LET'S MOVE FOR A BETTER WORLD

2020 Consolidated Non-Financial Statement

E-MARKET
SDIR
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TECHNOGYM

Letter from the Chairman

A long time ago in 1993, when our industry was dominated by the American stereotype of fitness focusing on hedonism and image, Technogym launched a new vision called "Wellness". It was based on a more Italian approach to life, founded on the notion of "mens sana in corpore sano" advocated by the ancient Romans, calling for regular physical activity, a healthy diet, and a positive mental approach.

It was nothing short of a revolution and it made it possible for us to transform fitness into a social business, combining growth and profit with keeping people healthy: from looking good to feeling good, from appealing to a small number of super-fit enthusiasts to the potential to get the entire population involved.

We embraced this vision and have been promoting the culture of Wellness as a social opportunity for all stakeholders for the last 25 years, all around the world: for Governments that can lower the impact of their public health costs by backing policies based on prevention and healthy lifestyles; for businesses that can offer their staff wellness programmes and invest in more creative and more productive employees; and for the general public who can live a longer and better life thanks to wellness.

Technogym is a company where issues of sustainability have always been integrated into our business model in a natural and organic way. For years, our operations, our strategies and our processes have been guided by the philosophy of wellness: from product development to production and logistics, to marketing and communications, to our wellness project at work dedicated to all our colleagues around the world.

The pandemic we lived through in 2020 has brought our vision to the fore: wellness and health are now top global priorities for building a sustainable future for humanity.

This *Consolidated Non-Financial Report* aims to share information with all our stakeholders about initiatives and results related to the key points in our strategy, which determine Technogym's long- and short-term financial, social and environmental sustainability: from our "Working for Wellness" corporate welfare programme for all colleagues, our circular economy project to give new life to used products and the social campaigns involving our customers and the entire sector, to our policies and management systems that guarantee ongoing control and monitoring of how we affect business processes and the whole supply chain.

The aim of this document is therefore to communicate, with the support of metrics and data, how our vision of Wellness guides us in the creation of a business capable of generating economic growth and profit for our shareholders, while generating value for stakeholders in terms of health, quality of life, culture and innovation.

Let's Move for a Better World.

Nerio Alessandri

Guide to the Statement

[102-46; 102-50; 102-52]

The Non-Financial Report was prepared taking as reference the "Sustainability Reporting Standards" defined in 2016 by the Global Reporting Initiative (GRI) and updated in 2019 in relation to the indicators concerning GRI 207- Tax, GRI 403 – Occupational Health and Safety, and GRI 303 – Water and Effluents, adopting the "GRI-Referenced" approach.

The document contains information on the operating methods and policies adopted to manage the COVID-19 emergency in line with CONSOB Warning Notice no. 1/21 of 16 February 2021 on COVID-19 - measures to support the economy. Due consideration has also been given to CONSOB's 1 March 2021 press release on the risks and opportunities associated with climate change and to the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures (TCFD).

The reporting perimeter includes Technogym S.p.A. and all the consolidated entities in the Consolidated Financial Statement. Any limitations of this scope for individual figures have been indicated, with reasons given where relevant. Specifically, the environmental data provided refers to Technogym S.p.A. and Technogym EE S.r.o. Moreover, during the 2020 reporting process, the decision was taken to update specific data from 2019 following refinements to the way in which these data are calculated, as described in the notes to the tables in question. In particular, the updated data are reported in Annex I on the environment.

The report covers the period from 1 January - 31 December 2020 (annual reporting intervals); where possible, a comparison with 2018 and 2019 has been included.

The non-financial data in this Report takes into account the topics and detailed disclosures in the GRI Standards which are needed for a complete, coherent picture of the economic, environmental and social impacts of the Group's activities. The data also complies with the disclosure obligations in Italian Legislative Decree 254/2016. The sections on the individual topics contain information about the Disclosure Management Approach required by the GRI Standards. They also include details of active company procedures and policies, and of the key performance indicators. At the end of the document is a table summarising the scope of the Decree, the material topics and the related GRI Standards, together with a table containing a breakdown of the indicators.

In terms of the process, the company departments were involved by way of a series of preliminary interviews to verify the ongoing significance of the topics covered by the Non-Financial Report, and to obtain relevant findings to report in relation to 2020, as well as policies, information and data necessary to prepare the Report itself.

The data was collected by the central departments of Technogym S.p.A., who consolidated the data received from the various local offices.

The independent auditing of the Non-Financial Report was entrusted to PricewaterhouseCoopers S.p.A. and ended with the release of the "Report of the independent auditors on the consolidated non-financial report pursuant to Article 3 of Legislative Decree 254/2016 and Article 5 of Consob Regulation 20267".

The NFR is available from the Sustainability section of the corporate website.

Contact: investor.relations@technogym.com

TECHNOGYM'S MANAGEMENT OF THE COVID-19 PANDEMIC

As soon as the coronavirus crisis began, Technogym SpA took a series of specific measures to deal with it, acting on various fronts that are strategic to its business and putting together a string of actions to contain, mitigate and counter the risk of contagion. Following the suspension of production activities as provided for by the relevant Prime Ministerial Decree[1], Technogym was able to resume production and all connected services because it implemented specific counter-measures contained in an anti-COVID-19 Code of Conduct for employees and contractors. In order to better disseminate the rules in the Code, a video was made available on the intranet and shown on screens in communal areas. The Code, which was updated and reviewed according to the various legal changes that followed, has been accompanied by comprehensive organisational measures implemented in all working environments. This has enabled safe work in both offices and production sites.

The following took place immediately: information was disseminated on how to conduct oneself and on personal hygiene precautions, workplace cleaning and sanitisation methods were defined and personal protective equipment (PPE) was distributed.

The Code contained a series of precautionary measures aimed at eliminating risk at the company, including:

- nursing staff at the entrance to take the temperature of people going inside;
- staggered entry and exit;
- extending the medical opinion service;
- distanced seating in the T-Restaurant, installing plexiglass screens and introducing shifts to ensure orderly comings and goings;
- distanced work stations in both offices and production sites.

The Medical Opinion service, activated domestically and internationally and managed by the Medical Officer, has played a crucial role by providing all the relevant COVID-related health information.

In the wake of news about reopenings, including of gyms in what is known as “phase 3”, the Code of Conduct was updated to govern the return of T-Wellness and of the changing rooms, requiring training sessions to be booked through the MyWellness app.

Again in compliance with the provisions brought into force, visits to the T-Village and some domestic business trips were gradually reintroduced.

Rules for managing communal areas (T-Restaurant, changing rooms, snack zones, T-Wellness, meeting rooms) were also drawn up to avoid overcrowding and ensure compliance with social distancing. From an organisational point of view, meanwhile, new shift and rotation procedures were drawn up for production sites and remote working was activated for office staff.

Given the Company's desire to prioritise temperature checks, thermoscanners have recently been installed near to entrances in order to achieve the same goal in an automated manner. All activities and procedures, and updates thereto, require the Code of Conduct to be continually updated and close collaboration with the Health and Safety Officer and the Medical Officer so they can give their approval. Each update is also communicated and disseminated to employees.

The Company’s Committee, comprising the Health and Safety Officer, workers’ safety representatives, the Medical Officer and certain corporate functions such as Plant Manager, the Operations Department and the HR Department, has been crucial for checking that the measures adopted by the Company are being implemented properly and comply with the Protocol.

1. Prime Ministerial Decree of 22 March 2020 adopted pursuant to Article 3 of Decree-Law no. 6/2020.

At country branch level, instructions relating to COVID-19 counter-measures were distributed by HQ and transposed in compliance with local laws.

Lastly, as indicated in several chapters, there have been no particularly negative developments that have affected Technogym's business model. This means that nothing of particular importance has occurred regarding the Company's assets and liabilities, results and cash flows or how these relate to the non-financial aspect. Please see the relevant chapters[2] for more information.

2. In particular, Chapter 1 on sustainable value and Chapter 8 on effects along the supply chain.

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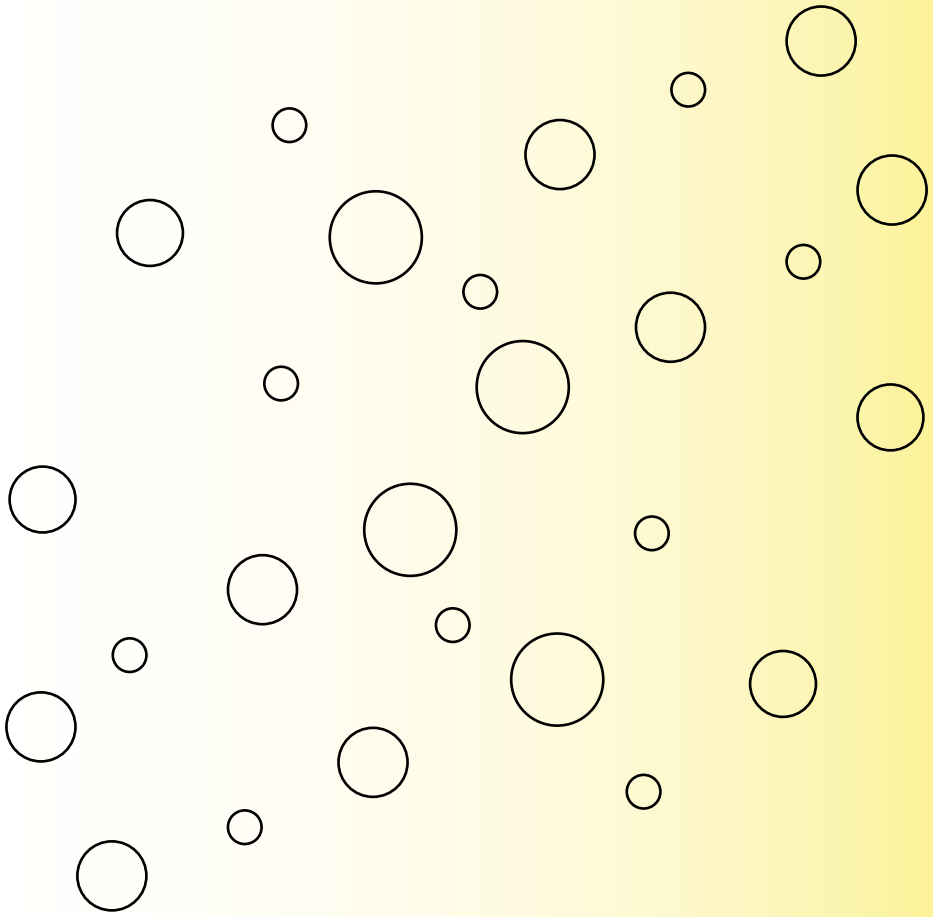
HIGHLIGHTS

Environmental welfare

Energy consumption and emissions



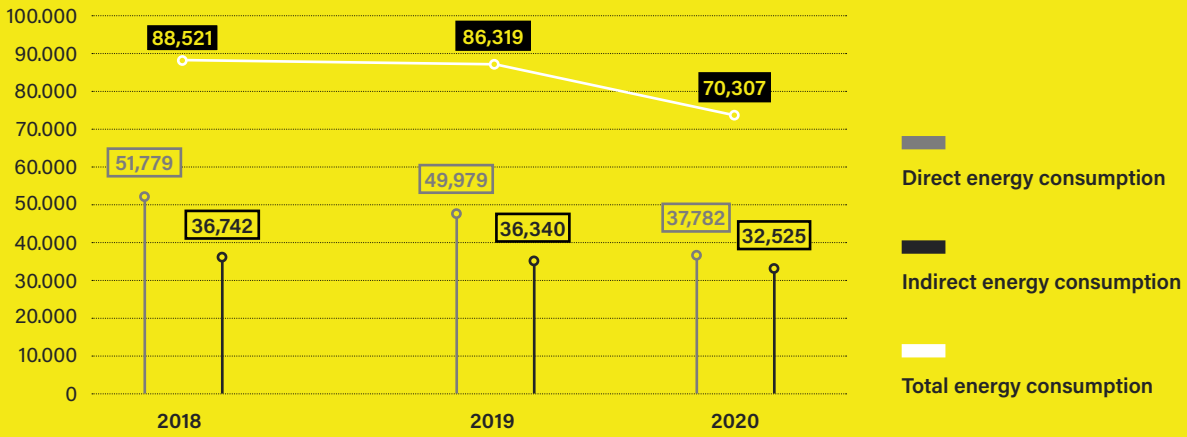
70,307
(GJ)

Energy consumption
in 2020

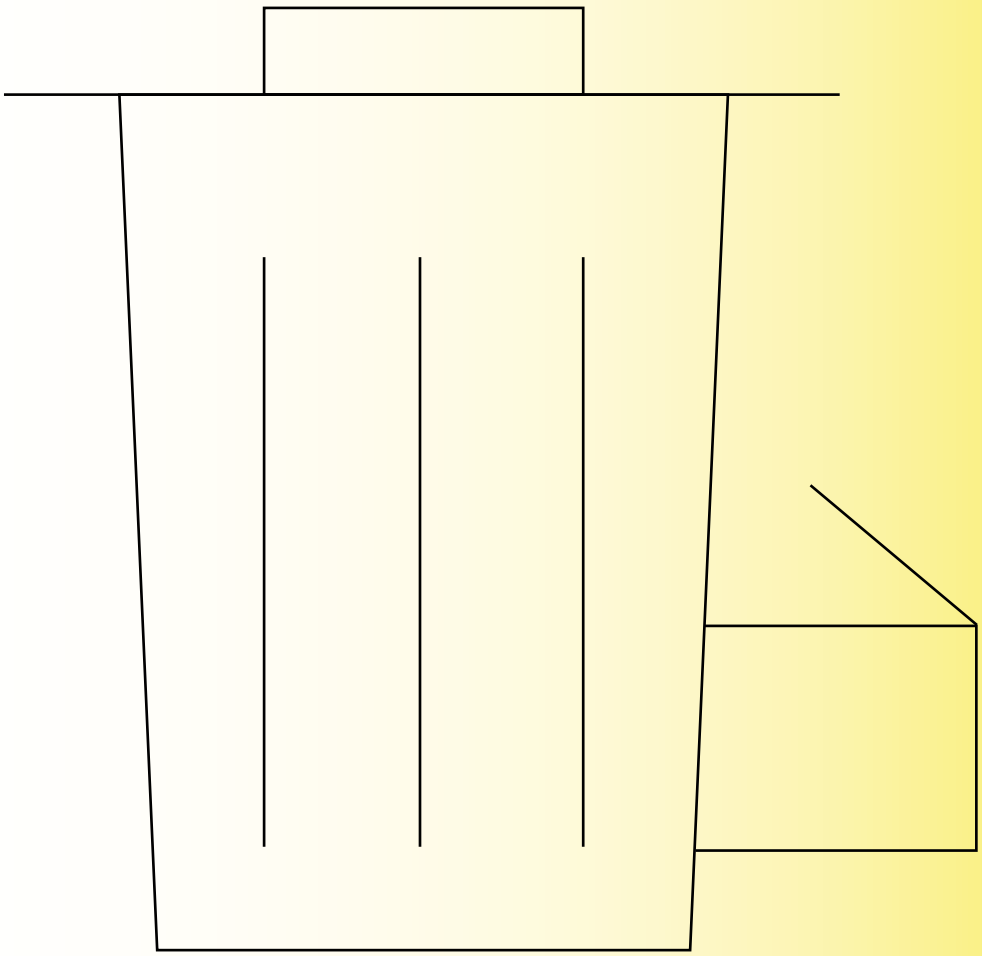
2,223.67
tonnes of CO_2 (Scope 1)

Emitted in 2020
compared with
2,524.4131
in 2019

Group energy consumption



Management of waste, products and packaging



37%

of eligible machines (sustainable refurbished products) put back on the market

contributing to a reduction in environmental impact and the use of raw materials

---

packaging material from recycled and certified sources

FSC- (Forest Stewardship Council) certified sources and PEFC- (Programme for the Endorsement of Forest Certification schemes) and FITOK-certified wood

---

Technogym does not use chemical substances in the phase-in and phase-out process. It also requires its suppliers to comply with REACH and RoHS regulations. Even so, work began internally in 2020 to strengthen Technogym's commitment to managing waste from chemical substances and preparations in 2021 (at the reporting date, the Policy in question was finalised and adopted by the Group).

Sustainable supply chain management

→ **81%**

Suppliers with registered office in Italy

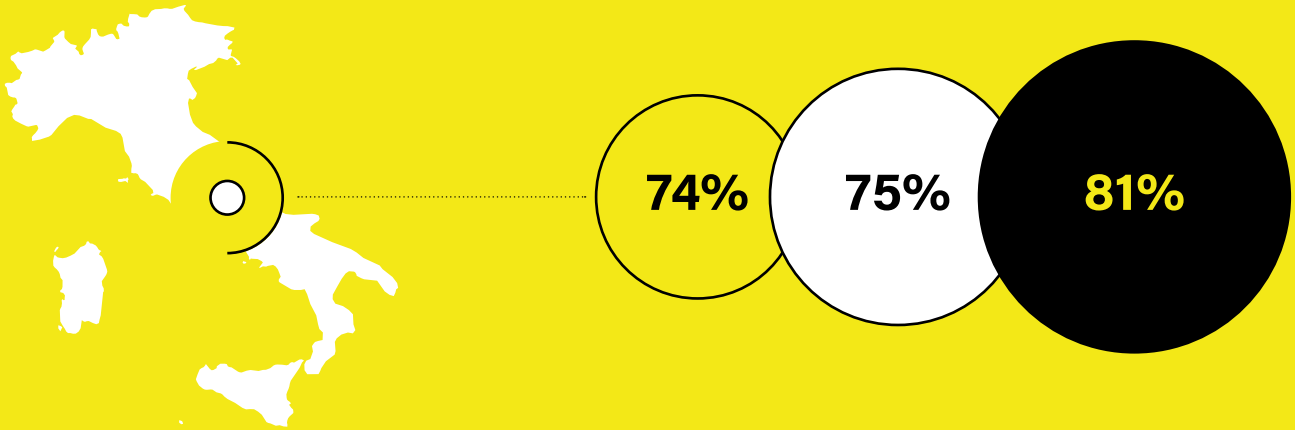
→ **12**

ESG audits carried out in 2020

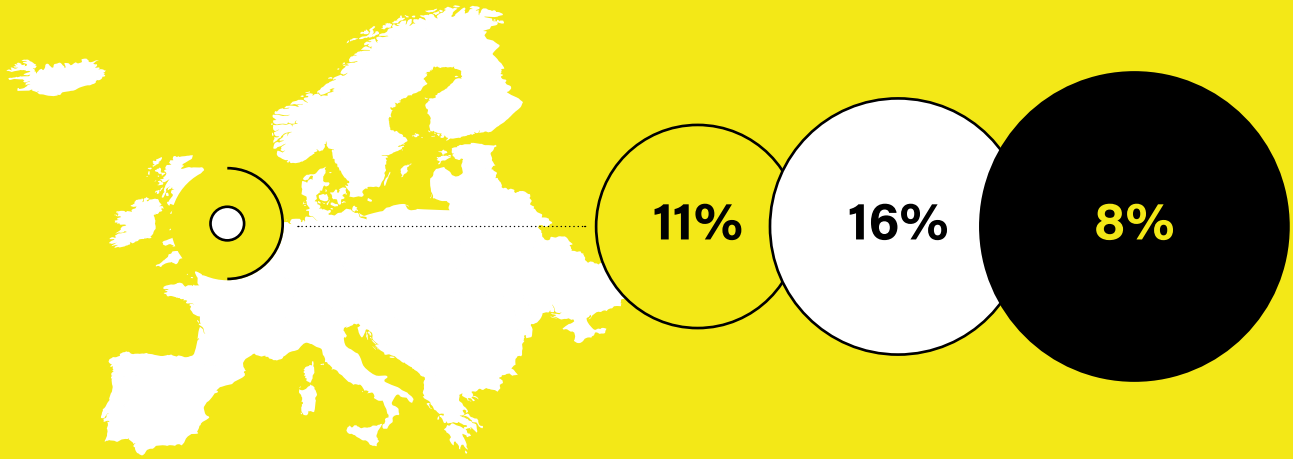
→ **26%**

of suppliers ISO 9001 certified

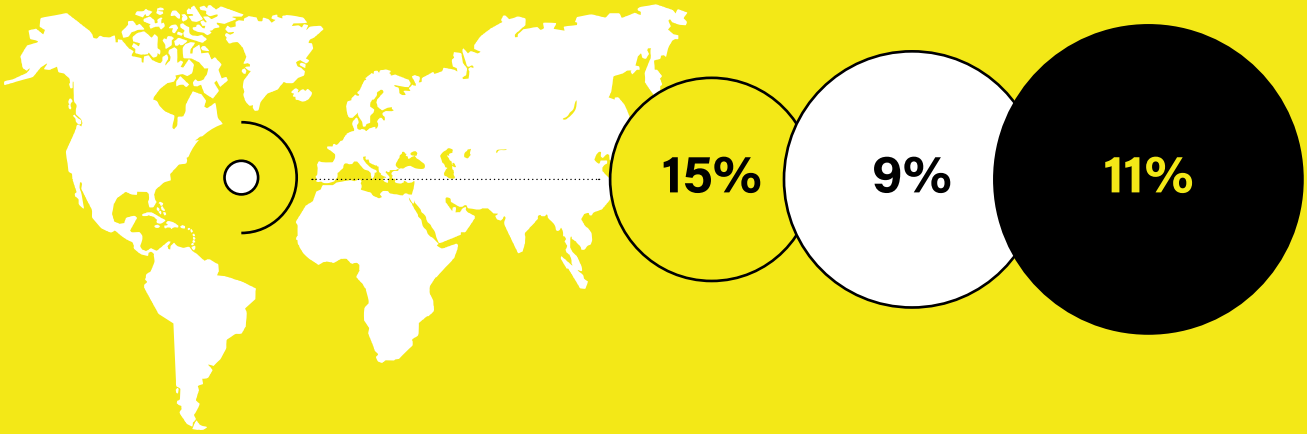
Purchases from Italy



Purchases from Europe (excluding Italy)

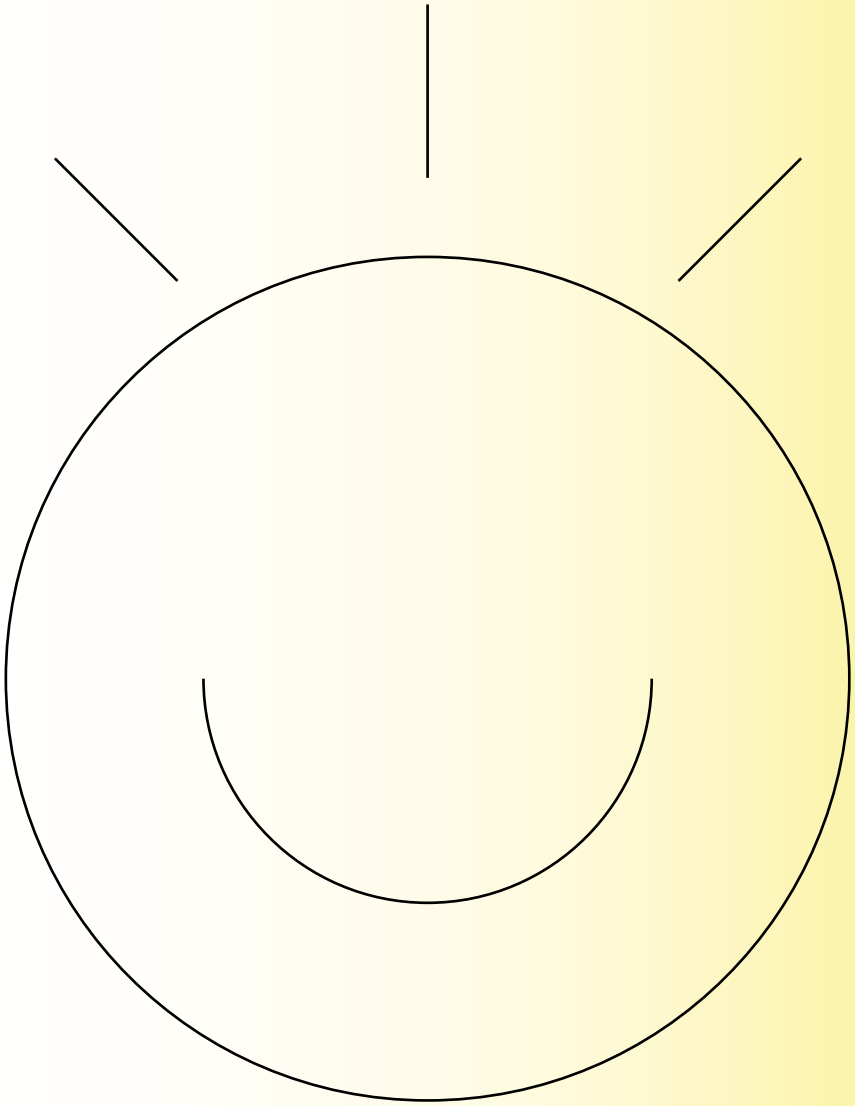


Purchases from the Rest of World



2018 2019 2020

Personal welfare



2,020
Group employees

99%
of Technogym S.p.A. contracts permanent

87%
of Technogym EE contracts permanent

Up by 10 points on 2019

18.1%
women on the Operational Committee

Compared with 15.9% in 2019

THE TECHNOGYM BRAND

1 The Technogym brand

AN ALL-ITALIAN STORY

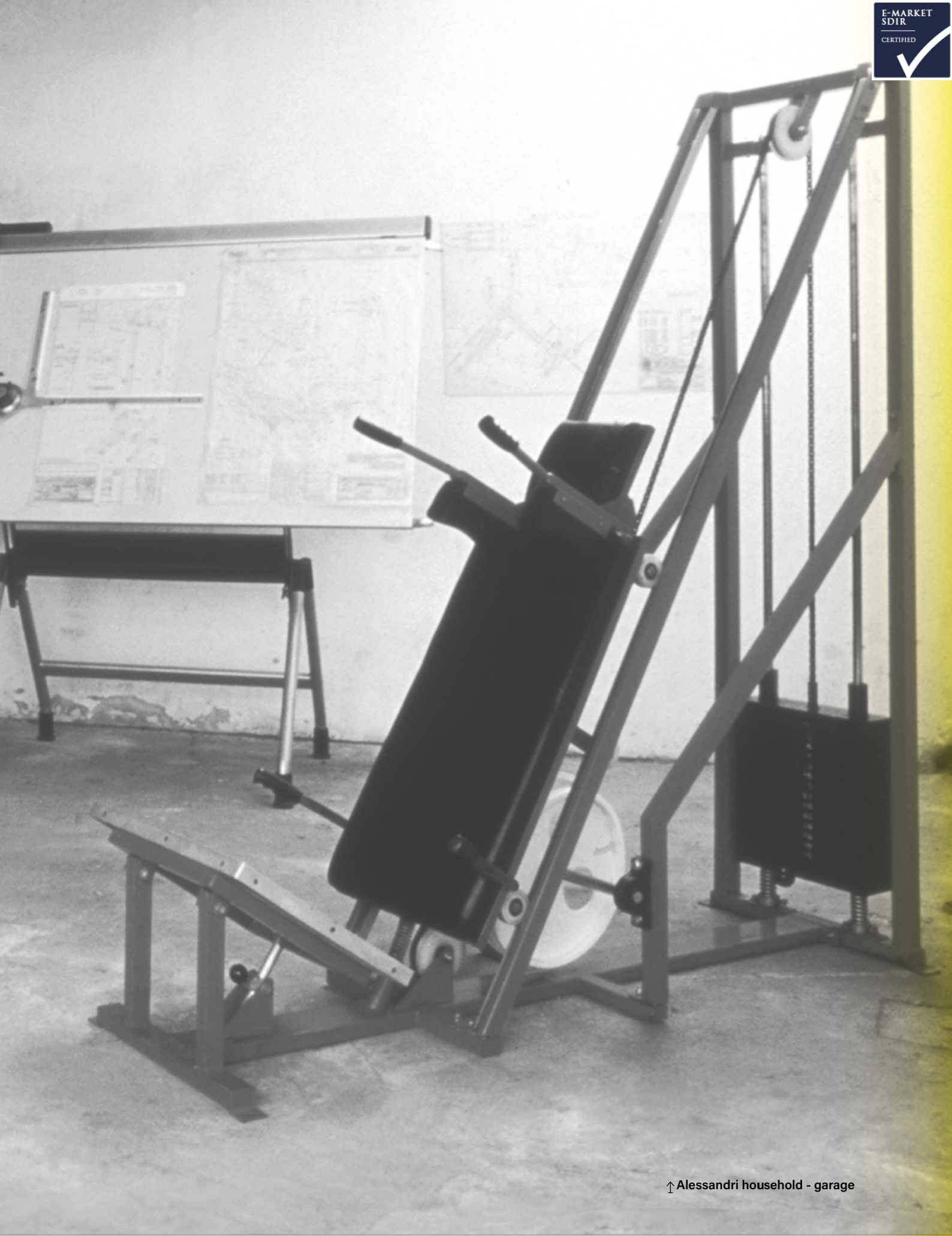
The Technogym brand was created in 1983 when Nerio Alessandri, a young industrial designer and sports enthusiast, designed and built his first piece of fitness equipment in his garage in Cesena, aged just 22. It was a hack squat machine, designed to enable squat exercises to be performed in a guided and safer way. Since then, Technogym has become known for its strong focus on safety and accident prevention, and for its easy-to-use, well-designed products. The brand name Technogym combines Alessandri's two passions: technology (TECHNO) and sports (GYM).

In the early 1980s, Europe's fitness industry was still considered a small niche market. Gyms, often equipped with very rudimentary machines, were mainly the preserve of body-builders. Nerio Alessandri sensed that there was a growing need for technologically and functionally superior physical exercise equipment that respected consumers' health. He also saw that the fitness industry could potentially appeal to a wider, more diversified public, as society gradually realised the importance of physical exercise in mental and physical health and wellness.

"Wellness®" is a lifestyle, promoted by Technogym, aimed at improving quality of life through education and regular physical activity, a balanced diet, and a positive mental attitude. During the early 1990s, while the stereotypical muscle-bound image of fitness personified by Jane Fonda and Sylvester Stallone was all the rage in the USA, in Emilia-Romagna Nerio Alessandri was launching a new vision: Wellness®, an all-Italian lifestyle whose roots lie in the Roman concept of "mens sana in corpore sano" (healthy mind, healthy body). It was nothing short of a revolution, which transformed a business based on hedonism into a social one, from looking good to feeling good, from attracting only a small number of super-fit gym enthusiasts to the possibility of embracing the whole population.

Today, 30 years on, Technogym is recognised worldwide as a leader in technologies, services and design for the Fitness and Wellness sector, thanks to its complete range of cardio, strength and functional training equipment, services (aftersales, training and consultancy, interior design, marketing support and finance), plus a digital cloud platform that allows users to connect with their Wellness experience anywhere, using Technogym products or mobile devices.

The offer of Technogym branded products has broadened over the years, and now ranges from Fitness Clubs to the Hospitality & Residential, HCP (Health, Corporate & Performance) and Home segments. Worldwide, these products are now used in 80,000 wellness centres and more than 500,000 homes.



↑Alessandri household - garage

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Homes worldwide

500,000

Wellness centres

80,000

Technogym is present in all the major global markets. In 2020, around 90% of company sales occurred outside Italy and roughly 40% outside Europe. During 2020, in an environment where all regions suffered from how the pandemic affected the professional market segments, it is worth noting the exceptional performance of Italy, where sales grew thanks to the considerable contribution of the home fitness segment. There was also a good performance in the Asia Pacific region, where things started to return to normal in the second half of the year. Results were less good in Europe and North America because those markets are characterised by the presence of large chains of fitness clubs that have rescheduled orders and openings for 2021, when things are expected to recover gradually

Milestones in Technogym's history

1983

Nerio Alessandri founds Technogym, combining his passion for technology (Techno) and sport (Gym).
Aged 22, he designs and builds his first machine in his garage.

1986

Launch of Unica, the first machine designed for domestic use. A complete gym in the space of just one square metre, it soon becomes a status symbol and an icon of Italian design worldwide.

1993

Nerio Alessandri introduces the **concept of Wellness**, a lifestyle that goes beyond the traditional concept of fitness, combining regular physical exercise, a healthy diet and a positive mental approach.

1996

Launch of the **Wellness System**, the world's first training management software. Users can now automatically activate Technogym machines using the portable **TGS Key**, and keep track of their training programme and data.
The TGS Key can be considered the world's first wearable device, well before the mobile revolution.

2000

For the first time, Technogym is chosen as **Official Supplier of the Olympics.** In Sydney, more than 10,000 athletes train on Technogym equipment.

2002

Technogym launches **Wellness TV**: the first TV screen integrated in fitness equipment.

Nerio Alessandri creates the **Wellness Foundation**, a non-profit organisation that researches and promotes Wellness as a social opportunity. One of the Foundation's main projects is Wellness Valley in Emilia-Romagna, intended to be the world's first Wellness district designed to enhance people's quality of life and wellbeing.

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2007

Technogym launches the first online 'smart' fitness products

2010

Technogym opens its **first stores** in Milan, New York and Moscow.

2012

Launch of **MyWellness Cloud**: the first cloud platform in the Fitness and Wellness sector. Users can now access their personal programme anywhere, at any time, while fitness and wellness professionals can connect with their clients inside and outside the gym, using a web and mobile system.

On September 29, in the presence of the President of the Italian Republic, Giorgio Napolitano, and former President of the USA, Bill Clinton, **Technogym Village** in Cesena is unveiled, the first Wellness campus in the world, which is home to Technogym's headquarters, research centre, factory and Wellness Centre, and is open to clients, partners and influencers from all over the world.

2014

Technogym launches the first edition of **Let's Move for a Better World**, a social campaign aimed at reducing obesity and sedentary lifestyles. Thanks to the **Technogym Ecosystem**, fitness and Wellness Club customers around the world can donate their movement to a good cause.

2017

Technogym opens its first flagship experience in Milan and launches the **SKILL** line for athletic performance training.

2019

Starting from the "Wellness on the go" strategy, involving the development of a seamless and integrated digital ecosystem consisting of smart equipment, mywellness® cloud and apps, offering a custom training experience – in 2019, Technogym presented the **Technogym Live**, offering training experiences and group classes run by trainers from all over the world on Technogym equipment at home, at the gym, in hotels and at work.

Technogym Bike is the first product integrated with the Live platform, to access the best indoor cycling classes of fitness studios around the world live or on demand.

2020

Technogym introduces the new **Excite line: the revolutionary range of smart cardio training equipment with the innovative Technogym Live interface**, offering users a completely new training experience customised to their passions and targets.

1.2 VISION AND STRATEGY

Technogym's mission is to "Spread the Wellness Lifestyle" by way of a vision aiming "To be the world's leading Wellness Solution Provider".

Wellness as a lifestyle can bring important benefits to society by improving people's quality of life, reducing government expenditure on healthcare, boosting corporate productivity, and respecting the environment. The belief in Wellness as a social responsibility guides and unites our company.

Based on this concept, Technogym strives to be recognised as a landmark in its industry, promoting an authentic lifestyle by creating customised solutions for private customers and fitness professionals. It is more than just equipment: it is also about services, content, devices and networking solutions.

Strategy

Technogym's objective is to help people live a Wellness lifestyle any time, anywhere, by implementing a three-pillar strategy:

- **Wellness on the go:** the Technogym Ecosystem is a platform that helps everyone enjoy a personalised Wellness experience by accessing content and training programmes on any Technogym machine and on any personal device, at any time, anywhere in the world. The Technogym Ecosystem integrates equipment, dedicated mobile apps, the mywellness® cloud digital platform and specific content, programmes and services, offering fitness professionals the opportunity to connect with their clients wherever they may be.

- **Brand Development:** in recent years, the Technogym brand has followed a positioning strategy based on two principal objectives: being a Premium brand in the Club, H&R and HCP segments, and being a Luxury brand in the Home and Consumer segments. Through marketing and communication, the Technogym brand establishes its values with a clear, coherent strategy that has helped Technogym to position itself as an internationally-recognised name.

- **Global presence in different market segments:** Technogym is expanding globally in various market segments, thanks to an omni-channel distribution strategy which includes Retail, Field Sales, Wholesale and Inside Sales.

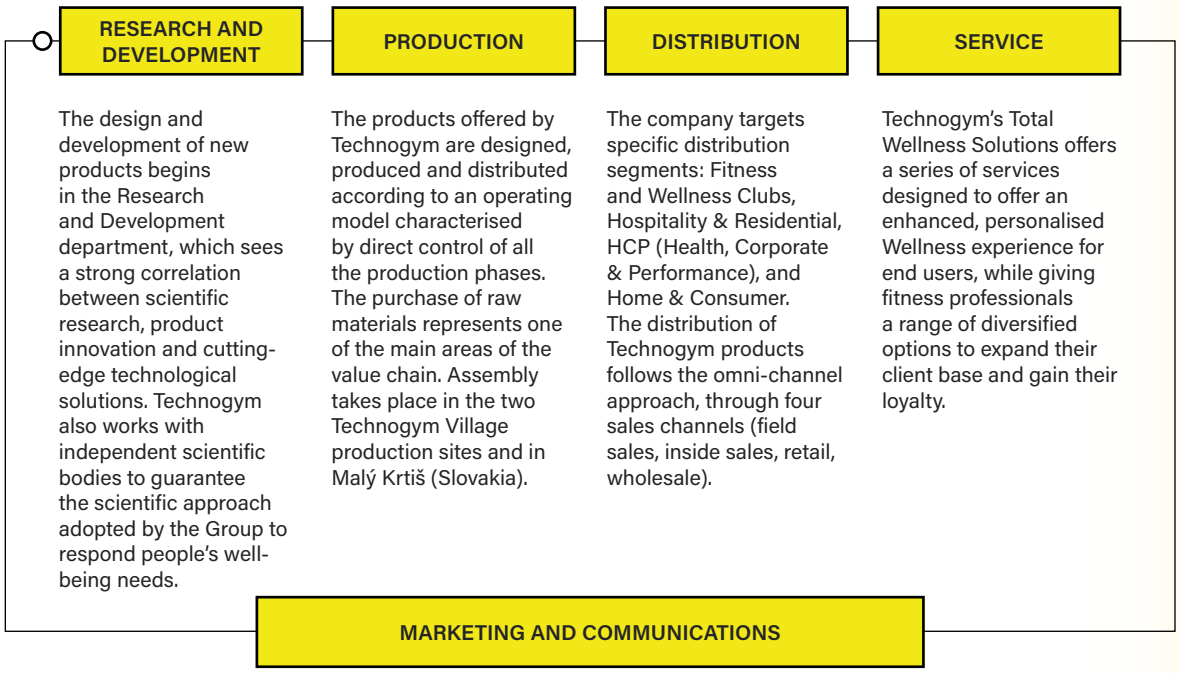
1.3 THE BUSINESS MODEL AND TOTAL WELLNESS SOLUTION

Technogym's business model consists of four main phases[3]: Product Research and Development; Production; Distribution; and Service. The aim of this model is to create and offer a customised total wellness solution, to meet the wellness and health needs of end users.

The health and safety of consumers and products is present all along the value chain. Technogym aims to offer solutions that create functional benefits for end users, without neglecting its attention to design and the use of innovative materials, to guarantee a safe, quality user experience[4].

3. The description gives a snapshot of our business model, considering the services and activities related to the five main areas of the Decree. For more information, see the individual chapters.

4. Framework of Decree 254/2016, Article 3, paragraph 1, Legislative Decree 254/2016.



At every stage of the Technogym operating model, it is one of the pillars of our strategy to develop and consolidate our position in the fitness market and in the Wellness industry as a whole. Over time, this has contributed significantly to making Technogym a distinctive brand, which is recognised worldwide for its quality, innovation and Italian design. A cornerstone of Technogym's marketing and communication strategy are the sports industry partnerships.

For this reason, the Group works closely with its key strategic suppliers, forging long-term relations and periodically assessing their performance on environmental and social issues and compliance with related laws and regulations, with the aim of guaranteeing a stable supply chain[5].

The attention on people's wellbeing is also evident in the guaranteeing of safe working environments[6] - particularly for the production activities carried out in the Cesena and Malý Krtíš (Slovakia) plants.

Technogym also manages environmental issues[7] during the Production phase by way of an Environmental Management System that continually checks and monitors consumption.

In addition to the areas of the Decree affecting specific phases of the production process, personnel management and the fight against corruption are cross-company areas managed all along the value chain[8].

5. Framework of Decree 254/2016, Article 3, paragraph 1, subparagraph b; Article 3, paragraph 2, subparagraph e.

6. Framework of Decree 254/2016, Article 3, paragraph 2, subparagraph c.

7. Framework of Decree 254/2016, Article 3, paragraph 1 - Environmental issues; Article 3, paragraph 2, subparagraphs a, b, c.

8. Framework of Decree 254/2016, Article 3, paragraph 2, subparagraph d; and Article 3, paragraph 2, subparagraph f.

TOTAL WELLNESS SOLUTION

Technogym's unique offer is the Total Wellness Solution, a bespoke Wellness solution for professionals and end users alike. It includes:

- Fitness, wellness and sports **equipment**.
- **Mywellness Cloud platform** and digital products.
- **Services** (After sales, Training, Interior Design, Marketing Support and Finance).
- **Media content** – On-demand video training programmes.

Equipment

Technogym boasts a complete range of cutting-edge equipment for cardio, strength, functional and group training. All machines are specially designed to meet the needs of the different market segments. We are constantly committed to developing new products and technologies to offer safe, effective and engaging training.

Networking Apps, Devices & Content

Thanks to MyWellness Cloud, an open platform integrated with equipment, apps and portable devices, fitness professionals and users can stay in touch wherever they are. It offers complete lifestyle management that builds customer loyalty and business opportunities. Professionals can take advantage of a vast range of professional applications that grow their potential, while users can engage with the UNITY digital console, the most advanced cardio interface on the market, designed to make every workout experience unique.

Services

Interior Design: Thanks to the Wellness Design service, Technogym can offer the full design of Wellness areas in hotels, businesses, medical centres or private homes. The objective is to create peaceful and stimulating spaces and environments and enable customers to stand out thanks to a unique and personalised style.

Financial Services

Technogym provides its customers with safe, fast and transparent financing, together building a personalised and reliable plan in collaboration with a number of leading international banks and insurance companies.

After Sales

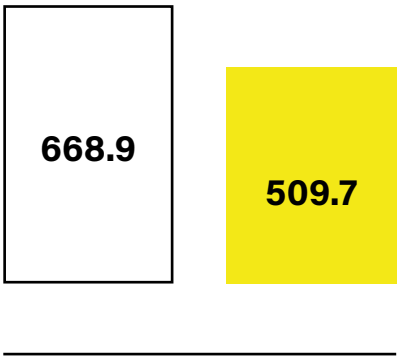
Technogym's aftersales service is designed to ensure that our equipment stays reliable and performs well over time, thanks to tailor-made contracts designed to ensure the best operation and constant quality of the equipment. We have a global network of Authorised Technical Assistance Centres, able to provide a fast, competent response.

Media Content

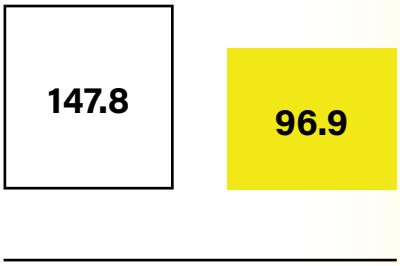
Following the 2019 launch of Technogym Bike, in 2020 Technogym made the content from its Technogym Live platform available on all cardio products. This will enable each user to choose their preferred training from a huge library of on-demand experiences: one-on-one, trainer-led sessions, group classes, specific routines for athletic training or virtual programmes set in the countryside or in the world's most beautiful cities.

1.4 SUSTAINABLE VALUE

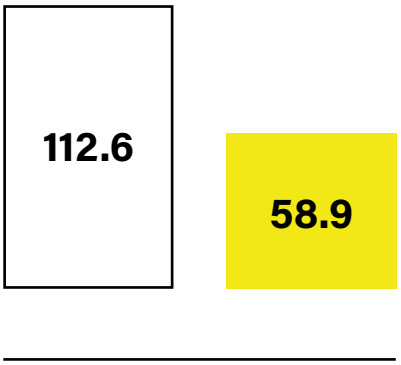
Revenues



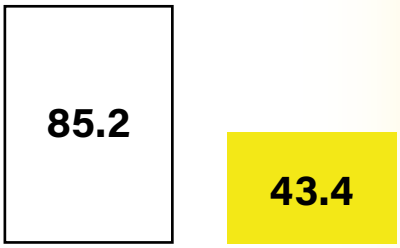
Adj EBITDA[1]



Adj EBIT[1]



Net Adj Profit



[The data in this document include the effects of implementing the new accounting standard IFRS 16, unless specified otherwise.]

1. The Group defines: adjusted EBITDA as the net operating income, adjusted for the following income statement items: (i) net provisions; (ii) depreciation, amortisation and impairment, and (iii) non-recurring income/(charges); adjusted EBITDA margin as the ratio between adjusted EBITDA and total revenues; EBITDA as net operating income, adjusted for the following income statement items: (i) net provisions; (ii) depreciation, amortisation and impairment losses; and the EBITDA margin as the ratio between EBITDA and total revenues.
2. The Group defines the adjusted net operating income as the net operating income adjusted for non-recurring income/(expenses)
3. The Group defines adjusted group profit as group profit adjusted for non-recurring income/(expenses) and non-recurring taxes.

2019 2020

(In millions of Euro and ratios)

[201-1]

The economic value generated and distributed displays a company's ability to produce wealth for its stakeholders.

Technogym believes economic growth to be an integral part of its strategy, which is why it is committed to creating long-term value for all its stakeholders. The **economic value generated** by Technogym in 2020 was **€522,660.11**, while the **economic value distributed** was **€447,790.62**.

