

Sustainability Report 2021

Message to the Stakeholders

More than ever, today the challenges related to cyber security are a priority for our Country, for European member States.

And for all the main industrialized Nations, as well.

The experience of the recent conflict in Ukraine shows how the availability of advanced cybernetic technologies and skills quickly enables “cyber-war”, which is only apparently less destructive than traditional conflicts, but equally dramatic. A digital battle creates uncertainty in the community, blocks the provision of essential services, and risks depriving companies, institutions, even single citizens, of the right to confidentiality and use of their own data for any legal and authorized purpose.

In this scenario, it becomes of the utmost urgency to make the Country more #CyberResilient and #bigdata driven for any relevant decision making process.

It is, therefore, necessary to strengthen the ability to face cyber attacks on key infrastructures in strategic sectors and at the same time to turn institutional actors as guarantors of cyber security and safety of citizens.

And it is also important to equip all citizens with the ability to exploit the large amounts of daily produced data for a more conscious, efficient and effective adoption of important decisions on behalf of individuals and community.

CY4GATE is eager to do its part.

And CY4GATE is ready.

Since 2014 it has been working to foster the development of proprietary national products and technologies, investing in R&D in the cyber sector, also through the use of public-private partnerships; at the same time it has been promoting and investing in the training of skills both within the Company and to strengthen the national and European cyber defense and cyber-intelligence capacity.

Participating as partner in the *Cybersecurity Competence center 4.0* allows CY4GATE to share its specialized skills and competences for the benefit of SMEs in particular, in order to promote and accelerate the adoption of advanced cyber security technologies to reinforce their cyber perimeter. Similarly, the participation in the creation of the first cloud on a European scale, GAIA-X, and the collaboration with *ECYSAP - European Cyber Situational Awareness Platform*, the largest European cyber defense project to date, testify about the potential for development and generation of solutions for the safety and well-being of businesses and citizens, deriving from strong know-how and the ability and willingness to collaborate for the benefit of all.

At the same time, CY4GATE is aware of the power of data and the pervasiveness of cyber space in everyday life. It requires the Company to be even more careful and responsible in directing its strategic choices, in the production and dissemination of skills and solutions, and in building relationships with suppliers, partners and customers. For this reason, CY4GATE placed at the center of its business model the respect for human rights, the dignity of people, and full attention to building a social, economic and environmental habitat that generates value for the Company and its stakeholders.

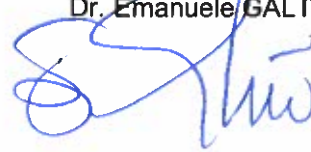
In this context, the Sustainability Report has represented for CY4GATE an internal evaluation tool, to acquire awareness of its current contribution to sustainable development and to clearly outline its commitment for the future; at the same time, the Sustainability Report is a powerful mean of transparency towards the outside to involve CY4GATE's stakeholders in a shared improvement process.

CY4GATE publishes its first Sustainability Report as an invitation and an opportunity to reflect together on the concrete contribution that each single person can make to a sustainable present for a better future!

Chairwoman
Dr.ssa Ing. Domitilla BENIGNI



Chief Executive Officer
Dr. Emanuele GALTIERI



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1. Our Business model and Company profile

1.1. About us

CY4GATE is a unique Italian industrial project with military and government background that operates in the cyber market at 360°.

Listed on Euronext Growth Milan since June 2020, CY4GATE was founded in 2014 thanks to the idea of the Company Elettronica SpA operating in the defence electronics sector with shareholders such as the Benigni family, Leonardo Spa and Thales, to meet an unconventional demand for cybersecurity.

CY4GATE designs, develops and produces technologies, systems, services and fully proprietary products for greater cyber resilience and big data analysis for decision intelligence on behalf of public and private companies.

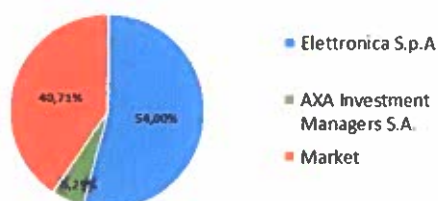
In fact, the project addresses Government needs, as well as Corporate challenges in the Cyber domain.

1.2. Ownership and shareholders structures

The Company is named CY4GATE S.p.A

It is incorporated in the form of a joint stock company in Italy and operating under Italian law

Share Capital divided into n. 15.000.000 shares



1.3. Revenues by geographic area and turnover by market

		2019		2020		2021	
		€M	%	€M	%	€M	%
Revenues by geographical area	<i>Italy</i>	5,0	70%	11,2	86%	10,1	64%
	<i>Export</i>	2,1	30%	1,8	14%	5,,7	36%
	Total	7,1	100%	13,0	100%	15,8	100%
Revenues for products and services	<i>Products</i>	4,8	10%	12,3	95%	11,3	72%
	<i>Services</i>	2,3	90%	0,7	5%	4,5	28%
	Total	7,1	100%	13,0	100%	15,8	100%

1.4. Our mission, our vision, our values

Mission and Vision

Cy4gate is the cyber sentinel devoted to ensuring its stakeholders a safer place to live.

CY4GATE designs, develops and produces high technological solutions to protect Institutions, Corporations and People in the Cyber domain.

Our People foster innovation and create proprietary solution combining creativity and innovative technology to provide our Customers with a clear answer to the ever-growing and ever-changing need for security.

