboard	49,5%	16,3%	76,0%	18,0%	0%	0%
Plastic	29,1%	2,0%	28,3%	1,3%	29,5%	2,5%
Biodegradable Flo-pak	0%	0%	-%	-%	-%	-%
Total material for packaging	49,1%	21,1%	61,2%	19,3%	6,7%	2,5%
General total	37,7%	37,7%	35,9%	35,9%	15,6%	15,6%

²² Kg of recycled material used of the individual material/Kg of material used of the individual material

²³ Kg of recycled material used of individual material/Total kg of material used

Another aspect we focused on during the year was measuring the share of recyclable materials we use. **Overall, 89.3% of the materials we use are recyclable, divided between 81.6% of products and 99.5% of packaging.** In the first case, the only non-recyclable material is the electronic boards, while in the second case it is the flo-pak chips, which are biodegradable, however.

In addition to the nature of the materials, we also worked in the area of the design of our sensors and their end of life. After dedicated training on ecodesign criteria by our engineering department last year, we have incorporated them within our design procedures. **A practical application of these concepts was the writing of disassembly instructions for our sensors for customers, which was also made possible by some design tricks.** With these directions, it will be possible for them to separate the different types of materials that make up our products so that they can maximize their recycling. The instructions are available on our website for each type of product and, through the use of explanatory pictures, allow them to identify the different types of materials. We intend to prepare these instructions for future products as well, permanently incorporating this practice into our design procedures.

Methodological Note

This sustainability report, covering the calendar and fiscal year 2024, reports on the company Inxpect Spa. The reporting was performed in accordance with the Global Reporting Initiative (GRI) standards and is annual. The preparation of this document complies with the reporting principles in GRI standards version 2021 of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

The scope and reporting frequency of this report coincides with that of Inxpect Spa's financial statements and was approved by the company's Board of Directors on 04/29/25.

There have been no reporting changes or revisions to the published information of previous versions.

These financial statements have not been subjected to external assurance. If you have any questions or require further information, please contact admin@inxpect.com.

GRI Content Index

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GRI 1 used	GRI 1: 2021 Foundation 2021
Applicable GRI Sector Standards	GRI sector not available

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDA RD REF. NO.1
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	GRI 401: Employment - Version 2016	401-1 New employee hires and employee turnover	Our people p. 33				
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Enhancement of workers p. 38				
GRI 403: Occupational Health and Safety - Version 2018	403-2 Hazard identification, risk assessment, and accident investigation	Corporate welfare and personal care p. 36					
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