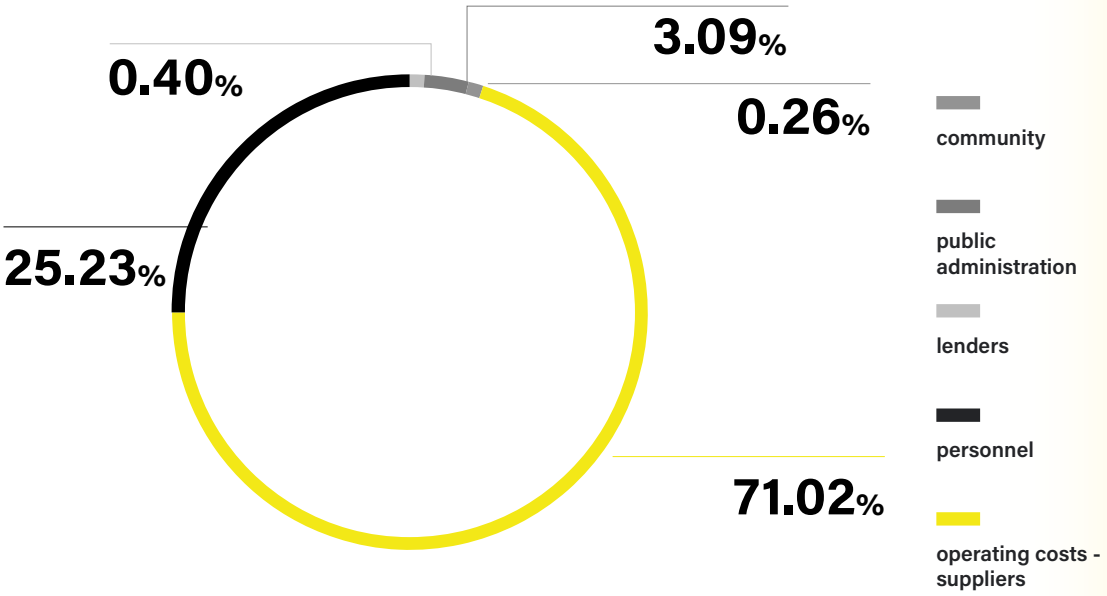
Topic area	**2020**
Economic value generated	522,660.11
Economic value distributed	447,790.62
Operating costs - suppliers	318,025.28
Personnel	112,969.51
Investors	-
Lenders	1,795.67
Public Administration	13,834.46
Community	1,165.71
Economic value retained	36,003.60

The table above displays the economic value generated and distributed, and how it has been divided up between the various stakeholders:

- **Suppliers**
- **Personnel**
- **Investors**
- **Public Administration**
- **Lenders**
- **Community**

More information on the assets and liabilities, results and cash flows can be found in the relevant sections of the Separate Financial Statements.

2020 economic value



The largest share is allocated to the **suppliers and operating costs** item, and is equal to 71.02%. The share allocated to **personnel**, consisting of salaries, wages, social security contributions and benefits, is **25.23%**, making it the second biggest amount of economic value generated.

The share of value allocated to the **Public Administration** in the form of taxes and duties represents **3.09%** of the economic value produced. **Lenders** receive **0.40%** of the economic value generated.

The share of economic value distributed to the **community**, namely **0.26%**, is linked to a €1m donation to the intensive care units at Romagna hospitals during the COVID crisis[9].

9. See Chapter 4 for more information.

Approach to tax transparency

[DMA 207, 207-1, 207-2, 207-3]

The Group recognises its responsibilities towards investors, governments, suppliers, employees and the communities in which it operates. This is also reflected in its approach to taxes, which seeks a permanent balance between regulatory requirements, business activities and ethical and social aspects.

Technogym's management of tax risk takes into account the organisation and management model, particularly in view of Article 25 quinquiesdecies, which invokes the Group's liability should certain tax offences be committed.

Specifically, the Group has updated its Model 231 - after having assessed the specific risk - and stepped up its oversight in line with the OECD's "Tax Control Framework".

With regard to the Model update, and in relation to the new Special Section on Tax Offences, in 2020 the existing protocols were reviewed and assessed to ensure that they can deal with offences such as receiving stolen goods, money laundering, self-laundering

and bribery (whether of individuals or the Public Administration)[10].

The Group adopts procedures for recording, measuring, managing and controlling risk, compliance with which is guaranteed at all levels of the business. It is also committed to monitor with a view to triggering the actions needed to correct any shortfalls or critical issues uncovered. Calculating taxes results from a true and fair presentation of the financial statements, in accordance with the relevant accounting standards.

Monitoring also takes place with regard to tax law updates and to completing and sending the tax return within the time frames and using the methods prescribed by law.

In particular, the administrative and tax management processes include aspects linked to:

- the identification and regular updating of the main and significant areas of tax risk;
- the mapping and updating of the accounting schedule and the preparation of same in accordance with the tax rules applicable to the individual cases in question;
- the regular review of the tax treatment associated with the main and biggest asset and liability transactions recorded by the Administration Department;
- the checking of the methods used to recognise operating events and the related taxation when calculating the taxes to be recognised in the financial statements, and of the preparation of the tax return;
- the methods used to manage transactions with companies outside the Group and the Transfer Pricing Manual ("Country File"), reviewed annually.

In addition to the above, Technogym has requested prearranged sharing of its transfer pricing policies with the Revenues Agency by way of an advance pricing agreement (APA), which is currently under way. This will provide upstream certainty regarding the criteria and methods used to determine transfer prices. The Group then entered into a prior agreement with the Italian Revenues Agency for access to the Patent Box tax break and requested its renewal solely in relation to the intangible assets still subsidisable for the five-year period 2020-2024, securing eligibility for the aforementioned procedure.

With regard to customs issues, Technogym has obtained ha AEO (Authorised Economic Operator) status under EU law; the system of procedures and controls implemented to manage customs-related issues is subject to regular checks by the customs authority.

With regard to governance, clear roles and responsibilities for the different sections of the organisation have been defined in relation to tax risks. Lastly, by way of regular meetings with Managers, the Group's Supervisory Body checks that the procedures in place are being applied properly and that transaction documents are being correctly and consistently stored.

10. The Board of Directors is expected to approve this in early 2021.

SUSTAINABILITY AT TECHNOGYM

2 Sustainability at Technogym

This Non-Financial Report meets the legal requirements set out in Italian Legislative Decree 254/2016.

The purpose of this section is to give key information about Technogym's strategic and operational approach, its activities and principal environmental and social performances, and to clarify the Group's commitment to sustainability, based on the UN Sustainable Development Goals.

Technogym's approach to sustainability has strong synergies with its **corporate mission**. Our aim is to **disseminate the Wellness Lifestyle** globally, to promote regular physical exercise, healthy lifestyles and to improve people's quality of life. *Wellness*, the corporate philosophy of Technogym, is key to defining our strategic objectives. It reflects our commitment to building shared value with all stakeholders.

The close correlation between business strategy and sustainability is what guides the Group in its decisions and actions which are designed to meet the health needs and demands of ordinary people. The wellbeing of end users, and therefore of the community as a whole, is central to our corporate objectives, and it starts at the product design phase. We maintain this focus throughout the production process, through to the after sales and marketing stages.

This combination of factors makes our business model unique, and fosters our strategic alignment with the United Nations Sustainable Development Goals (SDGs). Technogym unquestionably contributes to achieving **Goal 3 "Health and Wellbeing"**, with specific reference to Target 3.4. "By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing".

On the strength of the Group's contribution to ESG and its desire to align its company strategy with the SDGs, Technogym is committed to outlining clear sustainability objectives and commitments in a dedicated policy.

2.1 ESG PRIORITIES AND COMMITMENTS

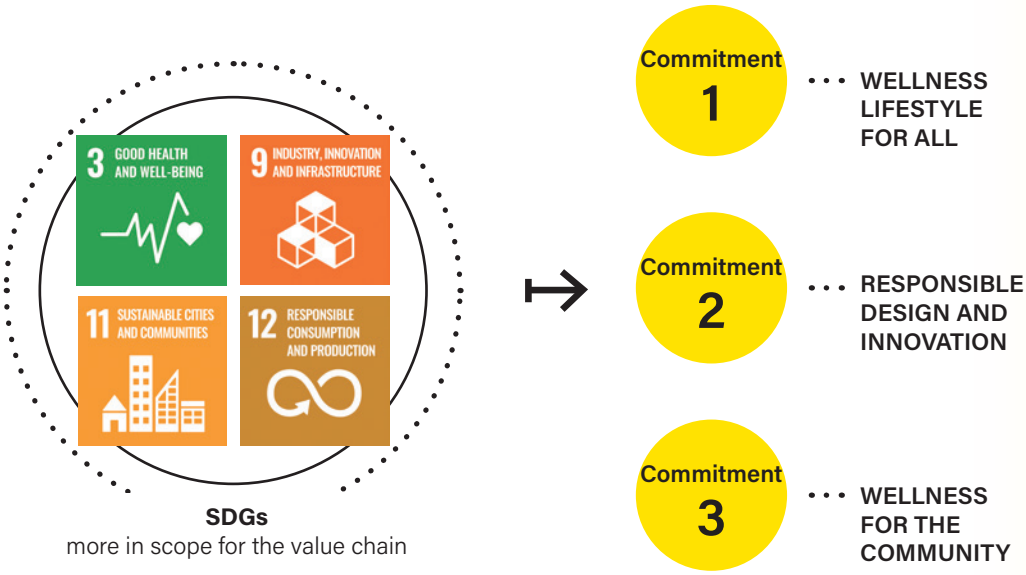
Technogym drew up its Sustainability Policy in 2020, with commitments through to 2025. The Policy saw made provision for managerial involvement by way of an in-person workshop (held pre-pandemic at the start of the year). Discussion with these managers helped to establish the main sustainability priorities, laying the foundations for continual improvement in ESG performance. The COVID-19 pandemic meant that approval was deferred until the beginning of 2021. The Policy was approved by the Board of Directors during publication of this document.

Technogym's Sustainability Policy contains three primary Commitments: create value through the Group's core business (*Commitment 1*); sustainable innovation, steering choices increasingly towards responsible management of climate change-related risks (*Commitment 2*)[11]; and the wellbeing of Technogym's stakeholders and the community in which it operates (*Commitment 3*).

11. European guidelines on sustainable finance, particularly the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD).

↦ The Sustainability Policy takes inspiration from the TCFD's recommendations. In 2021, Technogym is committed to reflecting on the TCFD's recommendations to ensure greater disclosure and integration of climate change-related risks into existing risk management processes. For more details, see the Sustainability section of the company's website.

Technogym's 2025 ESG commitments



WELLNESS LIFESTYLE FOR ALL

For over 20 years, Technogym has been promoting wellness as a social opportunity for all stakeholders: citizens, businesses and governments. Using this history of culture and innovation, and in compliance with the United Nations' "Good Health and Well-being" goal, the company is determined to keep helping its stakeholders to achieve wellness by promoting sustainable lifestyles and behaviours for the wellbeing of the community through a range of products and services that use the latest technology, meet the needs of private and professional users, and reach an ever larger number of people

RESPONSIBLE INNOVATION AND DESIGN

Our mission to help build a better world based on the health of its people must be accompanied by considerable care and attention for the environment in which we live. That is why, in pursuing the UN's "Responsible consumption and production" and "Industry, innovation and infrastructure" goals, we work to create products and environments in which functionality and aesthetics can co-exist and where seeking out new green solutions, from the planning stage onwards, enables us to act responsibly while not neglecting excellence in design

WELLNESS FOR THE COMMUNITY

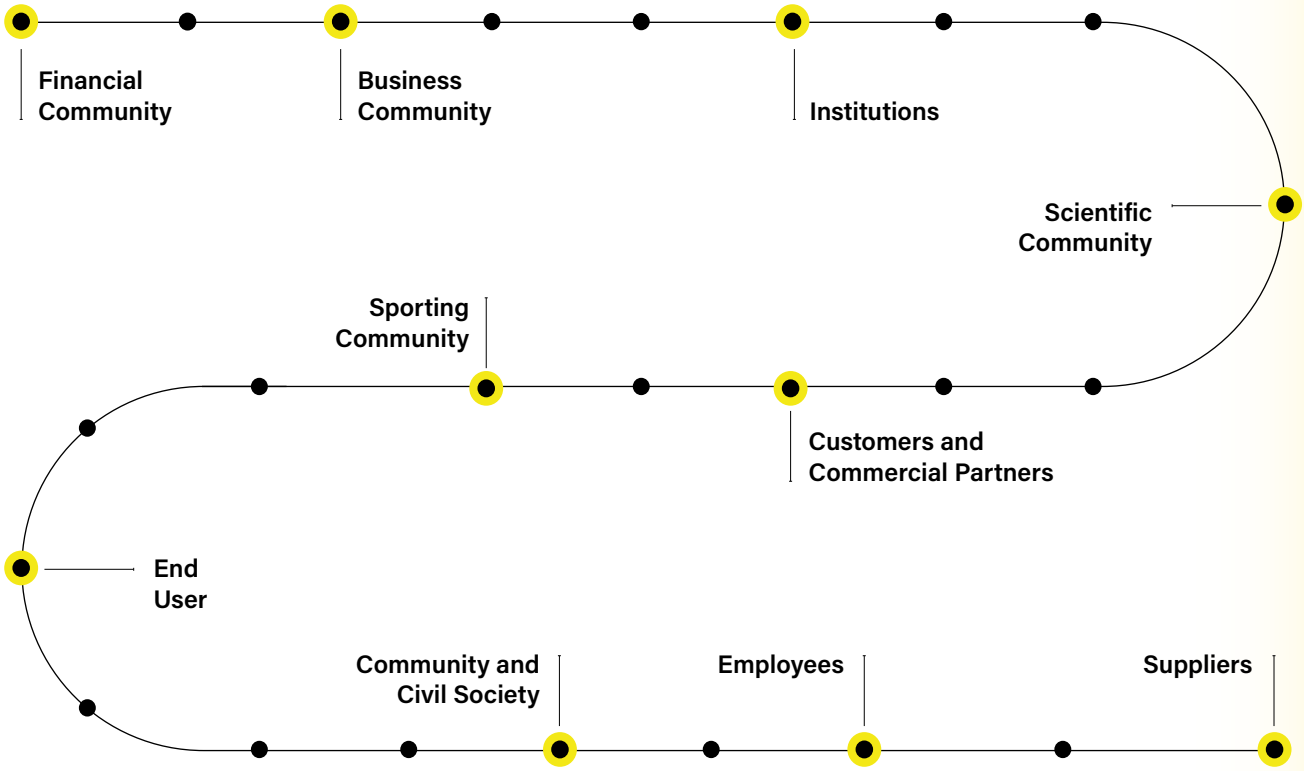
Through several concrete projects, such as the Wellness Valley set up in 2003 and the Let's Move for a Better World campaign, which is now on to its seventh edition, we wish to promote the full expression and realisation of wellness as a concept, using our technologies and communication initiatives to help improve the quality of life and wellbeing of the community and the planet. We believe these factors are crucial in order to achieve the UN's goal of "Sustainable cities and communities"

2020 SIGNIFICANT ISSUES

[102-47]

In order to comply with Italian Legislative Decree 254/16, and in line with the 2016 GRI Sustainability Reporting Standards, businesses need to identify key issues based on the importance of economic, environmental and social impact of their organisation, and their material influence on the opinions and decisions of stakeholders.

Moreover, Technogym is focused on its stakeholders and holds different engagement initiatives each year, including meetings dedicated to the financial community and business community, attendance at scientific conferences in conjunction with scientific bodies and institutions and sports events, and has set up channels to engage with end users - to monitor customer satisfaction.



In light of the above, and as part of an overall effort to strengthen its sustainability approach, in 2020 the Group updated its materiality analysis by way of direct and external engagement.

Specifically, with the aim of better intercepting emerging market trends and putting together a consolidated Group sustainability approach, the following were taken into account:

- results of the workshop that led to the Sustainability Policy and the priority SDGs being drawn up;
- results of the internal management questionnaire;
- priorities expressed by stakeholders in an online survey that was sent to employees, suppliers, industry associations, bodies and local institutions.

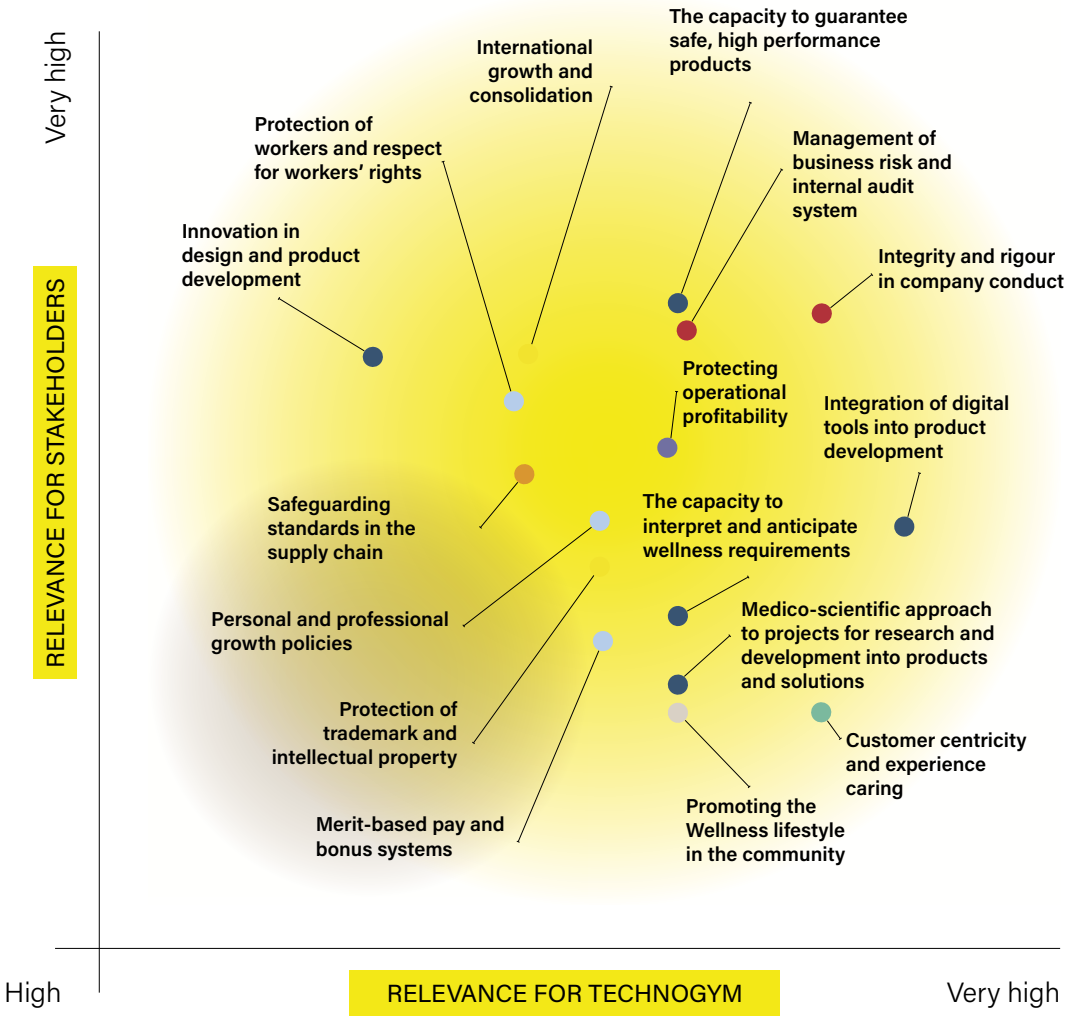
The topics in question were assessed from the points of view of Technogym and its stakeholders, leading to these topics being positioned within a matrix displaying the subjects that exceeded the materiality threshold. In short, the most important themes arising from the survey were:

- **"Corporate Governance System"** indicates how the perspectives of Technogym and its stakeholders are aligned with regard to the importance for the Organisation of themes such as business integrity and risk management.
- "**Solutions for personal wellness**" testifies to the importance to the Group strategy of interpreting and responding to individual needs.

The other topic areas covered in the analysis are consistent with the previous analysis, namely: "Creation of financial and economic value", "Global leader in wellness", "Lifetime customer care", "Promoting the wellness lifestyle in the community", "Employee wellbeing", "Environmental wellbeing", and "Responsible supply chain management".

Based on these considerations, this document summarises all the topics that were found to be relevant. All the topics covered by the Decree have been included, in any case. Finally, the creation of economic and financial value has been mentioned in this document, and is dealt with in more detail in the Annual Report.

Technogym's materiality matrix



corporate governance system

creation of economic/ financial value

global leader in Wellness

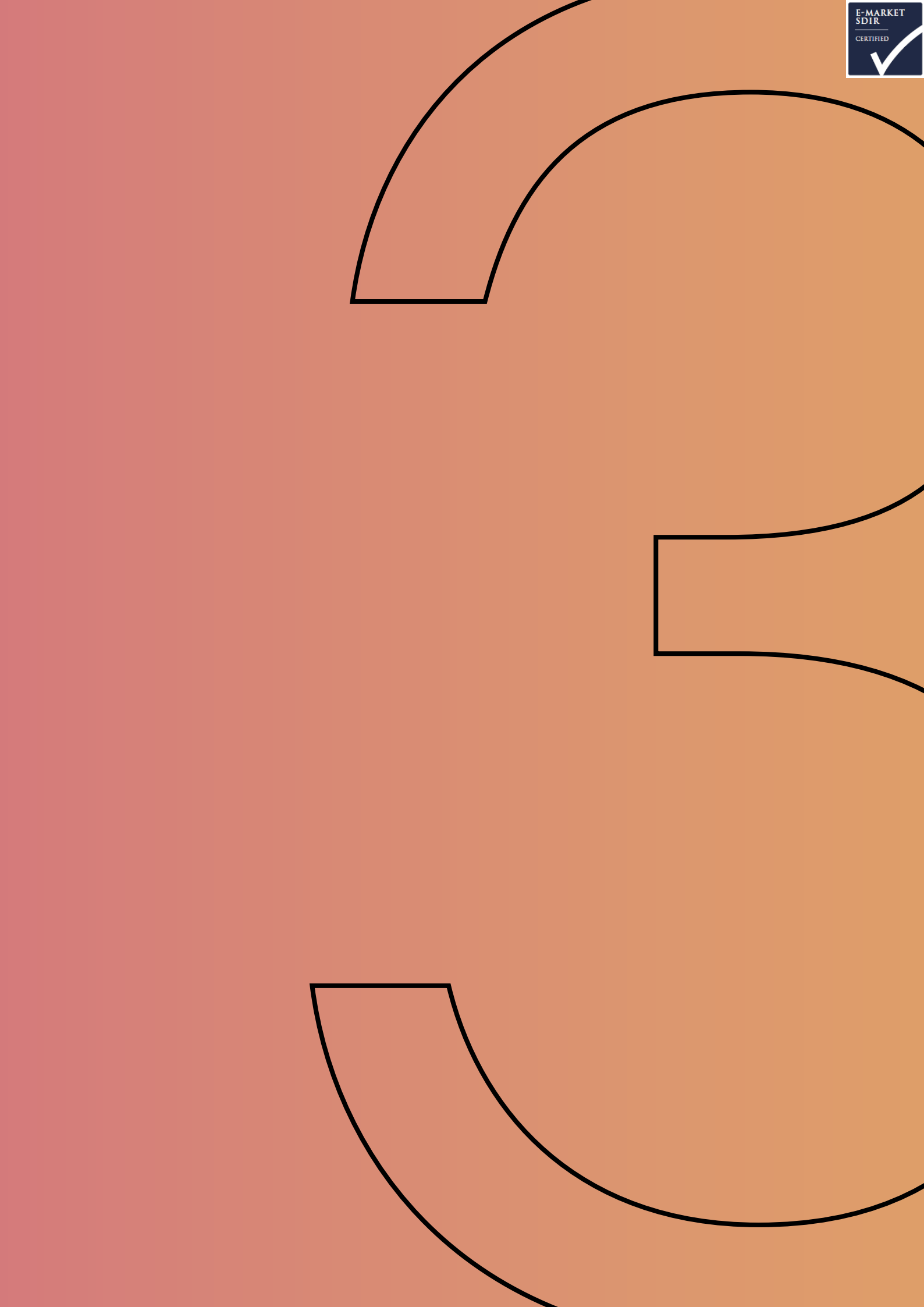
personal Wellness solutions

lifetime customer care

promoting the Wellness lifestyle in the community

sustainable supply chain management

employee wellbeing



CORPORATE GOVERNANCE SYSTEM

3 Corporate Governance System

3.1 GOVERNANCE BODIES

Technogym's Corporate Governance system conforms to the Corporate Governance Code[12] for Listed Companies published by Borsa Italiana S.p.A., and to national and international best practice.

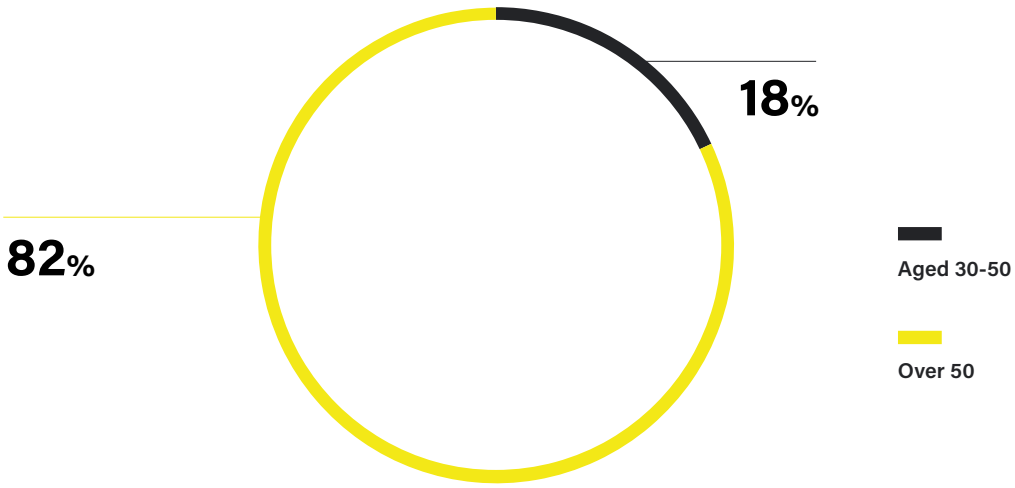
Technogym's governance model as provided for in its bylaws, is the traditional form of administration and control consisting of the following bodies:

- Meeting of Shareholders;
- the Board of Directors, from which a Chairman and Chief Executive are appointed, and a Vice Chairman are appointed;
- the Board of Statutory Auditors.

The Company's Board of Directors has 11 members, 4 of whom are women and the others men, as follows: Nerio Alessandri as Chairman and CEO, Pierluigi Alessandri as Vice Chairman, Erica Alessandri, Francesca Bellettini, Carlo Capelli (director with specific responsibilities), Maurizio Cereda, Chiara Dorigotti, Vincenzo Giannelli, Maria Cecilia La Manna, Riccardo Pinza and Andrea Giuseppe Zocchi.[102-18; 102-22; 102-23; 405-1]

12. The Code of Self-Governance is in force for all of 2020, but on 31 January 2020, the Corporate Governance Committee approved the new Corporate Governance Code that will replace the current one from 2021.

Board of Directors – composition by age



The Board is supported by three internal committees: the Risks and Control Committee, the Appointments and Remuneration Committee and the Related Parties Committee. These Committees play an advisory role in their own fields. [102-18]

↦ For more information about the Corporate Governance system, please see the Corporate Governance Report, which is also available on the website (http://corporate.technogym.com/it/governance/sistema-di-corporate-governance).

Code of Ethics

[Art. 3 (1 a) Italian Legislative Decree 254/16 – Management Model]
[102-16]

"Technogym conducts its business lawfully, but also fairly, independently of the law."

The **Code of Ethics** is the **primary reference** for our approach to business ethics. It sets out the principles of the Technogym corporate culture. Its guiding values and rules are intended to guide the company's actions towards its main stakeholders, and towards society as a whole. These values reflect the body of internal regulations aimed at preventing inappropriate conduct that does not comply with the Company's directives.

The Code applies to the whole perimeter of Technogym S.p.A.

Technogym also requires that the Company's stakeholders act in accordance with the general principles of the Code. To achieve this, specific clauses are included in the model contracts used in the Group's relations with third parties, who are required to respect the provisions of the Code in their own activities and organisation.

The Code is a fundamental, integral part of the **Organisation, Management and Control Model** (the "Model"), adopted by Technogym as required by Italian Legislative Decree 231/2001.

The issue of the Model required an assessment of our pre-existing organisational model, to identify the activities that could give rise to the offences defined in the Decree, and to establish controls on sensitive activities in order to bring the Model into line with the control principles of Italian Legislative Decree 231/2001 and therefore prevent the committing of offences.

The 231 Model contains all the principles and operating procedures intended to prevent the committing of offences and to promote responsible conduct by everyone operating on the Group's behalf, in accordance with the principles of legitimacy, fairness and transparency.

The company's processes are also periodically audited by our Internal Audit function in order to verify the level of risk related to the committing of 231 Law offences, and the efficiency of the controls put in place to limit this risk. In 2020, changes were made to the Model 231 structure and the relevant special part was updated in compliance with the new instances of predicate offences.

Specifically, the review and updating of Technogym's 231 Organisational Model was completed in the second half of 2020 in relation to the laws that brought about the expansion and amendment of the catalogue of 231/01 predicate offences and which, to summarise very briefly, concern:

- Expansion of the catalogue[13] of predicate offences to include tax offences and updating of the catalogue;
- Assessments on the applicability of sporting fraud offences;
- The IT security perimeter

13. See the tax transparency section in Chapter 1 for more information on this.

As well as enabling the Model to be updated with regard to legal provisions, the project meant a thorough review could be carried out of the areas and activities potentially exposed to the predicate offences under Legislative Decree 231/01 and the Model could be updated with regard to changes in the company's organisation and in the prevention protocols provided for by the Technogym Group's compliance rules. The activity also brought about a simplification and streamlining of the document in relation to the definition of specific protocols aimed at facilitating consulting and audit activities.

The results of this process are presented to the Supervisory Body, which is tasked with monitoring compliance and the effective application of the 231 Model and the Code of Ethics.

The Supervisory Body has three members:

- Andrea Ciani (Chairman and Independent Member);
- Emanuele Scorsonetto (director of TGH S.r.l.[14]);
- Giuliano Boccanegra (Internal Audit Manager of Technogym S.p.A.).

14. Mr Scorsonetto was part of Wellness Holding S.r.l., which was spun off, and Technogym's current majority shareholder is TGH S.r.l.

To support the Supervisory Body in its monitoring, a dedicated email account has been set up (*odv@technogym.com*) to report actual or suspected violations Alternatively, reports can be sent by ordinary mail. The Supervisory Body will analyse and investigate these reports, and is also responsible for periodically checking that the Code of Ethics and its contents are applied and respected in order to highlight the need for adaptation, as the law evolves.

In 2016, the Code of Ethics was revised to bring it into line with changes in the company (primarily, the Stock Exchange listing), and to make it more accessible and efficient, in terms of its circulation within the Group. The revised Code was approved by the Board of Directors at the proposal of the Chief Executive.

The Group has introduced diversified training initiatives for employees based on their role held, to raise awareness of the principles and contents of the Code of Ethics and the Model, and their implementing procedures, for continual alignment with anti-corruption issues and the Code of Ethics. With this in mind, training was provided to the Operating Committee in 2020. The 113 hours of training provided concerned the updates to the Model 231. [205-2]

Communication and training on the principles and content of the Model and the Code of Ethics is provided by the departmental managers, who identify the best way to access the training experience, as directed by the Supervisory Body.

The fight against corruption

[Art. 3 (2 f) Italian Legislative Decree 254/16 – Anti-corruption]

"Always represent Technogym with dignity and transparency" [DMA 205]

Technogym's commitment to promoting integrity and discipline within the company also translates into a real commitment to preventing the risk of active or passive corruption, in other words actions that could undermine confidence or distort fair competition between market operators.

The Group's commitment to fighting corruption is based on adopting and effectively implementing a Model for the national perimeter, and globally, on promoting *anti-bribery* and *anti-corruption* guidelines. Building a structured, organic system of procedures and controls limits the risk of active or passive corruption offences.

CONTROL TOOLS

- ↦ Code of Ethics
- ↦ 231 Model
- ↦ Technogym Vision Book
- ↦ Code of Conduct

Within the context of the Model, sensitive activities have been identified. These include: negotiations, stipulating and agreeing contracts for the sale of goods and services to private individuals; selecting sales agents and managing relations with agents; the selection, negotiation and stipulation of partner agreements (traders, distributors and developers); the procurement of goods, services or consultancy services; dealing with gifts and donations, sponsorships; managing the bonus system. [Art. 3 (1 c) Italian Legislative Decree 254/16 – Risks]

Relations with the Public Administration are the subject of specific attention, in the form of a general system of controls, with additional checks on activities identified as sensitive, such as agreeing contracts for the sale of goods and services with public entities in Italy or abroad, and negotiating contracts involving public and/or private tenders and negotiations.

The Code of Ethics also deals with the topic of "Donations, benefits and other utilities" and specifies in a clear, unequivocal way the limits beyond which gifts are not considered acceptable.

The training programme on ethics and fairness includes a specific module on the fight against corruption. This illustrates the legal requirements, and describes Technogym's policies in this area.

There were no verified episodes of corruption in 2019. [205-3]

Respect for market rules

"Technogym recognises competition as a key component of development and socio-economic progress at local level" [DMA 206]

CONTROL TOOLS

↦ Code of Ethics
↦ 231 Model

The Group acts in accordance with national anti-trust laws and does not deny, withhold or delay any information that may be required by anti-trust authorities during their inspections. The Group actively collaborates with any inquiries.

The Group takes care to ensure that general conditions on freedom of enterprise are respected. When conducting its business, Technogym allows economic operators to access the market and to compete. At the same time, we protect our customers by promoting improvements in service quality and by maintaining a fair ratio between price, and the level of the product or service being offered.

To promote respect for the rules of fair competition, the Code of Ethics expressly clarifies the behaviour expected from people in the Group. All employees are required to respect the laws on fair competition, and anti-trust laws.

If any employees or collaborators become aware of practices that impede fair market competition, they must report the matter to their line managers, who in turn must report any anti-competitive conduct to the Supervisory Body.

Anti-competitive conduct would be considered, for example, establishing relations with competitors of Technogym S.p.A. in order to reach agreements on pricing, quantities or other contractual terms, entering into agreements or written or verbal understandings with our competitors, or colluding in the participation in competitive procedures or the sharing-out of markets or supply sources.

Finally, Technogym sells its products and services based on their merits and benefits, without unfairly disparaging the products and services of the competition.

3.2 INTEGRATED RISK MANAGEMENT

The aim of risk management is to preserve the efficiency and profitability of the Group's businesses, along the whole of the value chain.

The governance body responsible for the Group's risk management approach is the **Risks & Control Committee**, whose members meet the independence requirements as indicated in the Code of Self-Governance. This Committee supports the Board of Directors in its assessments and decisions on the system of internal controls and risk management, and with decisions regarding the approval of the periodic financial reports.

In accordance with the Code of Self-Governance, the Committee performs the following functions: it provides opinions on specific aspects of identifying major risks; it examines the periodic reports on the internal controls and risk management assessment, as well as the particularly important reports of the Internal Audit department; it reports to the Board of Directors at least once every six months on its work, and also on the adequacy of the system of internal controls and risk management.

↦ For more information about the Corporate Governance system, please see the Corporate Governance Report, which is also available on the website (http://corporate.technogym.com/it/governance/sistema-di-corporate-governance).

In 2020, the most significant projects concerning **enterprise risk management (ERM)** included implementing cybersecurity oversight to prevent and manage any IT security incidents.

It should also be remembered that, to strengthen the Group's ability to control impacts and risks in all company processes, in 2017 Technogym launched a project to implement an **ERM** system, which introduces a structured, integrated approach to identifying, measuring and managing risks.

The **Technogym Risk Model (TRM)** is a model for classifying risks into categories, grouped into three main areas:

- **"Strategic Risk"**, risks deriving from changes in the business context or from inaccurate business decisions, the inadequate implementation of decisions and a poor response to changes in the environment;
- **"Operational Business Support Risk"**, risks linked to inadequacies or malfunctions in the business support processes;
- **"Operational Core Business Risk"**, risks linked to inadequacies or malfunctions in the core business processes.

Categorising risks in this way makes it easier to identify and analyse key risks, while establishing a common language for risk management across the whole organisation, which can be coordinated with the various corporate management systems we use.

By using the TRM, Technogym can provide a dynamic, structured response to the specific corporate activities and processes, which evolve according to the nature and type of the identified risk events, and the evolution of the company's business and/or organisational structure. Implementing the ERM project will:

- promptly identify and anticipate the main risks that prevent the fulfilment of business, strategic and operational targets;
- promote informed decision-making processes;
- convert threats into opportunities and competitive advantages.

The ERM was launched in view of planning requirements that call for particular attention from the Group, but has not yet been fully implemented. Technogym has conducted a preliminary mapping of processes and associated risks. By implementing the Integrated Management System, the Group has ensured a structured approach to identifying and managing risks across the organisation, including in sustainability-related areas (environmental, social and governance).

With specific reference to environmental, social, personnel management, human rights and anti-corruption issues (Decree 254/16), Technogym has launched a process to integrate ESG (Environmental, Social and Governance) risks within the management systems used to control these areas[15]. Internal discussions began in 2020 and will lead in 2021 to Technogym strengthening its commitment on the management of chemical substances and preparations. The policy on managing chemical substances will aim to ensure constant attention to and monitoring of issues that affect the environment and health and safety in relation to the use of chemical substances in operations and all along the value chain.

The ESG risks are covered in the sections on relevant topics. Below is a table summarising the sources used in relation to risk management in the various areas. The review of the Integrated Policy, as described in the following paragraph, has strengthened the control of risks relating to Health, Safety, the Environment and Energy.

15. No significant risks were detected, with regard to the Group's production operations.

DECREE AREA	PRINCIPAL POTENTIAL RISKS	CONTROL SYSTEMS AND TOOLS
Environmental aspects	↦ Inadequate management of waste, of temporary deposits on the production site, and transfer of waste to third parties for transport/disposal/recycling ↦ High generation and inadequate containment of greenhouse gas emissions and polluting atmospheric emissions caused by production operations throughout the supply chain ↦ Land, sub soil and water contamination caused by production operations throughout the supply chain	↦ Code of Ethics ↦ Integrated Policy of Management Systems ISO 9001, ISO 13485, OHSAS 14001 and ISO 27001 ISO 45001, ISO 50001 ↦ ISO 14001 Environmental Management System ↦ 231 Management Model
Social aspects	↦ Accidents, including major accidents, which may occur on the production sites ↦ Malfunctioning, construction defects or non-conformities with product technical and contractual specifications ↦ Malfunction of equipment due to inadequate installation and/or maintenance service ↦ Failure to respond to requests/needs/ expectations of customers and the potential market ↦ Lack of transparency in customer communications (marketing, labelling) ↦ Inadequate management of information systems and information security ↦ Inadequate collection, storage and processing of personal data ↦ Failure to respond to changes in customer preferences and failure to appreciate new trends	↦ Code of Ethics ↦ Integrated Policy of Management Systems ISO 9001, ISO 13485, ISO 14001, ISO 27001, ISO 45001, ISO 50001 ↦ ISO 9001 Quality Management System ↦ Occupational Health and Safety Management System ISO 45001 ↦ UNI CEI ISO 13485 Management System ↦ ISO 27001 Information Security Management System ↦ GSP Procedure ↦ User manual and Service manual ↦ Data protection statement for the Technogym website and mywellness® account ↦ Information Security Policy ↦ Policy on the "Use of email, Internet, company digital tools and remote computer controls" ↦ Lead Generation Policy ↦ Global Data Protection Policy ↦ Retention and Cancellation policy for mywellness® cloud ↦ Information Security Policy ↦ Policy on the "Use of email, Internet, company digital tools and remote computer controls"
Aspects relevant to personnel	↦ Discrimination against employees ↦ Loss of key skills for implementing the strategy	↦ Code of Ethics ↦ Occupational Health and Safety Management System ISO 45001 ↦ Global Team Development (GTD) Manual ↦ Quick Reference Guide: Talent Acquisition Process

DECREE AREA	PRINCIPAL POTENTIAL RISKS	CONTROL SYSTEMS AND TOOLS
Aspects relative to respect for human rights	↦ Inadequate working conditions, for example cases of child labour, salubriousness of working environment, discrimination, personal health and safety, freedom of association and collective bargaining	↦ Code of Ethics ↦ 231 Management Model ↦ Occupational Health and Safety Management System ISO 45001 ↦ Contractual clauses for acknowledgement and acceptance of the Code of Ethics and 231 Management Model ↦ Supplier assessment checklist
Aspects relative to the fight against corruption	↦ Inadequate negotiation, stipulation and execution of contracts for the sale of goods and services to private individuals ↦ Inadequate selection, negotiation and stipulation of agreements with partners (traders and distributors) and suppliers ↦ Inadequate management of economic and financial transactions ↦ Inadequate management of relations with directors, employees or third parties involved in legal proceedings	↦ Code of Ethics ↦ 231 Management Model ↦ Technogym Vision Book ↦ Integrated Management System and related procedures for the rating, qualification and selection of suppliers, management of procurement and suppliers ↦ GSN process

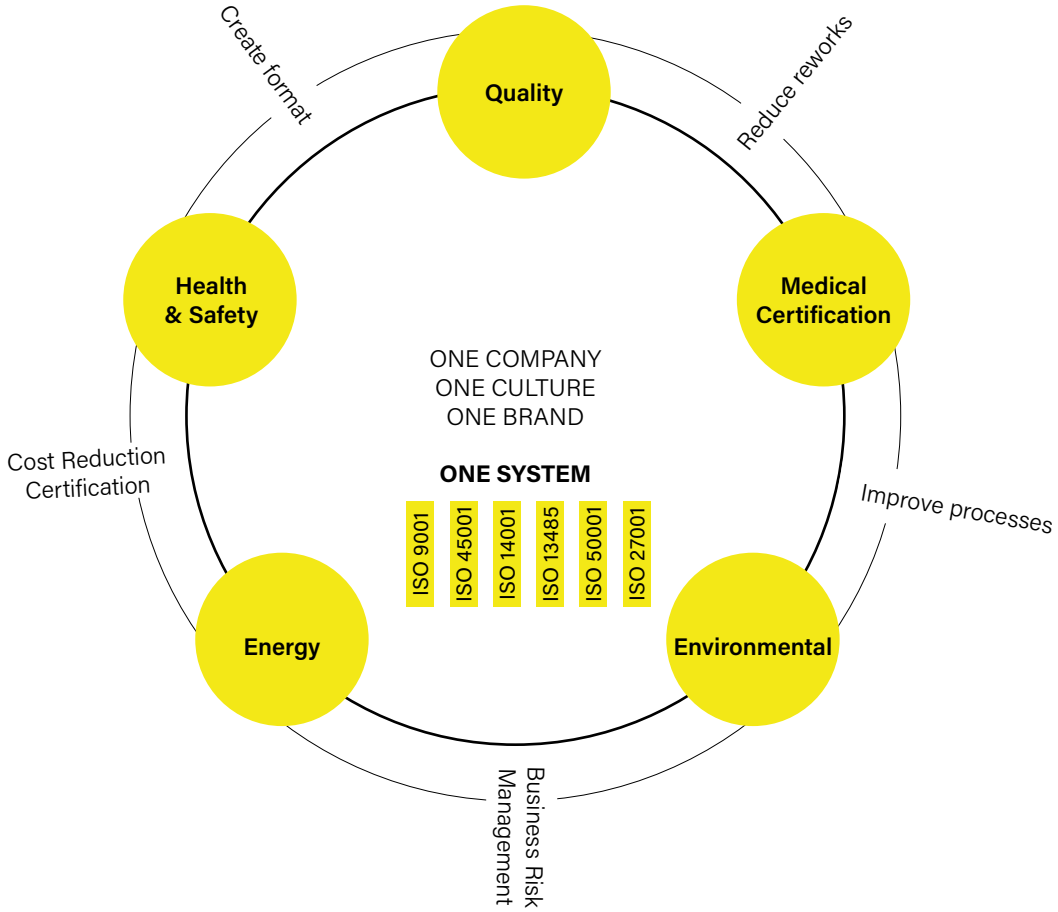
With regard to social aspects, product development is controlled by the GSP process, whereas the standards applicable to process management are those for which the company has been certified, starting with the benchmark quality standards, ISO 9001 and ISO 13485. Technogym also works with its scientific partners to guarantee the benefits of machines used to support rehabilitation programmes.

As far as environmental issues are concerned, the main areas of potential risk relate to the Group's production operations, as the plant in Cesena only assembles components produced by suppliers. Both plants are controlled by a certified ISO 14001 Environment Management System.