Our unique range of products and services empower Corporations, Armed Forces, Law Enforcement Agencies and Public Institutions to protect People fundamental rights.

Values

Innovation

The experience acquired working with our clients makes us solid, hands-on innovators, capable of foreseeing the challenges of tomorrow through ongoing research and the development of technologically advanced solutions. Our constantly evolving business is characterised by the enthusiasm with which we explore reality and by our ability to integrate scientific and industrial collaboration, methods and processes.

Reliability

In our field, excellence is an absolute duty. Design, production and assistance are subject to stringent control procedures and continual improvements, all aimed at ensuring that each client's specific requirements are met correctly and at guaranteeing the maximum reliability of our products in every operational scenario.

Sense of Belonging

People are our most important asset. We believe in sharing and integration, in diversity, in ongoing professional development, in growth based on merit achieved by valuing commitment and talent. We act to ensure that everyone realises his or her full potential and actively achieves success in our company and in their own lives.

Integrity

We firmly believe that the best way of guaranteeing stable and lasting relations in the countries where we operate is by respecting the rules. Our approach is based on the core values of honesty, transparency and responsibility, both within the company and when engaging with business partners and clients, because for us mutual trust is a vital asset to be nurtured and protected.

Dynamism

We combine respect for the rules and procedures with a spirit of initiative, enterprise and flexibility, balancing rapid decision-making processes with effective control mechanisms. The fluidity of the framework in which we operate and our propensity for innovation keep our organisation lean and

streamlined in its work practices and proactive in its relations with partners and clients. Ours is a dynamic equilibrium, made up of coordination and movement.

1.5. What we do best: solutions for a safer cyber world

CY4GATE is a unique, pioneering company that was founded in 2015 thanks to the idea of the mother company Elettronica SpA (which operates in the defence electronics sector, is controlled by the Benigni family and counts Leonardo Spa and Thales amongst its shareholders). It is a strong combination of entrepreneurial and financial resources and expertise in order to create an entity that specialises in two rapidly expanding cyber markets: Cyber Intelligence and Cyber Security.

Just seven years later, CY4gate:

- Boasts a complete and integrated portfolio of proprietary software solutions in both the Cyber Intelligence and Cyber Security (RTA) markets and provides cyber services;
- Is a software house with expertise in various segments (e.g. Big Data/Artificial Intelligence) and has a highly motivated and entrepreneurial management;
- Has a growing portfolio of high-standing clients, both in the government sector and corporate segment;
- Has a 93-strong workforce that is expected to grow in the coming years;
- Generated sales of around €17mn in 2021 with positive margins (46,3% EBITDA margin).

CYBER INTELLIGENCE MARKET

Intelligence conducted using digital tools consists in the collection, analysis and enhancement of information in order to make a decision. This is an activity that is specific to both Governments, in their relevant divisions (Law Enforcement Agencies and Armed Forces), and, to an increasingly significant extent, to companies, in the particular as Corporate Intelligence activity.

This market is subdivided into two main categories: Decision Intelligence that Cy4Gate addresses with Quipo technology and Forensic Intelligence and Data Analysis where the company can boast a range of three “Net-Int” products.

- *Decision Intelligence*

The Decision Intelligence market revolves around Open Source Intelligence (OSINT), the collection and analysis of data from open sources about a topic or objective of interest. In order to collect, process, analyze, correlate, merge, enhance and process information, our product QUIPO uses a mix of Artificial Intelligence algorithms, such as those of Semantic Intelligence (for data in text format) and Data Mining (to analyze and correlating non-textual or alphanumeric and tabular data).

QUIPO is a technologically advanced software and offers:

- A high level of sophistication (using a number of AI algorithms) and allows for rapid and accurate object recognition (i.e. recognition without digital noise);
- Versatility given that it can be used by government agencies and private firms for various purposes (e.g. identifying criminals, analysing markets, travel management, pandemic crisis management);

- Varied customisation options (customising the product can take weeks/months) and modularity (QUIPO is a modular software solution with text/image/video/audio modules).

- *Forensic Intelligence and Data Analysis market*

This market concerns all the capabilities that allow an authorized operator to collect data and provide information with respect to a target, exclusively on behalf of law enforcement agencies and judicial authority. Forensic Intelligence is used to prevent or stop serious crimes such as terrorism, drug trafficking, mafia association, child pornography and corruption.

CYBER SECURITY

Products and services aimed supporting Companies and Institutions at identifying patterns of events that could indicate cyber attacks, intrusions, misuse or failure of data in order to protect IT and OT nets from such attacks.

- *Cyber security market*

Cy4Gate proposes for the cyber security market its modern SIEM/SOAR named RTA

RTA (Real Time Analytics) is a cyber security software solution used to protect/monitor IT and industrial infrastructure based on Big Data Analytics technology.

The system allows:

- collection and analysis of event flows (standard and non-standard data such as emails, telephone traffic, sensor traffic) from multiple sources (e.g. PCs, mobile phones, industrial sites);
- Real-time contextualisation of monitored activities;
- Indexing of all contextualised data in a "time-machine";
- Automatic identification of risky situations / anomalies and consequent classification (various levels of risk) and categorisation;
- Suggested solutions for each problem.

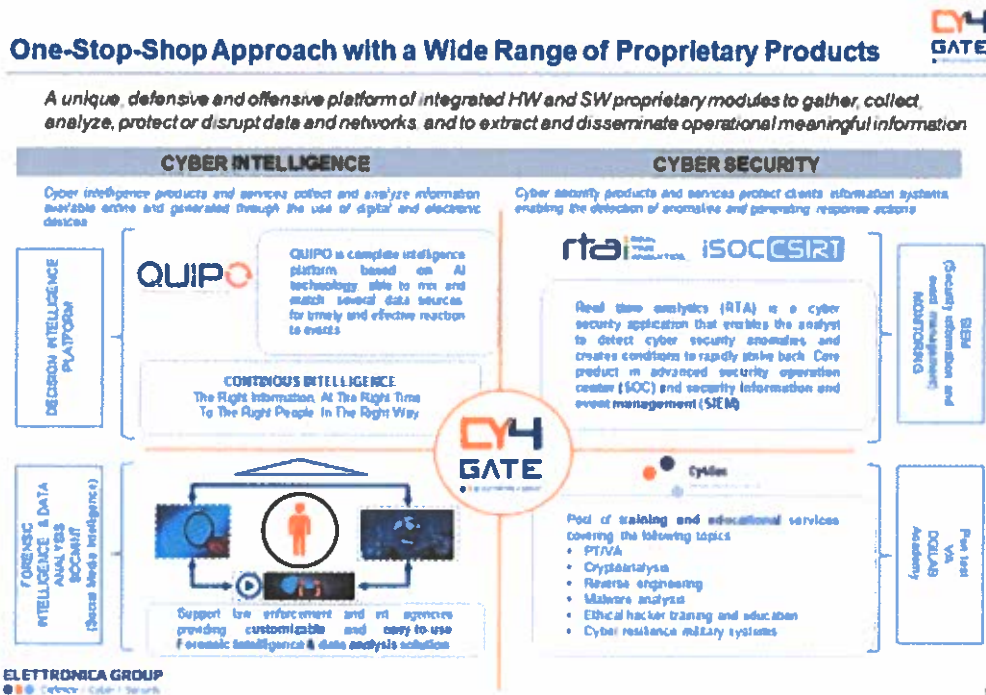
RTA is not an antivirus software in the sense that it stops the intrusion, but it tells the end user if they have a cyber problem or not and provides potential solutions.

- *Cyber security services*

Cy4Gate provides cyber security services for:

- Incident Response, Vulnerability assessment, Penetration Test, Cybersecurity consulting and training to improve customers' cyber security awareness and protection giving a next generation cyber security monitoring and incident response capability;
- Support in designing and development of Cyber Electromagnetic Attack systems and simulation models, enabled by the combination of CY4GATE capabilities in the cyber domain and ELETTRONICA's assets in Electronic Warfare (EW) on behalf of Defence & Aerospace customers;

- recruiting, educational and training programs to address today's needs in cyber intelligence, cyber security engineering, cybersecurity incident response and recovery, cybersecurity assessment through CY4GATE Academy;
- hands-on experience on cyber activities for platform and system analysis, vulnerability management, attack pattern engineering through Cy4Gate DIGILAB strategic asset



2. Sustainability for a safer world

Data carry great responsibilities.

They are powerful, but they can also be dangerous, if not handled carefully.

We are aware that we are part of a larger ecosystem. For this reason, in formulating visions for the future and in our daily activities, we take into account the economic, social and environmental impacts that we generate through our actions and decisions.

Data can be so private for each of us. For this we choose a holistic approach to protecting people's most intimate part.

We care about human rights, and therefore we close the door to those who would like to make a misuse of data not in line with these principles and values.

We develop proprietary products and create innovation in the #cyber domain, for a better (cyber) world.

We invest in the growth of our people's skills, and we aim for their well-being.

Our company DNA is conceived socially responsible:

we work so that everyone can work safely, because our goal is to create extensive protection to secure people's lives and jobs.