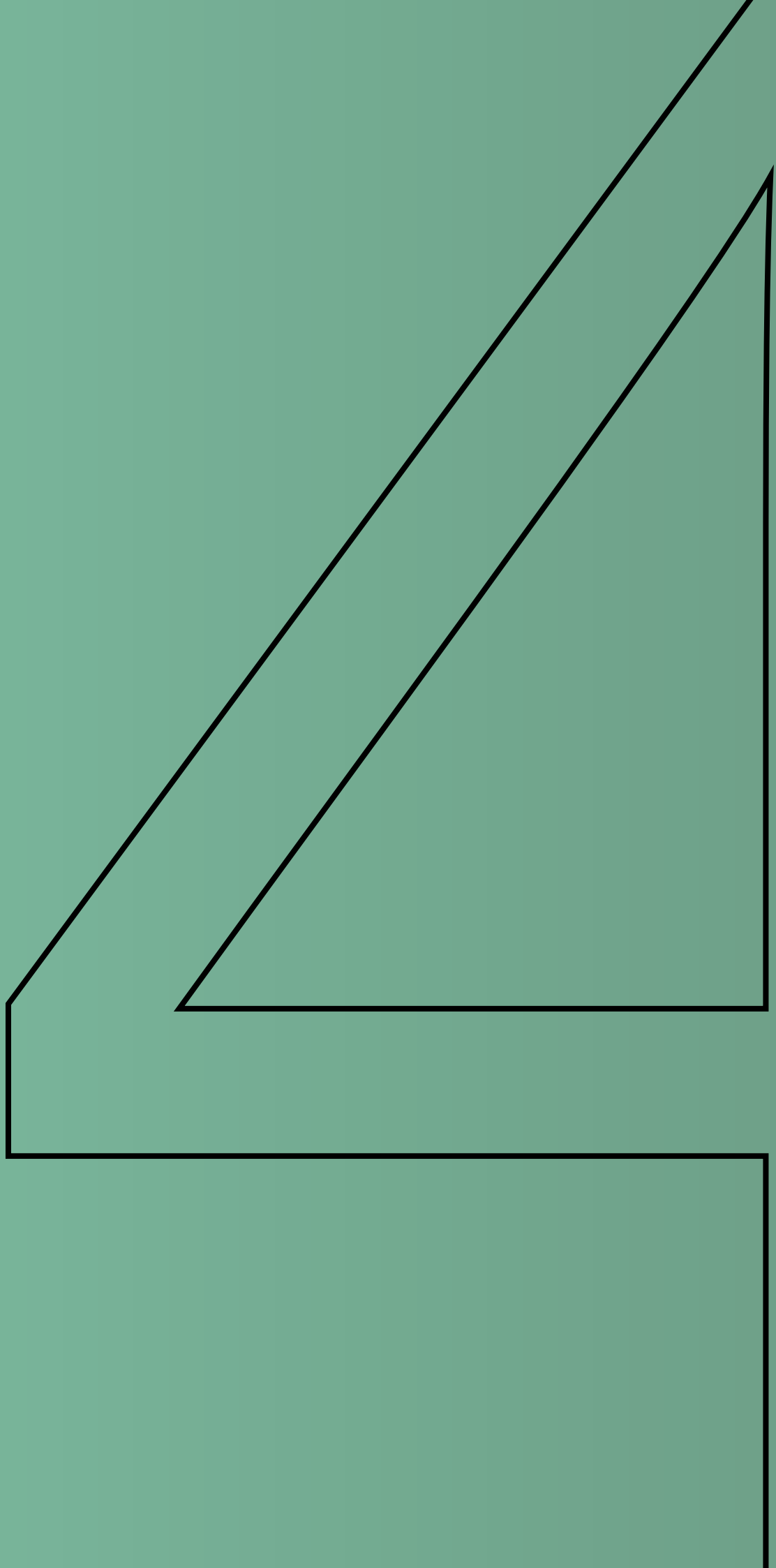
With regard to human rights aspects, there are no significant risks, given the type of company. Regarding the supply chain, 77% of suppliers are based in Italy, and assure compliance with current legislation. As Technogym has adopted a structured *supply chain assessment process*, on-site audits and checks are carried out,[16] to ensure continuous monitoring.

16. See Chapter 8 "The supply chain" for more details.

With the sphere of application still being the MyWellness Cloud, ISO 27001 certification has been achieved in relation to the Information Security Management System.



With the new Integrated Management System, Technogym has reviewed the integrated policy which sets out the guidelines of the Group regarding quality, health and safety, environment and energy. This is a commitment to pursue sustainability by first evaluating all risks, then eliminating them and converting them into opportunities.



WELLNESS FOR THE COMMUNITY

4 Wellness as a social opportunity

[Article 3 (1) Italian Legislative Decree 254/16 – Social issues]

4.1 THE BENEFITS OF WELLNESS

In 2006, for the first time in human history the World Health Organisation announced that the number of obese people in the world now exceeds the number of malnourished people.

Wellness® is a social opportunity for all: for governments to cut their healthcare bills, for companies to benefit from employing more creative, more productive workers, and for ordinary people, to improve their lifestyles and health. This was the idea behind the Wellness Foundation, the non-profit organisation created more than 10 years ago by Nerio Alessandri, with the goal of sharing his twenty years' experience in the fitness, wellness and health sector to create a more sustainable society by promoting wellness and a healthy lifestyle.

Internationally, thanks to the commitment of Nerio Alessandri and the Wellness Foundation, Wellness® has become a key theme of the World Economic Forum in Davos, and was also the subject of a United Nations event in New York.

Within the Romagna region, where the Wellness Foundation is located, it launched the Wellness Valley project, which aims to create the first Wellness district in the world, capitalising on the natural DNA of the Romagna region and on Wellness as an economic (tourism, food, technology) and social (health and prevention) opportunity for the area.

Thanks to its commitment to research and development and to promoting the wellness culture through educational and instructional activities, Technogym contributes to achieving **Goal 3 "Health and Well-being"**; moreover, the innovation it applies to the technologies it uses helps to improve the quality of life and the wellbeing of the community and the planet, both of which are crucial for achieving **Goal 11 "Sustainable cities and communities"**.

4.2 PROMOTING THE WELLNESS CULTURE

For many years, Technogym has supported a number of cultural activities and campaigns to promote Wellness at sector events. These include IHRSA (the International Health, Racquet & Sportsclub Association) in the USA, FIBO in Europe, and Rimini Wellness in Italy. It also supports international economic events such as the World Economic Forum in Davos, where Chairman Nerio Alessandri was one of the promoters of the working group dedicated to health and quality of life.

A central event in Technogym's Wellness promotion strategy is the Wellness Congress, an international event that since 1993 has been bringing together fitness experts diet, sports, culture, health and economic professionals, to promote Wellness as a social opportunity. Throughout 2020, despite the COVID-19 health crisis meaning none of the usual annual industry fairs took place, the company organised over 200 online events to keep in touch with its customers and stakeholders.

Known worldwide as "The Wellness Company", the Group's business model is teamed with a strong sense of social responsibility focused on the idea of exercise as medicine, and on promoting the Wellness lifestyle as an important social opportunity for governments, businesses and the public.

It is in this vein that the "Wellness Valley" project, promoted by the Wellness Foundation and supported by Technogym, aims to transform Romagna into a centre for Wellness and healthy living and improve the quality of life of its citizens, building on the economic, intellectual and cultural capital of the region, which is already predisposed to living well.

In support of the initiative, Technogym has granted access to its expertise and teams and organised concrete activities as well as meetings and thematic discussions to facilitate networking among all the stakeholders in the area. Thanks to a multi-stakeholder approach, the "Wellness Valley" project involves more than 250 public and private organisations from the local area: public institutions, doctors, schools, universities, businesses, hospitals, gyms, sports clubs, hotels, spas and industry bodies.

The individual and collective benefits of the initiative are described in the Wellness Valley Report. The document is created based on data produced by the Wellness Valley Observatory, an independent body set up in 2018 by the Emilia-Romagna region and consisting of experts and professionals with skills in the various areas (healthcare economy, epidemiology, tourism economy, statistics, sociology, sport management, technological development).

As a result of the health emergency, activities were split into three separate phases in 2020:

- many training activities took place in January and February to develop new Wellness-related skills;
- initiatives for the entire population aimed at combatting the collateral effects of lockdown were planned between March and May;
- May and June saw activities dedicated to promoting a recovery in Romagna.

During stage 2, when physical activity outdoors resumed, a complete schedule of all the exercise and sports courses held in the parks of towns in the Romagna area was added to the Wellness Valley app. The initiative is designed to help the population return to a healthy, active lifestyle. For the population with chronic illnesses, in particular people with type-2 diabetes, specific training programmes were created and put on the Wellness Valley app.

During Stage 3, with the reopening of economic activities related to tourism, the "Wellness Waterfront Rimini" social project was promoted, fostering a Wellness lifestyle culture and its individual and collective benefits through the new facilities of the Mare di Rimini Park. This innovative project stems from a partnership of various Wellness Valley stakeholders, with Technogym and the Wellness Foundation at the forefront in improving the quality of life of both residents and tourists.

Wellness Week 2020 - one of the key events for the Wellness Valley, hosting initiatives targeting wellness, health and sport - has been rescheduled to take place at the end of September, with a "Special edition" that will emphasize the wellness opportunities and services for quality of life in the local area, and enable events to take place safely.

4.3 RELATIONS WITH ASSOCIATIONS, BODIES AND INSTITUTIONS

Technogym considers stakeholder engagement and involvement as fundamental, and actively takes part in specific initiatives and round tables related to different areas of interest.

Its aim is to increasingly integrate these projects with its business, to consolidate is presence in the social sphere, forging solid, strategic partnerships with some of the most important national and international organisations.

The main projects promoted are outlined below:

› **Olympic Games** Technogym has been an official supplier at the last seven editions of the Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012, Rio 2016 and PyeongChang 2018, and it has also been chosen as the Official Supplier for the Tokyo 2020 Games, the company's eighth Olympic experience.

› **World Economic Forum** is an independent international organisation promoting cooperation among various private and public international stakeholders, to improve the state of the world in various ways. Technogym has been involved with the Forum for over 10 years and is active in projects promoting health, healthy lifestyles and studies related to future cities and ecosystems inspired by Wellness.

FITNESS & WELLNESS INDUSTRY ASSOCIATIONS

Europe Active

This Europe-wide association for the Fitness and Wellness sectors brings together product and technology companies and fitness centre operators. The association works with European Institutions and develops numerous initiatives to promote physical activity in Europe.

ANIF – National Association of Fitness Equipment

As a founding member of ANIF, the Italian trade association for fitness equipment, Technogym has demonstrated its strong commitment not only to developing and selling products, but also to supporting the entire fitness industry in Italy.

Exercise is Medicine

For the ninth year running, Technogym was a global partner of 'Exercise is Medicine', an initiative set up in the United States from a collaboration between ACSM (American College of Sports Medicine) and AMA (American Medical Association), now developed on an international level, whose objective is to promote the prescription by doctors of physical activity as a form of medicine for a number of disorders, and to train industry operators and trainers in providing therapies in the form of physical exercise programmes.

Fondazione Altagamma

This Foundation brings together high-end creative and cultural companies in Italy, that are true ambassadors of Italian style the world over. Its mission is to contribute to their growth and competitive leaning. Altagamma companies operate in numerous sectors ranging from fashion to design, jewellery, food products, hospitality, speed and wellness.

Romagna Iniziative

This association is active in Romagna, the region where Technogym is based, and is involved in projects supporting sport, culture and events, with a special focus on young people.

Initiatives in the local area

The promotion of wellness as a social and economic opportunity for Romagna, and Cesena in particular, is a priority in the social responsibility strategy of Technogym. This priority is put in place through a programme of dedicated activities and initiatives involving Technogym, the main promoter and supporter in the wider context of the Wellness Valley project.

In the fields of **education and training,** Technogym makes its expertise and tangible economic investments available to a whole host of local entities, to disseminate the Culture of a Wellness Lifestyle in various sectors.

Donation of €1 million to intensive care units at Romagna hospitals

In March, during the COVID crisis, Technogym, which has always stayed close to its roots, donated €1 million for the urgent acquisition of beds and machines needed by intensive care units at Romagna hospitals to deal with the crisis.

In an official press release, the Romagna local health authority revealed that the funds donated by Technogym had been spent as follows:

the donation enabled the urgent purchase of technological equipment and intensive care beds that were immediately distributed to the various hospitals so they could look after coronavirus patients in intensive care.

In the eye of the storm, the Romagna local health authority was therefore able to offer important support to the various hospitals based on their needs and the number of patients requiring urgent treatment. Thanks to Technogym's donation, the Bufalini hospital in Cesena was immediately able to acquire a CPAP (continuous positive airway pressure) machine, three ventilators, intensive care beds, a COVID monitoring system and a Draeger COVID telemetry system; the Morgagni Pierantoni hospital in Forlì was supported in the form of a video laryngoscope, a flat panel detector, three ventilators and a syringe pump system; for the Santa Maria delle Croci hospital in Ravenna, it was possible to purchase three echotomographs, one of which is palm-sized, a monitor and a non-invasive, automatic pressure measurer; while the Infermi hospital in Rimini secured several intensive care beds and a defibrillator.

Training family physicians on how to use physical exercise as therapy

Since 2009, Technogym has actively participated in prescribing at a global level - as a founding member together with the American College of Sport Medicine of the international non-profit association Exercise is Medicine - physical exercise to prevent and treat common chronic diseases, supporting scientific findings that emerged decades ago.

As well as having helped since 2014 to make the medical prescription of physical exercise to prevent and treat the major chronic illnesses part of the healthcare system of the regional government of Emilia-Romagna, in 2016 Technogym entered into a partnership agreement with the Forlì-Cesena Order of Surgeons and Dentists, which was subsequently extended to the entire region, under which Technogym hosts an annual "Exercise and Therapy Training Course" at its Wellness Campus exclusively for medicine and surgery graduates specialising in general practice.

Besides providing expertise free of charge, trainers and the Technogym Village with all its teaching and sports' facilities, Technogym pays all the costs of this training programme, that also includes education on healthy eating.

At the same time, Technogym's exercise therapy experts attend a working group, set up by the regional government of Emilia-Romagna to define specific training protocols for various chronic illnesses that require prescriptions from the regional health service.

In 2020, training was also directed at pharmacy students from the Rimini campus of the University of Bologna in the form of the "Wellness Lifestyle and Exercise is Medicine" course.

This project came about because pharmacies have become places to promote healthy living and pharmacists are required to advise people on how to make lifestyle choices that can prevent them becoming ill and help with their well-being.

Higher training for local tourism and marketing managers

Since 2017, Technogym has partnered the ITS Foundation "Turismo e Benessere" (Tourism and Wellbeing) to train highly qualified managers in the tourist industry and promote the local area. In particular, each year the Group hosts two training days at its Wellness Campus, incurring all logistics and hospitality costs, for the two-year "Marketing 4.0, Tourism and Territory" and "Hospitality Manager" courses, attended by workers who are studying and school leavers eager to join the world of work through fast-track training.

Technogym's social commitment to the local area is also reflected in a number of **projects, events and initiatives** created for the entire population of Cesena and Romagna, with the aim - as already mentioned - of contributing to improving the quality of life of the local community. These projects take place annually and directly involve Technogym as promoter, supporter or financial sponsor.

In 2020, a Wellness and Tourism project work initiative was launched for students on the "Marketing 4.0, Tourism and Territory" course of the "Tourism and Wellbeing" higher technical education (ITS) institute, aimed at promoting Romagna as a specialist wellbeing, sport and active holiday destination. Exams will take place in 2021.

In order to promote skills in Wellness for Tourism, in February 2020 Technogym hosted the first training course reserved for certified tourist guides and promoted in partnership with the Rimini provincial trade and tourist guide associations.

Wellness parks

After initially being tried out in 2011 in the town of Cesena, the "Wellness Parks" project soon became a constant on the wellness scene in Romagna, and has since grown steadily involving more and more towns, guaranteed hours of physical activity and people attending.

The "Wellness Parks" format is quite simple and guarantees a complete schedule of free, physical activity in the main parks of towns and cities involved, from April to September each year, with the direct commitment of local fitness clubs that provide their most qualified trainers. The winning formula boasts an extensive range of courses, repeated over time, creating a habit of physical activity, which is recognised as key to adopting an active life style.

In 2020, during the lockdown, the social media campaign #ACASAMIMUOVO [#IMOVEATHOME] was launched to help people stay active at home for the good of their physical and mental wellbeing. The 43-day campaign offered everyone in the Romagna community free video classes on social media for all age bands, carried out in partnership with gyms in the Romagna area.

During the same period, for older people less familiar with using digital tools such as the app, Wellness Foundation promoted the "Stay Active" project, which broadcast simple training sessions, accessible to all, on the local TV channels TR24 and Teleromagna.

Following the Prime Ministerial Decree of 11 June 2020, which authorised the resumption of outdoor physical exercise classes, a complete schedule of all the exercise and sports courses held in the parks of towns in the Romagna area was added to the Wellness Valley app. This was a joint initiative with local government to promote opportunities for activity in the area, with the aim of helping the population to resume an active lifestyle after lockdown on the one hand, and of supporting the recovery of the fitness and sport sector on the other. During the summer of 2020, the Wellness Valley App displayed 2,500 courses in 90 public parks in the Romagna region.

Wellness Waterfront Rimini Project

At the same time as the summer reopening of economic activities related to tourism, the "Wellness Waterfront Rimini" social project was promoted, fostering a Wellness lifestyle culture and its individual and collective benefits through the new facilities of the Mare di Rimini Park. This innovative project stems from a partnership of various Wellness Valley stakeholders, with Technogym and the Wellness Foundation at the forefront in improving the quality of life of both residents and tourists. The initiative also involved Sports Science students from the University of Bologna's Life Quality Studies Department, who received special Wellness Lifestyle training.

For this project, Technogym installed the first Technogym Outdoor area, its innovative solution for open-air exercise.

This is an innovative public-space concept that can offer a completely safe, open-air physical exercise solution for people of all ages and fitness levels.

The Wellness Culture and Sports Science students were also involved in designing and creating the "Fit4Fun" event, which took place in the Mare di Rimini Park at the end of summer 2020 and gave everybody the chance to do some physical exercise.

Gioca Wellness

Whereas the "Wellness Parks" are aimed at everyone, the "Gioca Wellness" [Wellness Play] Project is for children aged between 1 and 9 - a critical period to ensure children healthy and balanced development - who go to pre-school and primary school in Cesena, to tackle the onset of child obesity. Project take-up by schools is voluntary and independent. Technogym makes an annual contribution of €15,000 to the project, paying for qualified instructors who go to the schools and provide around 2,000 hours of physical activity. The project is free to schools and the families.

The "Gioca Wellness" approach to child obesity is geared towards selecting and educating the main players involved in the growth process of children: the child herself, her parents and the teachers. During lockdown in 2020, Wellness Foundation organised video links and activity programmes for children at home led by trainers who are experts in paediatric exercise.

Wellness Pyramids for healthy growth in younger generations

In keeping with its commitment to contributing to healthy growth in younger generations, Technogym has started up a partnership with the Cultural Association of Paediatricians of Romagna, to study and develop "Wellness Pyramids for children". The Pyramids are tools for parents, teachers and doctors to use to understand and immediately explain the best lifestyle for children based on the three dimensions of Wellness: physical activity, nutrition and a positive mental approach.

Thanks to the scientific contribution from the Paediatricians, the Wellness Lifestyle was classified to cover four age groups: 0-1 years 1-6 years, 6-11 years and 11-14 years. An additional pyramid for the 14-18 years age group is currently being developed.

Technogym's financial support for the project enabled the scientific planning of the Pyramids, their graphic design and a first print run of 10,000 copies distributed to 150 paediatricians across the Cesena area.

Piedibus

"Piedibus" is the education project for an active lifestyle encouraging children to walk to school. The project centres around primary school pupils in the Cesena area, who walk the last kilometre of their journey to school, accompanied by volunteer parents, along specific, protected routes, creating a healthy habit among the children.

In 2020, Technogym continued to support the Piedibus project in the Cesena municipality, making a contribution of over €5,000 for the 2019-20 period to develop the material necessary to put the project in place and guarantee the children's safety along the route, as well as the reflective jackets for each child.

Alzheimer's Marathon and Diabetes Marathon

Amateur sports events to raise awareness of disease, promoting prevention, collecting funds for research and supporting sick people and their families. This is the philosophy behind Maratona Alzheimer and Diabetes Marathon, the two marathon events held in the Wellness Valley, with the direct involvement of Technogym.

Both initiatives combine a sporting competition with a number of side events dedicated to everyone who wants to be involved, but not actually take part in the race. Over the years, communities with thousands of people have formed, interested in being a part of these

important movements to support people fighting disease and alleviate the pain of sick people and their families.

Technogym is a part of these communities, with a large number of staff from its headquarters taking part in the events, as well as direct donations to the "Amici di Casa Insieme" and "Romagna Diabete Onlus" associations, for a total of €7,000.

Both events revised their format in 2020 to comply with the ban on staging sporting events, community information and education initiatives aimed at preventing illness by leading a healthy lifestyle.

In 2020, the "Diabetes Marathon (from June 3 to 14) took place virtually with individual courses for walkers and runners, and lots of live streams were added on Facebook and YouTube. Technogym has made an important contribution to scientific research on how physical exercise affects people with diabetes.

Technogym has also teamed up with Diabete Romagna Onlus to develop two special training programmes for diabetics in the Wellness Valley app that can be accessed free of charge on any smartphone.

The "Alzheimer's Marathon" (September 11 to 21) managed to keep its traditional appointment in the Levante di Cesenatico Park, kicking off a "Big Walk" for Alzheimer's rights, research and cures: a non-stop, 48-hour walk along a protected route with 3,000 participants departing on a staggered basis.

The event continued in the days that followed in virtual form by way of the "Maratona Diffusa", spreading the message of solidarity and raising awareness of the disease across Romagna and beyond, up to World Alzheimer's Day.

Technogym also helped to produce the "You Can Prevent Alzheimer's!" brochure, 4,000 copies of which were distributed in Romagna's main towns and cities.

Cesena in Wellness

In 2014, the amateur sports' association Time To Move organised "Cesena in Wellness", a three-day event, usually held during the third weekend in September, bringing together a good number of sports centres, fitness clubs and wellness centres in the Cesena area. The result is a calendar of numerous physical activities for all ages and skill levels. The aim of "Cesena in Wellness" is to create another opportunity to champion Wellness and an active lifestyle among the population outdoors, in a welcoming, relaxed environment.

Thousands of people from Cesena and the surrounding area took this chance to try out different sports and enjoy physical activity, learning about the benefits for their health. Plus scientific info seminars were held, as well as special events for children and healthy eating and relaxation sessions.

As main sponsor of the event, Technogym plays a key role, not only in making a financial commitment of €2,000, but also in providing equipment for the different activity areas and qualified expertise for the information sessions.

The 2020 edition was held in compliance with COVID-19 protocols, with controlled attendance, and was promoted using the Wellness Valley app, which was adopted as the official app for the "Cesena in Wellness" event to allow people book safe sports and exercise activities and scheduled classes from home.

Romagna Iniziative

With a view to helping the local area and community, adopting a "team spirit", Technogym was one of the founding members of Romagna Iniziative in 1996. This 13-company Consortium based in Romagna, aims to endorse sport and culture in the area, with a considerable focus on activities that affect younger generations.

Through an annual sum of €16,000 paid to the Consortium, Technogym makes a considerable contribution to supporting over 60 initiatives, ranging from associations, to sports and cultural events, benefiting over 10,000 young people.

THE WELLNESS VALLEY: FROM ROMAGNA TO THE WHOLE WORLD

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The Wellness Valley: from Romagna to the whole world

The Wellness Valley, the first place in the world dedicated to wellness expertise, is a visionary project founded in Romagna in 2003. The aim of the project was twofold: to invest in people's wellbeing and to create opportunities for economic growth. This is now a strategy adopted worldwide.

Never has **health** been more at the centre of our thoughts and of the global agenda than in 2020. Keeping well and adopting a healthy lifestyle have become priorities for everyone, no matter where they live or how old they are. We now have first-hand experience of the need to keep our minds and bodies healthy so that we can face up to the most difficult challenges. Technogym has been at the forefront of the health debate for more than 20 years because of its commitment to promoting a healthy lifestyle, based on three pillars: regular**physical activity**, **a healthy diet** and **a positive mental** attitude.

Our mission is to help **create a more sustainable world** by combatting inactivity, which has long been recognised as the fourth-biggest killer in the world and a contributory factor to the most common chronic illnesses. To combat the **inactivity epidemic**, in 2018, the World Health Organization published its first "Global Action Plan on Physical Activity"; as early as 15 years before this critical declaration, a project was launched in Romagna that seemed little more than a pipe dream but is now recognised the world over: the **Wellness Valley**, an initiative of the Wellness Foundation, a non-profit organisation with the mission of divulging the benefits of a wellness lifestyle. Thanks to this visionary initiative, Romagna has established itself as the world's leading areas of expertise for wellbeing and quality of life, making use of local assets to create a system that goes way beyond merely promoting physical exercise. Today, this initiative involves more than 250 public and private local stakeholders - individuals above all, but also businesses, institutions, communities, schools, universities and hospitality venues - that organise and promote programmes, projects and events to educate people on how a healthy lifestyle can prevent chronic illness. The results are tangible and constantly growing. Here are some key figures: The number of people who cycle on a daily basis is three times higher than the Italian national average; the workforce is 11 percentage points higher; and the number of overweight people and the risk of disability as a result of chronic illness are both falling. In 2014, Emilia-Romagna became the first region in Italy and one of the first in Europe to

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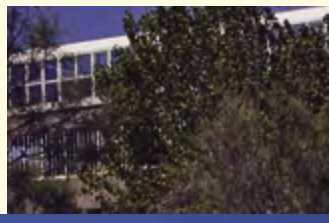

officially prescribe physical exercise as part of its healthcare system, and since 2015 it has held the annual **Wellness Week**. At the sixth staging this year, the series of events and initiatives saw vast numbers of people take part in over 300 activities, including: dawn and dusk bicycle rides by the sea, in the countryside and through ancient villages; indoor training sessions; expert-led healthy lifestyle workshops; and free sports for children. Moreover, the InWellness project, which began in 2015, anticipated the current hybrid training trend - a combination of training in the gym, at home and at outdoors - bringing physical exercise into people's lives in public parks, on beaches, in squares and in historical places. Against this background, 2020 saw the launch on Rimini's new seafront of the first Technogym Outdoor island, a global première of the public-space concept that offers a solution for completely safe open-air exercise for users of all ages and physical conditions.

The benefits of the project are not just for people's health; they also have a positive impact on the entire local area by attracting tourists and creating jobs. By leveraging its natural assets, Romagna has been able to create and attract many successful wellness events that have helped to enrich the local tourism sector. In this sense, the Wellness Valley is also a **cultural district**, an evolution of the concept of an industrial district first coined by the economist Alfred Marshall at the end of the 1800s as a benefit generated by concentrating small and medium-sized businesses in a small space.

WE PROMOTE A CULTURE OF WELLBEING AND A LIFESTYLE CENTRED ON PEOPLE AND THEIR HEALTH AND HAPPINESS.

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PEOPLE FIRST AND FOREMOST, BUT ALSO BUSINESSES, INSTITUTIONS, TOURISM AND COMMUNITIES AS A WHOLE ENJOY THE BENEFITS OF THE PROJECT, WHICH SINCE 2003 HAS MADE ROMAGNA THE WORLD'S LEADING DISTRICT FOR EXPERTISE IN WELLBEING AND QUALITY OF LIFE

Nerio Alessandri, Founder of Wellness Valley and Chairman of the Wellness Foundation

OUR MISSION IS TO HELP CREATE A MORE SUSTAINABLE WORLD BY COMBATTING INACTIVITY

A shift in focus has resulted in a shift from the industrial district to the cultural district, based on investment in research, knowledge-sharing, a long-term vision and sustainable actions. The promotion of a culture of wellbeing and a lifestyle centred on people and their health and happiness are at the core of this genuine wellness ecosystem. The success of the Wellness Valley has made it a global case study: at the 2016 World Economic Forum in Davos, the Wellness Valley was used in a study as an international benchmark for creating sustainable health systems. It is apparent that the Wellness Valley, as a social innovation project centred on people and their quality of life, is also a template for some of the United Nations' **Sustainable Development Goals** for 2030, particularly those relating to health and wellbeing, and the creation of sustainable cities and communities and partnerships to help achieve these goals. We can talk about sustainability because the benefits of the Wellness Lifestyle extend to the economy and to society as a whole, shifting the focus of healthcare systems from cure to prevention and helping to promote sustainable transport and thus the health of the environment as well as the people who live in it.

KEEP MOVING
FOR A BETTER WORLD

TECHNOGYM

LET'S MOVE
TECHNOGYM

Keep moving for a better world

In such a tough year, health has become the main priority for everyone. The lockdowns that have affected many countries across the world made many people inactive and provided a real test of physical and mental health. At Technogym, we have never stopped helping people to exercise more.

It has been a challenging year as our lifestyles have been disrupted and we have been forced to make a string of sacrifices that have affected our wellbeing. However, while certainty and familiarity have been upended, we have realised that continuing to exercise is vital for the health of our **bodies and minds**.

At Technogym, we have never stopped **moving to get the world moving** and this year we decided to take to a new level **Let's Move For A Better World**, the social initiative we launched in 2014 to combat **inactivity and childhood obesity**. A campaign that reflects our mission: to promote Wellness on a global scale and encourage healthy lifestyles the world over. Inspiring young people to exercise is essential if they are to adopt a healthy lifestyle. For some time now, the World Health Organization has warned of the need to stop the increase in childhood obesity, which is linked to the future rise in related illnesses such as diabetes and cardiovascular disease. In 2016, the WHO set up a "Commission on Ending Childhood Obesity", but the results so far are not encouraging: there are currently 640 million obese adults around the world, and it is estimated that around 50 million girls and 74 million boys aged 5-19 are obese. Technogym's actions, starting with the creation of the Wellness Foundation to promote the wellness lifestyle on a global scale, are among the initiatives aimed at tackling this crisis, and we interact with various stakeholders including schools, institutions, gyms and healthcare professionals.

The biggest weapon against obesity is **prevention**, and that includes physical exercise. The scientific community recommends 150 minutes of exercise per week, and exercise is such an important tool that doctors in several Italian regions can prescribe it as a therapy in itself, particularly for children at risk of becoming obese. In such a critical year, we decided that it was essential to help spread this message as widely as possible: on 16 May 2020, our **Let's Move For a Better World** campaign went online in the form of the first Let's Move for a Better World Day, a virtual global event that united a community of thousands of people in more than 100

countries for a day dedicated to exercise. This was an important moment for rediscovering a sense of collectivity in mutual motivation and training, albeit remotely. The event was hosted on Technogym's social media channels and led by our master trainers, who offered a selection of online workouts, but there were also live training sessions organised by clubs the world over, seizing the opportunity to reconnect with their communities.

INSPIRING YOUNG PEOPLE TO EXERCISE IS ESSENTIAL IF THEY ARE TO ADOPT A HEALTHY LIFESTYLE

Our social campaign saw a second initiative in November during the height of the second wave of COVID-19. In order to help our community find motivation and fresh stimuli, we engaged clubs, sports stars and celebrities in a week dedicated to promoting and sharing in physical exercise, punctuated by many events. Throughout **Let's Move Week** (7-14 November), two teams of Technogym Ambassadors took part in a remote **Bike Challenge** on Technogym Bike, led by Virgin Active trainers. Captained by Vanity Fair Editor-in-Chief Simone Marchetti and his GQ counterpart Giovanni Audiffredi, the two teams comprised film and theatre stars such as Elisabetta Canalis, Matilde Gioli, Martina Colombari, Nicoletta Romanoff,

BEST PERFORMANCE
POSITION
1
6391

LET'S MOVE FOR A BETTER WORLD DAY IS A GLOBAL, VIRTUAL EVENT THAT BROUGHT TOGETHER A COMMUNITY OF THOUSANDS OF PEOPLE IN OVER 100 COUNTRIES

Filippa Lagerback, Sarah Felderbaum and Catrinel Marlon, and sports stars such as Olympic gold medal-winning cyclist Elia Viviani, tennis prodigy Jannik Sinner and racing driver Carlos Sainz. The challenge was held to coincide with World Diabetes Day, the aim being for Technogym to donate a gym to a centre working on the cure and prevention of this disease. In addition to the Bike Challenge, over the course of Let's Move Week, there were fitness events, challenges and on- and offline activities accessible from home, outdoors or in the gym, ticking both boxes in terms of raising people's awareness as to the importance of exercise and helping the fitness industry back to its feet after a several-month-long interruption by involving old members and attracting new users.

CUSTOMER FOCUS

5 Customer Focus

[MATERIAL TOPIC: LIFETIME CUSTOMER CARE]

5.1 THE WELLNESS EXPERIENCE

In line with its inspirational philosophy of wellness and its offer of personalised solutions and business, Technogym created the Technogym Village: the world's first wellness campus, conceived and designed to offer colleagues, customers, partners, institutions and the media a genuine wellness experience.

In addition to the production facility, the area dedicated to the Research and Innovation Centre and office space, there is the T-Wellness Center, a big venue open to industry players from all over the world. It is a place for testing the latest products, participating in training activities and trying out the **Total Wellness Solution**. The T-Wellness Centre also includes a store open to the public, to purchase products for the home.

For Technogym, the wellness experience means satisfying a broad ecosystem of stakeholders through continually evolving dialogue, instruments and channels. The aim is to offer ever greater customisation, an overall improvement in the wellness experience for users and new opportunities for professionals to expand and retain their own customer base.

The model includes four specific distribution segments:

- **Fitness and Wellness Clubs**
- **Hospitality & Residential**
- **HCP** (Health, Corporate & Performance)
- **Home & Consumer**

The distribution of products, which follows an omni-channel approach, makes provision for four sales channels:

- **field sales**, represented by Technogym sales personnel and sales agents;
- **inside sales**, which includes telemarketing and online sales;
- **retail**, represented by our seven directly-managed stores;
- **wholesale**.

Field sales, Inside Sales and Retail are direct channels used by Technogym to reach end users and professionals directly, while the Wholesale channel is an indirect channel, through which end users and professionals are reached by exclusive distributors who can cover markets in which we have no direct outlet.

Digital innovation

Digital innovation is a fundamental part of Technogym's activities. Back in 1996, Technogym launched Wellness System, the world's first training management software. Today, Technogym's offer incorporates the Technogym Ecosystem, the only system of its kind in the world of fitness and Wellness. It connects equipment based on an 'Internet of Things' approach, and incorporates a cloud platform that stores personalised data and training programmes for individual users, and a complete range of Wellness apps for consumers and professionals.

Radical changes have also been made to the user experience: The Technogym Ecosystem is an open application that integrates Technogym products and services with the leading tracking apps and wearable devices, giving users a "Wellness on the Go" experience anytime, anywhere: in the gym, at home, at work, outdoors, at the doctor's or while travelling. Each user has a personal account containing their personal data and training programmes. Exercise data can be accessed from various touchpoints: apps, websites or directly on Technogym equipment, thanks to the UNITY interface.

Technogym's Mywellness is the only platform in the sector to allow users to have a completely personalised experience (training programmes, data and content) throughout their whole training path, both on the gym floor and during classes (cycling, rowing, based on heart rate, and much more) as well as during outdoor training.

Since its launch in 2012, the mywellness® platform has become a point of reference in the market in the field of Connected Wellness. Today, more than 19,000 wellness and fitness centres around the world connect to the Technogym mywellness® digital platform, with over 18 million registered users.

In the first half of 2019, Technogym presented its CLUB 4.0 concept, that uses digital ecosystem technology to offer a wide variety of training experiences at fitness clubs, in different segments, dedicated to people with diverse passions, needs and goals. Thanks to a combination of innovative products, the MyWellness Cloud digital platform, training programmes, digital services and dedicated visual projects, Technogym can offer appealing, immersive, customised training experiences for each user.

Starting from the "Wellness on the go" strategy, involving the development of a seamless and integrated digital ecosystem consisting of smart equipment, MyWellness Cloud and apps, offering a custom training experience – in 2019, Technogym presented Technogym LIVE, a platform bringing training experiences and group classes run by popular trainers to the home, the gym, hotels and workplaces.

Technogym BIKE is the first product to be integrated with the LIVE platform, enabling live or on-demand streaming of the best classes run by the world's leading fitness studios.

The Technogym LIVE platform is also a business opportunity for industry operators to offer their members training content and experiences from their club at home.

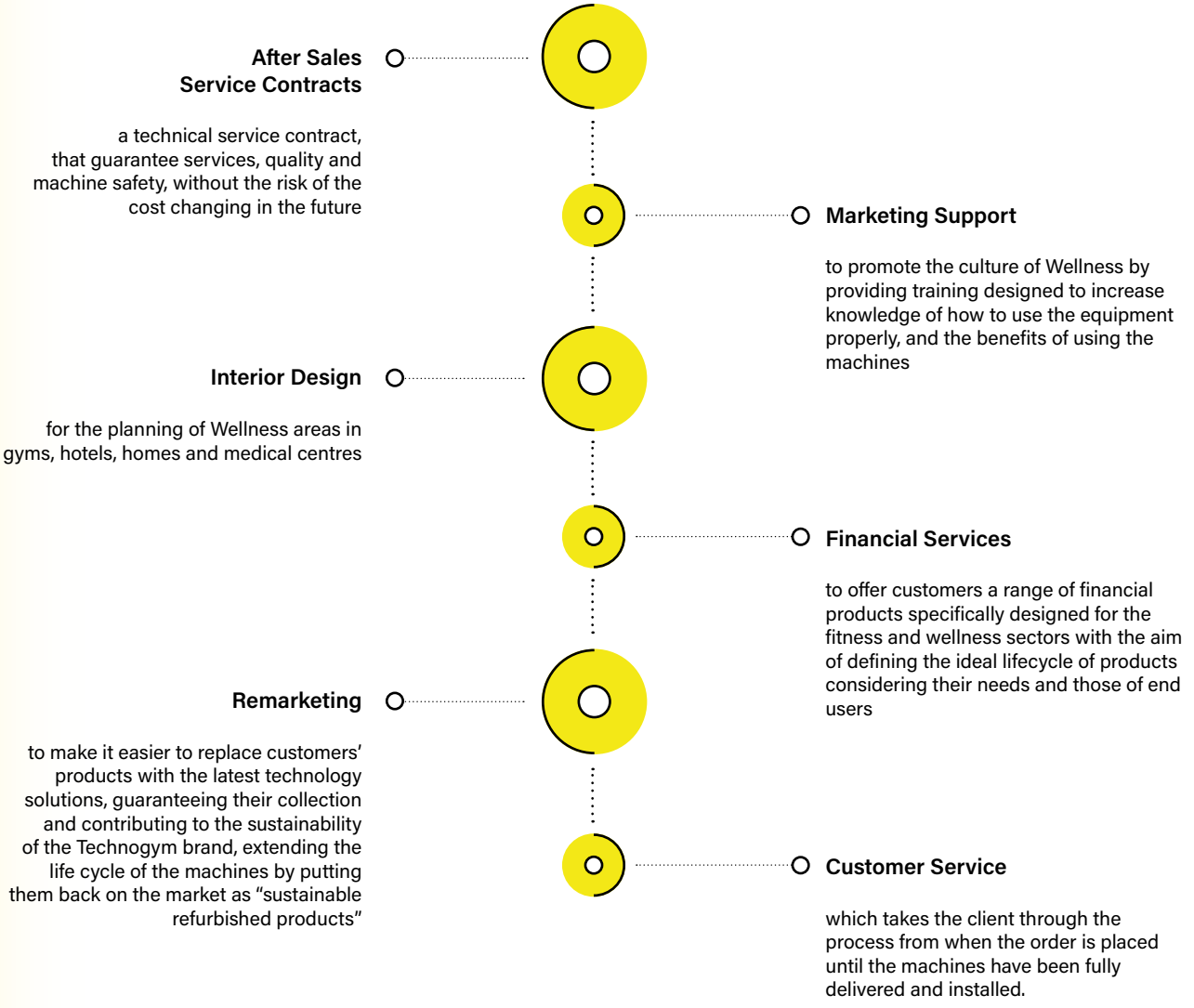
5.2 SUSTAINABLE CUSTOMER CARE

[Article 3 (2 c) Italian Legislative Decree 254/16 – Health and safety]

Effective, safe use of the machines does not just depend on their quality and condition when they leave the Technogym plant. The machines need to remain in perfect working order over time, which is why Technogym provides long-term customer care.

Customer services

The Total Wellness Solution offers services and programmes to give professional operators a wide range of tools supporting their business, to guarantee customer satisfaction and retention and safety in the long term.
In particular, the Group offers:



Our ecosystem of services incorporates a multitude of commercial and financial tools that allow Technogym to support businesses with customised solutions, helping them to grow and sustain their business. With such an extensive range of products and services, Technogym can offer its customers a combination of hardware, software and services as a one-stop shop.

Information and training on the correct use of machines

[Article 3 (1) Italian Legislative Decree 254/16 – Social issues; Art. 3 (2 c) Italian Legislative Decree 254/16 – Health and safety]

Technogym deals with the communications related to sale and use of its machines, to ensure they are used efficiently and safely.

CONTROL
TOOLS

↦ GSP Procedure

As part of the product development process, which involves every department of the company according to its area of expertise, the Scientific Research and Innovation Department writes the instruction books and manuals delivered with the machines, and collaborates with the Marketing department to produce the messages used in the advertising campaigns and content, to ensure that the information is accurate, rigorous and scientifically correct.

Technogym is directly involved in training, to ensure that the machines are used properly and give users the benefits for which they were designed. Training is offered to:

› **Branches and Distributors**, in 2020 - in view of the pandemic - training was carried out remotely. Of the total training hours of 17,482, 93% were delivered to branches and the rest to headquarters. All content is also available in an online repository, which the whole of the commercial network can access remotely.

› ***Trainers***, who are guided on how to best use the machines in order to create the best possible experience for end users in terms of efficiency and safety. Around 15,000 certificates were issued worldwide in 2020, most of which were the result of e-learning. Obviously, there were limited sign-ups in 2020, relying mainly on the existing database and keeping the number of certified trainers above 50,000.

End user health and safety [DMA 416]

CONTROL
TOOLS

↦ User manual
↦ Service manual

The *After Sales* service, which is managed by the Subsidiaries Operations&Services Division, is based on modular service contracts aimed at ensuring the safe, efficient functioning of all machines throughout the life of the contract.

The service contract is fundamentally important, as it ensures a guarantee of product quality, safety and reliability throughout the product's lifecycle.

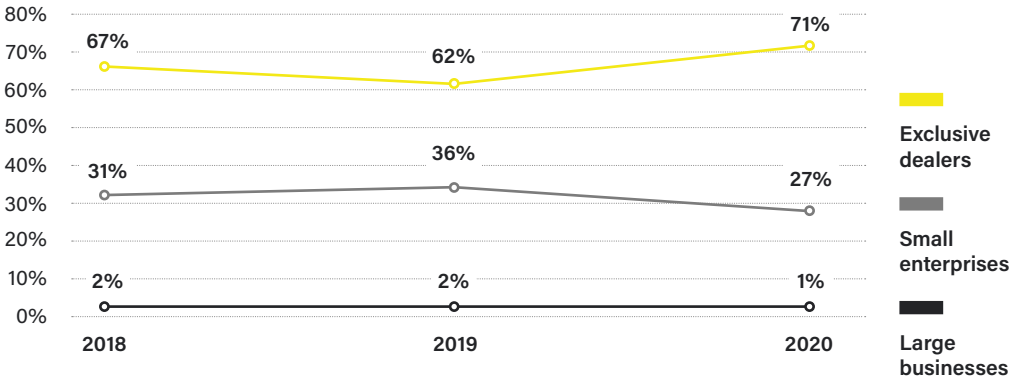
This is why Technogym offers service packages:

› **Preventive maintenance visits**, carried out once or twice a year;
› **Ordinary maintenance** which is done as necessary;
› **Extraordinary maintenance** in the form of campaigns to prevent malfunctioning.

The Group provides maintenance through its authorised service providers, who are contracted and managed by the local Technogym subsidiaries, some of whom have in-house technicians.

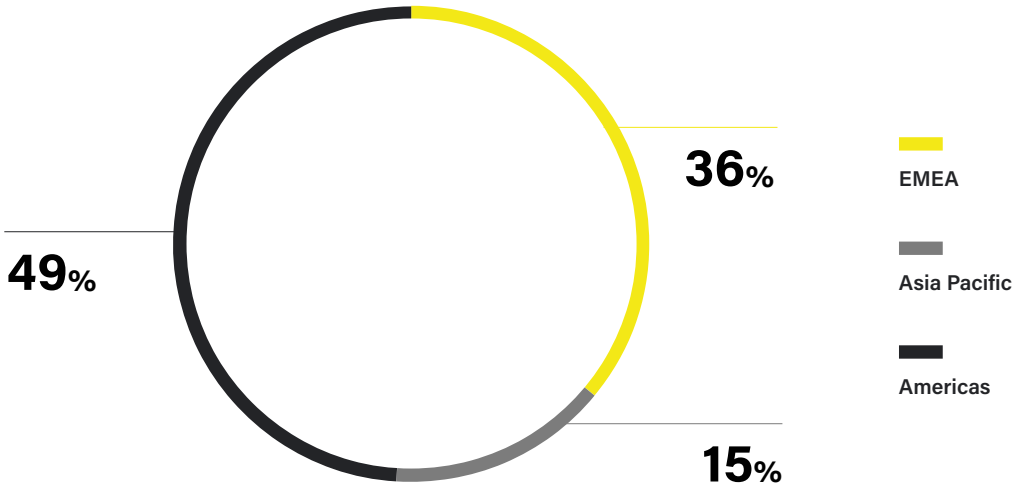
In 2020, there were 288 service providers, 71% of whom were single-client (up from 62% in the previous year), 27% were companies with a workforce of up to 10 staff, and the remaining 1% were businesses with more than 10 employees. Regional coverage was maintained by reducing the size of service providers in accordance with the reduced activity volume as a result of COVID.

Service providers by company size



At global level, distribution for 2020 did not change dramatically, with 49% in the Americas, 36% in the EMEA region and 15% in Asia Pacific.