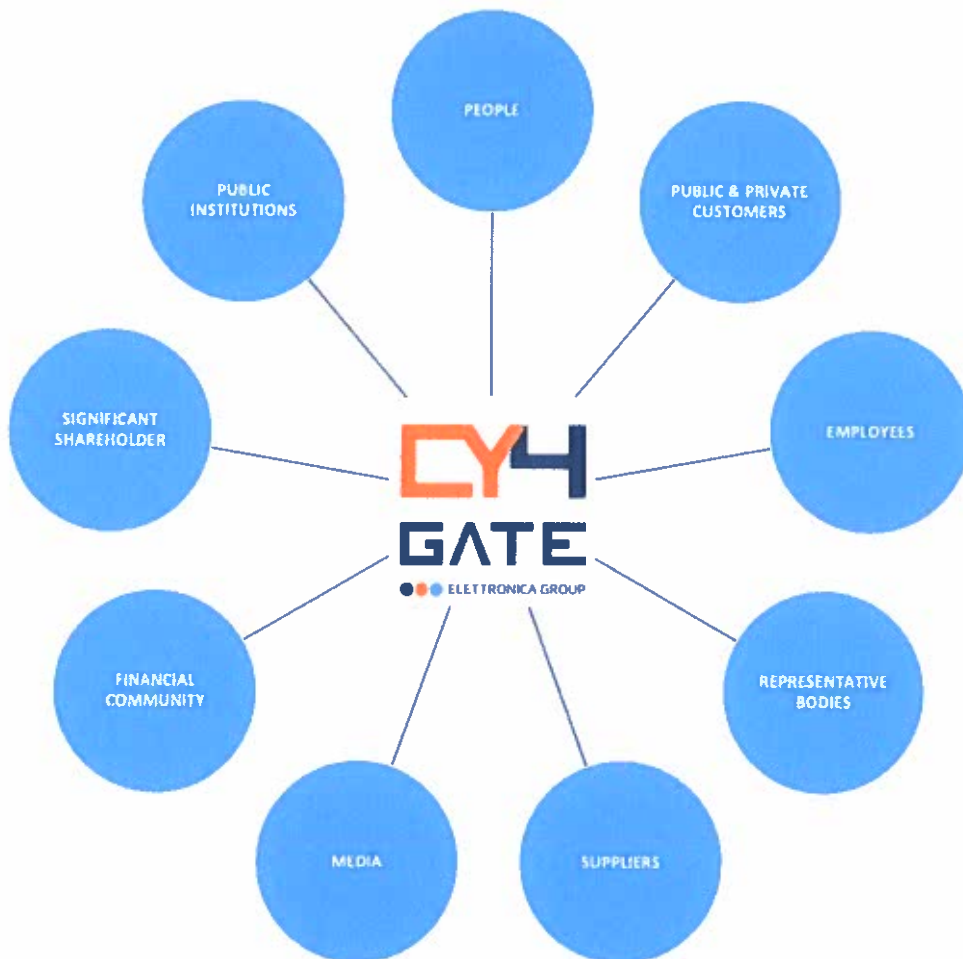
We call this CYBER TRANQUILLITY: our core business is the primary social benefit for collectivity.

2.1. Our stakeholders and us

In an industrial, technological and social context characterised by high levels of dynamism, CY4GATE's ability to deal with change and provide innovative solutions derives from the attention it places on the needs and expectations of its stakeholders.

CY4GATE establishes relationships based on transparency and dialogue aimed at achieving its business objectives and generating positive impacts on stakeholders, as well.

CY4GATE has mapped the most significant stakeholder categories, starting from its development strategy, from the analysis of the related operational processes and thanks to the involvement of Top Management. The Company maintains a constant dialogue with them through structured, but also informal, channels.



STAKEHOLDER CATEGORIES	WHO ARE THEY?	ENGAGEMENT AND COMMUNICATIONS TOOLS
People	Those who interact with CY4GATE in various capacities and on which the company can generate impacts	Website, Social network
Public Institutions	They regulate the market and stimulate development opportunities for a healthy and competitive industrial sector	Events, dedicated meetings
Public & Private Customers	CY4GATE priority is to fulfil their needs, with care and fairness	Dedicated meetings, Complaints management, Feedback collection system
Employees	They offer CY4GATE essential skills for the achievement of business objectives and who expect stimulating career prospects	Intranet, Survey, Meetings, Training interventions
Significant Shareholders	They invest in CY4GATE, and are interested in the company's ability to create economic and social value	Shareholders' meeting, consolidated financial statements and management report, specific meetings
Financial Community	They have interest in the CY4GATE strategic vision, and its managerial and relational skills	Events, Communications with current and potential analysts and investors
Suppliers	They make tangible and intangible assets available to CY4GATE with a view to common growth	Survey, dedicated meetings
Representative bodies	Ideal partners to share projects and system actions to strengthen the production sector	Participation in working groups, dedicated meetings
Media	They can disseminate information on CY4GATE activities, and they make available useful information for the pursuit of the Company objectives, as well.	Press releases, Social Networks

2.2.A safer world is possible: sustainability areas and material topics

GOVERNANCE, HUMAN RIGHTS, THE ENVIRONMENT, MANAGEMENT PRACTISES, RELATIONS AND CONDITIONS OF WORK, RESPONSIBILITY TOWARDS COMMUNITY AND CUSTOMERS

7 fundamental areas for CY4GATE
to define the scope of its social responsibility and sustainability,
and to identify the relevant issues and define priorities.

>>> Each area is linked to sustainability issues deemed necessary as they potentially generate positive or negative impacts for CY4GATE and its stakeholders.

CY4GATE & Governance

Here under exam are all the systems, processes and tools through which CY4GATE makes and implements its decisions

> To define *sustainability-oriented strategies*

> to *act responsibly* in the conduct of its business

> to pay particular attention to the protection of *information security and privacy*.

In CY4GATE:

A solid corporate governance means:

- having an adequate and consistent governance structure with respect to the challenges posed by sustainability;
- adopting transparent decision-making processes in compliance with roles and responsibilities;
- managing conflicts of interest so that individual interests do not generate a loss of value for the Company and its stakeholders.

Sustainability-oriented strategies and policies integrate sustainability issues and the stakeholders' point of view into the Company vision and in the design, development and production of technologies, products, systems and services.

Responsible business conduct translates into the definition of shared behavioral rules and the adoption of management systems aimed at ensuring compliance with the regulations and the achievement of corporate objectives through risk and quality management.

Information security and privacy are guaranteed by systems and procedures that take into account the extreme importance that these issues acquire in the Company's reference market.

CY4GATE & Human Rights

Fundamental values underlying the Code of Ethics, inspired by the principles expressed in the Universal Declaration of the United Nations, in the Conventions of the International Labour Organisation, in the OECD guidelines, in the Charter of Fundamental Rights of the European Union and in any other reference legislation.

It's CY4GATE's commitment toward the protection of human rights in carrying out its activities and in every context in which it operates.

Yes, but what does it mean?

>Developing and proposing **cyber solutions for the protection and security** of companies, institutions and citizens, while respecting human rights, means ensuring a correct deployment, avoiding improper use, refraining from exporting to countries where there are significant risks of violating human rights.

>**Developing skills and professionalism** in respect of human rights means protecting the moral integrity of all employees and collaborators, guaranteeing their right to working conditions that respect the dignity of the person as well as the full exercise of trade union and political rights.

>Contributing to the **development and consolidation of an innovation ecosystem**, through the collaboration of reliable and quality-oriented suppliers, without losing the focus on respect for human rights, means selecting and evaluating one's suppliers also on the basis of compliance with the requirements linked to the protection of work, people, health and safety and stimulate sustainable behaviours.

CY4GATE & the Responsibility towards community

The idea, design and production of CY4GATE products and services is developed to respond to the needs of **protection, security, and access to essential services** of citizens, companies and governments, through the protection and security of both the community and the critical infrastructures.

Ok, but how does CY4GATE make it possible?

> The **Cyber Forensic Intelligence solutions** developed and produced by CY4GATE represent a significant support to the activities of law enforcement and security agencies in the fight against criminal and terrorist activities.

> The **Cyber Resilience and Corporate Intelligence solutions** developed and produced stand for CY4GATE contribution to public and private companies and institutions in the prevention and protection of hacker attacks, guaranteeing data protection and privacy and business continuity, with particular attention to public utilities.

CY4GATE & the Management practices

It's the **ethical and correct conduct of CY4GATE** in relations to other organisations and particularly with Suppliers, with public institutions and with other organisations operating in the reference market.

Yes, but what does it affect concretely?

> **Innovation management** means to CY4GATE investing in the development of proprietary technologies and solutions, to contribute to the Country's technological autonomy and to respond in a qualified manner to the needs of governments and businesses in the protection of key infrastructures, of services and citizens. This includes investments in internal skills and an

organization capable of proposing and promoting a continuous research and development process, also through the definition of partnerships and collaboration agreements with universities and other strategic players in the cyber sector; at the same time, aware of the importance of protecting property rights, the Company has developed an approach based on the signing of confidentiality agreements with employees and consultants and on the adoption of sophisticated security systems to protect one's know-how. It is fundamental for CY4GATE to implement policies and practices that promote respect for property rights, in business relations, and in innovation, research and development processes.

> **Responsible management of the supply chain** means selecting reliable companies, capable of guaranteeing the quality of supplies in compliance with sector standards and promoting sustainability-oriented behaviours through their own procurement choices.

> **Prevention of corruption** in CY4GATE translates into the adoption of shared behavioural rules, control principles and specific organisational-procedural safeguards aimed at managing the risk of internal corruption as well as in the definition of anti-corruption clauses in supply and commercial contracts.

> The **prevention of anti-competitive behaviour** in CY4GATE is equally pursued through shared behavioural rules, control principles and organisational-procedural safeguards, as fair competition is considered an indispensable element to ensure equal opportunities for all organisations and to stimulate the development of increasingly innovative products and services.

CY4GATE & the Working conditions

It is about the methods, processes and tools through which CY4GATE acquires and manages the professional skills necessary to develop its activities and takes care of the people who own them, creating a **safe, serene and stimulating work environment**.

Yes, but how does CY4GATE foster it?

> **People Management & Care:** focuses on the aspirations, attitudes, skills and well-being of the CY4GATE's current and potential workers, where *people* are considered both as individuals and as members of the corporate community. To this end, CY4GATE defines procedures and operational tools to offer equal opportunities, enhance skills and merits, ensure the reconciliation between life times and working times in a peaceful, comfortable and stimulating environment. Smart working is both a lever for employees well-being and freedom of choice, as well a tool for reducing CY4GATE's environmental impacts.

> **Training and skills development actions,** intended as opportunities for individual and business community growth, is key for the very rare specialised skills that need to be constantly nurtured in CY4GATE

> **Health and safety in the workplace** mean compliance with the rules and processes' provision, procedures and tools aimed at preventing and mitigating risks and increasing the levels of knowledge and awareness among the workers.

CY4GATE & the Responsibility towards customers

It's the approach, methods and tools set through which CY4GATE establishes **solid and mutually profitable relationships with customers.**

Yes, but how does CY4GATE take care of customers and investors?

> CY4GATE guarantees the **transparency of information** towards customers and investors through honest and not misleading commercial and financial communication. The information on products and services is truthful and understandable to enable the customer to make informed decisions and the financial information respond to disclosure obligations and ensure the transparency of transactions on the financial market.

> CY4GATE pays **attention to customers' needs** and carefully guides them in the choice of technological solutions suited for them. The Company accompanies the customer in the process of acquiring and using the solutions by providing the knowledge and skills necessary for correct and effective use.

CY4GATE & the Environment

It investigates the contribution that CY4GATE can make to **minimising negative impacts and protecting the environment** as an asset of common interest.

Yes, but what does it concern?

> **Energy efficiency and emissions** in CY4GATE mean the efficiency of industrial processes, to place on the market products and services that can minimise CO2 emissions resulting from the use of electricity.