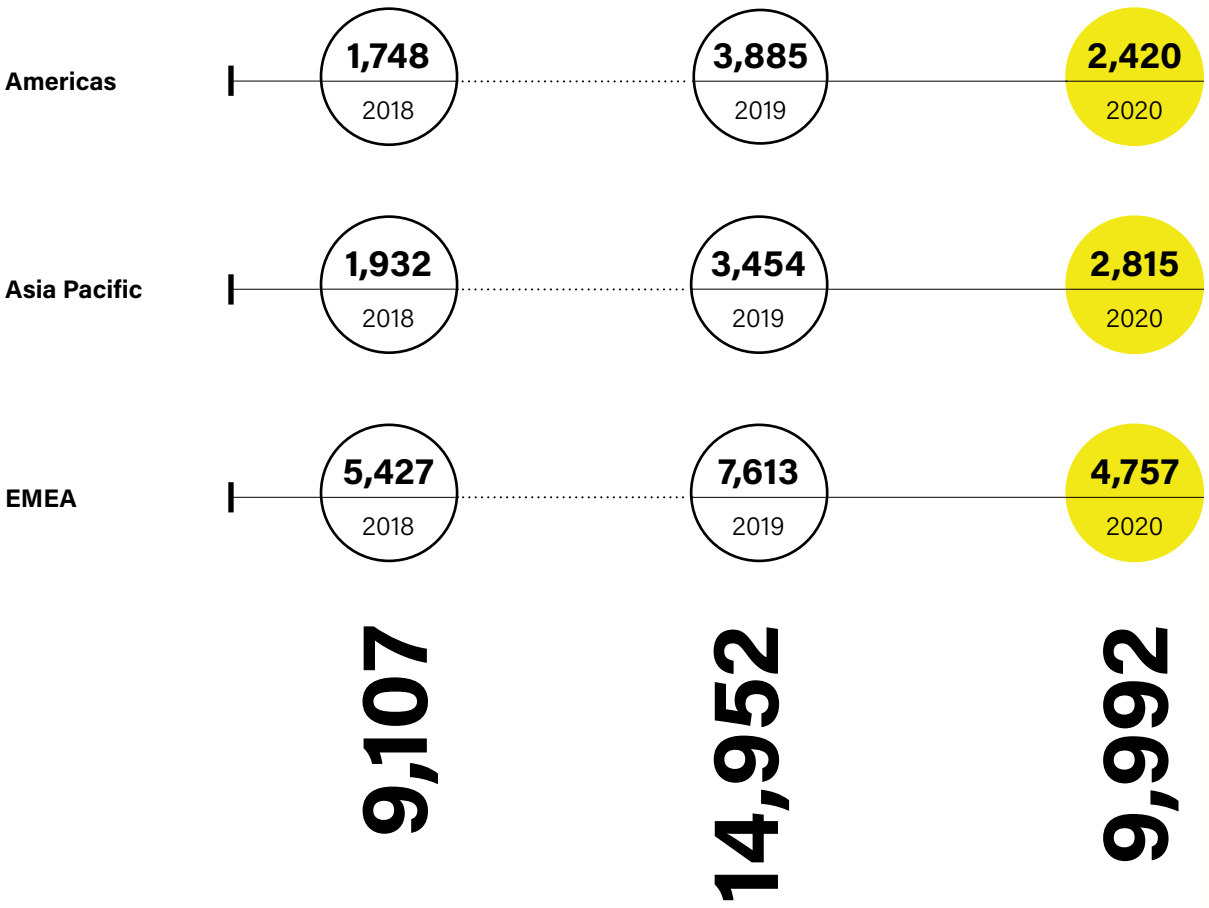
Service providers by geographical area



The service contract can be activated on all machines sold through the Group's subsidiaries; for machines sold through distributors, the network of support services is organised by the distributors themselves.

Technogym provides **training opportunities for service providers,** giving them the operational tools and fundamental concepts they need to ensure the conformity and safety of products at all times. As proof of the Group's commitment, in spite of the long lockdown and the inability to fly and do classes in person, nearly **10,000 hours** of training were delivered in 2020. This number was made possible by implementing streaming delivery for the main product lines. ISO 21001:2018 certification for the training process was obtained in 2020, which is testament to the company's training infrastructure.

Total number of training hours delivered, per service provider, per geographical area



Management of data

Using Technogym® equipment integrated with the Mywellness digital platform enables end users to always have their personal training data available, making it easier to connect to these data and the training results from the various Technogym® products, as well as via their own devices, including by way of the integrated mobile app. Plus, the data can be shared with fitness professionals so people can access their own wellness experience wherever and whenever they want.

On the subject of personal data protection, after Regulation EU 2016/679 came into force in the second half of 2018, the Group completed its plan to align with this Directive during 2019 and continues to update and monitor it in light of the regulatory changes that took place in 2020.

Previous steps are therefore being continued, including: appointing a Data Protection Officer (DPO); revising and updating information on the processing of personal data for customers, suppliers and employees; defining the process used to obtain consent, where the legal basis for processing so implies; adopting all organisational measures, including a policy for email use, an information security policy, a data processing agreement which manages responsibilities for data processing between Technogym (as the processor) and

the business customer (as the controller). In marketing, the procedures defined in the Lead Generation Policy remain valid and intact. This policy defines how to manage the personal data of customers and "leads" (people who have demonstrated an interest in our products and services) at events or conventions, using digital or non-digital touch points provided by the company for the collection and processing of marketing data (this is data that passes through the corporate website, digital applications and is then channelled into the CRM system). With regard to accessing and using data on the Mywellness® cloud platform, we continued to respond to the various requests from data subjects, including data deletion, portability and access requests.

In addition, to enhance the security measures on the Mywellness cloud platform, in 2020 we obtained ISO 27001 certification, an international standard that sets out the requirements for an information security management system that is also recognised outside the EU. It applies to the whole spectrum of business information, not only to personal data which is already covered by GDPR compliance.

Also with sole reference to the Mywellness® cloud platform, we began an upstream check for compliance with the US HIPAA (Health Insurance Portability and Accountability Act), a federal law establishing data privacy and security requirements for organisations responsible for safeguarding individuals' protected health information (PHI).

In 2020, the security framework was enhanced to identify and protect remote connections; this action, rendered necessary to support flexible working, was achieved using next-gen services. Additional countermeasures were implemented to shore up the processes used to identify and authenticate digital identities; similar activities are envisaged in 2021 to better meet user requirements. The stance on information security is part of a process of ongoing improvement that takes into account the resources available at the time.

Other initiatives will be assessed over the course of 2021 with a view to improving security awareness and the entity's overall knowledge of Industry 4.0. Lastly, within the broader scope of company protection and safeguarding customers' security, in agreement with other dedicated functions, enforcement activities were begun and completed enabling us to intervene and oppose brand and design counterfeiting.

CONTROL TOOLS

- ↦ Data protection statement for the Technogym website and mywellness® account
- ↦ Data Processing Agreement (template for the mywellness® platform and for the management of Technogym suppliers)
- ↦ Information for employees and candidates
- ↦ Policy on the "Use of email, Internet, company digital tools and remote computer controls"
- ↦ Information Security Policy
- ↦ Lead Generation Policy
- ↦ Global Data Protection Policy
- ↦ Retention and cancellation policy for Mywellness® cloud
- ↦ Launch of portability and cancellation system on the Mywellness® cloud platform

STRONGER TOGETHER: SUPPORTING OUR CUSTOMERS

E-MARKET
SDIR
CERTIFIED
40

Stronger Together: supporting our customers

In a difficult year for fitness clubs and trainers, we created a series of tools and solutions to keep supporting them. And we have endeavoured to look beyond the current obstacle together because this upheaval presents not only challenges but also opportunities.

Wellness is a philosophy that aims to improve people's quality of life through regular physical exercise, a healthy diet and a positive mental attitude. This has been Technogym's mission since 1993, a mission that it shares on a daily basis with the clubs and trainers across the world who join us in the fight against inactivity. That is why, in what was such a tough year for fitness clubs and professionals around the world, forced to down tools for lengthy periods as a result of the health emergency, we remained by our customers' side by offering services and new products designed to help them deal with the situation.

We have always made customer support a main priority via a series of services combined into what we call the **Total Wellness Solution**, which offers fitness professionals a wide range of commercial, financial and marketing tools to support their business and guarantee the satisfaction, loyalty and safety of the end user. Now more than ever, users want their fitness professional to engage with and reassure them so they feel at ease when they go back to the gym, but also so they do not feel abandoned while the gyms are closed.

In May 2020, when many clubs around the world were reopened after the first national lockdowns, we created a guide - **Re-open for a Better World** - to help operators in this delicate phase. The document included: a section with practical advice on how to adapt layouts to new social distancing requirements; hygiene and sanitisation guidelines; and digital services for managing gym access. The Technogym website offered downloadable, high-res cartoons that could be shared with end users, showing them in an immediate and light-hearted manner how best to return in total safety. The guide to reopening also contained a series of communication tools to help clubs and gyms become and remain a reference point for the wellbeing of their local community, including during periods of closure, stressing for example the importance of digital communications in maintaining and consolidating end-user relationships. With this in mind, we launched the new app MyWellness 5.0 to enable fitness clubs

E-MARKET
SDIR
CERTIFIED

to stream their fitness classes and programmes to customers at home.

As the pandemic has endured, it has become apparent that the consequences for our day-to-day lives will be long-reaching and that the situation requires clubs to rethink their long-term business model. **Fitness trends** emerged in 2020 which are likely to stay: the success of online and virtual training, outdoor and home training and the growth of medical fitness as we realise the extent to which physical exercise affects our health. We may all be desperate for a return to normality, but it will necessarily be a **new normality.** So many

WE MAY ALL BE DESPERATE FOR A RETURN TO NORMALITY, BUT IT WILL NECESSARILY BE A NEW NORMALITY

opportunities are presenting themselves: physical and mental wellbeing is everyone's priority, and many who were previously inactive now understand how important it is to keep in shape; training is no longer restricted to a single place or schedule - it can be done from home, at the gym or outdoors at any time. This has extended the ways in which fitness professionals can help, offering their professionalism and expertise and the appeal of a collective training experience that can foster a

sense of community. These professionals are now required to build a new future, using these skills and relationships as their foundations. Technogym will work alongside the professionals to develop a series of solutions - based on considerable integration between in-person and digital and on personalised training experiences - that enable them not only to

WE HAVE ALWAYS MADE CUSTOMER SUPPORT A MAIN PRIORITY VIA A SERIES OF SERVICES COMBINED INTO WHAT WE CALL THE TOTAL WELLNESS SOLUTION

get people back into their clubs but also to reach a new audience who have become more aware and are finally ready to get moving. The long-term challenge is to offer a **hybrid solution** so that people have an all-encompassing attitude to physical and mental wellbeing.

RESPONSIBLE INNOVATION AND DESIGN

6 Responsible innovation and design

The philosophy of Wellness, the aim of which is to diffuse a culture of health and prevention through regular physical exercise, is a consistent feature of all Technogym's activities and is a strategic guideline in all product development operations.

In terms of **equipment**, all Technogym equipment is designed and built to combine effective exercise with high accessibility and gradual intensity in order to involve the largest possible number of users, from proficient, highly trained sportspeople to beginners or people with specific needs. The Technogym range also includes specific lines for rehabilitation and models that can meet the needs of users with functional limitations or particular physical conditions.

Since its foundation in 1983, Technogym's guiding principle has been all-round innovation in products, processes, its digital ecosystem, sales, marketing and in every other area of the company.

Products are at the core of Technogym's innovation strategy. Our Research and Development area employs more than 200 professionals including engineers, sports physiologists, designers and software developers. It also collaborates with external medical practitioners, physiotherapists, architects, athletes and sports trainers.

Innovation is also linked to the ongoing study and improvement of the T**echnogym Ecosystem**, the company's digital ecosystem that includes smart devices, the mywellness cloud platform and the mobile app, both for end users and for fitness professionals. This tool allows users to access all Technogym machines from their own customised programmes, so that the equipment will automatically adjust to the exercise level prescribed by the instructor or physician. All training data is then saved on the cloud platform to allow users, trainers and doctors to analyse the exercise, keep track of progress and update the programme according to the specific requirements of each person. The platform therefore offers consumers "Wellness on the go", a personalised wellness experience any time, anywhere, be it at home, on a trip, at work, at the doctor's or outside.

6.1 PRODUCT DEVELOPMENT

[Article 3 (1) Italian Legislative Decree 254/16 – Social issues; Art. 3 (2 c) Italian Legislative Decree 254/16 – Health and safety]

Technogym's offer is based on a wide range of products, digital technologies and services (in 2020, there were 305 models on sale, including 247 in the Equipment segment and 58 in Digital), designed to meet highly diversified needs ranging from training for professional and amateur athletes through to fitness, for everyone who wants to stay fit and have fun, and be healthy (rehabilitation and prevention programmes). The development process is designed to manufacture products that offer efficient, safe exercise, with an attractive design that engages users not only from a functional point of view, but also by offering a positive emotional experience. Increasingly, the machines are accompanied by interactive content and a training method aimed at informing and motivating the user.

That is why product development, which is regulated by a specific procedure, is managed synergically by the Research and Development, Scientific Research and Innovation and Product Marketing departments.

"Open innovation"

The process to develop new products and services starts from the study of end user needs and emerging sector trends. Ongoing analysis of the market, of trends in similar and other sectors, and relations with industry opinion leaders and the scientific community are fundamental.

Besides ideas and concepts developed in-company, through the Research and Development and Scientific Research and Innovation Departments, and thanks to a strategic network of top level professionals operating in various areas of the company's business (Health, Fitness & Sport), Technogym sources ideas, trends and needs from various business sectors, to use in the development of new products.

Technogym is also open to spontaneous ideas from the public, which can be submitted by inventors, enthusiasts or simply end users in the relevant area of the company website. If the ideas are of interest, the Scientific Research and Innovation department will contact the person who made the suggestion. The product development process defines the procedure used to evaluate external ideas. By using this approach, Technogym can seize opportunities for innovation, while offering full legal protection to the owner of the idea;

A **Feedback Report** system is also in operation. This consists of periodic reports submitted by the local subsidiaries, in order to share market trends and specific requirements emerging in each country.

Scientific approach [DMA 416]

Technogym has worked together with numerous Universities and outstanding Research Centres in Italy and abroad for years. The aim of these partnerships is to scientifically validate projects and innovation, and also back up the communication and promotion of a wellness lifestyle with scientifically proven data.

Besides supporting its own staff, Technogym works closely with a network of outstanding partners, including brilliant consultants in the field of biomechanics, sports medicine and rehabilitation, as well as many universities and research centres, the world over.

The universities are asked to conduct independent studies to check that the approach is truly innovative – in other words it has never appeared on the market before – and also to check that it will actually produce the proposed benefits. This ensures that the innovation of Technogym products is declared not only by the company itself but also by authoritative external sources.

In Italy, it partners:

- **Padua University**, in particular the Laboratory of Neuromuscular Physiology of the Department of Biomedical Sciences led by Professor Marco Narici;
- **Milan University**, and the **Laboratory of the Physical mechanics of locomotion** led by Professor Alberto Minetti;
- **Tor Vergata University and the S. Raffaele Pisana Hospital in Rome** (through Professor Maurizio Volterrani);
- **Perugia University**, and in particular the Laboratory of Biomechanics led by Professor Andrea Biscarini.

Exercise is Medicine

For the eighth year running, Technogym was a global partner of "Exercise is Medicine", an initiative set up in the United States from a collaboration between ACSM (American College of Sports Medicine) and AMA (American Medical Association), now developed on an international level, whose objective is to promote the prescription by doctors of physical activity as a form of medicine for a number of disorders, and to train industry operators and trainers in providing therapies in the form of physical exercise programmes.

Technogym's involvement with the initiative included the publication of new documents, participation in the annual convention held in Orlando (Florida) and the organisation of events in Italy and other parts of the world to train doctors and trainers.

Since 2019, it has stepped up the training held in partnership with ACSM, organising webinars and publishing articles.

Outside Italy, structured collaboration continues with the University of Loughborough and the Memorial Sloan Kettering Cancer Center in New York (Dr. Lee Jones).

- The cancer patient research project with the **Edith Cowan University in Perth**, Australia (Prof. Robert Newton) continues.
- As part of the venture with **Nazarbajev University in Kazakistan**, the head of Technogym's science department gives lessons to sports medicine students.

In general, Technogym has engaged with **more than 30** universities and research centres over the years, to evaluate proposed innovations.

To date, Technogym has an intellectual property portfolio of more than **295 patents**, **201 designs** and **399 national and international trademarks**, which include 19 patents, 53 designs and 5 trademarks registered in 2020.

+30
Universities and Research Centres

295
Patents

201
Design

399
Trademarks

Functionality and safety controls [DMA 416]

The development process for new products consists of a series of phases that require periodic verification of the functional, biomechanical and physiological value of the machines, their effects on the end users, and on their structural and functional reliability to guarantee total final safety.

Each development process is managed by a "platform", which is an interdisciplinary team in which each member manages various steps, according to specific procedures. The Quality Assurance Department is represented on this "platform" through the **Product Quality Managers (PQM)**, and using methodological support they help to prepare the Quality Profile & Risk Assessment Report. These preliminary tools are preventive, and are essential to highlight the sensitive aspects of the product in terms of its safety and functionality: all with the aim of achieving unconditional customer satisfaction.

Technogym also carries out user experience tests to make sure that the machines meet the user's expectations and to ensure that exercises can be done safely, comfortably and enjoyably. The prevention of injury and the avoidance of risks to health, which may result from inappropriate posture or incorrect movements, are fundamental aspects in the design of the machines. [416-1]

Specific attention is paid to machines that can be used in rehabilitation programmes; Technogym has obtained "UNI CEI EN ISO 14385 certification for the design, production, installation and servicing of functional rehabilitation equipment." On this basis, it controls the processes used to develop the machines which will also require the involvement of scientific partners to ensure that the machine actually produces the benefits that support the rehabilitation programme.

When selecting its materials, Technogym always complies with Italian and European regulations, to avoid the use of substances that may be hazardous to health. Full compliance with all regulations is guaranteed by means of a conformity check carried out using the procurement information system. This will highlight any non-compliance situations before the machine is actually distributed.

The focus on the impacts of health and safety on end users is maintained throughout the product development process, with risk analysis assessments, medical/scientific and functional validations of products. The results are used to produce products that incorporate improvements designed to neutralise risks, guaranteeing safety and maximising the health benefits for end users.

During the production process, controls are carried out to guarantee that the functional components and each machine meet the final project requirements approved during product development. Full tests are carried out on each machine at the end of the process, to check that they are functioning correctly. [17]. [416-1]

17. In 2020 there were no non-conformity issues (during the design stage) related to health and safety impacts of products or services.

6.2 TECHNOGYM UNIVERSITY

Training has always played a major role in the solutions offered by Technogym[18] . At the centre of a network capable of reaching millions of people, the Technogym Village promotes Wellness Lifestyle for the benefit of the scientific community and fitness experts. The international subsidiaries also host congresses, seminars and workshops for fitness operators and professionals, organised by Technogym University, the educational arm of Technogym. Training is also supported by a wide range of online and on-site courses, as well as specialist seminars held by acclaimed university lecturers with proven experience.

The Technogym University thereby contributes to ongoing scientific debate and to the exchange of ideas and projects among industry operators, doctors and researchers. These meeting opportunities enhance and disseminate the culture of Wellness, and foster a

18. See the Customers chapter for information on training for branches, distributors and trainers.

multidisciplinary approach in testing innovative and cutting-edge solutions.

Sharing the culture of wellness goes beyond the Technogym Village: in 2020, the Scientific Research and Innovation Function, since the COVID-19 pandemic prevented holding in-person conferences or participating in national or international events, organised 25 webinars on various themes related to fitness, health and sport and was a speaker at eight international online congresses with the aim of divulging the benefits of physical exercise and presenting its own innovative technologies.

Lastly, Technogym has a close relationship with the University of Bologna, with which it has worked actively since its early years. During the 1990s, with the inauguration of Romagna University Campuses, collaboration also increased on technical and scientific themes. During the 2017-2018 academic year, Bologna University, inspired by Technogym, started its two-year Master's degree course "Wellness Culture: Sport, Health and Tourism" in English, with the aim of training professionals to develop and adopt strategies, projects and initiatives promoting Wellness in all contexts: businesses, public organisations, cities, States, sports' and cultural associations. In its first year, 6 students enrolled on the course, 12 in the 2018-2019 academic year and 27 in the 2019-2020 academic year.

TECHNOGYM ECOSYSTEM: PERSONALISED TRAINING

18:16
We're going to be so ready.
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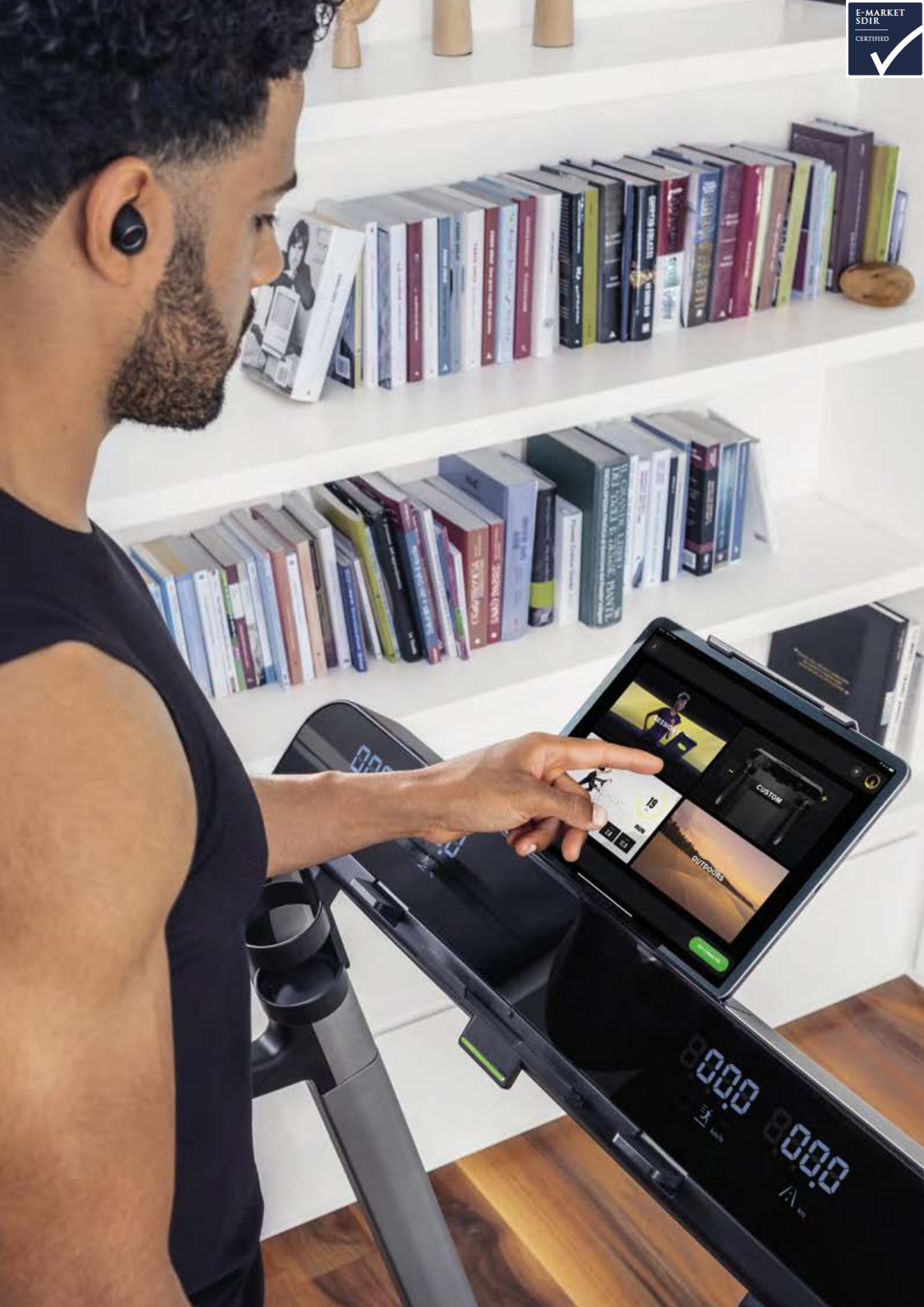
TECHNOGYM


CUSTOM
OUTDOORS

Technogym Ecosystem: personalised training

Many people want to have fun while exercising on aesthetically pleasing, easy-to-use equipment with the help of in-person or virtual coaches; they want to be able to train at home or in the gym, following their passions and engaging with other members of the community. Technogym has now made all of this possible.

Major crises are a watershed in history, with a before and after established clearly in relation to a single event. These are moments in which the normal passing of time is altered: changes that in normal times would have taken place over decades happen in the space of a few months and we are suddenly forced into a **new normality**. The pandemic that has left its mark on every aspect of our lives in 2020 is most assuredly one of these events. All sectors, from fashion to cinema and tourism to entertainment, have been profoundly affected and it is now apparent that we must adapt, embracing and (where possible) anticipating change rather than suffering from it. If we look at the wellness sector, these trends are reflected in the trends for 2020: in its 15th annual report, the American College of Sports Medicine (ACSM) outlined the trends for the months ahead, including the growing success of **online training**, the large-scale spread of **wearable technologies** used to monitor training, and the popularity of **virtual training**.

At Technogym, we do not see **digital** technology as being a current fad; it is something that always been in our DNA as a company that believes strongly in innovation. In 1996, we launched the world's first gym training management software, the Wellness System, which enabled users to automatically activate Technogym equipment by using a portable key and to keep track of their

HOME TRAINING IS INCREASINGLY BECOMING A LONG-TERM EXERCISE TREND

E-MARKET SDIR CERTIFIED

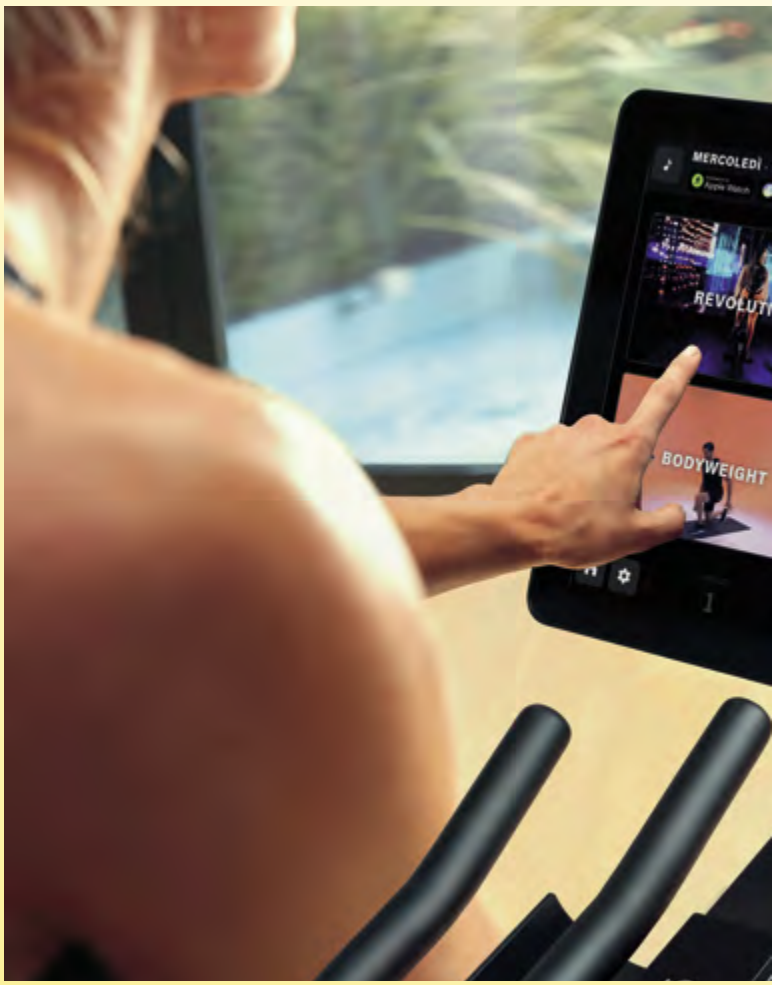
training programmes and data: the TGS Key can be considered the world's first wearable device, well before the mobile revolution.

2012 saw the launch of **MyWellness Cloud**, the only cloud platform in the fitness sector enabling people to connect to their personal training programme and to access their data anywhere and at any time: from home, at the gym, in a hotel, at work or outdoors, through the MyWellness app. Globally, there are currently around 15 million people registered on our platform and more than 15,000 fitness clubs use it regularly to offer services and coaching to their customers.

Thanks to the revolutionary **Technogym Live** platform, you can now choose your Training Experience from a vast library of on-demand video content: live classes with your favourite spinning trainer, one-to-one cardio or strength training sessions, athletic conditioning routines, basic exercises or virtual courses set in the countryside or your favourite city.

The new Technogym Live console is available on all the latest Technogym equipment and can be added to older products. You can choose your favourite **Technogym Session** based on your specific goal, whether that is losing weight, improving stamina or something else. You can then supplement that with **Routines**, which are intuitive, guided exercises with a particular objective and level of intensity. If you prefer traditional target-based training (with that target being a particular time, distance or number of calories), **Exercises** is the option for you. The **Outdoor Virtual Training** option provides virtual and immersive courses set in the countryside or in your favourite city. Lastly, the Technogym Live console offers an infinite number of entertainment options such as TV channels, social media, Netflix and a wide range of apps that include things like games and news.

AT TECHNOGYM,
WE DO NOT SEE DIGITAL TECHNOLOGY AS BEING A CURRENT FAD; IT IS SOMETHING THAT ALWAYS BEEN IN OUR DNA AS A COMPANY THAT BELIEVES STRONGLY IN INNOVATION



THROUGH YEARS OF RESEARCH AND INVESTMENT, WE HAVE CREATED A GENUINE DIGITAL ECOSYSTEM - COMPRISED OF SMART EQUIPMENT, APPS AND CONTENT - WITHIN WHICH EACH INDIVIDUAL USER CAN MOVE AROUND

During the last year, we have experienced a genuine explosion in **home fitness**, a trend that has been growing for years but accelerated rapidly in 2020. The Technogym Ecosystem – made up of smart equipment, apps and content – has enabled people to access from their homes a fully personalised experience tailored to their individual goals, passions and aspirations. As the vaccine rollout gathers pace and transmission of the virus slows, fitness clubs the world over will start to reopen and the gym and home fitness segments can co-exist.

People will train both at home and at the gym, just like they eat out but sometimes get food delivered to their homes. Home fitness can never replace the gym experience in terms of socialising, variety of equipment and a professional service. It is, however, perfectly complementary and represents a huge opportunity for businesses to provide domestic services and programmes.

PERSONAL WELLBEING

7 Personal wellbeing

[ART. 3 (1 D) ITALIAN LEGISLATIVE DECREE 254/16 – ASPECTS RELEVANT TO PERSONNEL MANAGEMENT; ART. 3 (1) ITALIAN LEGISLATIVE DECREE 254/16, PARA. E – HUMAN RIGHTS]

"Technogym is actively involved in building a positive, efficient environment within the Company by engaging and motivating internal and external personnel, promoting collaboration and teamwork, facilitating the exchange of information and the transfer of know-how".

7.1 OUR VISION AND MANAGEMENT MODEL

In all the contexts it operates in, Technogym complies fully with national regulations and international conventions on employee rights, rejecting any form of child labour or forced labour, and guaranteeing freedom of association for all employees. Technogym makes sure that all staff sign contracts that comply with the laws in their respective countries. All Italian employees have contracts that meet the requirements of the national collective agreement on working hours [19]. [DMA 407, 408]

The Group has also put in place a series of internal rules and regulations, to govern Technogym's relationship with its employees. The aim of this is to promote, stimulate and guarantee employee wellbeing. The profile of our company, and the way it conducts its business, do not pose any risks to employees' human rights. Relations between the company and its staff, including the values applied in the workplace, are dealt with in more detail in the Code of Ethics. [DMA 412]

The **Code of Ethics of Technogym S.p.A.** outlines the Company's commitments to its staff, both generally and with specific reference to recruitment, equal opportunities and the working environment. It also identifies the standards of behaviour that employees are expected to meet, in order to achieve the working environment defined in the Code.

The **Code of Ethics of Technogym S.p.A.** requires all Managers to be involved in its application. "Managers" are the people responsible for one or more departments or areas within Technogym S.p.A. or its subsidiaries; a commitment to respecting these obligations extends to all Management holding roles of responsibility within the Group. Likewise, the principles of the Code of Ethics are the subject of periodic training courses for all staff.

Our internal human resources management procedure clearly expresses the principles to be respected by anyone required to supervise the work and career pathways of their team. All personnel who perform management activities are involved in special training activities to better understand the role of Manager at Technogym.

To build a stimulating, gratifying and inclusive working environment, Technogym is committed to sharing its corporate vision with all staff. This involves a number of training activities, manuals and an intranet site, which is available to all collaborators.

All these actions are implemented with a view to reinforcing a human capital that is competent and ready to face the biggest challenges of the future, with a particular focus on the digital transformation, in which the Human Resources Function is front and centre.

19. Internationally, Belgium, Brazil and France have regional collective agreements, while the Netherlands has a collective company agreement. In all other cases, contracts with individual employees include compliance with all the national regulations applicable in the reference country.

7.2 ORGANISATION, PROTECTION AND SAFETY OF PERSONNEL DURING THE PANDEMIC

Since the end of January 2020, when the first international signs of the COVID-19 crisis emerged, the company has committed to preventative actions aimed at containing, mitigating and countering the risk of contagion.

A COVID-19 Code of Conduct has been drawn up, and reviewed and updated to take account of subsequent regulatory measures, which, together with the considerable organisational measures implemented in all working environments, has enabled the company's production and office staff to work safely.

The contents of the Code have been communicated via videos and pamphlets to all employees and businesses who have worked on company premises.

Information was immediately circulated on what conduct should be adopted and on personal hygiene precautions, on how to enter/leave the premises, how to clean and sanitise the workplace and how to manage and allocate protective equipment, through continual updating of specific procedures.

Rules were drawn up on how to manage communal areas so that social distancing is guaranteed at all times.

Moreover, at organisational level new production shifting methods were drawn up and home working was introduced for office staff using platforms that enable work to be managed remotely.

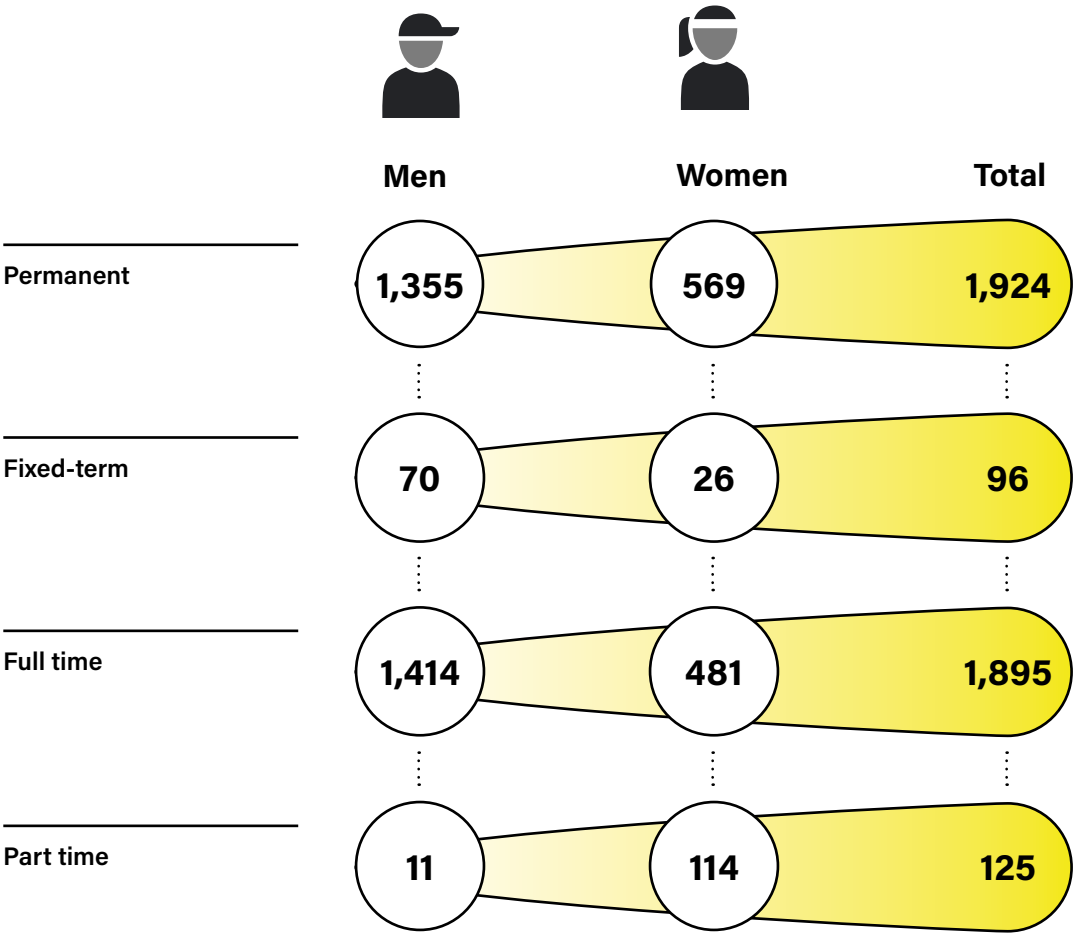
The company's various national and international measures include installing a Medical Opinion service at HQ capable of providing all the COVID-19-related health information and managed by the Medical Officer.

Furthermore, in compliance with the safety protocols issued during the pandemic, a centralised company committee was set up consisting of the Health and Safety Officer, workers' safety representatives, the Medical Officer and certain corporate functions capable of ensuring that the measures adopted by the Company are being implemented properly and comply with the Protocol.

7.3 THE GROUP'S PEOPLE

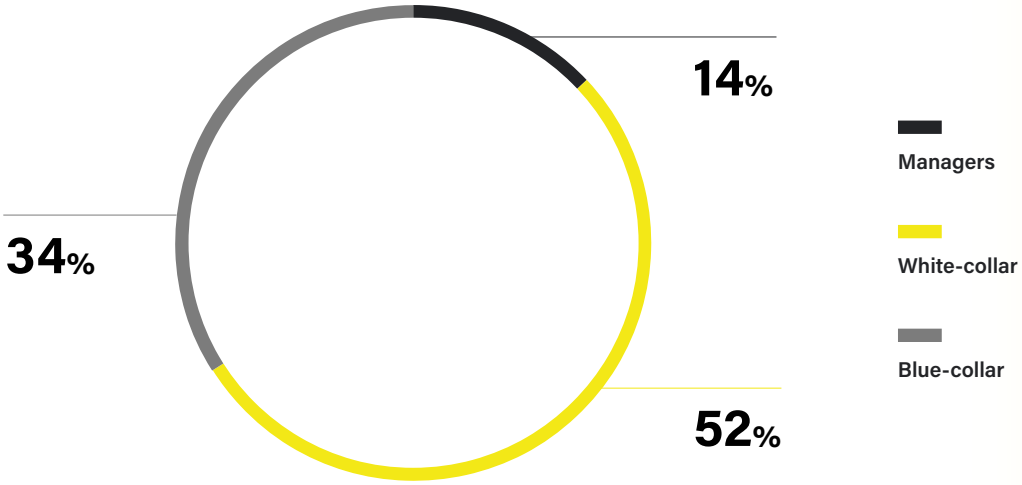
The Group aims to encourage permanent employment, which strengthens the employees' sense of belonging to the organisation.
The Group had 2,020 employees in 2020. At Technogym SpA, 99% of contracts are permanent, which is testament to the effort being made to enhance the skill set of the human capital. At Technogym EE, 87% of contracts are permanent, an increase of 10 percentage points on 2019 despite the despite the need to cover seasonal production spikes that require flexible use of resources. For the rest of the world, the percentage of permanent contracts is 96%. [102-8]

Employees by contract type, full time and part time and gender

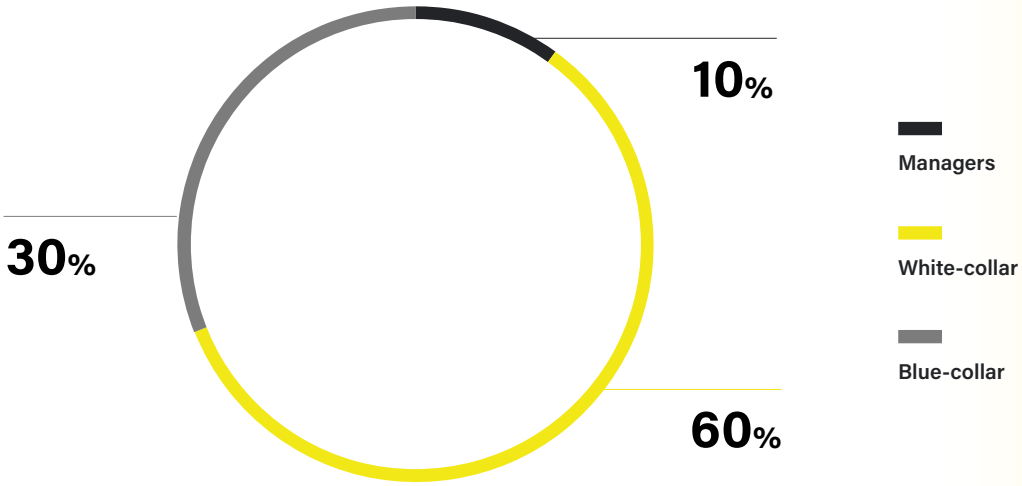


With reference to salary levels, at the offices and Italian production site of Technogym S.p.A., 14% of personnel have a managerial role, 52% are clerical workers and 34% are manual workers. With regard to the rest of the world (sales branches and the Slovakian production site), 10% have a managerial role, 60% are clerical workers, while 30% are manual workers.

TG S.p.A.



Rest of the World



Overall, 226 people joined the Group in 2020, while 338 departed. The trend varied depending on geographical area [20].[401-1]

In 2020, most new hires (57%) were once again aged between 30 and 50. The percentage of hires in the over-50 age group dropped from 6% to 3%. Hires of people under 30 increased by 6%, however.

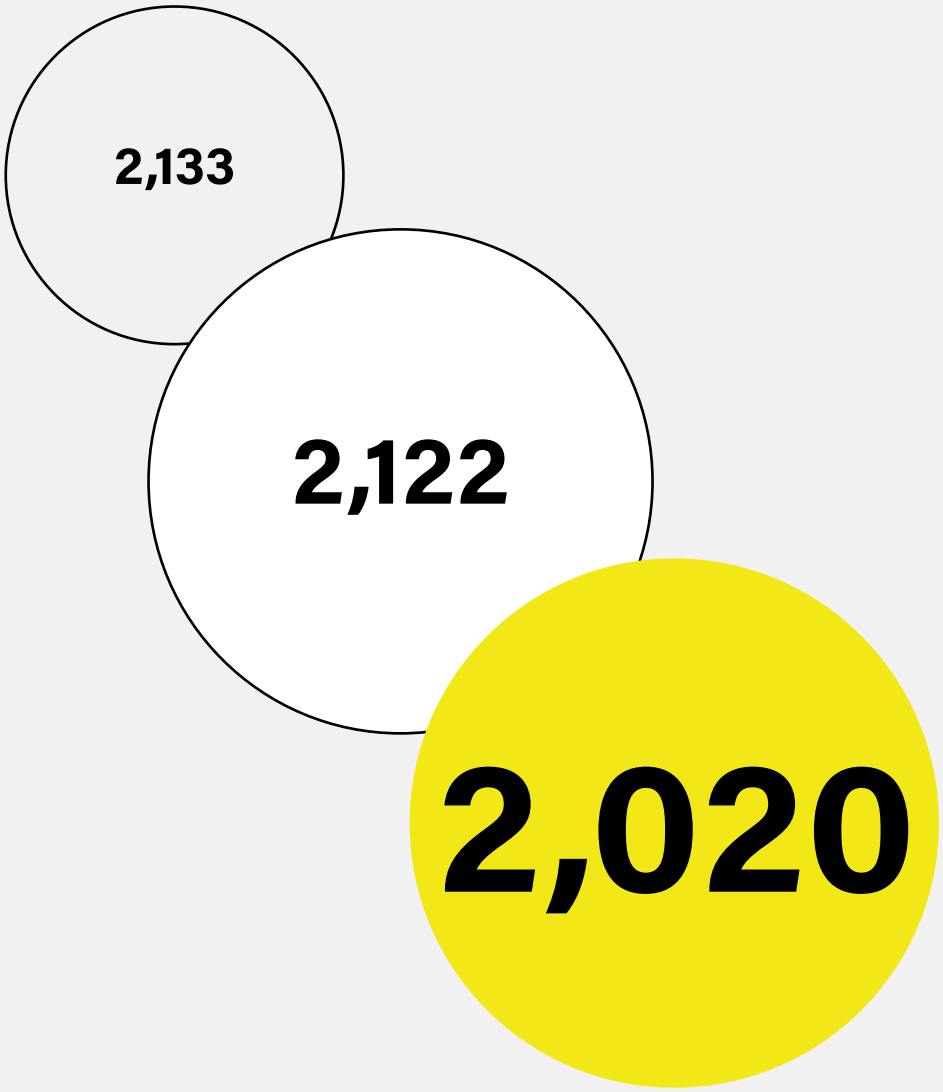
In terms of departures, there was a 7% fall in the under-30s, while the situation was stable for those aged 30 to 50. The number of departures of staff aged over 50 increased because of retirements that occurred in 2020.

20. The personnel turnover rate varies between offices and production sites. As sales are seasonal, flexible workforce management is necessary at the production site.