> **Management of water resources** in CY4GATE is not part of the industrial process. The consumption of water is for civil purposes only and the utilities are managed directly by the Parent Company as part of the lease agreement entered into with it by the Company.

> **Corporate waste management** in CY4GATE is mainly represented by technological infrastructures that are disposed of in compliance with regulatory provisions and with an approach aimed at recovery and reuse.

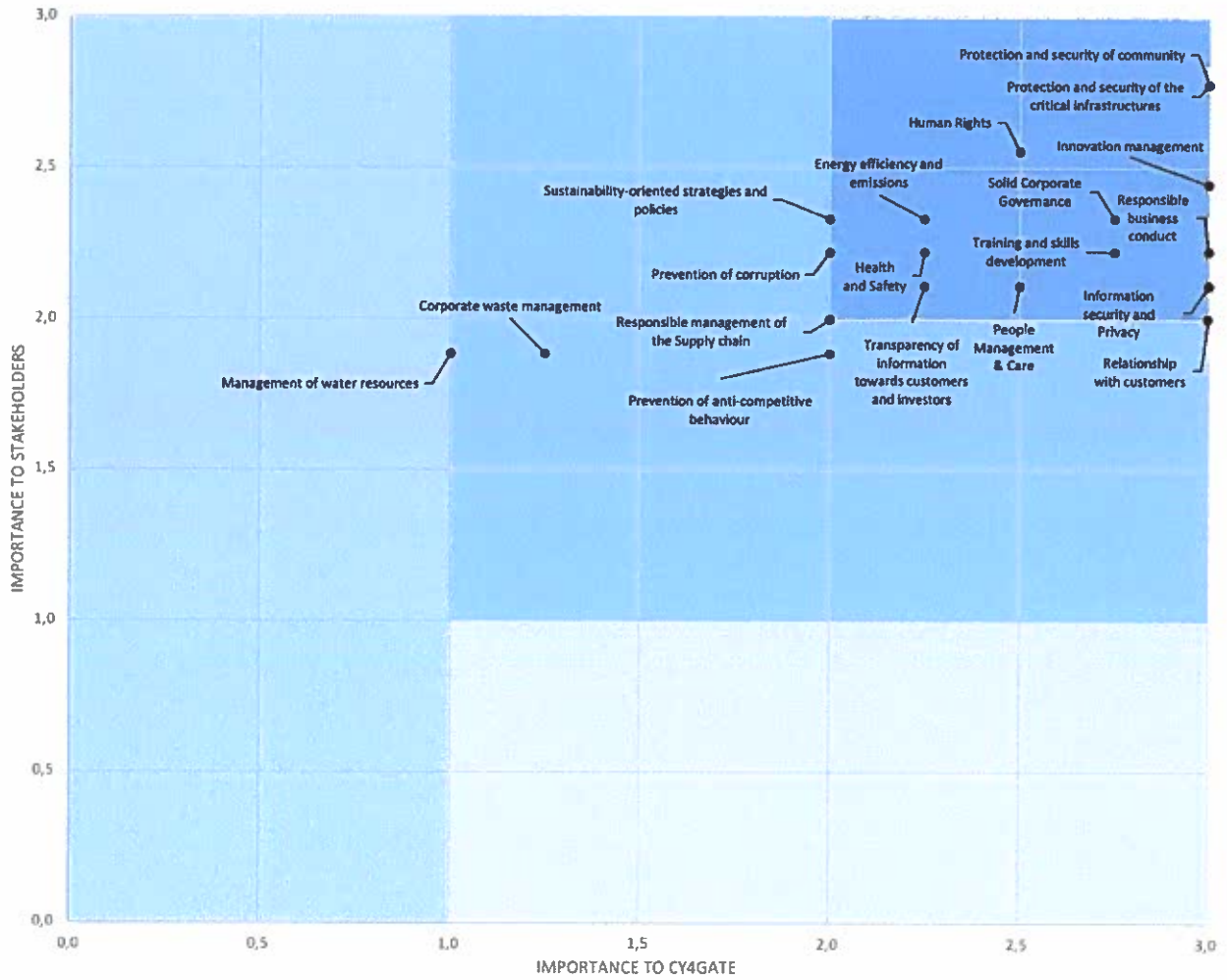
For each relevant topic related to the sustainability areas analysed, CY4GATE defines management methods to take into account the economic, social and environmental impacts that can be generated. To this end, an analysis* of risks and opportunities was carried out, as well any commitments to strengthen sustainability for each relevant issue.

*Details are presented in the dedicated sections of the Sustainability Report.

While defining the management methods, CY4GATE pays particular attention to those issues considered priority through the adoption of a double perspective: the significance and consistency with respect to its business and development strategy on the one hand and the needs, expectations and interests of its stakeholders.

CY4GATE has defined the material themes of its orientation towards sustainability through a specific tool: the materiality matrix

Materiality Matrix
















2.3. How CY4GATE contributes to the United Nations 2030 Agenda Goals

CY4GATE actively contributes to 5 of the 17 Goals of the 2030 Agenda for Sustainable Development of the United Nations.



Areas of sustainability, relevant issues and contribution to the SDGs

GOVERNANCE	HUMAN RIGHTS	ENVIRONMENT
<ul style="list-style-type: none"> Solid corporate governance Sustainability-oriented strategies and policies Responsible business conduct Information security and privacy 	<ul style="list-style-type: none"> Respect for human rights 	<ul style="list-style-type: none"> Energy efficiency and emissions reduction Use of water resources Waste management
 		
MANAGEMENT PRACTISES AND RESPONSIBILITY TOWARDS CUSTOMERS	RELATIONSHIP AND WORKING CONDITIONS	RESPONSIBILITY TOWARDS THE COMMUNITY
<ul style="list-style-type: none"> Responsible management of the supply chain Prevention to corruption Prevention on anti-competitive behaviour Innovation management Transparency of information towards customers and investors Customer relationship management 	<ul style="list-style-type: none"> People management and care Training and skills development Occupational health and safety 	<ul style="list-style-type: none"> Protection and safety of the community IT security and critical infrastructure protection
   	 	  

>> The explanation of CY4GATE contribution to the management of sustainability issues in relation to the SDG's objectives is detailed in the dedicated sections of the Sustainability Report.

2.4. Human Rights respect: why we care so much

CY4GATE solutions allow to collect and manage huge amounts of data.

Data can be powerful to change the world for the better. But data can also be dangerous.

CY4GATE knows how **it is important to handle them with care**. For this, the Company doesn't sell its solutions where they could be used against people's safety. And focus its commitment to the **protection of Human Rights on three specific areas:**

PRODUCTS

CY4GATE implements policies and procedures aimed at guaranteeing:

- development of technological solutions for the safety and protection of citizens and national institutions;
- no export to countries where there are significant risks of human rights violations;
- commitment by partners, customers and suppliers, to respect human rights, principles and rules defined in the Ethic Code, in the organization, management and control model according to the Legislative Decree 231/2001, in the anti-corruption code and in the policy for combating phenomena of Companies' money laundering and terrorist financing, with termination of the contract in case of violation.

PEOPLE

CY4GATE takes care of its personnel, through the Company's ethic code, and through management methods designed to ensure compliance.

Specifically, the protected human rights concern:

- prohibition of discrimination on grounds of race, color, sex, language, religion, political opinions, sexual orientation, nationality, background and social status, trade union membership, age or disability and anything else that may constitute a form of discrimination or intolerance for diversity;
- prohibition of any form of exploitation of child, forced or irregular labour;
- guarantee of being able to exercise political and trade union rights;
- protection of sensitive data of individuals, whether they are employees, collaborators, visitors, customers, suppliers;
- protection of the health and safety of workers, in compliance with the provisions in force and the highest standards of safety and hygiene.

SUPPLY CHAIN

Policies and procedures aimed at guaranteeing:

- prohibition of all forms of forced labor and human trafficking and implementation of measures to prevent the risk of modern slavery;
- verification of the possession by suppliers of requirements related to the safeguard of people's health and safety;
- verification of reliability and legality, as well as the commitment for respecting human rights through the sign in of the documentation specially prepared by CY4GATE.

3. Our governance for a more fair management

Adopting solid governance together with decision-making and management tools capable of identifying impacts in the field of sustainability, of preventing and managing them, of intercepting and responding to the needs of stakeholders: this is for us the first step in creating value for all.

We want to play our part for sustainable development.

For this, we believe it is essential to integrate into our processes, decision-making and implementation tools:

the principle of transparency

ethical behaviour

respect for the interests of stakeholders

respect for legality and national and international standards

And above all a profound respect for human rights.

We have an Ethic Code, combined with an organisation, management and control model according to Legislative Decree 231/2001, which reserves attention to the prevention of corruption and unfair competition, and to safety in the workplace. We also adopt information security and privacy management systems and risk management and quality management systems.

For us, in CY4GATE, this is the only way to start creating real and sustainable long-term value.

CY4GATE TOWARD THE SDG 2030 GOALS



CY4GATE promotes a safe and secure working environment, protecting labour and workers' rights. The Company identifies risks, prevents and manages the impacts of its work, intercepts the needs and interests of stakeholders and the Country, steers its choices and strategies towards sustainable development that never separates economic growth from social and environmental growth and sustainability, and from compliance with the rules and protected rights



CY4gate helps to prevent corruption and to promote a context of fair competition and cooperation for the benefit of community development.

Organisational and managerial tools and choices contribute to the development of the Company and its relations, so that it is effective, responsible, transparent at all levels and attentive to the respect and promotion of Human Rights.

100%

of CY4GATE governing bodies' member trained on principles, standards, rules of conduct (including MOG 231/2001 training) in 2021.

Zero

No. of reports or complaints received concerning some kind of negative impacts, in the past 3 years

Zero

No. of significant cases of non-compliance with laws and regulations, in the past 3 years

3.1.A solid corporate governance

About CY4GATE corporate governance and sustainability-oriented strategies and policies

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Inadequate governance can generate a reduction in reliability and guarantee in the pursuit of corporate interest and of sustainability goals. Not having adequate measures to develop and improve the knowledge of the highest governance body on economic, environmental and social issues, in order to identify risks and impacts and make informed decisions, can have economic and financial impacts, lead to the loss of strategic opportunities and damage to reputation. Similarly, an unclear and non-integrated definition of sustainability strategies and policies in the corporate business generates negative impacts for the Company in terms of strategic, relational, reputational and therefore economic-financial opportunities, but also implies an impact on the social and economic dimensions, and environmental issues given by the lack of awareness of their own impacts.	Strong relevance of the SDGs objectives in international, EU and national strategies (PNRR), which clarify priorities and direct towards the concreteness and measurability of actions and results. The European and national regulatory framework imposes a series of obligations in terms of transparency, reporting and governance structures. These favour the adoption of governance models increasingly oriented towards sustainability, enhancing the stability and reliability of economic operators.	CY4GATE has oriented its policies towards sustainability goals and to this end has launched a process of analysis of the social, environmental and economic impacts to concretely define its priorities and the areas on which to intervene to ensure responsible and sustainable action. For this purpose, CY4GATE has a formalised and structured governance system, in compliance with the regulations and with the Euronext Growth Milan Issuers' Regulation. Some specific issues of social responsibility are already part of governance models today, thanks to the adoption of the OMM231.