EMPLOYEES BY CONTRACT TYPE AND GENDER

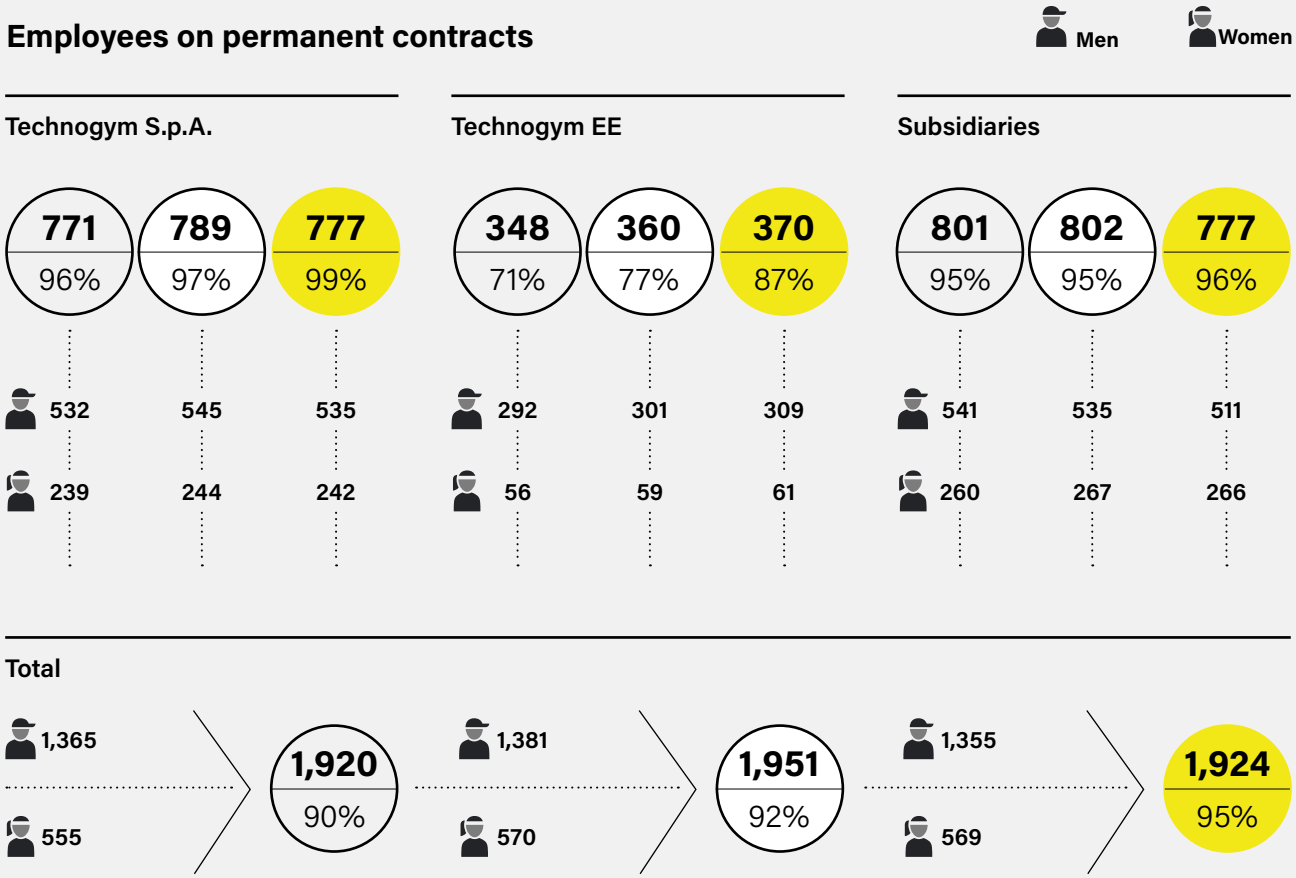
2018 2019 2020

Total headcount

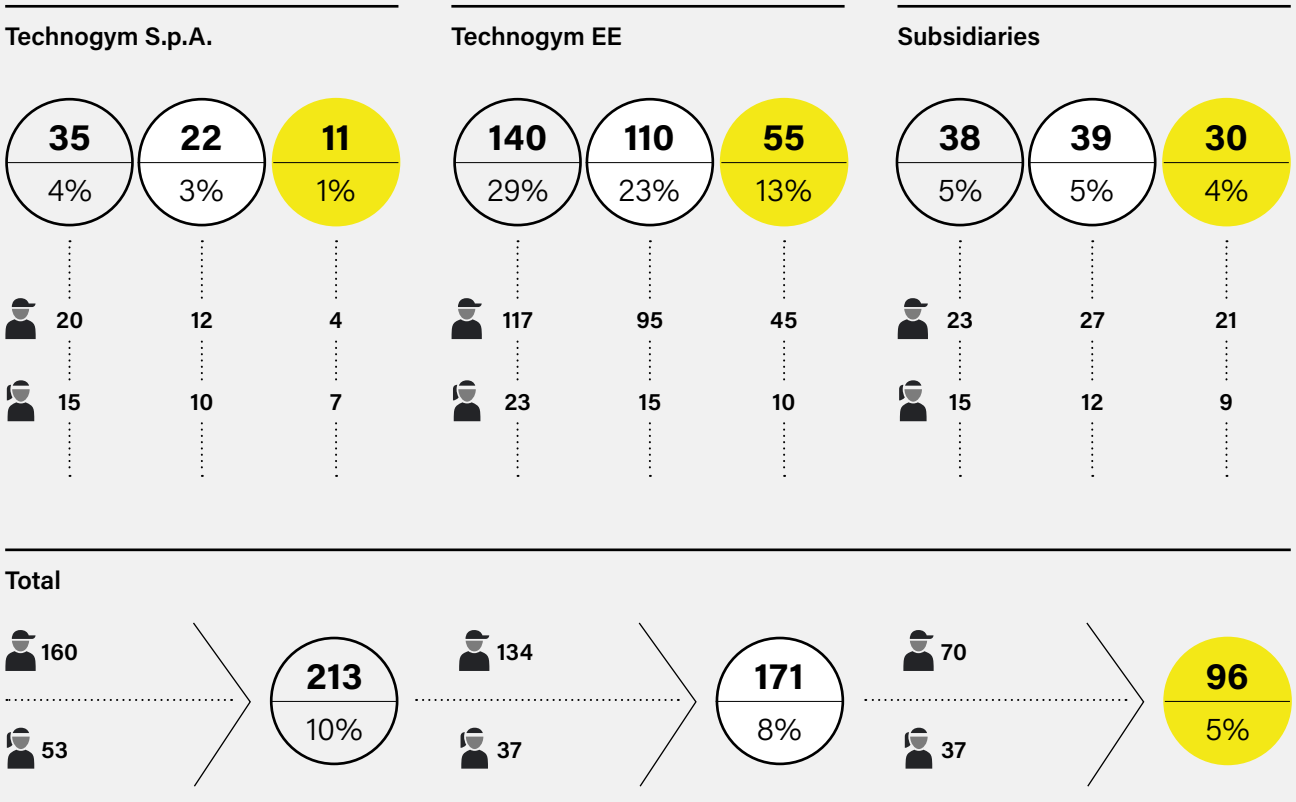


Technogym S.p.A.	Technogym EE	Subsidiaries
806 811 788	488 470 425	839 841 807

Employees on permanent contracts



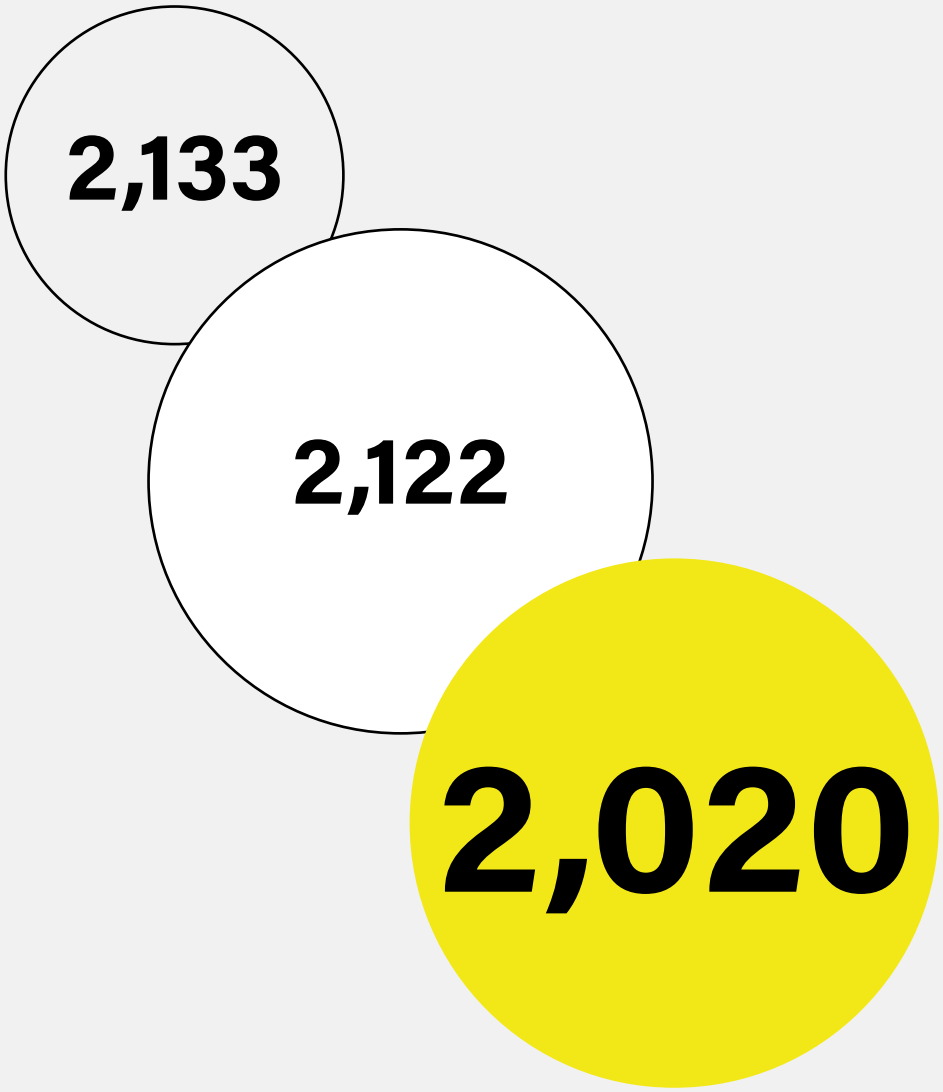
Employees on fixed term contracts



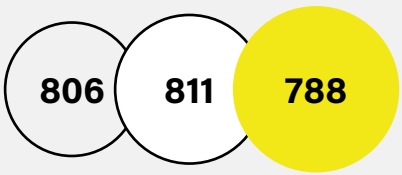
FULL-TIME AND PART-TIME EMPLOYEES, BY GENDER

2018 2019 2020

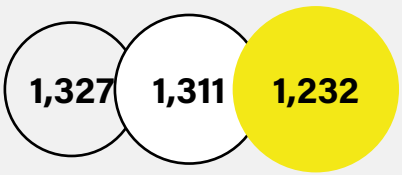
Total headcount



Technogym S.p.A.

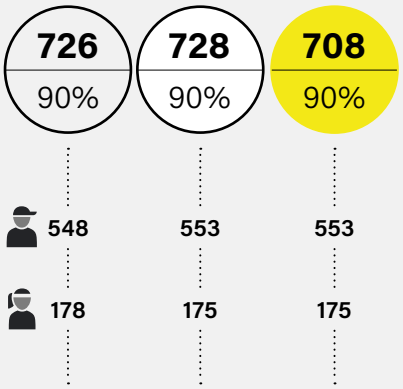


Subsidiaries

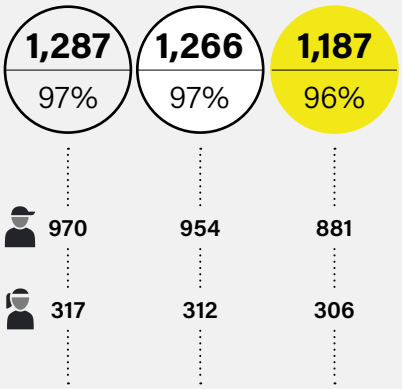


Full-time workers

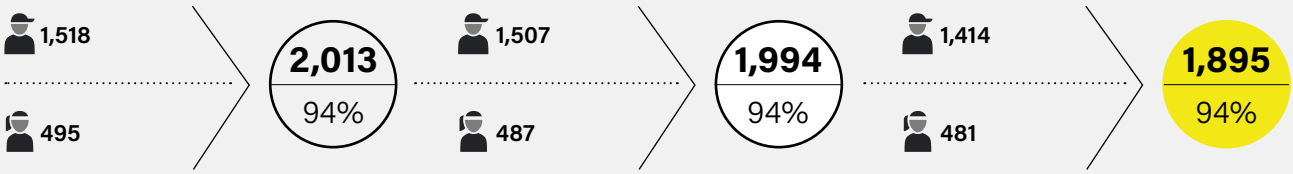
Technogym S.p.A.



Subsidiaries

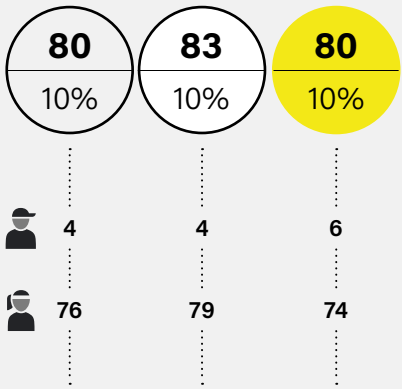


Total

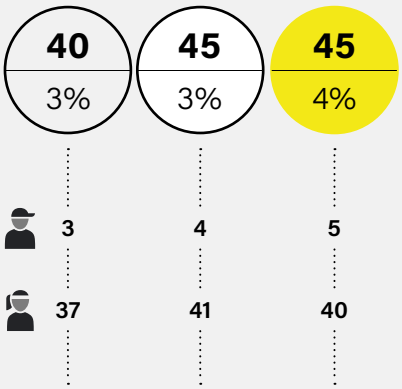


Part-time workers

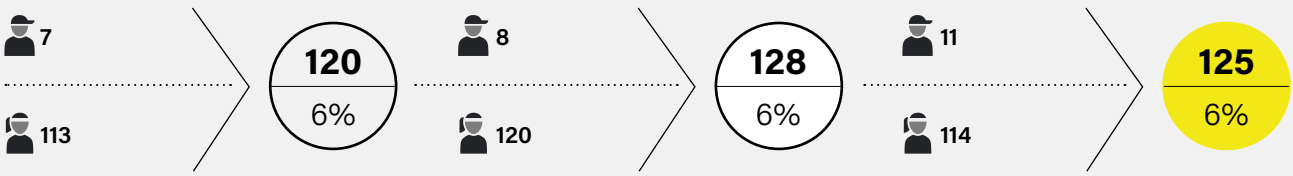
Technogym S.p.A.



Subsidiaries



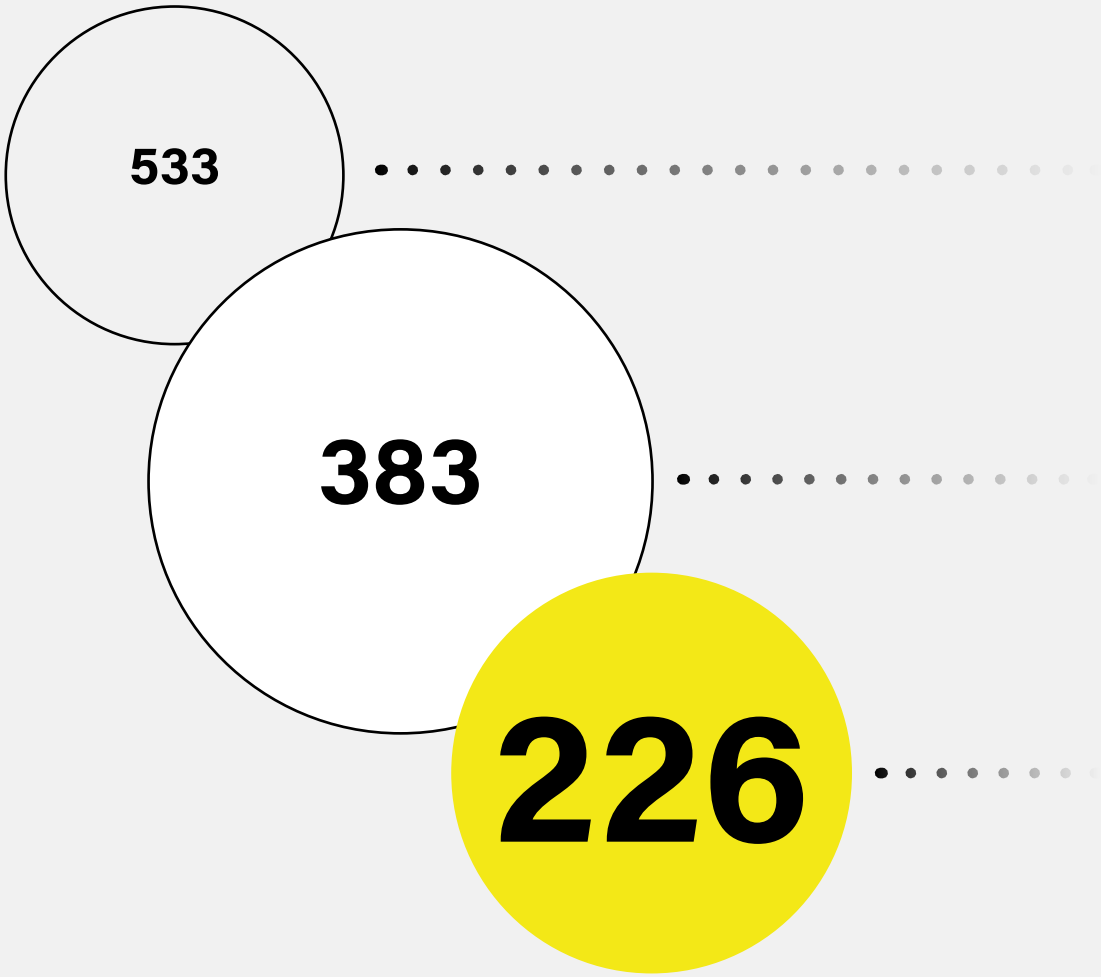
Total



EMPLOYEES JOINING AND LEAVING THE ORGANISATION, BY GENDER

2018 2019 2020

Total employees hired during the year

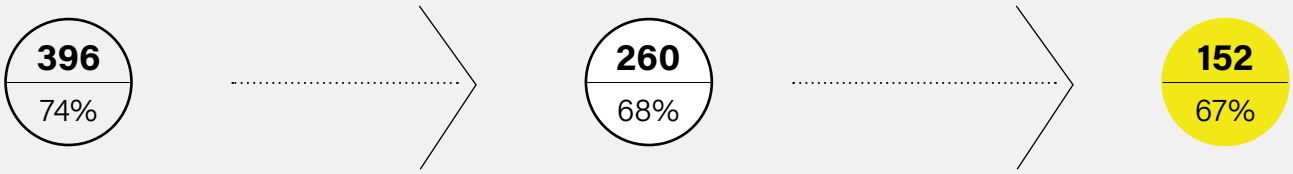


Technogym S.p.A.	Technogym EE	Subsidiaries
82 60 38	197 109 47	254 214 141

Men

Technogym S.p.A.			Technogym EE			Subsidiaries		
61	41	24	171	92	40	164	127	88
74%	68%	63%	87%	84%	85%	65%	59%	62%

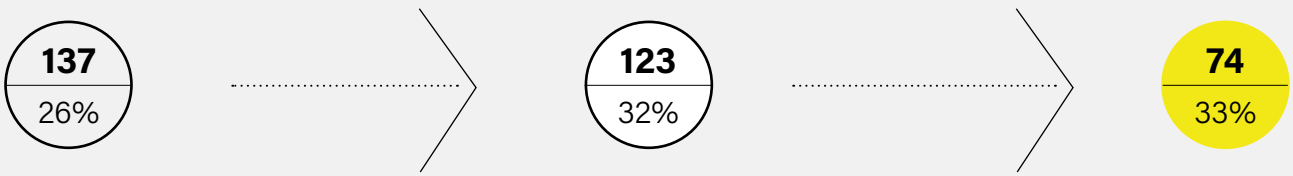
Total



Women

Technogym S.p.A.			Technogym EE			Subsidiaries		
21	19	14	26	17	7	90	87	53
26%	32%	37%	13%	16%	15%	35%	41%	38%

Total



21.
This is determined by the number of people leaving the organisation during the year, compared to the average headcount calculated on a monthly basis. Intercompany job rotation (internal mobility) - seen as a strength in the dimension of Group internationalisation - was not considered in the turnover rate.

Turnover rate (departures) [21]

Technogym S.P.A.	**7.7 %** [2020]	**6.8 %**	[2019]
		7.9 %	[2018]
Technogym EE	**20.3 %** [2020]	**26.4 %**	[2019]
		31.2 %	[2018]
Subsidiaries	**22.5 %** [2020]	**24.6 %**	[2019]
		18.7 %	[2018]

The turnover figures for 2020 reflect the different types of activity performed at the different Subsidiaries. The negative turnover rate for Slovakia is mainly driven by specific dynamics concerning peaks in production that require an increase in the workforce at certain times of the year. In spite of this, there was a decline of 6.1 points compared with the previous year. There was a 2.1-point drop in the turnover rate for the sales branches and a small rise of nearly one point for Technogym SpA.

7.4 GROWTH AND DEVELOPMENT

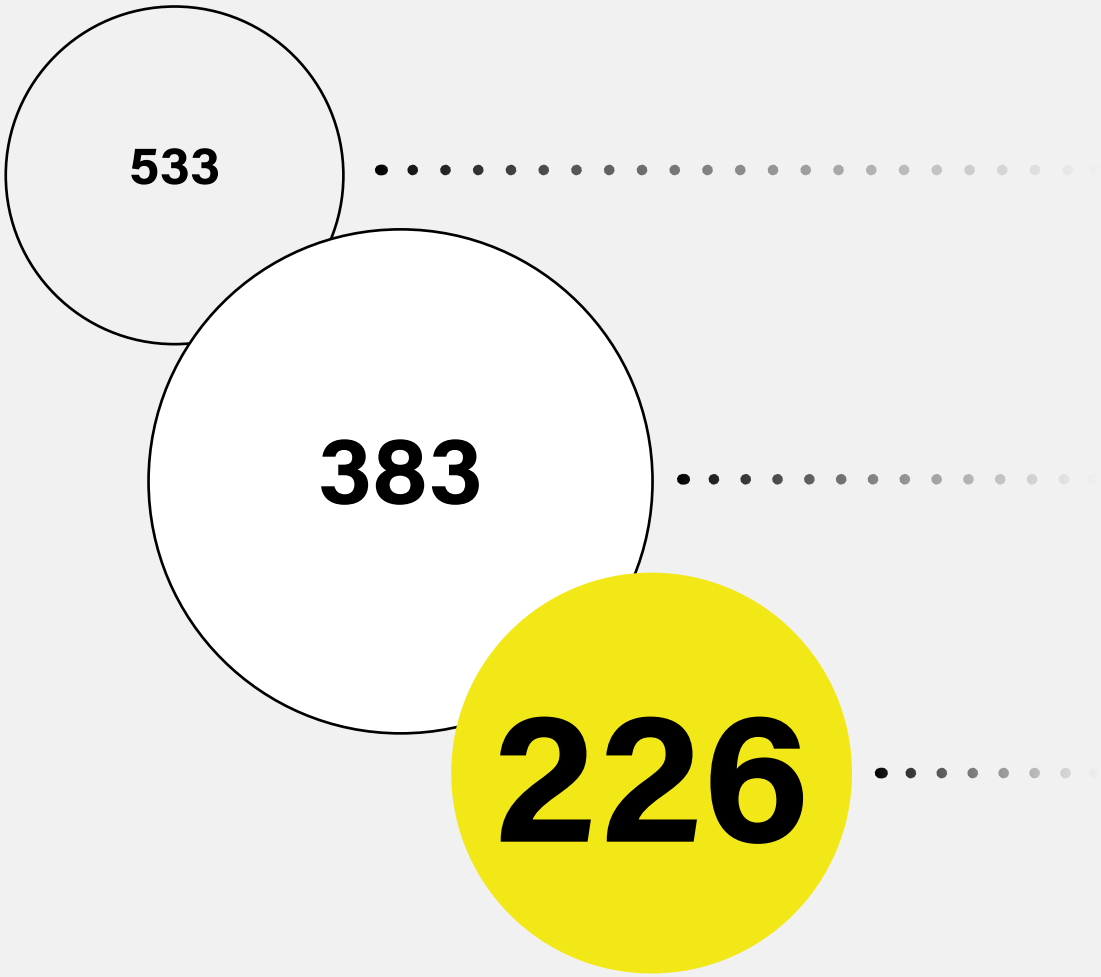
"Training and Development at Technogym are aimed at promoting individual skills, improving performance and corporate organisation, in order to achieve the business objectives."

To ensure that results are achieved, investments need to be made in human resources by considering the capacities and potential of all employees. For Technogym, training and development are strategic levers in improving staff performance.
Training and development programmes represent a body of experiences that generate learning through an exchange of expertise (knowing), abilities (knowing how to do) and attitude (knowing how to be). [DMA 404]

EMPLOYEES JOINING AND LEAVING THE ORGANISATION, BY AGE GROUP

2018 2019 2020

Total employees hired during the year



Technogym S.p.A.	Technogym EE	Subsidiaries
82 60 38	197 109 47	254 214 141

Under 30

Technogym S.p.A.

41	18	17
50%	30%	45%

Technogym EE

109	54	22
55%	50%	47%

Subsidiaries

82	60	51
32%	28%	36%

Total

232	132	90
44%	34%	40%

Aged 30 to 50

Technogym S.p.A.

37	40	21
45%	67%	55%

Technogym EE

83	50	24
42%	46%	51%

Subsidiaries

150	138	84
59%	64%	60%

Total

270	228	129
51%	60%	57%

Over 50

Technogym S.p.A.

4	2	0
5%	3%	0%

Technogym EE

5	5	1
3%	5%	2%

Subsidiaries

22	16	6
9%	7%	4%

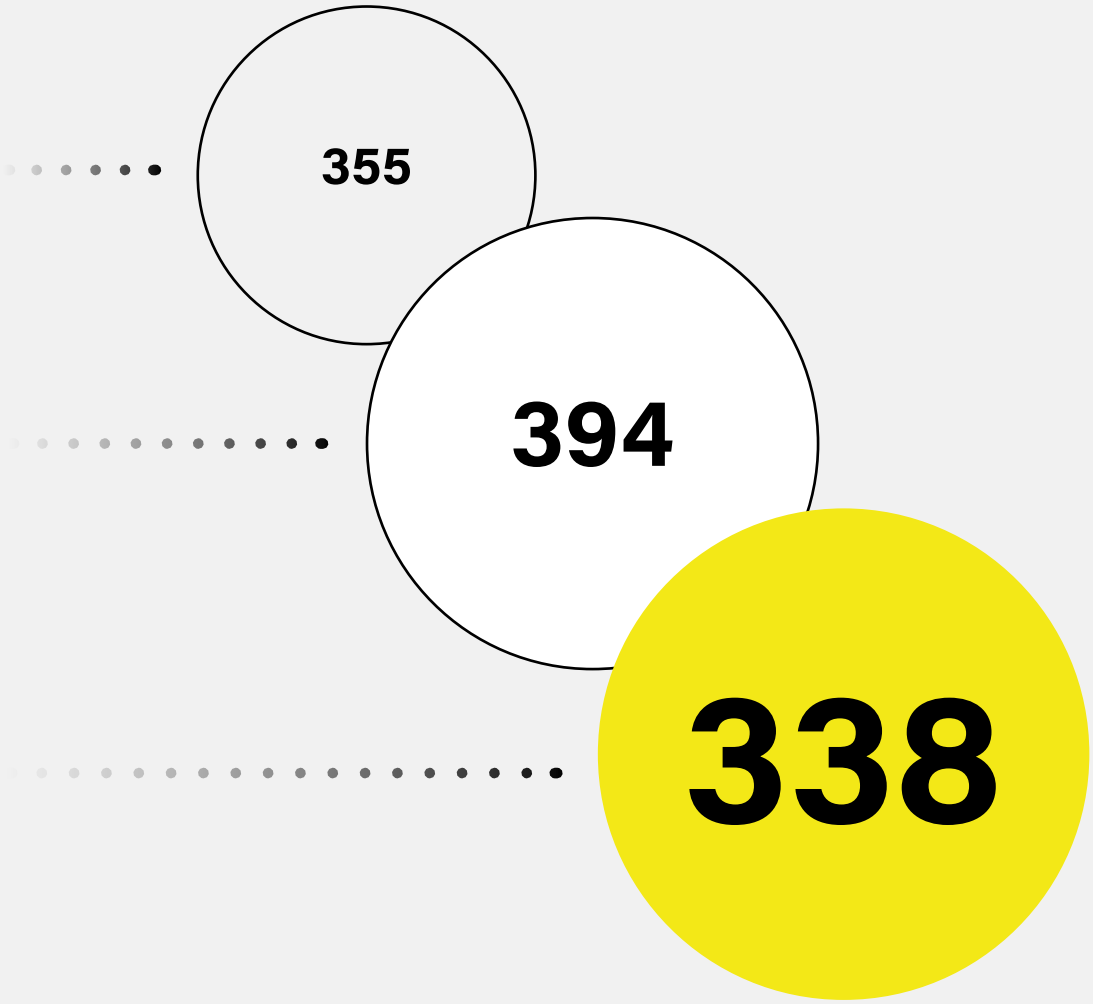
Total

31	23	7
6%	6%	3%

EMPLOYEES JOINING AND LEAVING THE ORGANISATION, BY AGE GROUP

2018 2019 2020

Employees leaving the organisation during the year



Technogym S.p.A.	Technogym EE	Subsidiaries
63 55 62	142 127 92	150 212 184

Under 30

Technogym S.p.A.

12	7	13
19%	13%	21%

Technogym EE

64	67	35
45%	53%	38%

Subsidiaries

30	52	35
20%	25%	19%

Total

106	126	83
30%	32%	25%

Aged 30 to 50

Technogym S.p.A.

46	39	39
73%	71%	71%

Technogym EE

69	52	49
49%	41%	53%

Subsidiaries

102	143	116
68%	67%	63%

Total

217	234	204
61%	59%	60%

Over 50

Technogym S.p.A.

5	9	10
8%	16%	16%

Technogym EE

9	8	8
6%	6%	9%

Subsidiaries

18	17	33
12%	8%	18%

Total

32	34	51
9%	9%	15%

Ongoing training and strengthening of skill set

Training is an important way to develop and consolidate personal skills, while diffusing the Group's values and strategy. This is why the company organises training programmes through the Technogym University, with its internal trainers on main company processes, as well as cross-cutting training programmes based on developing soft skills or new expertise and information sessions on the Technogym culture, open to all staff.

Technogym offers an annual, structured training plan. At the start of each year, Top Management, together with the HR Division, defines the training priorities for the year in line with the strategic objectives, the Technogym Vision and the company Skills Model. The annual training plan implements the training needs of staff, reported by their superiors. Needs are identified during the appraisal process.

Training is delivered in various forms: on-the-job training, so that employees can learn through projects and new, challenging activities; continuous feedback, coaching and mentoring to support staff through the growth process, and e-learning to ensure regular updating in self-training mode. Training is also provided at classes and seminars.

Training is categorised as follows:

- **Technical and Managerial Training** aimed at developing expertise for specific roles, including positions with a high managerial content and/or supervisory roles in order to develop relational, communicative and behavioural capabilities at all levels in the organisation;
- **Commercial Training:** for Sales and Marketing roles;
- **Health and Safety Training:** mandatory health and safety training for the company's health and safety officers.

2020 average training hours by status and gender at Technogym S.p.A., TG EE and subsidiaries

Owing to the global pandemic, in 2020 most training was delivered remotely via e-learning, converting and redesigning the in-person courses, including those in the production training catalogue.

This provided an opportunity to enrich the global e-learning platform available to all with content, and to reach, train and motivate colleagues all year round.

In line with the company's values and fostering a culture of leadership at all levels, training and certification was completed using Technogym's leadership model for the Constructors Committee.

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER AT TECHNOGYM S.P.A.

Total number

	2018	2019	2020
Men	13.1	21.8	9.9
Women	9.4	24.2	8.6
Managers	18.3	40.9	8.1
White-collar	15.6	14.8	10.1
Blue-collar	4.7	33.5	8.8

Men

Technical and managerial	Health and safety	Commercial
10.2 13.4 5.0	2.4 3.5 3.3	0.5 4.9 1.6

Women

Technical and managerial	Health and safety	Commercial
7.6 17.4 5.9	1.2 2.6 1.4	0.7 4.2 1.2

Managers

Technical and managerial	Health and safety	Commercial
15.6 15.3 5.2	0.9 1.1 0.8	1.9 24.5 2.2

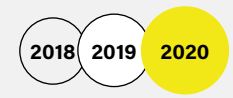
White-collar

Technical and managerial	Health and safety	Commercial
12.3 7.5 5.9	2.5 1.9 1.9	0.8 5.3 2.3

Blue-collar

Technical and managerial	Health and safety	Commercial
3.2 27.5 4.3	1.5 6.0 4.5	0.0 0.0 0.0

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER AT TECHNOGYM EE [35]



Total number

	2018	2019	2020
Men	23.0	14.5	10.7
Women	21.0	10.1	10.6
Managers	132.0	118.0	64.5
White-collar	55.0	32.4	36.6
Blue-collar	18.0	10.7	6.5

35. There are no commercial training activities in Slovakia, as the operations in this country are directly linked to production.

Men

Technical and managerial	Health and safety	Commercial
11.0 6.5 5.9	12.0 8.0 4.8	n.a. n.a. n.a.

Women

Technical and managerial	Health and safety	Commercial
14.0 7.1 8.7	7.0 2.9 1.9	n.a. n.a. n.a.

Managers

Technical and managerial	Health and safety	Commercial
128.0 117.0 61.5	4.0 1.0 3.0	n.a. n.a. n.a.

White-collar

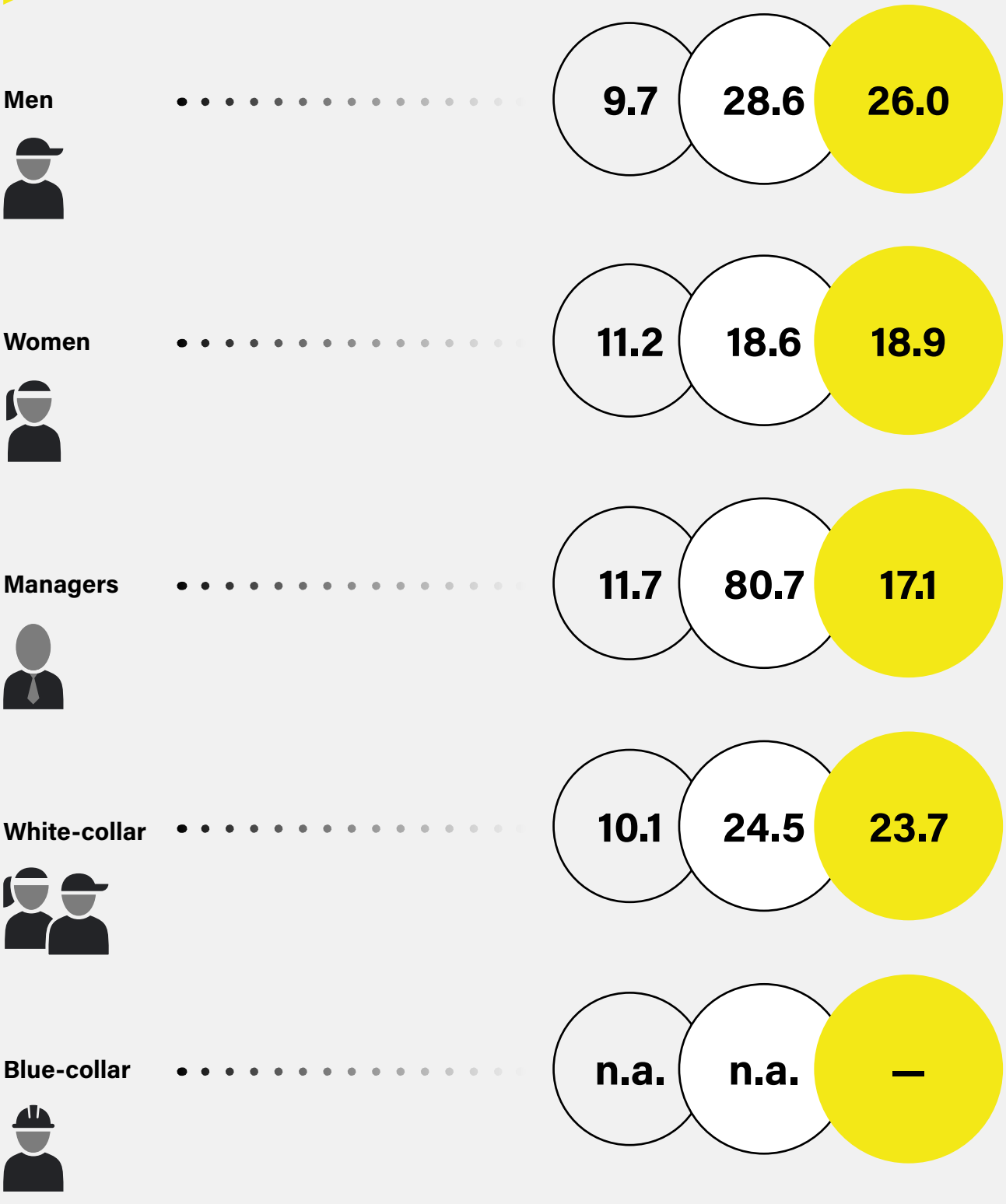
Technical and managerial	Health and safety	Commercial
48.0 27.0 33.1	7.0 5.3 3.5	n.a. n.a. n.a.

Blue-collar

Technical and managerial	Health and safety	Commercial
7.0 3.3 2.1	11.0 7.5 4.4	n.a. n.a. n.a.

AVERAGE TRAINING HOURS, PER JOB CATEGORY AND GENDER, FOR THE SUBSIDIARIES [36]

Total number



36. The "manual workers" category does not include training hours as there are no employees in the subsidiaries included in this category.

Men

Technical and managerial	Health and safety	Commercial
3.9 4.2 2.7	0.3 0.3 0.8	5.5 24.0 22.5

Women

Technical and managerial	Health and safety	Commercial
2.4 2.8 2.2	0.5 0.3 0.9	8.3 15.4 15.8

Managers

Technical and managerial	Health and safety	Commercial
7.5 33.3 2.3	0.2 1.3 0.8	4.0 46.2 14.0

White-collar

Technical and managerial	Health and safety	Commercial
3.3 3.4 2.5	0.4 0.3 0.8	6.4 20.8 20.3

Blue-collar

Technical and managerial	Health and safety	Commercial
n.a. n.a. —	n.a. n.a. —	n.a. n.a. —

Support for professional growth and development

Technogym's annual performance appraisal process enables the identification and implementation of training and development activities in order to improve performances, behaviours, and technical expertise, and select resources of a potential and talent eligible for individual development plans.

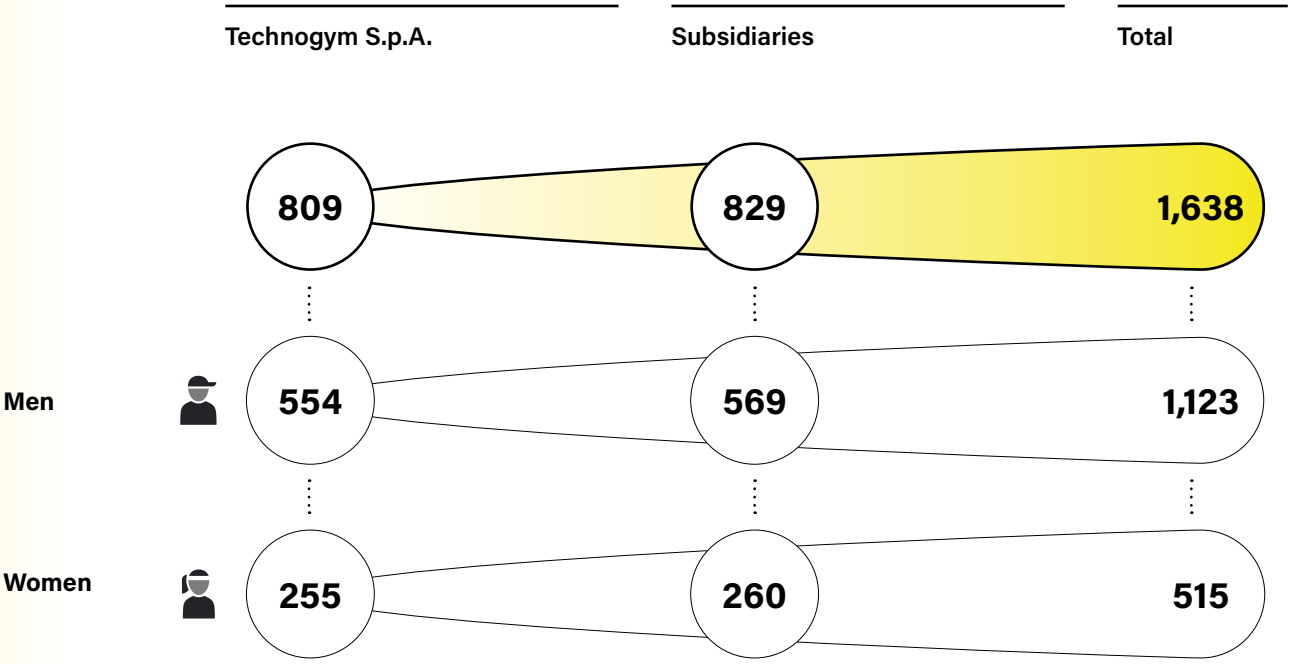
Performance appraisal is a strategic process used by the company to measure and assess the fulfilment of individual targets and behaviours in each role.

100% of the workforce is eligible for appraisal, after being with the company for at least six months. In Slovakia, the production operatives are appraised according to a local appraisal system built on criteria that meet the specific needs of production activities and roles.

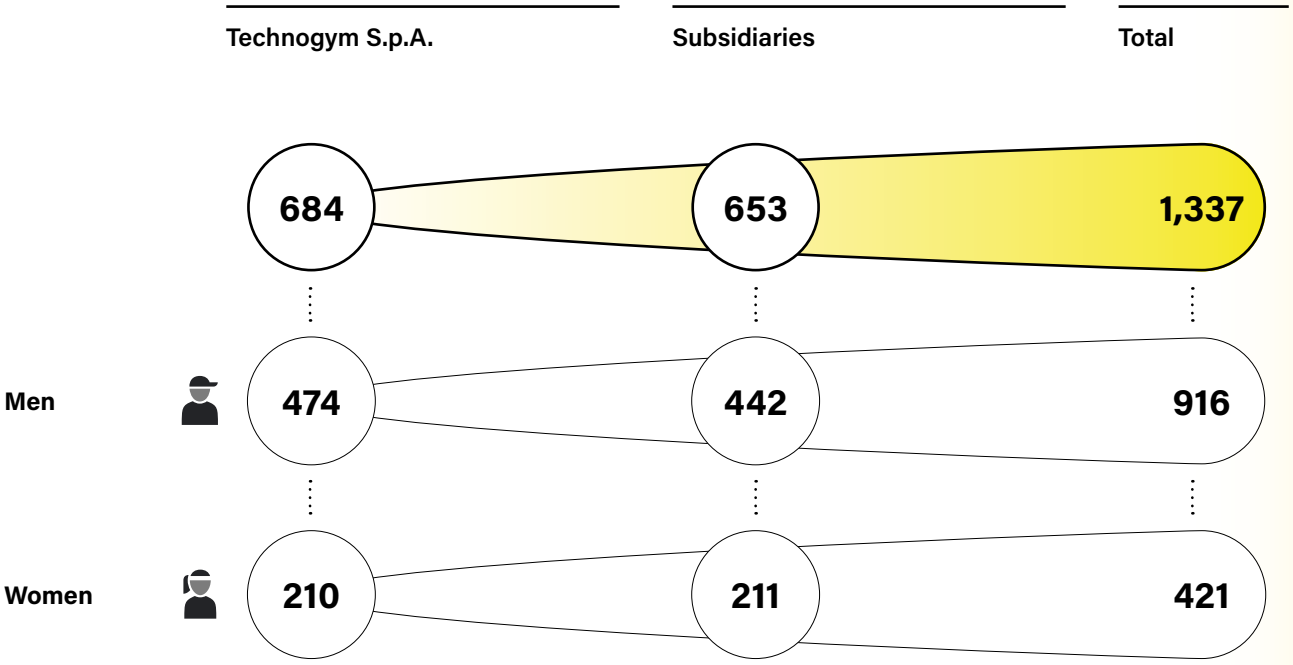
The number of people appraised in 2019 was 1,337. For 2020, the only figures available were for the eligible employees, as the appraisal process ends in April 2021.

EMPLOYEES RECEIVING A PERFORMANCE APPRAISAL DURING THE YEAR, BY GENDER AND JOB CATEGORY, IN 2019

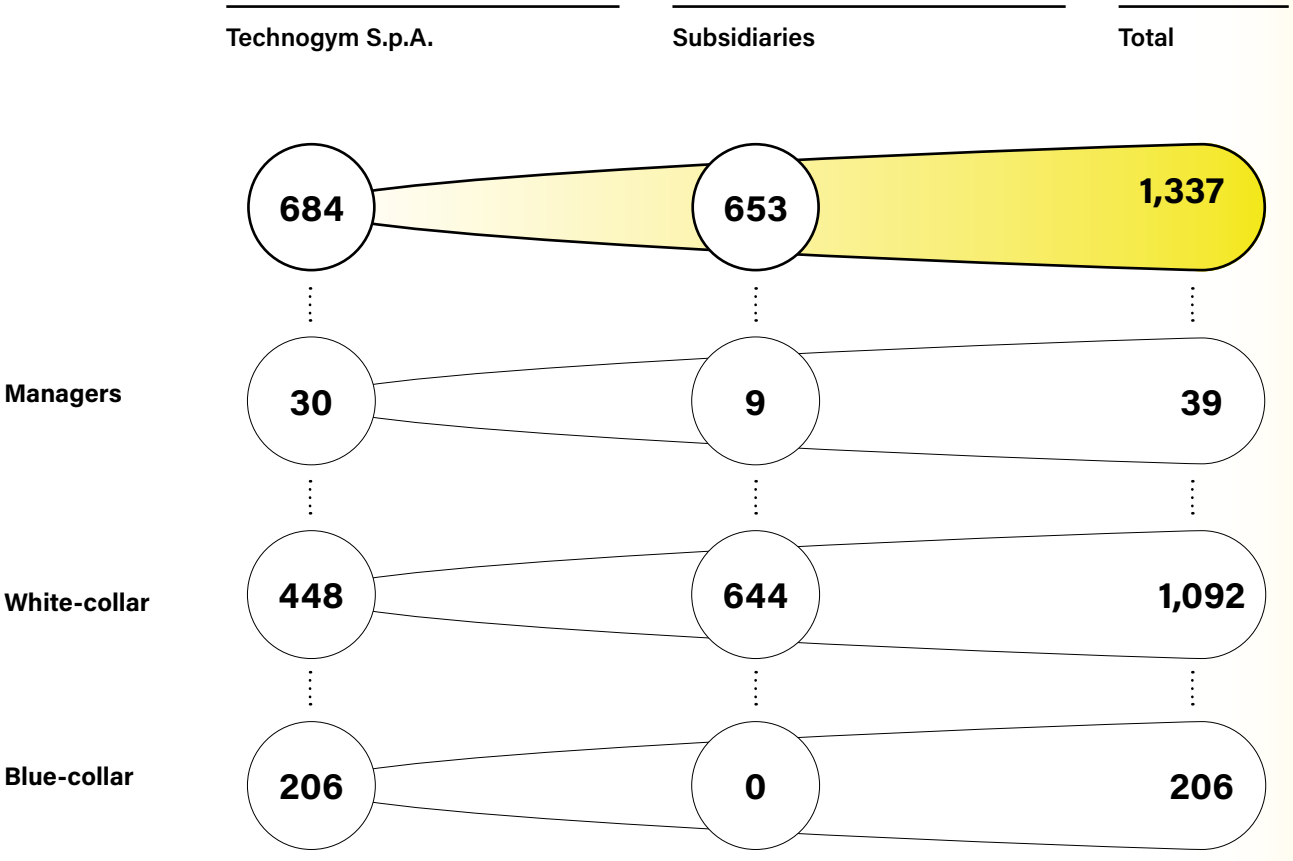
Total number of *eligible* employees



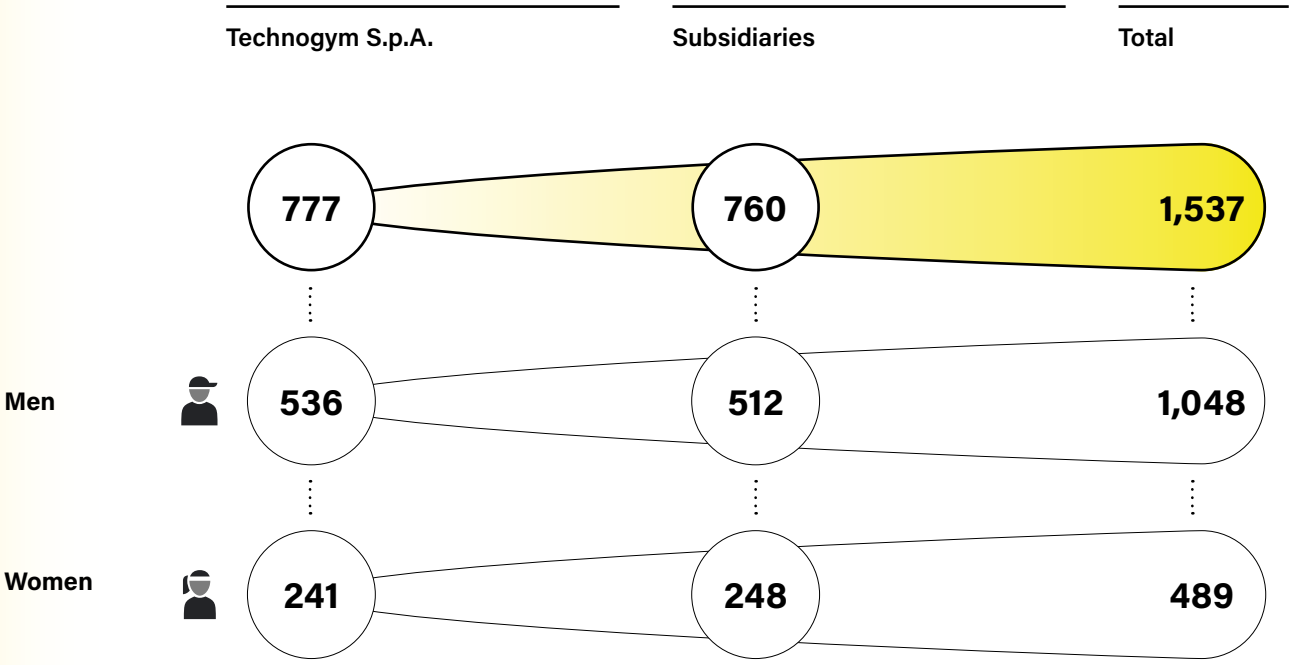
Total number of employees *appraised*



Number of employees *appraised*



Total number of eligible employees, 2020



13. The perimeter does not include the Russian subsidiary.

To ensure the sustainability of the organisation and to cover key roles, succession plans are drawn up annually. Based on these plans, individual development pathways are then designed, involving a growing number of staff from all company areas in 2020.

Diversity and equal opportunities

CONTROL TOOLS

↦ Code of Ethics
↦ GTD Manual

The **Code of Ethics** sets out the commitment of Technogym S.p.A. to guaranteeing a workplace that is free from racial, cultural, ideological, sexual, physical, moral, religious or other forms of discrimination, and one that offers equal opportunities under equal conditions. [DMA 405; 406]

At every stage of the working relationship, the Group focuses on respect for diversity and equal opportunities, and on preventing all forms of discrimination [22].

The Code of Ethics also specifies that company property, in particular IT equipment or online resources, must never be used for the committing of offences, for inducement to commit offences or for racial hatred, inciting violence or the violation of human rights.

22. There were no instances of discriminatory behaviours from 2016 to 2019. [406-1]

Employees by professional category, gender and age

Finally, Technogym S.p.A. complies with the legal obligations applicable to the recruitment of people with disabilities, who are hired under direct agreements with local authorities and social cooperatives. The company regularly collaborates with the provincial authorities [23] to ensure that people with disabilities can be recruited fairly, focusing on their skills and aptitudes at the interview stage to allow them to express their potential and grow professionally.

23. Technogym S.p.A. has made an agreement with the provincial authority for the period 2017-2019.

	2018	2019	2020
Number of employees with disabilities	25	28	**27**
Number of people provided for in the Provincial agreement (Art. 11)	7	3	**3**
Number of people employed under agreements with social cooperatives (Art. 22)	4	4	**2**
Number of employees hired, classified as disabled	3	0	**0**
Exemption quota recognised by the Provincial authority	10	14	**16**
Total shortfall	0	0	**0**

Remuneration

Through its remuneration policy, Technogym looks to attract, retain and motivate people with the personal and professional qualities that are essential in achieving the business results, developing quality products, and delivering an excellent service to customers. The fixed pay component is recompense for the responsibility, experience and distinctive skills of the individual employee. It must be aligned with the best market practice, to ensure an adequate level of attention.
For this reason, in 2019 salary plans were drawn up, based on the market surveys provided by a leading industry HR consultancy firm. These market surveys, together with the current weighting of roles, resulted in a mapping of guidelines in terms of salary policies, consistent with the company's business objectives and talent retention.
The annual salary review is conducted after defining the staff budget and appraisal process, with the aim of defining the fixed and variable salary components of each person.
The process involves HR and Function Managers. The HR Department and Function Manager define the percentage of the salary increase in relation to the total hours of each Area, the percentage of the population involved and the salary measures adopted.
The short-term variable component of remuneration is intended to reward the achievement of challenging targets and extraordinary results aligned with the company's strategy. This short-term variable component is meritocratic and designed to represent a direct link between remuneration and company and individual performance. It comprises a portion linked to short-term criteria (Management by Objectives – MBO) based on the achievement of annual Group and individual results. From among the individual targets, sustainability KPIs can be determined for each sphere of competency as well as a portion linked to function-dependent criteria.
Long-term variable remuneration is only for key positions within the company, and is designed to align individual and company results with investor interests.
Technogym also offers company benefits in the form of non-monetary perks in addition to the other pay components. A series of measures was also launched to help achieve a work-life balance through the introduction of additional flexitime to help employees and their families.

7.5 WORKING 4 WELLNESS

For over 30 years, Technogym's philosophy has been that the more people who enjoy physical and mental wellbeing, the better place the world will be. Once again this year, in order to bring about this change to the planet, the company decided to start with its most important resource: its people. With this in mind, improvement work was carried out on a unique programme called "**W4W**" **(Working for Wellness)**, which guarantees a high-quality working environment and business climate by offering people the chance to enjoy a wellness lifestyle in all areas.

Working for Wellness is the only corporate wellness programme that focuses on all components of mental and physical wellbeing, offering services dedicated to exercise, diet and health, as per the Wellness Lifestyle Pyramid drawn up by the Technogym Wellness Science Center.

Corporate Wellness is one of the core services in the "W4W" programme, offering all Technogym staff the chance to access the company **Wellness Centre** or wellness clubs offering special rates, plus medical check ups, customised training and educational programmes.

As in previous years, Wellness Screening was organised in collaboration with leading medical centres. This annual medical check-up gives staff the chance to monitor their health over the years, and receive medical opinion and useful advice on how to stay well and prevent disease.

A **Wellness Ambassador** team was set up within the Corporate Wellness service. The team consists of Technogym people from all over the world who are willing to promote and engage the co-workers in transmitting the values and culture that form the principles for our Corporate Wellness. Our team of ambassadors is constantly involved in all the main internal communications relating to Corporate Wellness, including training on specific products, solutions and company formats.

The Corporate Wellness project also includes educational activities on topics such as: positive mental attitude, healthy eating and team building, to provide people with the tools and experience they need to improve their own lifestyle.

The service generates benefits for all the stakeholders involved: for employees, in terms of their wellbeing, personal health and engagement, for Technogym in terms of productivity, and for clients and end users thanks to greater expertise and experience with the product and target sector.

The "W4W" programme also features the **Technogym Restaurant**, with a special menu designed together with a nutritional expert. Well-balanced dishes are on offer, prepared with seasonal, high quality ingredients with a low salt and saturated fat content. Fresh seasonal fruit and vegetables are always available. Since 2019, the new **T-Take Home** service has been available, so all Technogym S.p.A. staff can book dinner directly from an app, pick it up, take it home and enjoy a meal with their families.

The **"W4W" programme also features**:

- **Special agreements** with stores, services and associations in the local area for staff and their families;
- **A tax advice service:** offering professional support to manage staff's tax matters;
- **Master Policy:** a supplementary health policy for HQ staff with more than 10 years' service with the company, that provides cover extending to their families too.

Since 2017, there has also been the T-Welfare (Technogym WELFARE) project, which uses a dedicated online platform to offer a number of services, including prevention, welfare, the reimbursement of healthcare costs and school fees for children, as well as opportunities including shopping vouchers, travel, leisure, relaxation and wellbeing initiatives.

Engagement with social parties [24]

24. This section is intended to give an overview of the way the Group deals with this topic, with particular details in relation to Technogym S.p.A.

"Technogym recognises the right of its staff to belong to trade unions, and protects their freedom of association and the opportunity to appoint their own representatives as defined in the Italian Constitution, the Workers' Charter, the current national collective agreement and other agreements"

Once again in 2020, relations with workers' representatives were constructive and conducive to inclusivity and maintaining a healthy working environment.

In particular, it was a year requiring a huge commitment to manage all the aspects associated with the pandemic and the health crisis. It was essential to maintain continual dialogue and discussions with workers' representatives on all the measures required to ensure the utmost workplace safety and the health of all workers. This cooperation resulted in the drafting of a COVID-19 Code of Conduct which, as described in point 7.2 above, defined organisational methods and useful rules for limiting the risk of contagion.

7.6 OCCUPATIONAL HEALTH AND SAFETY

"A welcoming, tidy and safe workplace encourages people to work to their best ability" [DMA 403]

Health and safety at Technogym are part of the value chain. Focusing on and continually improving the workplace environment is not just a way for the company to comply with laws and regulations and reduce operational financial and reputational risks; it is one of the levers it uses to firm up its mission. The governance of these aspects combines with the wellbeing promoted by the organisation and is part of a wider-ranging project in the interests of staff and the external social context.

Despite the presence of several high-risk operations (staff working at altitude, electricians, workers using lifting equipment and handling and storing materials, [25] etc.), the Group has not experienced any serious accidents, nor have its employees suffered any significant exposure to chemical and biological risks, and this is evidenced by the trend in accident data. There were no serious accidents in 2020, and the incidents that did take place led to the implementation of remedial actions, including enlarging certain work spaces. There was one case of an occupational illness in 2020, the paperwork for which has not yet been processed and there is no evidence of recognition by INAIL (the Italian national institute for insurance against workplace accidents).

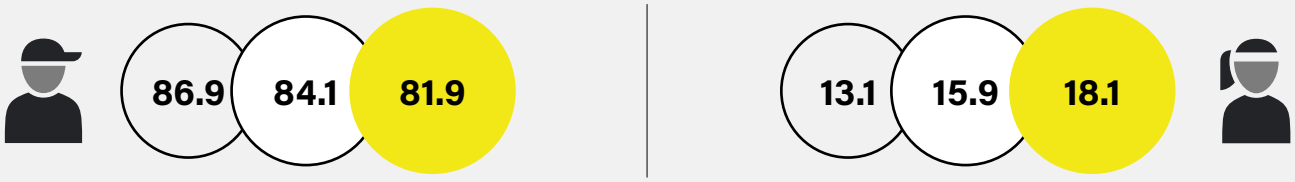
25. At Technogym EE, the painting and cleaning operatives, and from 2018 also the upholstery workers, are considered high-risk.

The accurate design of workplaces, the analysis of processes, and the study and choice of large, well-lit spaces and equipment are conducive to the utmost compliance with applicable workplace health and safety regulations. Technogym's commitment to promoting the wellness of the Group's employees over and above the requirements of law is a key driver of generating an extended value chain for its stakeholders and supporting its sustainable business model.

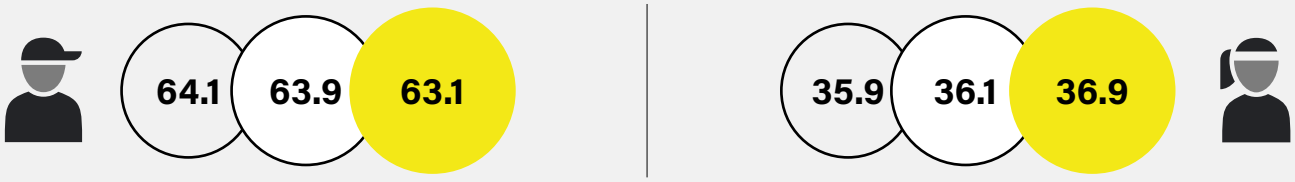
EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

2018 2019 2020

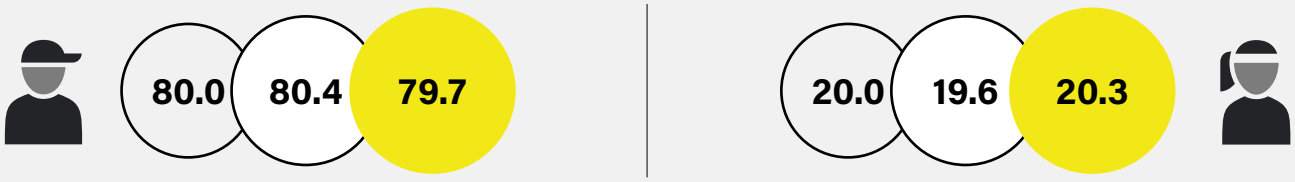
Percentage of Operations Committee members (%)



Percentage of clerical staff (%)



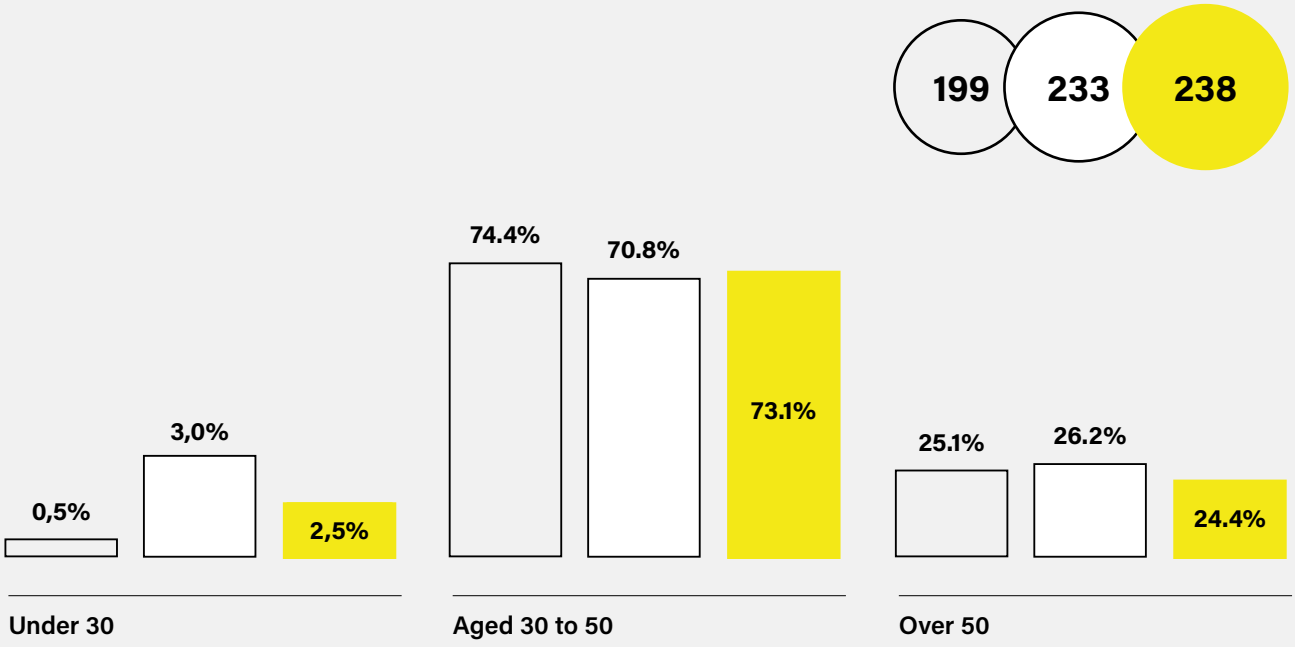
Percentage of manual workers and equivalents (%)



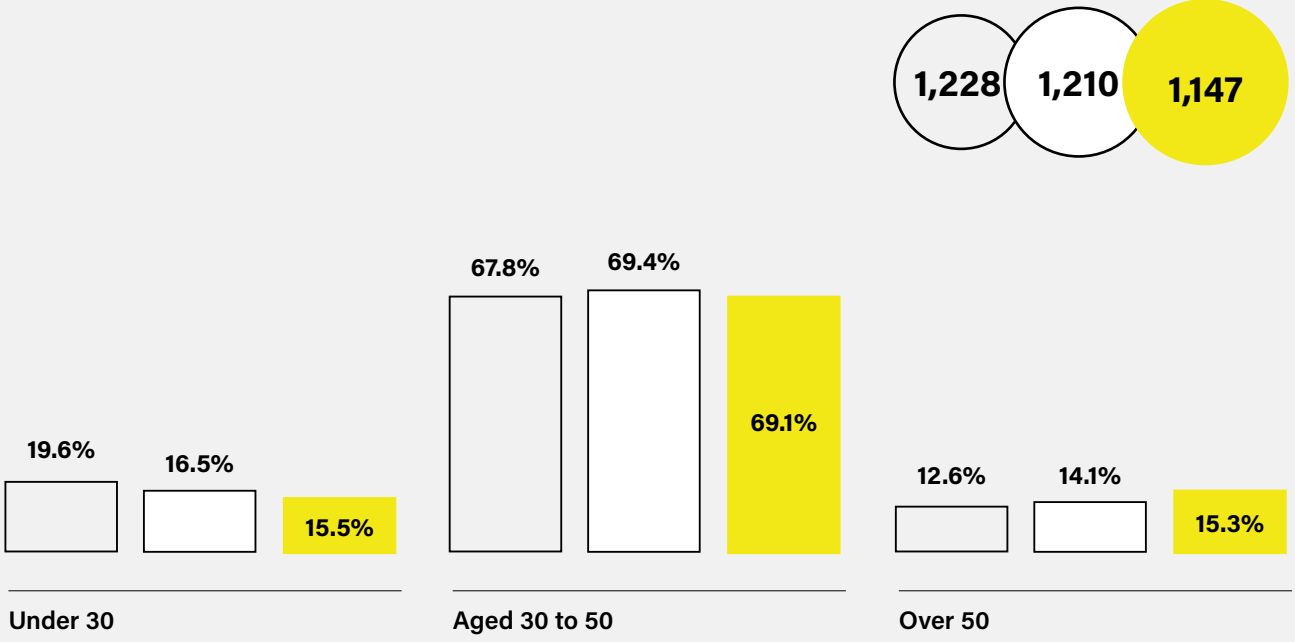
EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP

2018 2019 2020

Total number of Operations Committee members



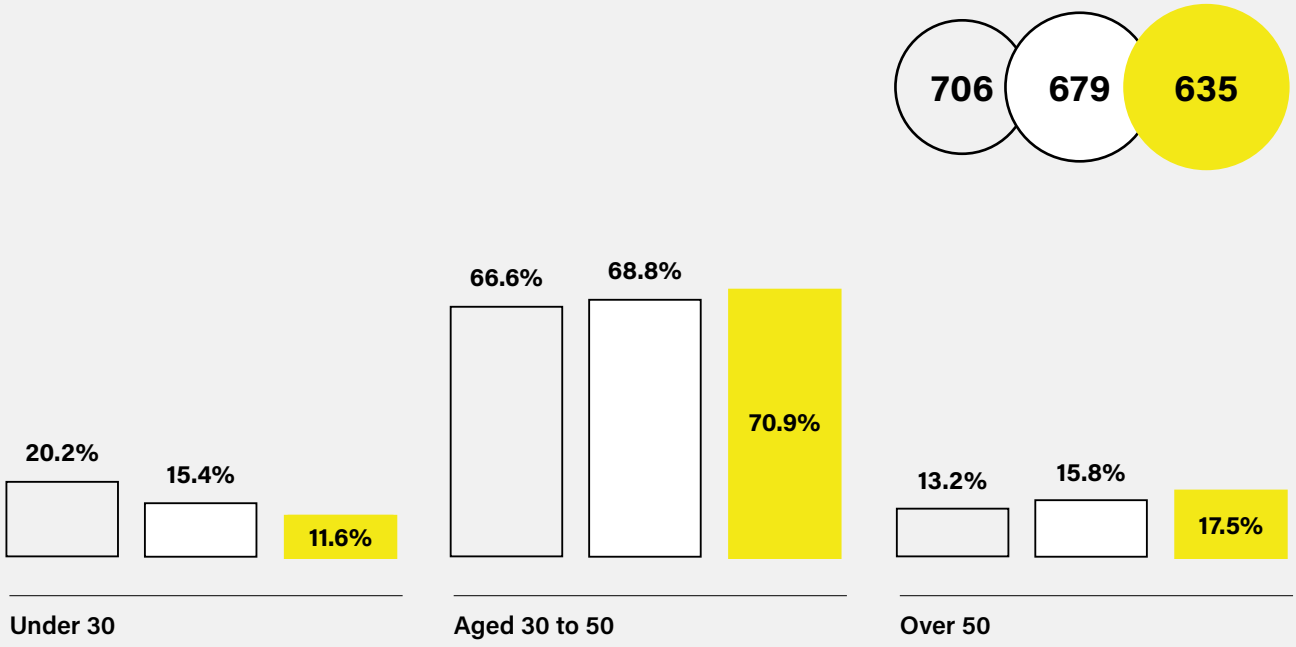
Total number of employees



EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP

2018 2019 2020

Total manual blue-collar and equivalents



For Technogym, rules are not a limit, but an opportunity to give it an advantage.

Since 2006, oversight of health and safety has been performed by a voluntarily introduced, OHSAS 18001-certified management system that evolved to ISO 45001 certification in 2018 and covers all Technogym S.p.A. premises and all colleagues, including suppliers and contractors. This system guarantees that organisational and technical measures can be identified and that special codified procedures can be applied.

Systematic internal and audits have made it possible to monitor and continually improve the system.

The auditing is done on a sample basis, meaning that the internal and external workers who are audited by way of an on-site interview are a small portion of the total. Around 10% of workers have been subjected to internal audits and 5% to external audits. It should be stressed that the circumstances of 2020 did not allow for the normal scheduling of these activities.

As processes have been implemented over the last year, national and international rules and standards introduced in the wake of the COVID-19 emergency have been followed, and the culture of prevention that has been built up over time has been borne out in the resilience of the company's processes and people, with the impact of the pandemic being alleviated by the ready adaptability of procedures and daily operating methods.

CONTROL

TOOLS

↦ Code of Ethics

↦ Health and Safety Management Policy

↦ ISO 45001 Management System

Technogym periodically defines objectives and areas for improvement to increase the effectiveness of its actions and efficiency of its organisation, in order to prevent incidents, accidents and professional disease and create a safe, healthy environment, in line with staff expectations.

Our organisation is committed to improving its ability to govern its system of health and safety controls at all times, by monitoring a set of indicators used to control health and safety, identifying factors that emphasise the proactivity of the people who work for us. One of the core elements of the system is the promotion of a common culture of safety in the workplace, and health and safety knowledge, by means of training initiatives, so that each staff member champions health and safety and is actively involved in improvement. Training is carried out across all areas, with a particular focus on production department workers as they have more exposure to the risk of accidents in the workplace.

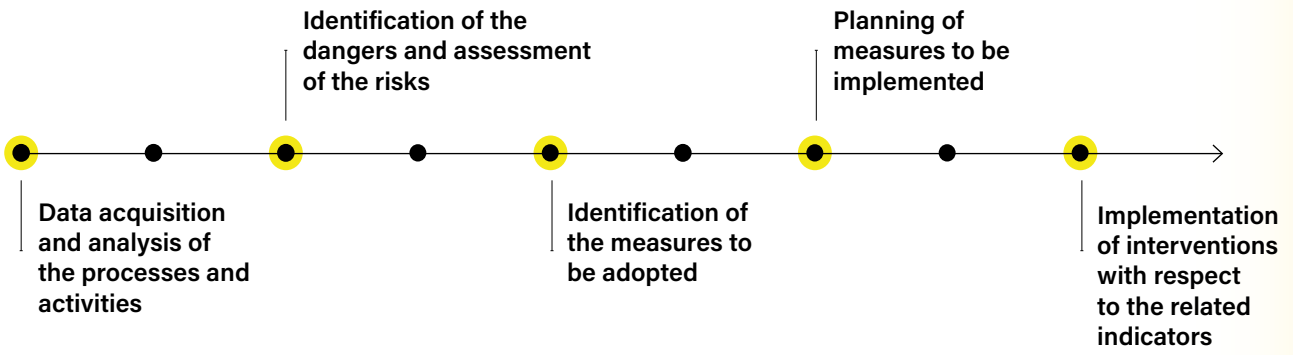
Health and safety training is an ongoing activity that starts as soon as someone joins the company, with the mandatory part linked to the State/Regional Agreement described in the specific training programme. The entire health and safety training plan is included and regularly updated in the Risk Assessment Document (RAD), and it is extended to suppliers and interns.

In 2020 in Italy, 2,152 training hours were delivered on health and safety issues to 478 employees. The number of hours in Slovakia was 1,828.5 delivered to 482 employees[26].

All employees and staff, primarily those operating at the production site, are trained to become involved in improvement and are encouraged to report any risks they may notice, following structured procedures. All reports of potential hazards are addressed, and specific action will be taken if actual risks are found.

Technogym has developed a process for identifying dangers and assessing risks that means an adequate prevention and control system can be applied whenever necessary. Specifically, this process starts with data acquisition and analysis of the processes and activities, meaning that the dangers can be identified and the risks assessed. In this way, it is possible to identify and schedule suitable measures for taking the specific necessary steps as described in the graphic below.

26. The total number of employees who have received training is greater than the 410 recorded at 31.12.20 because the number dropped during the year as a result of lower volumes during the pandemic.



Once an incident has been flagged or verified, detailed analysis of the causes is carried out during weekly meetings that also track the progress of the corrective measures identified. The process used to identify risks is described in the operating method of the RAD. Notifications of potentially hazardous circumstances and situations uncovered during workplace inspections are prioritised. If the priority is high, there is immediate intervention aimed at eliminating or mitigating the risk in question. The same method is used for medium and low priorities any time immediate action can be taken.

For staff working in the production departments, there is also a bonus system (in 2003 this was included in the company supplementary agreement) that incentivises proactiveness by measuring the extent to which people contribute the improvement process by flagging potential dangers. As well as enabling workers to play their part in the improvement process, this tool helps them to fulfil their legal and regulatory requirements, including flagging anything that may endanger their health or the health of others. Through this tool, the company and its staff work together to build an effective prevention process.

Thanks to the participation of various areas of the company, the organisation can take a proactive approach, and progress towards continuous improvement in relation to established indicators and cultural change.

Workers are represented by the Workers' Safety Representatives, who are part of the company's Workers' Council. The three Workers' Safety Representatives have a specific number of hours to carry out the tasks assigned to them; they also join in with consultation and continual improvement groups and meet periodically. In 2020, as the COVID-19 pandemic took hold, meetings were held with the Workers' Safety Representatives, members of the COVID-19 Committee, on a weekly basis, having been held monthly until the previous year, thereby increasing the consultation with and participation of workers (via their representatives) with regard both to COVID-19 protocols and to emerging workplace health and safety issues [27].

In Italy in 2020, there was a reduction in accidents compared with the previous year, both in terms of frequency and severity.

One area to which Technogym has always been committed is protecting the health of its workers, and this is a cornerstone of the risk mitigation process. The occupational medicine service is outsourced. The Medical Officer comes into the HQ every fortnight, is fully informed about the processes and visits the workspaces whenever needed to analyse work stations, on top of the standard annual inspections required by law. Workers can contact the doctor directly by email or phone.

27. There is a dedicated section on how the COVID emergency is being managed at the start of the NFR.

The health and safety noticeboard at the industrial site and the noticeboards at the production site contain up-to-date information on the subject, while any communications or documents concerning health and safety feature plenty of visuals and images for ease of comprehension. Each worker can also view the health and safety management system documents on the dedicated section of the company's intranet.

Accident index[28]

Accident index	Technogym S.p.A.	Technogym EE
	2020	2020
Employees:		
Total hours worked	1,130,289	600,978
No. of accidents affecting employees (>1 day of absence)	4	3
Of which serious	0	0
Frequency index	3.54	4.99
Non-employees:		
Total hours worked	70,647	0
No. of accidents affecting employees (>1 day of absence)	1	0
Of which serious	0	0
Frequency index	14.15	0

28.
There were five workplace accidents at Technogym S.p.A. in 2020, one of which befell a supplier rather than an employee.

Accident index [29]	Technogym S.p.A.		Technogym EE	
	2018 [30]	2019 [31]	2018	2019 [32]
Total number of employee accidents	**7**	**7**	**1**	**2**
Men	4	4	1	2
Women	3	3	0	0
Total number of occupational diseases	**0**	**0**	**1**	**0**
Total number of work-related fatalities	**0**	**0**	**0**	**0**
Working days lost	**141**	**142**	**27**	**72**
Men	84	44	27	72
Women	57	98	0	0
Accident frequency (total) [33]	**5.40**	**5.31**	**1.50**	**2.56**
Men	Na	4.26	Na	2.97
Women	Na	7.93	Na	0.00
Gravity indicator [34]	**0.11**	**0.11**	**0.04**	**0.07**
Men	Na	0.05	Na	0.09
Women	Na	0.26	Na	0

29. The 2020 data are presented in accordance with the new 403 2018 Standard, whereas this table refers to the 403 2016 GRI. It was decided to leave the table for full disclosure.
30. At TG S.p.A. there were two incidents involving temporary personnel.
31. For 2019, data on indicators related to Health and Safety were reported by gender, so cannot be compared with 2018, when aggregate data was used.
32. See the previous note.
33. The frequency index is calculated considering: (Total no. of accidents / No. of hours worked) *1,000,000.
34. The severity index is calculated considering: (No. of days lost through injury and occupational illness/total hours worked) *1,000 according to UNI 7249:2007.

WORKING 4 WELLNESS: WELLBEING STARTS WITH US

TECHNOGYM

E-MARKET
SDIR
CERTIFIED
TECHNOGYM

Working 4 Wellness: wellbeing starts with us

Above all, the Wellness philosophy is a daily commitment we make to our colleagues: thanks to our working environment and T-Welfare, we put their quality of life and work at the centre of what we do every day.

Since 1993, we have put the **wellbeing** of people at the heart of our company philosophy, with a mission to spread the **Wellness** culture around the world. There are now 50 million people globally who train with us every day in over 80,000 fitness centres and 500,000 homes. Above all, the Wellness philosophy is a daily commitment we make to our colleagues: we are able to export this lifestyle around the world only because we believe in Wellness and we want to be the first ones to live it day in, day out, starting from our working environment.

The **working environment** is where most of us spend a large part of the day. It has been proven that a working environment that is not only safe but comfortable, stimulating and optimised based on workers' needs contributes considerably to their mental and physical wellbeing. From this point of view, the **Technogym Village**, opened in Cesena in 2012, is a unique example of wellbeing architecture. A concept dreamt up by Nerio Alessandri and Antonio Citterio, it is the first Wellness campus in the world and an architectural representation of the company's Wellness philosophy. Mr Citterio was inspired by the concepts of sustainability and bioarchitecture to create an integrated wellbeing environment characterised by the successful fusion of elements such as light, atmosphere, sensations, colours and natural materials. The spaces have been designed to be liveable and to enable a whole series of activities to be carried out, going way beyond mere "production": the company's headquarters nowadays is a workplace, an industrial production

WORKING FOR WELLNESS IS OUR UNIQUE COLLEAGUE HEALTH PROGRAMME

plant, a meeting place, a training site and a wellbeing environment, all rolled into one.

We have implemented a **corporate wellness** programme within the Technogym Village in the interest of the health of all our employees. Our **T-Welfare** is the result of complementary action on three fronts, namely the three pillars of Wellness: physical activity, a healthy diet and a positive mindset. **Working For Wellness** is our unique colleague health programme that includes: access to a cutting-edge gym and outdoor sports, choosing from a wide range of individual and group classes; free annual check-ups to assess the employee's health but also give them advice on how they can improve their physical and mental wellbeing; daily access to the T-Restaurant, the world's first wellness canteen, which offers a choice of three menus every day based on the employee's dietary requirements. Our colleagues' health is also their families' health, which is why we love opening up to the outside world: our "Take Home" service lets employees take fresh, healthy meals from the canteen for their family to have at home in the evening. Relatives and friends of our employees are also welcome at our gym and in our outdoor spaces at the weekend or during some special events. When we talk about the working environment, we don't just mean the physical spaces; we also mean the wellbeing that comes from feeling at ease sharing moments with others.

Today like never before, it is important to support the **work/life balance** of our colleagues, who in 2020 often had to cope with uncertainty, anxiety and reconciling work with childcare. In order to fulfil the need of reassuring employees, a series of measures were implemented and a lot of work was done on communicating and sharing the new working methods and procedures for using space. As early as the end of January 2020, after the first international signs of the COVID-19 emergency, we committed to taking preventive action to contain and counter the risk of contagion. A code of conduct was drawn up, and subsequently revised and updated,

THE TECHNOGYM VILLAGE IS AN INNOVATIVE, PEOPLE-FOCUSED WORKPLACE

and a Medical Opinion service was launched to provide all the health-related information related to the pandemic. We have implemented organisational measures at all workplaces so our people can continue to work safely, whether in production sites or offices. In terms of organisation, we defined shifting and rotation methods in production areas and initiated **home working** for office-based roles, using platforms that enabled work to be managed remotely and gave colleagues the flexibility they needed to manage what was an extraordinary situation.

ABOVE ALL, THE WELLNESS PHILOSOPHY IS A DAILY COMMITMENT WE MAKE TO OUR COLLEAGUES

Nearly a decade after it was opened, the Technogym Village is still **an innovative, people-focused workplace** that acts as a benchmark for many firms who visit our campus every year in search of inspiration. The company has been recognised worldwide - by the media and through important awards, including “Best Place to Work” - as a benchmark for the quality of its working environments and staff services.

E-MARKET
SDIR
CERTIFIED

TECHNOGYM PEOPLE: THE IMPORTANCE OF PEOPLE

TECHNOGYM

Technogym People: the importance of people

The success of a company depends on its ability to invest in skills, ideas and experience. Or to put it another way, people. At Technogym, we invest in ongoing training and personal development because we believe strongly that it is important to have a motivated team.

In a globalised, competitive market, the success of a company depends on its ability to attract talent. To be an industry leader, you have to invest in skills, ideas and experience. Or to put it another way, people. That is why today's businesses invest a lot of resources in implementing corporate policies that make them an attractive place to work, particularly in the eyes of young talent and qualified professionals. Since the 1990s, companies have invested in employer branding strategies to build a reputation as an ideal place to potential candidates to come and work. But what makes a company the ideal place for a young person fresh on the jobs market or a professional hoping to develop? Extensive research has found that the ideal company must tick boxes in all the following areas: working environment, welfare, opportunities for professional growth, ongoing training, the chance to take part in innovative projects and internationalisation.

At Technogym, we have always paid a lot of attention to these areas because we believe in teamwork and in the importance of having a motivated group characterised by a strong sense of belonging. In 2020, the group's workforce grew to over 2,000, and we receive more than 8,000 CVs every year, which is testament to the attractiveness of the business. But the relationship of trust with an employee is renewed on a daily basis and requires constant attention.

The Technogym Village is a unique workplace from this point of view, not only because of its innovative and sustainable architecture, but also because of its role as hub of ideas, information and cross-department expertise. The Village is in constant talks with the most prestigious universities and research centres, and it is the home of innovation on a daily basis thanks to meetings with industry professionals, athletes, doctors, physios, architects and specialists in many other fields. Scientific research, product development and training are the three pillars on which Technogym has built and consolidated a new concept over the years, the concept of Open Innovation as a model for growth and a means for meeting the challenges of modern-day life.

E-MARKET
SDIR
CERTIFIED

The second key to developing individual skills and consolidating group values is ongoing training. This is why the Technogym University organises cross-cutting training programmes aimed at developing soft skills or new expertise and information sessions on the Technogym culture, open to all staff. Alongside this offer is a structured annual training plan, which is drawn up each year together with Human Resources, setting out the overall training priorities and focusing on the training needs of the employees that emerged during the annual appraisals. Training is delivered in various forms: on-the-job training, so that employees can learn through projects and new, challenging activities; continuous feedback; coaching and mentoring; and classes and seminars. In 2020, as a result of

TO BE AN INDUSTRY LEADER, YOU HAVE TO INVEST IN SKILLS, IDEAS AND EXPERIENCE. OR TO PUT IT ANOTHER WAY, PEOPLE

the global pandemic, most training was delivered remotely and by e-learning; this enabled us to enrich our e-learning platform content and reach, train and motivate our staff all year round.

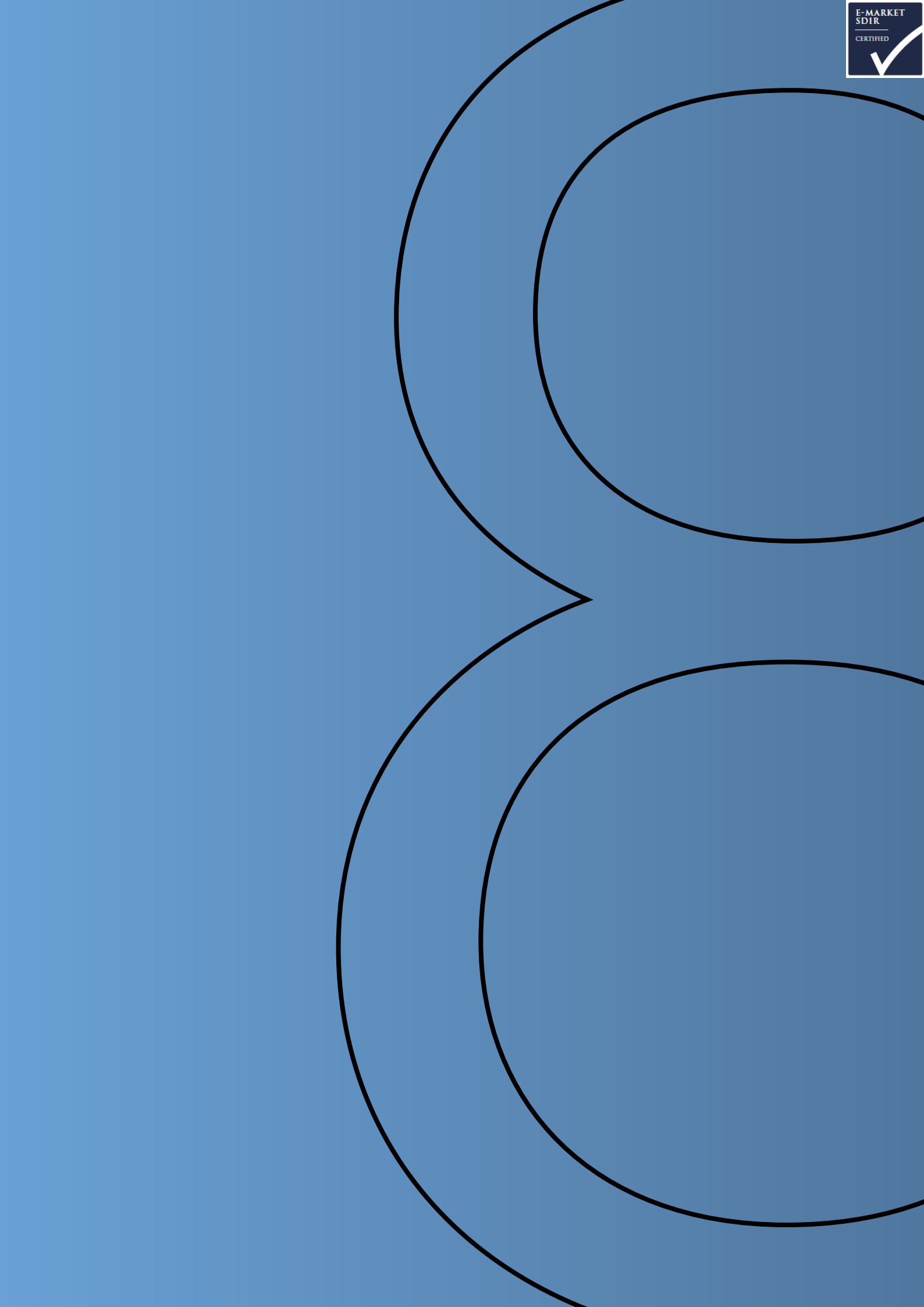
It is important to keep a new employee motivated. And that brings us to the third key word: mobility A business must know how to communicate a vision of continual personal and professional development. At Technogym, we have developed an annual appraisal

TECHNOGYM UNIVERSITY ORGANISES CROSS-CUTTING TRAINING PROGRAMMES AIMED AT DEVELOPING NEW EXPERTISE

process that enables us to identify and implement training and development activities in order to improve performances, behaviours and technical expertise, and to select the resources in which to invest by way of individual development plans. To guarantee coverage of the key positions, succession plans are drawn up every year and are used as the basis for individual development pathways. In 2020, these pathways concerned a growing number of employees across all areas of the business.

The same is true outside Italy. We are a business with an international mindset, with a presence in over 150 countries and a preference for international induction courses for our staff.

What unites us and makes us a great team is a passion for Wellness and the desire to spread this philosophy around the world, which is why, above all, joining Technogym means signing up to our mission of creating a better world.



THE SUPPLY CHAIN

8 The supply chain

[MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN MANAGEMENT]

8.1 SNAPSHOT OF THE SUPPLY CHAIN

"To guarantee constant improvement and steady growth of its supplier relations, Technogym has defined its reference values and specific policies for developing its supplier base" [102-9]

The Group has always been committed to developing innovative, high-performance quality solutions. To continue this commitment, a close collaboration needs to be maintained with suppliers, particularly those who produce materials and technologies suitable for use in the fitness industry, even if they primarily operate in other sectors.

The fitness industry does not have its own production chain and frequently uses suppliers who mainly manufacture goods for other sectors. This means that materials and technologies need to be adapted to the needs of fitness products.

In this context, Technogym has adopted an approach to supply chain management that favours continuous, two-way learning in order to regularly fulfil the new market demands. This means that long-term relations need to be forged, particularly with suppliers of high-tech components, who make up a supply chain that is, largely, stable.

The following information relates to all purchases of supplies for Technogym S.p.A. (Headquarters and Italian plant) and Technogym EE S.r.o. (Slovakian plant), consisting entirely of raw materials and functional product components.

Technogym's supply chain is divided into suppliers who provide "bill of materials" supplies, some of which are particularly strategic to Technogym's success, including those that contribute directly to product creation, and "indirect" suppliers who provide other services or materials, as well as the equipment used in production.

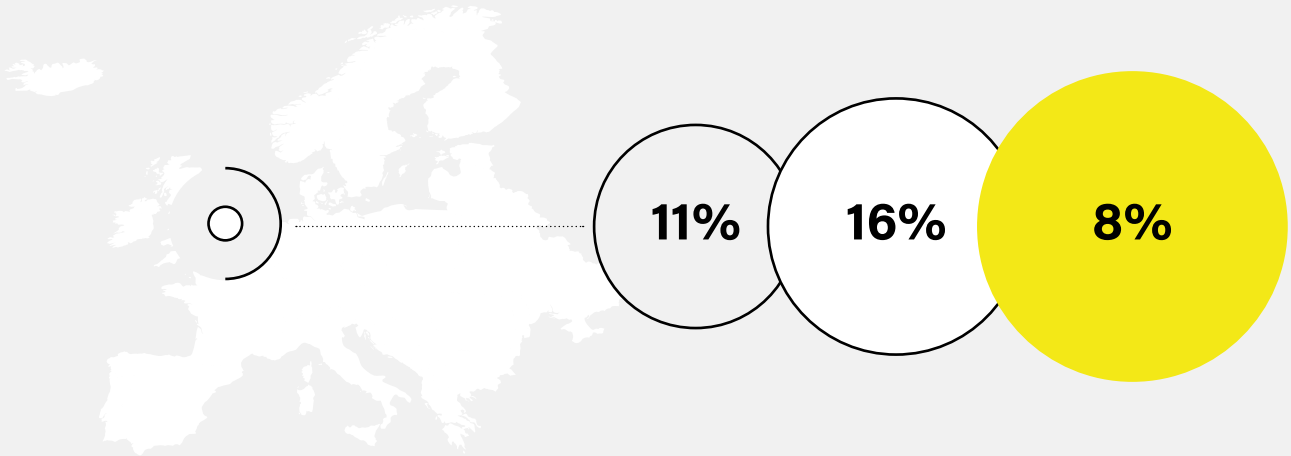
In 2020, taking the COVID-19 pandemic into account, there were no changes to the solidity of the business and the supply chain as a whole. In particular, purchases for production operations totalled €201,146,760.87 in 2020. Technogym S.p.A. and Technogym EE S.r.o. used a total of 714[37] providers.

The supplier base is unchanged and the differences compared with 2018 and 2019 concern the "Other" category in particular. This is due to the fact that the data comprise only suppliers with sales over €10,000 and, still taking the 2020 emergency into account, the reduction concerns providers of services which are not strategic for the creation of the Group's products and services.

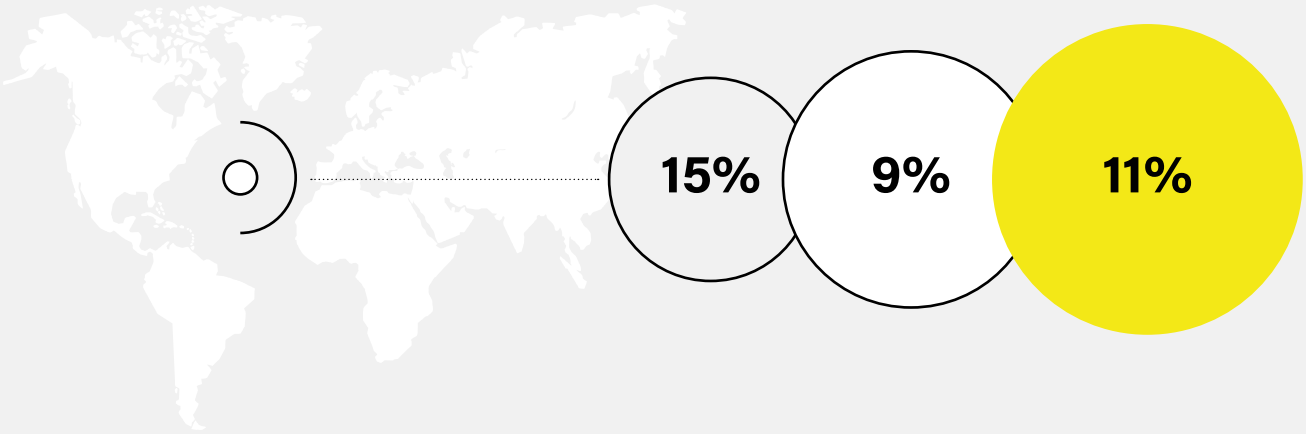
37. This number relates to the suppliers who generated sales of at least €10,000 with Technogym in the reference year. The top 100 suppliers account for around 80% of the total purchases.

Purchases from Italy

Purchases from Europe (excluding Italy)



Purchases from the Rest of World



2018 2019 2020

The supply chain is mainly **based in Italy**, where 81% of providers have a registered office in 2020 - up slightly compared to 2019. The remaining purchases are spread across Europe (8%) and the rest of the world (11%).

	2018	2019	2020
Total purchases for production activity (Euro)	249,422,394.04	248,332,914.91	201,146,760.87

In Italy, Technogym mainly works with small and medium enterprises (SMEs) and local businesses [38]; in some cases it works with multinationals but most of them are still based in Italy. This allows us to work with companies operating in a heavily regulated, controlled environment, and to have frequent, direct contact with our suppliers, ensuring a quality of work and respect for people and protection of workplaces. Having said that, as mentioned in the Sustainability Policy, the Group encourages entrepreneurial spirit and expertise all along the supply chain, encouraging local and regional development while complying with and upholding workers' and human rights.

Analysing the numbers relating to providers by category of goods, in addition to the aforementioned drop in the "Other" category, it should be remembered that during 2019, Technogym reclassified some of its product categories, in relation to updates to the supplier monitoring process[39].

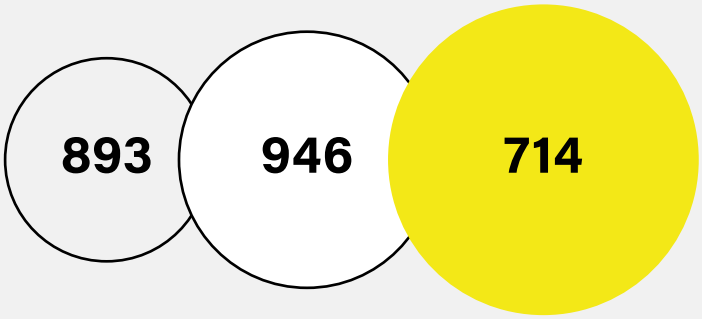
Lastly, there are no labour-intensive operations in the Technogym supply chain. Technological advances over the years, and the forging of long-term relations, have also enabled suppliers to make investments designed to automate potentially important processes (for example, automated welding instead of manual welding).

38. The term "local" indicates that the companies are based in Italy.

39. As mentioned in the 2019 Non-Financial Report, the process improved and streamlined controls along the supply chain, making it clearer and more representative of the Group's core business: suppliers of products pertaining to pre-assembled mechanical units have been included in category 8 "Other" (they were previously in category 1). Suppliers of custom electronics, electromechanical items, wiring and motors have been reclassified. Suppliers who were previously classified under product category 4, apart from specific products for custom electronics, have been grouped in product category 6, renamed

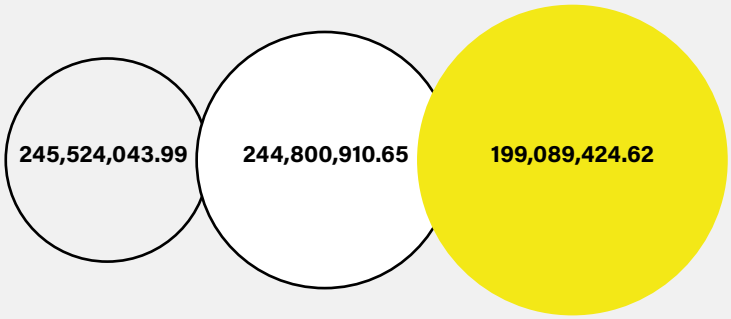
Suppliers by product category [40]

40.
Suppliers with an amount of more than €10,000



	2018	2019	2020
Total suppliers in category 1 **Metal structures**	53	43	41
Total suppliers in category 2 **Machining**	77	77	79
Total suppliers in category 3 **Upholstery**	31	30	32
Total suppliers in category 4 **Custom electronics**	49	23	21
Total suppliers in category 5 **Plastics**	70	77	76
Total suppliers in category 6 **Electromechanics/wiring/motors**	9	51	46
Total suppliers in category 7 **Powder coating**	5	5	6
Total suppliers in category 8 **Other**	599	640	413

Purchases, by category



	2018	2019	2020
Total purchases for category 1 **Metal structures**	75,913,793.25	49,785,491.16	42,431,900.55
Total purchases for category 2 **Machining**	21,666,424.42	27,255,526.61	22,462,884.60
Total purchases for category 3 **Upholstery**	12,397,249.55	12,149,649.29	11,170,505.39
Total purchases for category 4 **Custom electronics**	43,882,886.05	38,522,651.78	32,311,342.19
Total purchases for category 5 **Plastics**	31,267,469.66	38,452,498.24	32,578,222.58
Total purchases for category 6 **Electromechanics/wiring/motors**	2,268,187.21	13,382,780.16	12,224,331.06
Total purchases for category 7 **Powder coating**	2,922,208.43	2,470,261.93	3,828,031.24
Total purchases for category 8 **Other**	55,205,825.41	62,782,051.48	42,082,207.01

Electromechanics/wiring/motors. The suppliers in category 6 "Adhesives" have been reclassified under category 5 "Plastic Materials".

8.2 CONTROL OF THE SUPPLY CHAIN

Supplier relations is a strategic element. This is why Technogym uses selection and monitoring tools to control its supply chain, and also rates suppliers' performance to ensure they comply with current environmental and social legislation. [DMA 204; 412]

Supplier selection and key contractual terms

CONTROL TOOLS

- ↦ Code of Ethics
- ↦ 231 Model
- ↦ "Supply management" procedure
- ↦ Procedure for the "Management of obligations related to works and temporary contracts, and temporary mobile sites"
- ↦ Procedure for "Supplier Qualification and Rating"
- ↦ Procedure for the "Qualification of manufacturing and production approval processes"

Technogym's supplier selection and outsourcing process takes into account the company's directives and the public procedures that apply, under current legislation.

Selecting a supplier is a key process for achieving the Group's excellence targets. At the heart of the analysis are the technical and functional requirements, which are decided at the product development stage by the relevant departments.

The process of selecting a new supplier, which is regulated by the "Supplier Assessment and Qualification" Procedure, includes a two-phase supply chain quality assessment.

After a Non-Disclosure Agreement (NDA) has been signed, the supplier's technical capability and quality is analysed. This analysis covers issues such as financial stability, the type of products supplied, available technologies, and the characteristics of the in-house R&D department, responsible for designing specific components.

If there is a positive outcome to the first phase, the procedure makes provision for an on-site assessment. Thanks to internal monitoring and evaluation tools, this assessment includes elements linked to quality, environmental impact, workplace safety and respect for human rights, in compliance with applicable national laws and regulations. The assessment also includes the supplier's management systems.

Once this phase is over, approved suppliers will then be asked to sign a Quality Agreement and Terms and Conditions of Purchase. This will define the content of their contract and will cover environmental and social issues such as compliance with current environmental and social laws, and with the specific requirements of Technogym.

Lastly, all suppliers are also asked to accept the REACH and RoHS standards, that ensure a higher level of protection for health and the environment, limiting the use of chemical substances in the production process and reducing the relative risk. With the REACH Directive, it is possible to obtain additional and more comprehensive information on the hazardous properties of products handled, on the risks related to explosion and the safety measures to adopt, while the RoHS Directive establishes restrictions on the use of certain hazardous substances in the manufacture of various types of electrical and electronic equipment.

Monitoring during supplier relations

The management of supplier relations requires constant monitoring of performance.

The tool used to support this process is the online portal GSC, which contains and manages all the Vendor Rating information.

The portal keeps an up-to-date record of every company in the supplier base (for example, details of their financial performance), and details of the relationship between each company and Technogym (delivery times, supply quality etc.). This data allows the system to give a brief assessment of each supplier, and to monitor their performance.

Suppliers themselves can access the portal, and can see their own ratings so that they have constant feedback on the perceived quality and services they offer. [DMA 308; 414]

CONTROL

TOOLS

↦ Code of Ethics

↦ 231 Model

↦ Procedure for "Supplier Qualification and Rating"

Technogym also deploys a system of periodic site audits to monitor supplier performance. These audits will cover:

› monitoring of suppliers' operations;
› checking on the continued existence of specific operational requirements;
› reporting any actual or potential discrepancies compared to environmental and social regulations, and the specific requirements imposed by the organisation;
› defining corrective actions to prevent any actual or potential discrepancies from re-occurring;
› tracking all supplier performance monitoring activities.

By carrying out site assessments, Technogym can specifically evaluate:

› social aspects relating to working conditions, any instances of child labour, salubriousness of the workplace (lighting, cleanliness etc.), freedom of association, the right to collective bargaining, discrimination, individual health and safety;
› environmental aspects: protecting the environment in relation to atmospheric emissions, waste water, contamination of soil, waste management.

The Group also audits the suppliers' management systems such as ISO 9001, ISO 14001, ISO 45001, AITF 16949 (ex ISO/TS 16949), and SA 8000. In 2020, 26% of suppliers were ISO 9001 certified, up from 18% in 2019. In Italy, where most suppliers are located, 27% had ISO 9001 certification and nearly 7% ISO 14001 certification. In addition, 10 suppliers in Italy have adopted ISO 45001 certification and four others are SA 8000 certified.

Technogym does not require the certifications as mandatory, but their presence is an integral part of the global supplier assessment (part of the vendor operating system). In this way the Group can raise suppliers' awareness of focusing at all times on socio-economic issues, while supporting them on their pathway of continuous improvement.

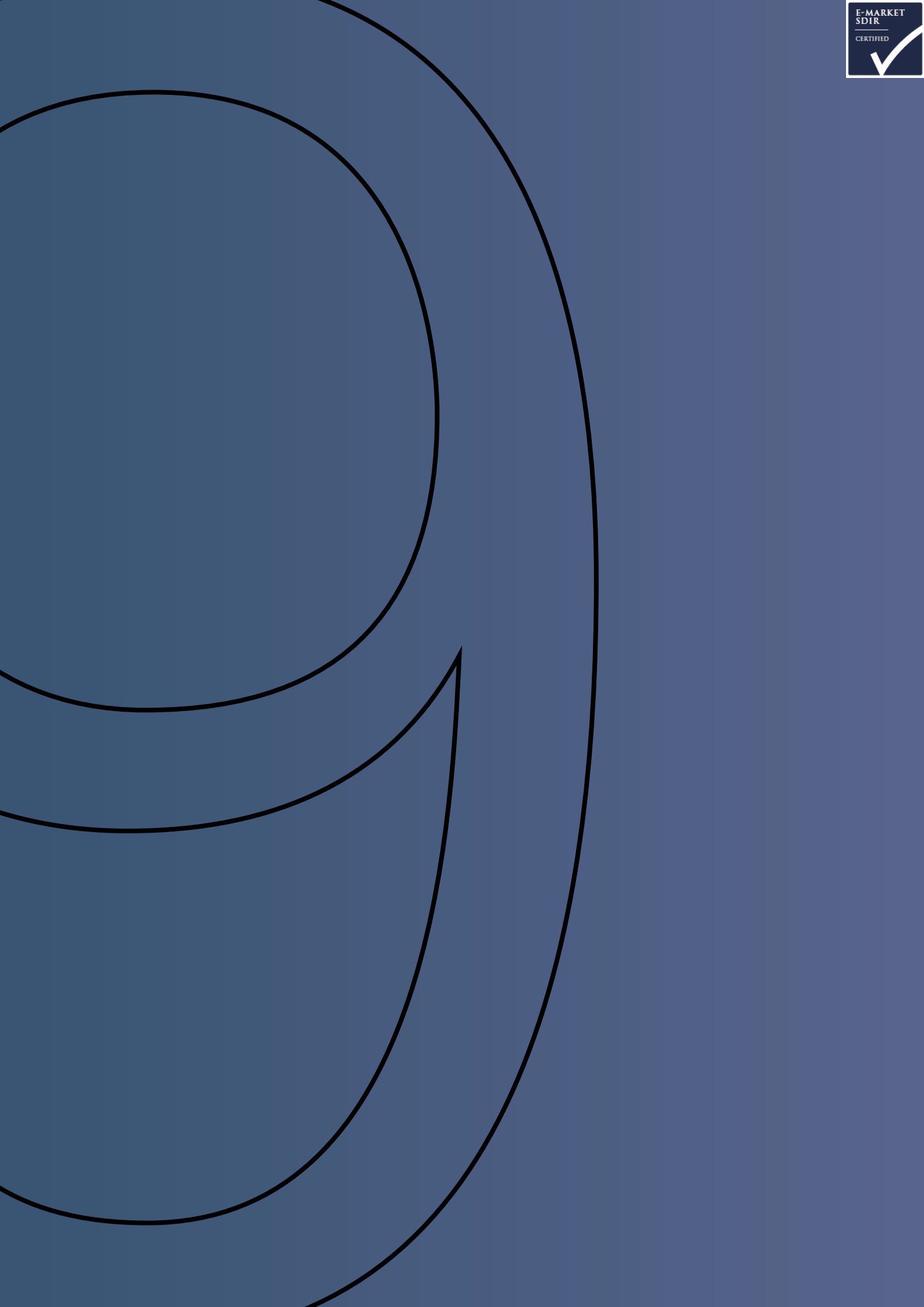
In terms of the environmental and social impact, as the overwhelming majority of purchases come from companies based in Italy or Europe, our suppliers operate in a context that is heavily regulated and requires specific administration in managing these aspects.

Among other things, suppliers need to comply with the regulations in force in their own countries with regard to minimum pay, hours of work, payment of overtime, freedom of association and anti-discrimination policies.

As part of this process, 100% of new suppliers have been assessed taking into account their environmental and social impacts. In 2020, 12 audits were carried out, four of which were on new product suppliers. The findings of our audits have never highlighted any adverse environmental or social impacts. [308-1; 308-2; 414-1; 414-2]

With a view to continual improvement and a focus on ESG aspects, the development of an integrated supplier monitoring and control platform was planned for 2020, providing details of the social and environmental conditions of suppliers, and an updated overview of their financial performance. The pandemic has led to the temporary suspension of these activities. That said, the Group remains committed to consolidating risk management by encouraging more controls of individual suppliers by type of supply and geographic area.

TECHNOGYM



ENVIRONMENT

9 Environment

[MATERIAL TOPIC: ENVIRONMENTAL WELFARE] [40]

40. For the purposes of the information in this chapter, the perimeter includes Technogym S.p.A. and Technogym EE. For Technogym S.p.A. this refers only to the consumption for the Technogym Village, which includes the Italian head office and the Cesena production site. Consumption by all the subsidiaries (including the Italian branch) has not been included for the first reporting year, considering the commercial nature of their activities.

"The well-being of the population and the planet go hand in hand. In line with its mission of bringing Wellness to the world, Technogym prioritises the health of our planet by selecting systems and behaviours that protect the environment and its natural resources"

In line with its own Wellness philosophy related to promoting wellbeing, Technogym is continually committed to reducing its impact on the environment, which is an inextricable condition for guaranteeing the health and quality of life of people.

The Group primarily impacts the environment through its production operations. The plant in Cesena assembles components produced by suppliers, while the site at Malý Krtíš (Slovakia) produces most of the machine components in-house and also has its own welding and coating departments. The Group's other sites perform services and commercial activities.

The 231 Model identifies "sensitive" activities for the purposes of environmental regulatory compliance. These activities include waste production and disposal procedures, the management of systems that generate atmospheric emissions and waste water, the management of chemicals and fuels that could lead to land, subsoil or water contamination. [41].

To consolidate its monitoring and control system of environmental impact with a view to preventing risks and continuously improving performance, in 2003 Technogym S.p.A. adopted an Environmental Management System certified according to ISO 14001, which covers all the company's activities. Since 2015, Technogym EE has held ISO 14001 certification for its operations in Slovakia [42].

In 2018 Technogym set up an Integrated Management System, which includes certification to ISO 9001, ISO 14001, ISO 45001 and ISO 50001, and ISO 13485. By defining a formal environmental policy, the system provides a framework for the setting and reaching of targets on quality, health and safety, energy and environmental efficiency. It also represents our concrete commitment to pursuing sustainability by measuring and preventing risk. In view of the above, as already mentioned in the chapter on governance, in 2021 Technogym envisages redoubling its commitment to the management of chemical substances and preparations by way of a dedicated policy aimed at continually monitoring matters pertaining to the health and safety and environmental impacts of using chemicals in operations and along the value chain.

41. The Technogym Group does not use chemical substances in the phase-in and phase-out process. As stated in the Chapter on the Supply Chain, Technogym requires its suppliers to comply with the REACH and RoHS Directives.

42. The UK subsidiary also has ISO 9001, ISO14001 and ISO 45001 certifications.

9.1 ENERGY CONSUMPTION

[DMA 302; 305]

The energy consumed by Technogym S.p.A. is only for heating, air conditioning, lighting and the running of electronic equipment. Although not classified as an energy-intensive company, Technogym S.p.A., has always been committed to energy saving initiatives. It conducted 2 energy diagnosis exercises in 2015 and 2018, and in 2018 it completed the procedure for ISO 50001 certification purposes.

On the other hand, Technogym East Europe, because of its production operations and following the energy diagnosis carried out in 2018, is classified as an energy-intensive company.

As testimony to the Group's commitment to protecting the environment, the Technogym Village - which is home to the company's headquarters - was built in 2012, based on principles of bioarchitecture, which have enabled Technogym S.p.A. to receive Energy Efficiency Certificates (EECs).

The plant is north-facing and this allows it to exploit the natural thermal exchange, making the environment warmer in the winter and cooler in the summer months.

CONTROL TOOLS

↦ Code of Ethics

↦ Integrated Environmental, Quality and Management Systems Policy ISO 9001, ISO 14001, ISO 45001 and ISO 50001

↦ 231 Model

The construction materials chosen provide a high level of thermal insulation, and the **system of opening large windows** in cooler hours reduces energy consumption.

The whole site is managed by a Building Energy Management System, which controls all the energy consumption points in order to continuously improve the energy performance of the Technogym Village. As the system is fully automated, it can provide instant and historic data. The constant analysis of the consumption data supports efficient policies the purchasing of energy and the reduction of consumption.

The Group's strong growth is requiring greater efficiency in its processes and consumption. This is why the company regularly controls and monitors consumption, by implementing analysis and reduction projects. In 2020, this led to a general reduction in consumption, with a decrease of around 9% in CO_2 emissions generated compared with 2019 [43], partly due to the COVID emergency.

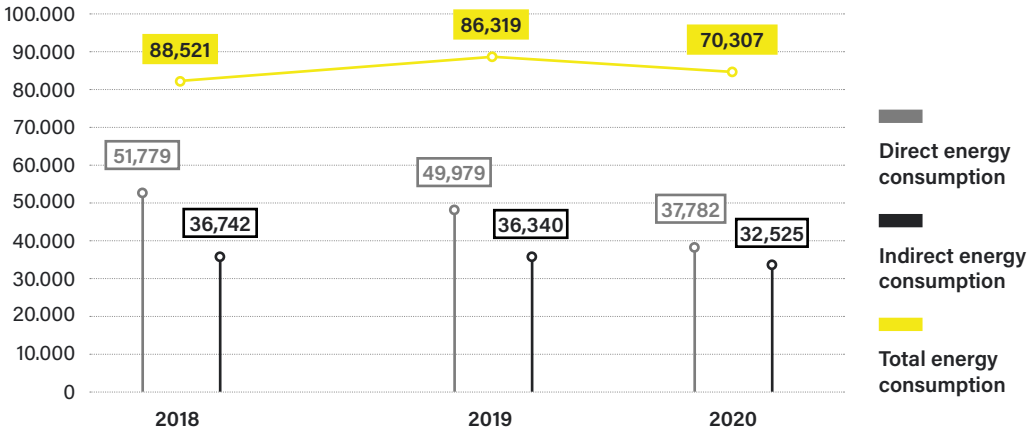
Important initiatives in recent years include opening the warehouse for finished products manufactured at the Slovak site. The warehouse has been transferred from Portobuffolè (Treviso) to Malý Krtíš. This operation made it possible to improve and streamline logistics with positive effects on transport and distribution management. In particular, it was possible to eliminate the transport by articulated lorry of some 60,000 finished products manufactured in Slovakia to the Italian warehouse at Treviso, around 700 km away, with an average 3,000 journeys avoided, for a total of 2,100,000 km and approximately 700,000 litres of diesel fuel/ saved, equal to 1,820.7 tons of CO_2 generated.

In 2018, an air conditioning system was installed at Technogym S.p.A., giving workers on the assembly lines comfortable working conditions which are unique in Italy. The design choice of installing an ultra-high efficiency, innovative cooling unit and activities to continually improve the performance of all plants made it possible to reduce electricity consumption at the Technogym Village in recent years, despite the increase in air conditioned areas and quality of the work environments.

43. The drop in CO2 emissions was based on a location-based calculation. The fall was 11.2% using a market-based approach.

44.
The figure for 2018 and 2019 also includes an estimate of external consultants who work for the company all year round

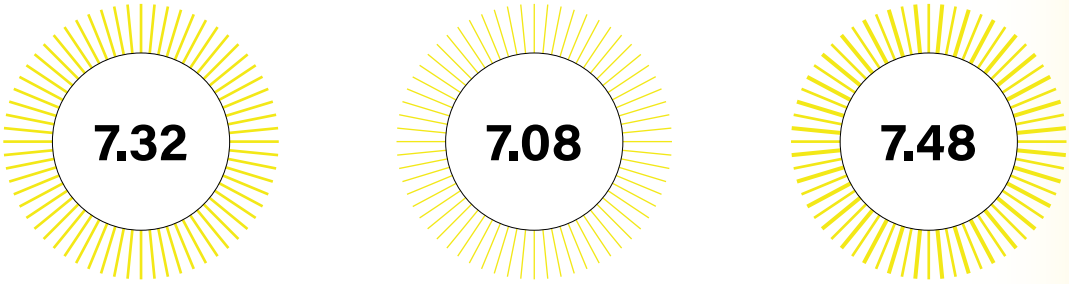
Direct and indirect energy consumption (GJ) [302--1] [44]



Changes in gas consumption at Technogym S.p.A. over the years relates to water used for sanitary facilities and services, given the increase in the number of personnel at the company. This consumption was offset by the particularly mild year which allowed reduced usage of the heating system at the site, thus saving on heating gas. This result was also made possible thanks to the insulating technologies at the Cesena site, and activities to continually monitor and maintain heating plants, to guarantee high levels of energy efficiency.

In 2020, the Slovak plant recorded a downturn in production volumes because of the pandemic, meaning that resources were not at full capacity. Consequently, in some cases, the plants did consume energy but did not produce as much as usual, which is why there was a decline in energy intensity.

Energy intensity for Technogym S.p.A. [302-3]

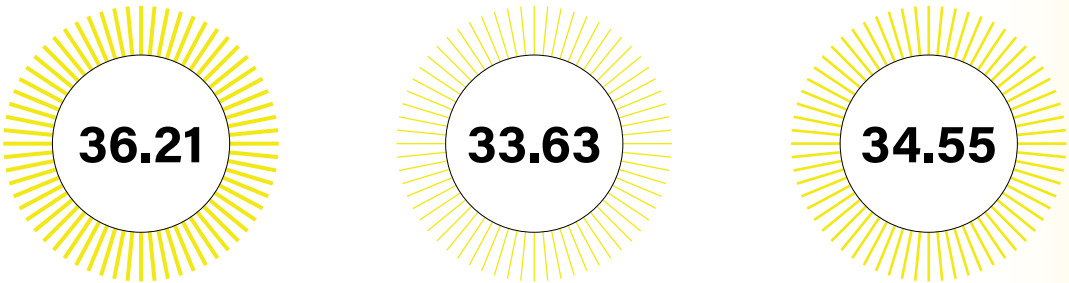


	Unit of measurement	2018	2019	2020
Energy intensity		**7.32**	**7.08**	**7.48**
Total energy consumed	kWh	11,246,013.13	10,495,884	8,982,860
Total hours worked [44]		1,537,309	1,483,251	1,200,935.8

44. The figure for 2018 and 2019 also includes an estimate of external consultants who work for the company all year round.

Energy intensity for Technogym EE [45]

45. Because of the different nature of activities of Technogym S.p.A. and Slovakia, the energy intensity for Technogym Slovakia was recalculated for the three-year period, considering the number of standard hours and not the hours worked. Therefore, the figures between Italy and Slovakia are not comparable.



	Unit of measurement	2018	2019	2020
Energy intensity		**36.21**	**33.63**	**34.55**
Total energy consumed	kWh	13,342,972	13,342,811	10,546,833
Total standard hours		368,519	396,723	305,245.0 [46]

46. The figure for 2018 and 2019 also includes an estimate of external consultants who work for the company all year round.

With regard to mitigating consumption, projects are in progress on both sites to reduce energy consumption by installing LED light bulbs, which have been designed together with the manufacturers of lighting systems to ensure that they have the same functional characteristics as the previous ones.

Actions are also planned for the fleet of vehicles, to reduce impacts by favouring less polluting fuels. In 2020, out of a total of 96 company cars, 13 ran on natural gas.

Logistics system

Technogym has a very detailed logistics structure that enables supply of the various component transportation channels from the suppliers to the company and of the finished products from the factories to the customers, wherever in the world they may be.

Technogym uses a network made up of the main players for the management of all inbound and outbound logistics activities. For imports and exports, goods are transported by land in Europe and by sea or by air for intercontinental deliveries.

Technogym has always been committed to developing logistics solutions that can ensure operational efficiency and compliance with delivery times, thereby guaranteeing high-quality logistics processes. In particular, exports are shipped to the warehouses of branches near the customer, and the machines are then sent on to the customer from there. The distribution network also contains the distributors, over which Technogym has no control because delivery is ex works.

For this reason, only emissions for which the Group is directly responsible are included in the CO_2 calculation. Moreover, only the most important suppliers have been considered. Taking into account emissions across the entire logistics system, there were 128,609.9 tonnes of CO_2 equivalent emissions in 2020, of which 98.4% resulted from road transportation.

Inbound and outbound logistics

Type of transport	Tonnes of CO2eq
Air	1,244.8
Road	126,584.7
Sea	780.3
Rail	0.1
Total	128,609.9

9.2 WATER CONSUMPTION

[DMA 303]

CONTROL

TOOLS

↦ Code of Ethics

↦ Integrated Environmental, Quality and Management Systems Policy ISO 9001, ISO 14001, ISO 45001 and ISO 50001

↦ 231 Model

Because of the type of activity performed at the Technogym Village, its water consumption is not significant. The production process does not require the use of water, for Italian production operations, as only assembly lines are present and most of the consumption is for civil use and irrigation of the Technogym Village grounds.

Drinking water comes from the mains, while the irrigation system for the Technogym Village grounds uses irrigation water supplied by the Consorzio Bonifica agricultural consortium of Romagna.

The environmental impacts associated with water resources depend mainly on the use of domestic water for people in the Technogym Village, employees and guests, and on the weather conditions affecting the air-

conditioning system used during the summer, which contains a cooling tower and the water needed to irrigate the park of the Technogym Village. In order to minimise water waste, Technogym has arranged special activities, including: daily monitoring of any leaks and service inefficiencies; remote checks of sanitary and irrigation facilities using the Honeywell Building Management System (BMS); and monitoring consumption by regularly reading meters. With regard to managing industrial discharge, Technogym complies with all the standards contained in the AUA (Unique Environmental Authorisation) recommendations.

The Slovak plant uses water for the coating system, and tests all the water flowing in and out of the site. Under an agreement with the local Slovak authorities, Technogym returns control of the wastewater to the local authorities. By carefully managing its water resources, Technogym discharges water with a low level of emissions and polluting substances, which enables the authorities to purify and drain it in accordance with the legal parameters.

The management of water resources and of the impacts associated with its discharge are governed by Slovak Law no. 364/2004, which provides for surface water quality monitoring processes for developing sustainability and protection policies that become the basis of preparing drainage basin management plans.

The process begun at the Slovak plant helps to identify and assess the impacts associated with water resources and makes provision for special analysis to be performed on groundwater pollutants at an accredited laboratory. Moreover, with a view to managing water sustainably, a special procedure is adopted for issues linked to waste management, water and health and safety, a procedure that governs relations between local and foreign suppliers and Technogym EE.

The changes in consumption of drinking water at the Technogym Village for Technogym S.p.A. mainly refer to facilities for employees and guests and the use of the gym and showers, while the use of irrigation water is affected by changes in climate factors.

In 2017, Technogym EE installed a heat pump, which reuses hot water and has cut the consumption of well water by almost half. In addition, since 2019, thanks to stopping using water to cool washing during the painting process, the Slovak plant has been more efficient in managing its withdrawal of groundwater.

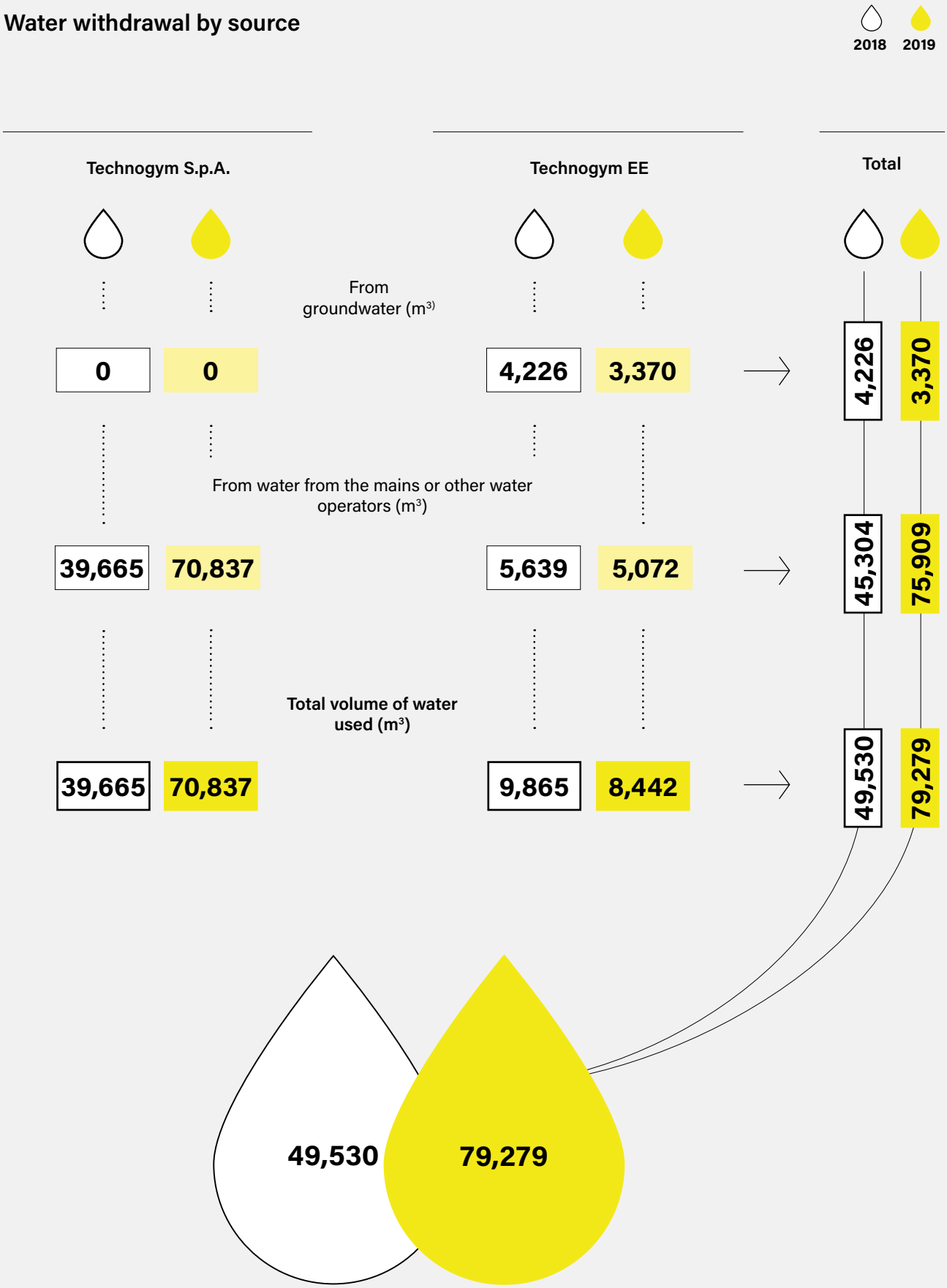
Total water extraction in 2020 was 94,583 million litres [47], of which 91.3 % was attributable to Technogym S.p.A. and resulted from third-party resources. Of the total water consumed, 77% was destined for irrigation and the rest for the gym and for other services. At Technogym EE, 3,716 million litres came from surface water and 4,515 million litres from groundwater.

47. The 2020 data shown in the table are presented as requested by the update to Standard 303 Water. The remaining figures for 2018 and 2019 are in the Annex.

Water withdrawal by source, 2020

Type of transport	Unit of measurement	Technogym S.p.A.	Technogym EE	Total
Surface water	Millions of litres	0	3,716	3,716
Groundwater	Millions of litres	0	4,515	4,515
Third-party resources	Millions of litres	86,352	0	86,352
Total water extraction	Millions of litres	**86,352**	**8,231**	**94,583**

Water withdrawal by source



9.3 WASTE MANAGEMENT[48] [DMA 306]

48.
The data in the document does not include waste collected and disposed of in common areas, as these are managed by municipal or independent providers, and therefore the GRI indicator does not apply for this reason.

The Group follows national and local directives on the proper disposal of urban and special waste.

Most recycled waste consists of paper, cardboard, glass, food waste and WEEE. At the Slovakian plant, the production wastage and hazardous waste mainly consists of grinding and polishing materials, packaging and sludge.

The Group pays particular attention to regular monitoring and constantly improving, in order to reduce waste.

CONTROL

TOOLS

↦ Code of Ethics

↦ Integrated Environmental, Quality and Management Systems Policy ISO 9001, ISO 14001, ISO 45001 and ISO 50001

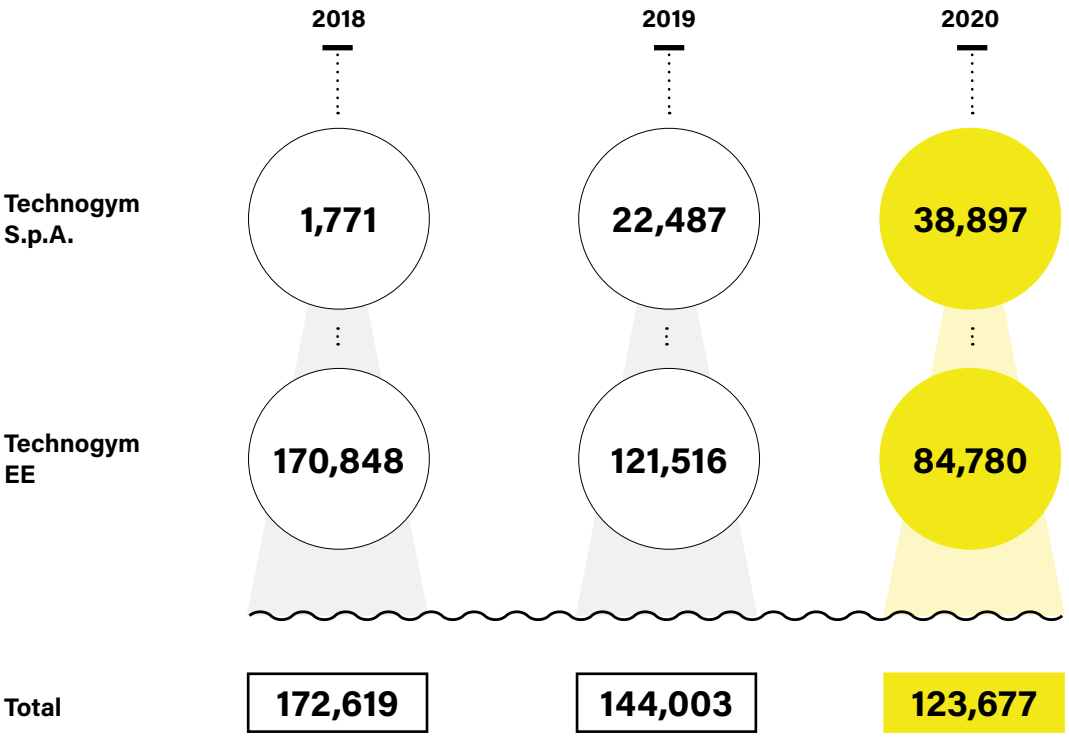
↦ 231 Model

Technogym maximises the use of recyclable components in its packaging, by using wood and cardboard where possible as indicated in the last section on products and packaging.

The increase in hazardous waste at the Technogym Village in 2020 was due to the extraordinary levels of disposal of used machines returned from the market but not put in to the Still Novo process. As regards non-hazardous waste, however, the main effect was linked to the reduction of waste disposed in 2020.

As regards the management of hazardous waste, in 2020 the Slovak plant recorded a 42% drop in waste destined for reuse, due mainly to lower production volumes. As regards water discharge for washing, however, greater efficiency in the production process - namely emptying the underground tanks once a year instead of twice - caused a reduction of 40.6%.

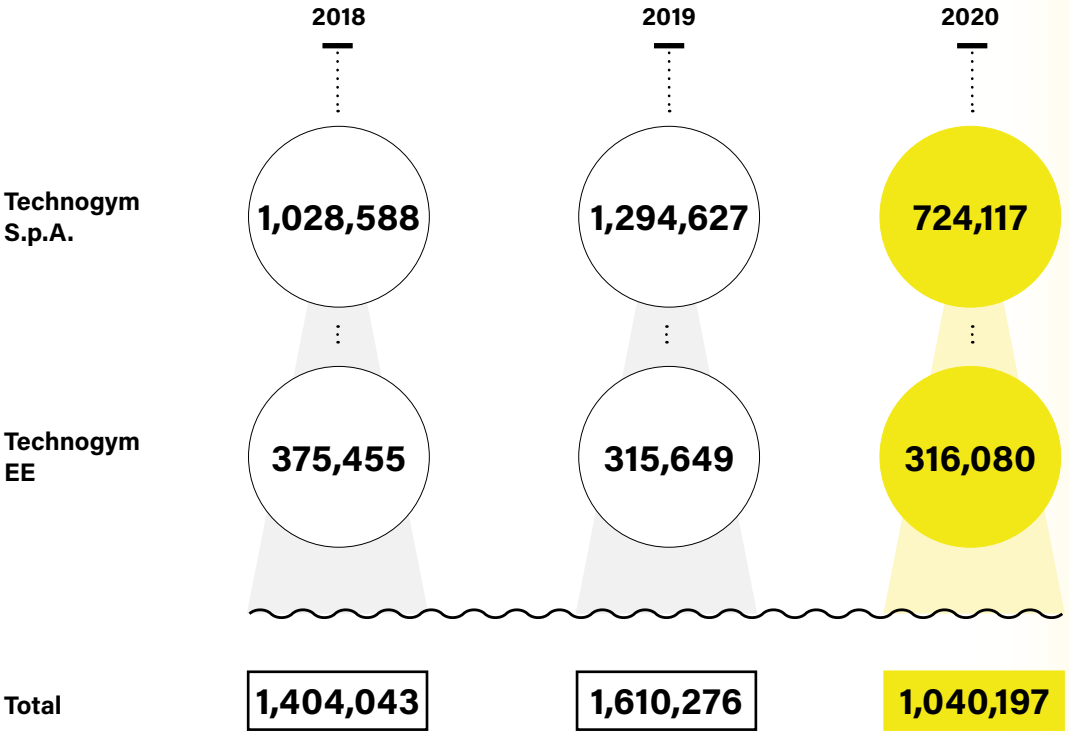
Total weight of hazardous waste based on the following disposal methods (Kg) [306--2]



	Technogym S.p.A.			Technogym EE			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total hazardous waste	**1,771**	**22,487**	**38,897**	**170,848**	**121,516**	**84,780**	**172,619**	**144,003**	**123,677**
Re-use	0	0	0	2,231	1,637	950	2,231	1,637	950
Recycling	0	0	0	0	0	0	0	0	0
Composting	0	0	0	0	0	0	0	0	0
Recycling, including energy recycling	1,454	22,030	38,359	3,991	2,202	3,760	5,445	24,232	42,119
Incinerator	0	0	0	0	0	0	0	0	0
Landfill	317	457	0	62,486	54,155	42,370	62,803	54,612	42,370
On-site storage	0	0	0	0	0	0	0	0	0
Other (Water for washing)	0	0	538 [49]	102,140	63,522	37,700	102,140	63,522	38,238

49.
In 2020, TECHNGOYM SpA recorded the disposal of particular special waste via certain facilities. Reports declare the activity to be in compliance with laws requiring that this waste be taken to landfill rather than recovered.

Total weight of non-hazardous waste based on the following disposal methods (Kg) [306--2]



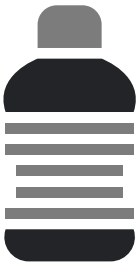
	Technogym S.p.A.			Technogym EE			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total non-hazardous waste	**1,028,588**	**1,294,627**	**724,117**	**375,455**	**315,649**	**316,080**	**1,404,043**	**1,610,276**	**1,040,197**
Re-use	0	0	0	0	0	0	0	0	0
Recycling	0	0	0	267,690	182,920	185,290	267,690	182,920	185,290
Composting [50]	0	0	0	2,130	2,320	1,260	2,130	2,320	1,260
Recycling, including energy recycling	976,204	1,273,683	700,145	8,175	6,708	7,690	984,379	1,280,391	707,835
Incinerator	0	0	0	0	0	0	0	0	0
Landfill [51]	52,384	20,944	0	97,460	123,701 [51]	119,100	149,844	144,645	119,100
On-site storage	0	0	0	0	0	0	0	0	0
Other	0	0	23,972	0	0	2,740	0	0	26,712

50. Includes waste taken to special plants.
51. For the disposal of non-hazardous waste at landfill, the difference compared to 2018 is due to the fact that material from the worksite to build the new warehouse was disposed of.
52. For "Other", in 2020 Technogym SpA recorded the disposal of special waste using certain facilities given that, by law, they cannot be recovered or taken to landfill. In Slovakia, however, 2,740 kg were recorded, referring to specific categories of mixed fats.

TECHNOGYM "I AM GREEN"

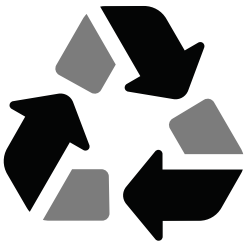
Technogym "I am Green" is the initiative to reduce plastic and foster a strong awareness among staff, through correct waste disposal.

Starting from the second half of 2019, water dispensers were installed at the corner cafes in the Technogym Village, and staff have been encouraged to use refillable water bottles. Plastic bottles have been replaced with aluminium, and plastic cups and stirrers for coffee etc. have been replaced with biodegradable ones.



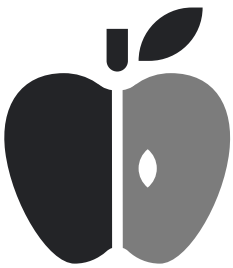
Reduction in plastic

Gradual elimination of disposable plastic



Recycling

Redefinition of the waste disposal corner, sorted waste of:
Plastic, Paper and Biodegradable matter



Zero waste

Unused food from the T-Restaurant is donated to local associations

9.4 ENVIRONMENTAL IMPACT OF PRODUCTS AND PACKAGING STRATEGY

Our focus on the environment also extends to our products. Our catalogue contains various self-powered machines [54] that are not connected to mains electricity. They have a small generator connected to the parts of the machine that are set in movement by the user, while exercising. The generator produces current which is used to power the machine, the display and the brake control system.

Besides these products, Technogym's "Refurbish" service perfectly embodies its approach to the Group's Circular Economy. Technogym has also introduced a process to recover used machines at the end of their first life cycle, so that they can be relaunched on the market as "suitable refurbished products" [55] contributing to a reduction in environmental impact and the use of raw materials.

Each machine is carefully disassembled and the components separated by type. 100% of the metal components are recovered and only the visible parts are re-coated using water-base products. Electronic components are disassembled, rectified, tested and used, were possible in the process or alternatively as spare parts [56].

As a result of this process, 51% of eligible machines were refurbished in 2019.

The process for reconditioning Technogym machines is in line with the UN's SDGs, particularly SDG 12. The Group is committed to helping recover materials which would otherwise be sent to landfill. It ensures that all materials that cannot be recycled are separated appropriately.

Environmental protection is an ongoing concern for the company, which always seeks the most effective ways to optimise possible impacts. This is why the responsible management of packaging is also part of the Group's sustainability strategy. As testament to this, Technogym procures its packaging only from suppliers that produce recycled paper and cardboard, their materials coming from FSC (Forest Stewardship Council) certified and recycled sources and wood certified by the PEFC (Programme for the Endorsement of Forest Certification schemes) and FITOK, whose certifications of wood packaging concern preventing the spread of harmful organisms that might have economic and environmental effects on the world's forests.

Aware of the possible excess of waste material from product packaging, the Group now also has re-usable containers, to avoid shipments with paper and cardboard packaging.

Technogym's approach to packaging management consists of four main actions:

1. Packaging Redesign, the aims of which are:

- To reduce packaging weight, which can have a positive impact on resource consumption, on carbon emissions associated with the procurement of materials, production and transportation, and on taxes associated with EPR..
- To reduce overpackaging all along the supply chain
- To minimise the use of mixed materials
- To increase recycled content
- To improve the percentage of recyclable, compostable and reusable packaging
- To increase the use of environmentally friendly ink

2. Responsible forestry certification - FSC

The Forest Stewardship Council is an international, not-for-profit NGO. FSC launched an internationally recognised forest certification system. The aim of this certification is to make sure forests are properly managed and derivative products are properly traced. The paper and certified materials are managed responsibly at every stage of the supply chain. The process includes criteria linked to respect for and protection of the rights of indigenous people and of the local forest communities from where the wood is gathered.

54. The catalogue contains 7 self powered machines: Excite Live 10" Human Powered Bike, Recline, Synchro, Vario, SkillRow, Group Cycle Ride/ Connect.

55. The process refers to the Still Novo product.

56. Machines not used in the Still Novo line, and production wastage, is passed to third parties for transport and recovery in accordance with current legislation. All operations are traceable, as indicated in the dedicated section.

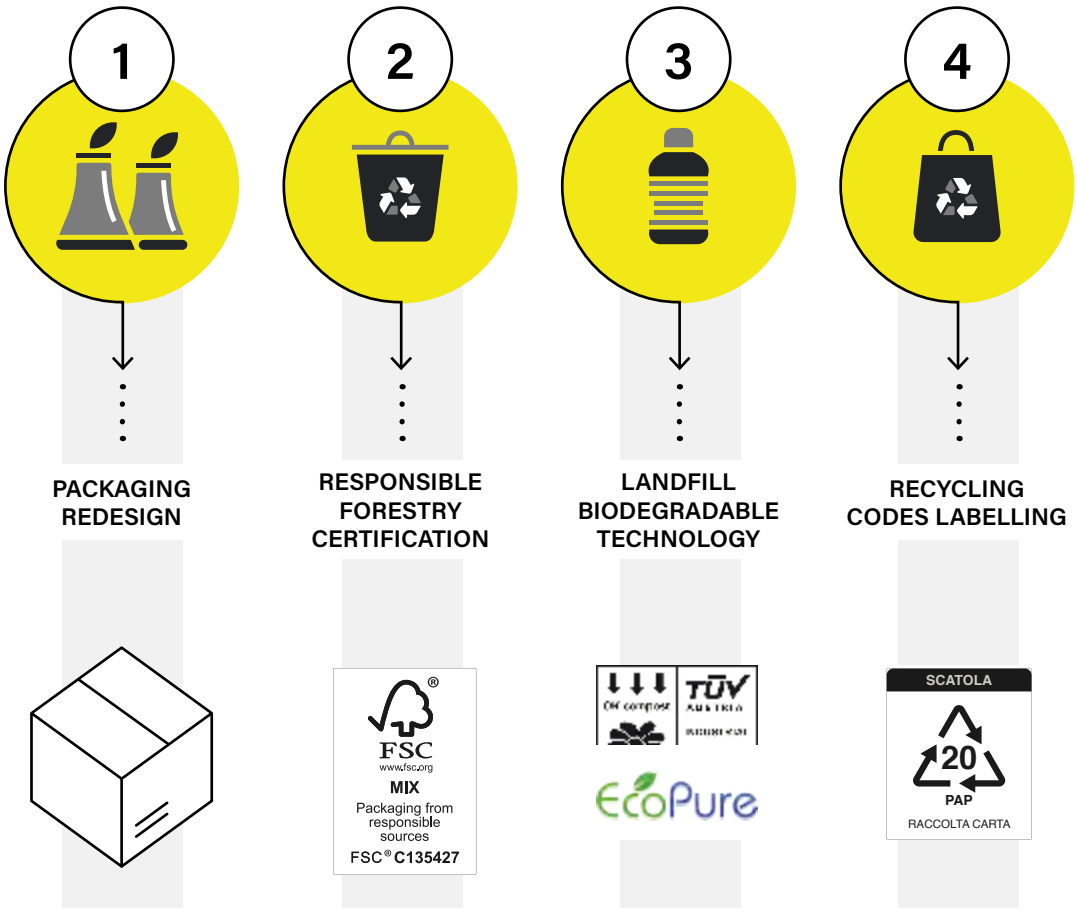
3. Landfill biodegradable technology

Packaging bearing the 'OK compost INDUSTRIAL' label is guaranteed to be biodegradable in an industrial composting plant, and this applies to all the components, the inks and the additives used in the processing of the product. The label is valid across Europe and guarantees that the certified product has been subjected to accurate studies and specific analysis, and that it meets the stringent requirements of standard UNI EN 13432: 2000 and conforms to the European packaging and packaging waste directive (94/62/CEE).

4. Recycling codes labelling

By way of recycling codes, Technogym pays close attention to identifying the material out of which a product is made, which makes it easier to determine how it should be recycled.

Technogym Sustainable Packaging



ATTACHMENT 1

ATTACHMENT 1

Direct and indirect energy consumption (GJ) [302–1]

	Technogym S.p.A.			Technogym EE			Total		
	2018	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
Direct energy consumption	**19,206**	**17,675.4**	**13,609.496**	**32,573**	**31,804**	**24,172.3**	**51,779**	**49,479.4**	**37,781.80**
From non-renewable sources									
Natural gas for heating	12,503	11,243.8	8,684.79	32,042	31,335	23,840.8	44,545	42,578.8	32,525.59
Diesel	6,506	6,061	4,579.01	531	469	331.5	7,037	6,530.1	4,910.51
Petrol	15	21.98	8.88	0	0	0	15	21.9	8.88
Natural gas [57]	182	348.7	336.816	0	0	0	182	348.7	336.816
Indirect energy consumption	**21,280**	**20,109.8**	**18,728.8**	**15,462**	**16,230**	**13,796.3**	**36,742**	**36,339.8**	**32,525.1**
From non-renewable sources									
Electricity consumption	18,581	13,329.3	15,718.1	15,079	15,825	13,382.4	33,660	29,154.3	29,100.5
Cooling energy consumption	2,699	6,780.5	3,010.7	383	405	413.9	3,082	7,185.5	3,424.6
From renewable sources									
Electricity consumption	0	0	0	0	0	0	0	0	0
Cooling energy consumption	0	0	0	0	0	0	0	0	0
Total energy consumption	**40,486**	**37,785.2**	**32,338.30**	**48,035**	**48,034**	**37,968.60**	**88,521**	**85,819.2**	**70,306.90**

57. Data represents estimated consumption. Reference is made to Cesena Metanauto station refuelling invoices from January to December 2020. It is not possible to extrapolate the refuelling with expenses at other stations.

Direct and indirect CO_2 emissions (Tonnes of CO_2) [58] [305-1; 305-2]

	Technogym S.p.A.			Technogym EE			Total		
	2018	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
Scope 1									
Natural gas for heating	598.75621	538.44304	491.20703	1,534.429	1,500.565	1,346.677	2,133.18538	2,039.01	1,837.90
Diesel	470.77632	438.70219	343.329	38.414	33.968	24.759	509.19049	472.67019	368.09
Petrol	1.01800	1.52870	0.636	0	0	0	1.01800	1.5287	0.64
Natural gas	8.70086	11.2	17.06310	0	0	0	8.70086	11.2	17.06
Total direct GHG emissions (Scope 1)	**1,079.37103**	**989.8801**	**852.23636**	**1,572.843**	**1,534.533**	**1,371.436**	**2,652.21437**	**2,524.4131**	**2,223.67**

	Technogym S.p.A. [45]			Technogym EE			Total		
	2018	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
Scope 2									
Location-based: Mains electricity	1,987.380	1,244.07	1,467.026	812.591	861.5833333	2,869.77	2,799.971	2,278.43	4,336.80
Location-based: Cooling energy	288.670	632.8475891	280.997	20.639	22.05	88.75	309.309	747.04	369.75
Total indirect GHG emissions (Scope 2)	**2,276.050**	**1,876.91**	**1,748.023**	**833.230**	**883.63**	**2,958.53**	**3,109.280**	**3,025.47**	**4,706.55**
Market-based: Mains electricity	1,987.380	1,873.50	2,209.271	812.591	3125.4375	3,156.01	2,799.971	2,278.43	5,365.28
Market-based: Cooling energy	288.670	953.0383335	423.168	20.639	79.9875	97.61	309.309	747.039	520.78
Total indirect GHG emissions (Scope 2)	**2,276.050**	**2,826.54**	**2,632.439**	**833.230**	**3,205.43**	**3,253.62**	**3,109.280**	**3,025.47**	**5,886.06**

58. Conversion and emission factors published by Terna S.p.A. 2019 and DEFRA 2020 were used to calculate 2020 greenhouse gas emissions. 2019 data have been repurposed using this source. For 2018, the emission factors used were those provided for by the "GHG Protocol tool for stationary combustion" (Version 4.7, World Resources Institute - WRI, 2015), and these were also used as a proxy to calculate emissions using the market-based method. As such, for 2018, the location-based emissions calculation tallies with the market-based one.

45. Green certificates were bought for TG S.p.A. in 2016 and 2017.

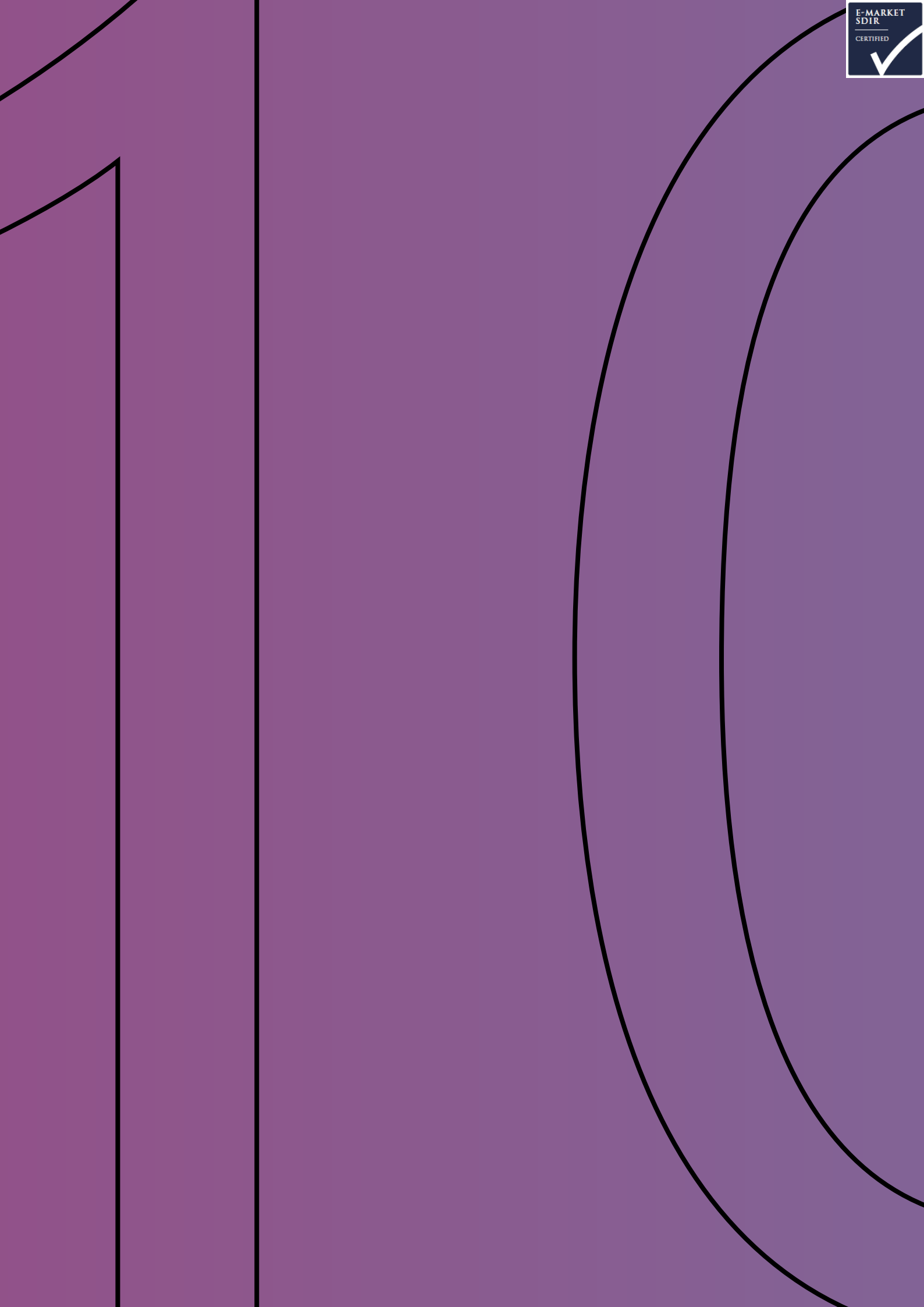


TABLE OF AREAS COVERED BY THE DECREE GRI STANDARDS

10 Table of areas covered by the Decree - GRI Standards

MATERIAL TOPIC	DECREE AREA	NFS CHAPTER	REFERENCE TO OTHER DOCUMENT	GRI STANDARDS	RISKS	CONTROL TOOLS
Creation of economic/ financial value		Chapter 1. Technogym	See Management Report for more details.	201 "Economic performance"		
Corporate governance system	Anti-corruption	Chapter 3. Corporate Governance System	See the Corporate Governance Report for more details.	205 "Anti-corruption";	Inadequate negotiation, stipulation and execution of contracts for the sale of goods and services to private individuals; Inadequate selection, negotiation and stipulation of agreements with partners (traders and distributors) and suppliers; Inadequate management of economic and financial transactions; Inadequate management of relations with directors, employees or third parties involved in legal proceedings	▪Code of Ethics ▪231 Model ▪Technogym Vision Book ▪Code of Conduct
Promoting the Wellness lifestyle in the community	Social aspects	Chapter 4. Wellness as a social opportunity			The material subject and related section refer to the promotion of a culture of wellness community. It describes actions taken locally in terms of sponsorship that are unrelated to any sensitive or high risk activities other than those already described in the 231 Model and in section 3.	

MATERIAL TOPIC	DECREE AREA	NFS CHAPTER	REFERENCE TO OTHER DOCUMENT	GRI STANDARDS	RISKS	CONTROL TOOLS
Lifetime Customer Care	Social aspects	Chapter 5. Customer Focus		416 "Consumer health and safety";	Malfunction of equipment due to inadequate installation and/or maintenance service Malfunctioning, construction defects or non-conformities with product technical and contractual specifications Failure to respond to requests/needs/ expectations of customers and the potential market Lack of transparency in customer communications (marketing, labelling) Inadequate management of information systems and information security Inadequate collection, storage and processing of personal data Failure to respond to changes in customer preferences and failure to appreciate new trends	▪ GSP Procedure ▪ User manual ▪ Service manual ▪ Data protection statement for the Technogym website and mywellness® account ▪ Data Processing Agreement (template for the Mywellness platform and for the management of Technogym suppliers) ▪ Information Security Policy ▪ Lead Generation Policy ▪ Retention and cancellation policy for mywellness® cloud ▪ Launch of portability and cancellation system on the Mywellness® cloud platform ▪ ISO 27001 certification for the Mywellness® cloud platform
Personal Wellness solutions	Social aspects	Chapter 6. Product		416 "Consumer health and safety"	Accidents, including major accidents, which may occur at production sites; Malfunction of equipment due to inadequate installation and/or maintenance service Malfunctioning, construction defects or non-conformities with product technical and contractual specifications	▪ UNI CEI EN ISO 14385 ▪ GSP Procedure

MATERIAL TOPIC	DECREE AREA	NFS CHAPTER	REFERENCE TO OTHER DOCUMENT	GRI STANDARDS	RISKS	CONTROL TOOLS
Employee wellbeing	Social aspects and personnel management	Chapter 7. Human Resources		102-8 "Information on employees and other workers"; 401 "Employment"; 402 "Labour management relations"; 403 "Occupational health and safety"; 404 "Training and education"; 405 "Diversity and equal opportunities"; 406 "Non-discrimination"; 407 "Freedom of association and collective bargaining"; 408 "Child labour"; 412 "Human rights assessment".	Accidents, including major accidents, which may occur at production sites; Discrimination against employees Loss of key skills for implementing the strategy	▪Code of Ethics ▪Technogym Vision Book ▪GTD Manual ▪Health and Safety Management Policy ▪UNI CEI ISO 45001 Management System
Sustainable supply chain management	Respect for human rights	Chapter 8 "The supply chain"		102-9 "Description of the organisation's supply chain"; 204 "Procurement practices"; 308 "Supplier environmental assessment"; 412 "Human rights assessment"; 414 "Supplier social assessment"	Inadequate working conditions linked to cases of child labour, discrimination, salubriousness of the working environment, personnel health and safety	▪Code of Ethics ▪231 Model ▪Contractual clauses for acknowledgement and acceptance of the Code of Ethics and 231 Management Model ▪"Supply management" procedure ▪"Management of works and temporary contracts, and temporary mobile sites" procedure ▪"Supplier Qualification and Rating" Procedure ▪"Qualification of manufacturing and production approval processes" procedure ▪Application for RoHS certification and compliance with REACH regulations"

MATERIAL TOPIC	DECREE AREA	NFS CHAPTER	REFERENCE TO OTHER DOCUMENT	GRI STANDARDS	RISKS	CONTROL TOOLS
Environmental welfare	Environmental aspects	Chapter 9. Environment		302 "Energy"; 303 "Water"; 305 "Emissions"; 306 "Discharge and waste".	Inadequate management of waste, of temporary deposits on the production site, and transfer of waste to third parties for transport/ disposal/recycling; High level of atmospheric emissions from production operations; Contamination of land, subsoil and water, from the use of chemicals and fuels in the production operations.	▪Code of Ethics ▪231 Model ▪Integrated Environmental, Quality and Management Systems Policy ISO 9001, ISO 14001, ISO 50001 and ISO 45001

E-MARKET
SDIR
CERTIFIED

GRI-REFERENCED TABLE

11 GRI-referenced table

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 102: General Disclosures 2016	102-1 "Name of the organisation"	Chapter 1 "Technogym"			
GRI 102: General Disclosures 2016	102-2 "Activities, brands, products and services"	Chapter 1 "Technogym"			
GRI 102: General Disclosures 2016	102-3 "Location of headquarters"	Chapter 1 "Technogym"			
GRI 102: General Disclosures 2016	102-4 "Location of operations"	Chapter 1 "Technogym"			
GRI 102: General Disclosures 2016	102-5 "Ownership and legal form"	Chapter 1 "Technogym"			
GRI 102: General Disclosures 2016	102-6 "Markets served"	Chapter 1 "Technogym" Chapter 5 "Customer focus"			
GRI 102: General Disclosures 2016	102-7 "Scale of the organisation"	Chapter 1 "Technogym" Chapter 7 "Human Resources" Chapter 5 "Customer focus" Chapter 6 "Product"			For details on operations and total capitalisation, divided between payables and share capital, see the Annual Report
GRI 102: General Disclosures 2016	102-8 a. "Employees by contract type and gender"	Chapter 7 "Human Resources"			
GRI 102: General Disclosures 2016	102-8 b. "Full or part-time employees"	Chapter 7 "Human Resources"			
GRI 102: General Disclosures 2016	102-9 a. "Description of the organisation's supply chain, including main activities, products and services"	Chapter 8 "The supply chain"			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 102: General Disclosures 2016	102-10 "Significant changes to the organisation and its supply chain	Chapter 1 "Technogym" Chapter 8 "The supply chain"			There were no significant changes in the size, structure, ownership or supply chain

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 102: General Disclosures 2016	102-11 "Precautionary principles"	Chapter 3 "Corporate Governance System"			Technogym adopts a prudential approach to reducing the environmental impact of its production processes and products, according to principle no. 15 of the United Nations Rio Declaration
GRI 102: General Disclosures 2016	102-12 "External initiatives"	Chapter 4 "Wellness as a social opportunity"			
GRI 102: General Disclosures 2016	102-13 "External initiatives"	Chapter 2 "Sustainability at Technogym"			
GRI 102: General Disclosures 2016	102-14 "Statement from senior decision-maker"	Letter to Stakeholders			
GRI 102: General Disclosures 2016	102-16 a. "Description of values, principles, standards and norms of behaviour"	Chapter 1 "Technogym" Chapter 3 "Corporate Governance System"			
GRI 102: General Disclosures 2016	102-18 a. "Governance structure"	Chapter 3 "Corporate Governance System"		Reference is made to the Report on Corporate Governance and Ownership Structure for more details	
GRI 102: General Disclosures 2016	102-22 a. v. "Composition of the highest governance body including gender"	Chapter 3 "Corporate Governance System"		Reference is made to the Report on Corporate Governance and Ownership Structure for more details	
GRI 102: General Disclosures 2016	102-23 a. "Indication of whether the Chair of the highest governance body is also the Chief Executive"	Chapter 3 "Corporate Governance System"			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Chapter 2 "Sustainability at Technogym"			
GRI 102: General Disclosures 2016	102-41 "Collective bargaining agreement"	Chapter 7 "Human Resources"			
GRI 102: General Disclosures 2016	102-42 "Identifying and selecting stakeholders"	Chapter 2 "Sustainability at Technogym"			
GRI 102: General Disclosures 2016	102-43 "Approach to stakeholder engagement"	Chapter 2 "Sustainability at Technogym"			
GRI 102: General Disclosures 2016	102-44 "Key topics and concerns raised"	Chapter 2 "Sustainability at Technogym"			
GRI 102: General Disclosures 2016	102-45 "Entities included in the consolidated financial statements"	Guide to the Statement			
GRI 102: General Disclosures 2016	102-46 "Defining report content and topic boundaries	Guide to the Statement			

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 102: General Disclosures 2016	102-47 "List of material topics"	Chapter 2 "Sustainability at Technogym"			
GRI 102: General Disclosures 2016	102-48 "Restatements of information	Guide to the Statement			There are no amendments concerning restatements of information
GRI 102: General Disclosures 2016	102-49 "Changes in reporting"	Guide to the Statement			There are no significant changes in reporting
GRI 102: General Disclosures 2016	102-50 "Reporting period"	Guide to the Statement			
GRI 102: General Disclosures 2016	102-51 "Date of the most recent report"	Guide to the Statement			
GRI 102: General Disclosures 2016	102-52 "Reporting cycle"	Guide to the Statement			
GRI 102: General Disclosures 2016	102-53 "Contact point for questions regarding the report"	Guide to the Statement			
GRI 102: General Disclosures 2016	102-54 "Claims of reporting in accordance with the GRI Standards"	Guide to the Statement			
GRI 102: General Disclosures 2016	102-55 "GRI Content Index"	"GRI-referenced table"			
GRI 102: General Disclosures 2016	102-56 "External assurance"	"Report of the Independent Auditors"			
GRI 201: 2016 economic performance	Managerial approach according to GRI 103 (v. 2016) for Topic 204 "economic performance" (v. 2016)	Chapter 1 "Technogym"			
GRI 201: 2016 economic performance	201-1 Direct economic value generated and distributed	Chapter 1 "Technogym"			
GRI 204: Procurement Practices 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 204 "procurement practices" (v. 2016)	Chapter 8 "The supply chain"			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 205: Anti-corruption 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 205 "Anti-corruption" (v. 2016)	Chapter 3 "Corporate Governance System"			
GRI 205: Anti-corruption 2016	205-2 c. "The total number and percentage of employees receiving anti-corruption training, divided by employee category and region"	Chapter 3 "Corporate Governance System"			

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 205: Anti-corruption 2016	205-3 “Episodes of established corruption and actions taken”	Chapter 3 "Corporate Governance System"			During 2019, non cases of corruption were registered
GRI 206: Anti-competitive Behaviour 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 206 "Anti-competitive behaviour" (v. 2016)	Chapter 3 "Corporate Governance System"			
GRI 206: Anti-competitive Behaviour 2016	206-1 “Legal actions for anti-competitive behaviour, anti-trust and monopoly practices”	Chapter 3 "Corporate Governance System"			During 2019, no legal actions referred to anti-competitive behaviour or anti-trust were registered
GRI 207: Tax 2019	Managerial approach according to GRI 103 (v. 2016) for Topic 207 "Tax" (v. 2019)	Chapter 1 “Technogym”			
GRI 207: Tax 2019	207-1 Approach to tax	Chapter 1 “Technogym”			
GRI 207: Tax 2019	207-2 Tax governance, control and risk management	Chapter 1 “Technogym”			
GRI 207: Tax 2019	207-3 Stakeholder engagement and management concerns related to tax	Chapter 1 “Technogym”			
GRI 207: Tax 2019	207-4 Country-by-country reporting				As regards country-by-country reporting (Decree 23 February 2017), Technogym - albeit not currently subject to this regulatory requirement - is preparing itself to be ready to respond to the requirements of the Decree and to ensure suitable implementation in accordance with best practice.
GRI 302: Energy 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 302 "Energy" (v. 2016)	Chapter 9 “Environment”			
GRI 302: Energy 2016	302-3 a. “Indicate the energy intensity ratio for the organisation"	Chapter 9 “Environment”			
GRI 302: Energy 2016	302-3 b. “State the specific unit of measurement for the organisation (the denominator) chosen to calculate the ratio”	Chapter 9 “Environment”			
GRI 302: Energy 2016	302-3 c. “State the types of energy included in the ratio: fuel, electricity, heating, cooling and steam”	Chapter 9 “Environment”			

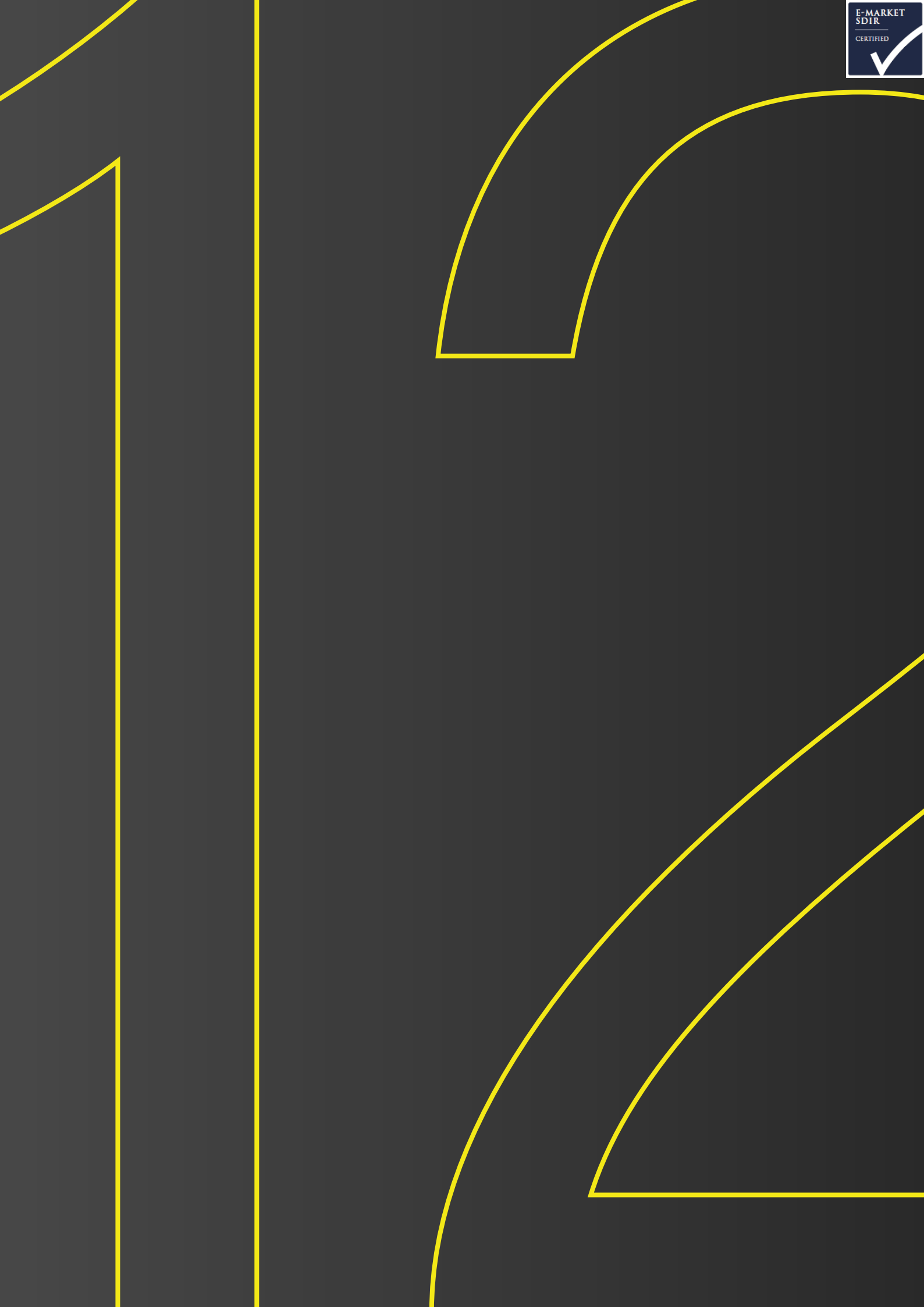
GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 302: Energy 2016	302-3 d. "Indicate whether the ratio uses energy consumption within the organisation, outside it or both"	Chapter 9 "Environment"			
GRI 303: Water 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 303 "Water" (v. 2016)	Chapter 9 "Environment"			The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI
GRI 303: Water 2016	303-1 Water withdrawal	Chapter 9 "Environment"			The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI
GRI 305: Emissions 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 305 "Emissions" (v. 2016)	Chapter 9 "Environment"	The source of emissions factors and global warming potential is the "GHG Protocol tool for stationary combustion" (Version 4.7, World Resources Institute (WRI), 2015), provided by GHG Protocol		The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI
GRI 305: Emissions 2016	305-1 a. "Direct greenhouse gas emissions (scope 1) per tonnes of Co_2"	Chapter 9 "Environment"	The source of emissions factors and global warming potential is the "GHG Protocol tool for stationary combustion" (Version 4.7, World Resources Institute (WRI), 2015), provided by GHG Protocol		The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI
GRI 305: Emissions 2016	305-2 a. "Greenhouse gas emissions from energy consumption (scope 2) per tonnes of Co_2"	Chapter 9 "Environment"	The source of emissions factors and global warming potential is the "GHG Protocol tool for stationary combustion" (Version 4.7, World Resources Institute (WRI), 2015), provided by GHG Protocol		The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI
GRI 306: Effluents and Waste 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 306 "Waste and discharges" (v. 2016)	Chapter 9 "Environment"			The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI
GRI 306: Effluents and Waste 2016	306-2 "Total weight of hazardous and non-hazardous waste based on different disposal methods"	Chapter 9 "Environment"			The subsidiaries have not been included as it was not possible to obtain data for the whole boundary as some subsidiaries have a supply system that does not allow reporting according to GRI

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 308: Supplier Environmental Assessment 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 308 "Supplier environmental assessment" (v. 2016)	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 308: Supplier Environmental Assessment 2016	308-1 a. "Percentage of new suppliers assessed according to environmental criteria"	Chapter 8 "The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 308: Supplier Environmental Assessment 2016	308-2 a. "Number of suppliers assessed according to environmental criteria"	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 308: Supplier Environmental Assessment 2016	308-2 b. "Number of suppliers identified as having actual and potential environmental impact on the supply chain”	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 308: Supplier Environmental Assessment 2016	308-2 c. "State the actual and potential adverse major impacts identified in the supply chain"	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 401: Employment 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 401 "Employment" (v. 2016)	Chapter 7 “Human Resources”			
GRI 401: Employment 2016	401-1 “Total number of hirings and turnover rate“	Chapter 7 “Human Resources”			The perimeter does not include Russia
GRI 401: Employment 2016	401-2 “Benefits provided for full-time employees, that are not provided to temporary or part-time employees”	Chapter 7 “Human Resources”			

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 402: Labour Management Relations 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 402 "Labour and industrial relations" (v. 2016)	Chapter 7 "Human Resources"			
GRI 403: Occupational Health and Safety 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 403 "Health and safety at work" (v. 2016)	Chapter 7 "Human Resources"	The quantitative data on the frequency of accidents as given in the text is based the UNI 7249:2007 standard		
GRI 403: Occupational Health and Safety 2016	403-1 b. "Workers represented on workers' councils for health and safety"	Chapter 7 "Human Resources"			The Subsidiary perimeter is not included
GRI 403: Occupational Health and Safety 2016	403-2 "State, for all employees and temporary workers in the organisation: Total number of accidents, accident frequency indicator, rate of occupational illness, working days lost, work-related deaths"	Chapter 7 "Human Resources"			The Subsidiary boundary is partially included.
GRI 403: Occupational Health and Safety 2016	403-2 b "For all workers at the company (excluding employees, temporary workers only), indicate: Total number of accidents, accident frequency indicator, working days lost, work-related deaths"	Chapter 7 "Human Resources"			
GRI 403: Occupational Health and Safety 2016	403-2 b "Describe the types of accident most frequently seen for workers at the company (excluding permanent employees)	Chapter 7 "Human Resources"			
GRI 403: Occupational Health and Safety 2016	403-2 c "Indicate the system of rules applied to the recording and reporting of accident statistics"	Chapter 7 "Human Resources"			
GRI 403: Occupational Health and Safety 2016	403-3 "Description of workers with a high frequency or high risk of work-related accidents"	Chapter 7 "Human Resources"			The Subsidiary perimeter is not included
GRI 404: Training and Education 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 404 "Training and education" (v. 2016)	Chapter 7 "Human Resources"			
GRI 404: Training and Education 2016	404-1 a. "Average annual training hours per employee, by gender and role"	Chapter 7 "Human Resources"			The Subsidiaries perimeter does not include Hong Kong
GRI 404: Training and Education 2016	404-3 a. "Percentage of employees regularly receiving performance and career appraisals, by gender and role"	Chapter 7 "Human Resources"			The Subsidiaries perimeter does not include Russia. A data collection system is currently being rolled out, which will ensure that data is available for the whole of this perimeter

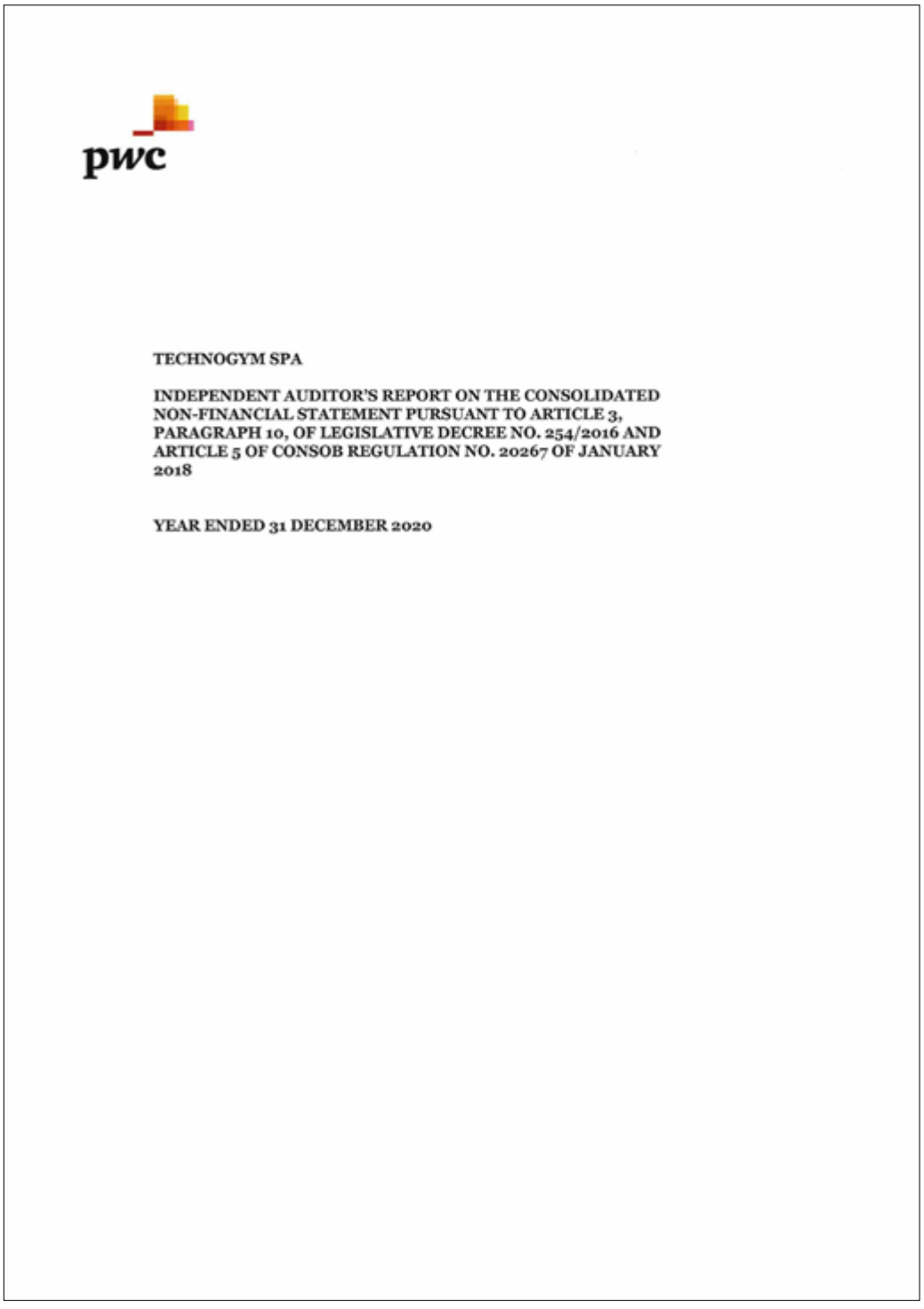
GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 405: Diversity and Equal Opportunity 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 405 “Equality and equal opportunities” (v. 2016)	Chapter 7 “Human Resources”			
GRI 405: Diversity and Equal Opportunity 2016	405-1 a. "Percentage of individuals on the governance/ management bodies by gender and age"	Chapter 3 “Corporate Governance System” Chapter 7 “Human Resources”			
GRI 405: Diversity and Equal Opportunity 2016	405-1 b. "Percentage of employees by job category, gender and age"	Chapter 3 “Corporate Governance System” Chapter 7 “Human Resources”			
GRI 406: Non discrimination 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 406 “non-discrimination” (v. 2016)	Chapter 7 “Human Resources”			
GRI 406: Non discrimination 2016	406-1 a. "Total episodes of discriminatory practices and actions taken"	Chapter 7 “Human Resources”			
GRI 407: Freedom of association and Collective Bargaining 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 407 “Freedom of association and collective bargaining” (v. 2016)	Chapter 7 “Human Resources”			
GRI 408: Child Labour 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 408 "Child labour" (v. 2016)	Chapter 7 “Human Resources”			
GRI 412: Human Rights assessment 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 412 "Human rights assessment" (v. 2016)	Chapter 7 “Human Resources” Chapter 8 “The supply chain”			
GRI 414: Supplier social assessment 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 414 "Supplier social assessment" (v. 2016)	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 414: Supplier social assessment 2016	414-1 "Percentage of new suppliers assessed according to social criteria"	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 414: Supplier social assessment 2016	414-2 a. "Number of suppliers assessed according to social criteria"	Chapter 8 “The supply chain”			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants

GRI STANDARDS	DESCRIPTION	NFS CHAPTER	DIRECT REFERENCE	REFERENCE TO OTHER DOCUMENT	NOTES
GRI 414: Supplier social assessment 2016	414-2 b. "Number of suppliers identified as having actual and potential social impact on the supply chain"	Chapter 8 "The supply chain"			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 414: Supplier social assessment 2016	414-2 c. "State the actual and potential adverse major impacts identified in the supply chain"	Chapter 8 "The supply chain"			The subsidiaries are excluded from the perimeter as the production operations with the highest risks and impacts relate to the Italian and Slovakian plants
GRI 416: Customer Health and Safety 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 416 "Consumer health and safety" (v. 2016)	Chapter 5 "Customer focus" Chapter 6 "Product"			
GRI 416: Customer Health and Safety 2016	416-1 a. "Percentage of products whose impacts on health and safety are periodically assessed throughout period of use"	Chapter 6 "Product"			
GRI 416: Customer Health and Safety 2016	416-2 "Incidents of non-compliance concerning the health and safety impacts of products and services"	Chapter 6 "Product"			
GRI 418: Customer Privacy 2016	Managerial approach according to GRI 103 (v. 2016) for Topic 418 "Consumer privacy" (v. 2016)	Chapter 5 "Customer focus"			
GRI 418: Customer Privacy 2016	418-1 c. "If the organisation has not identified any substantiated complaints, include a brief statement"	Chapter 5 "Customer focus"			



REPORT OF INDEPENDENT AUDITING FIRM

12 Report of Independent Auditing Firm



TECHNOGYM SPA

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

YEAR ENDED 31 DECEMBER 2020

E-MARKET SDIR CERTIFIED

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Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of
Technogym SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Technogym SpA and its subsidiaries (the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 24 march 2021 (the "NFS").

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

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2019, by the GRI - Global Reporting Initiative (the "GRI Standards"), with reference to a selection of GRI Standards, as described in the paragraph "Guide to the Statement" of the NFS identified by them as the reporting standards.

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

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

PricewaterhouseCoopers SpA

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The Board of Statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. understanding of the following matters:
   - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;

- policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
- key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Technogym SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the company Technogym SpA and for the plant located in Cesena (Italy), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out meetings and interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

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Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Technogym SpA for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards, with reference to the selection of GRI Standards as described in the paragraph "Guide to the Statement" of the NFS.

Bologna, 12 April 2021

PricewaterhouseCoopers SpA

Signed by

Roberto Sollevanti
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.

Corporate data

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Via Calcinaro, 2861
47521 Cesena (FC) – Italy

Legal Details

Authorised and subscribed share capital Euro 10,050,250
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no.: 06250230965
Forlì Cesena R.E.A. registration n° 315187

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