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

- > Consider the possibility of providing for the establishment of a committee responsible for decisions relating to economic, environmental and social issues.
- > Allow proxies to senior managers or other employees on sustainability issues
- > Provide mechanisms for assessing sustainability performance by the highest governance body

Who are CY4GATE board members?

	2019	2020	2021
No. board members	3	5	7
No. independent board members	0	1	2
No. board members under 30 years	0	0	0
No. board members between 30 and 50 years	1	1	2
No. board members over 50 years	2	4	5
No. of women board members	0	1	2

CY4GATE's corporate governance model is structured according to the traditional model of administration and control. It thus ensures the balance of powers and the separation between the strategic supervision functions, entrusted to the Board of Directors, those of management, delegated to the CEO, and those of control, carried out by the Board of Statutory Auditors.

The CEO informs the Board of Directors on the general management trend, including the choices and impacts in the field of sustainability

For this, the CEO first examines the risks of the company deriving from the *company risk management system*, approving the mitigation actions and defining the tools and methods for implementing internal control.

Thanks to the adoption of the Code of Ethics, the Organisation, Management and Control Model and the non-financial reporting process, the CEO and the Board of Directors have the information to address, decide and monitor the risks and impacts in the area of environmental, social and economic sustainability. This occurs with reference to the material topics of the Company, including aspects relating to conflicts of interest, corruption and violation of human rights.

The Company is managed by a Board of Directors made up of 9 members.

The increase in the number of directors in office from 7 to 9 occurred following the acquisition of 100% of the share capital of Aurora S.p.a, and the approval in the Extraordinary Shareholders' Meeting of 07/02/2022.

Name	Role	First appointment
Domitilla Benigni	Chairman	15/05/2020
Emanuele Galtieri	CEO	31/03/2021
Eugenio Santagata	Director	15/05/2020
Enrico Peruzzi	Director	15/05/2020
Alberto Sangiovanni Vincentelli	Director	31/03/2021
Vincenzo Pompa	Independent Director	31/03/2021
Cinzia Parolini	Independent Director	04/08/2021
Roberto Ferraresi	Director	15/03/2022
Sandro Etalle	Director	15/03/2022

On January 22, 2021, the Board of Directors resolved to establish a "Strategic Committee" within the Company's Board of Directors. It is chaired by Prof. Alberto Luigi Sangiovanni Vincentelli, as President and composed of Domitilla Benigni, Emanuele Galtieri and Eugenio Santagata.

The Board of Statutory Auditors, which monitors compliance with the law and the Articles of Association, compliance with the principles of correct administration and, in particular, the adequacy of the organizational, administrative and accounting structure adopted by the Company and its concrete functioning, is composed of a minimum of 3 to a maximum of 5 standing auditors and 2 alternate members, elected by the Assembly.

Name	Role	First appointment
Stefano Fiorini	Chairman	15/05/2020
Paolo Grecco	Regular Auditor	15/05/2020

Daniela Del Frate	Regular Auditor	04/08/2021
Sebastiano Bonanno	Alternate Auditor	15/05/2020
Gregorio Antonio Greco	Alternate Auditor	15/05/2020

CY4GATE is controlled by Elettronica, which holds a stake of approximately 54% of the share capital and limits the relationship with the Company to the exercise of administrative and property rights deriving from the status of shareholder. In particular:

- CY4GATE and its administrators maintain complete operational autonomy and remain separate and autonomous center of responsibility;
- Elettronica limits itself to receiving periodic information on the performance of operations as well as specific information on the evolution of strategic initiatives without centralising any function to itself, such as the treasury or administration, as well as carrying out the rights connected to its role as reference shareholder.

3.2.A responsible management model

ABOUT > Responsible conduct of business

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Poor or no integration of ESG issues into risk management and management and control systems implies non-compliance on issues not supervised, and non-timely identification and management of impacts. All this entails potential social, environmental and economic impacts combined with damage to reputation	The presence of standards and indications to guide the integration of management tools with ESG logic	CY4GATE adopts Code of Ethics, the OMM 231/2001, the risk management systems and the quality system. These make it possible to identify and manage business risks, foresee measures to manage negative impacts, and act in compliance with the relevant rules and regulations. The company undergoes due diligence to assess the state of the art and ESG performance, as part of the fulfilment of communication obligations towards the market and towards customers.

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

Ensuring the assessment, management and monitoring of negative and positive impacts, through the integration of sustainability issues into risk management, and management & control systems

Ethic business Model

The adoption of the Ethic code and the Organisation, Management and Control Model according to Legislative Decree 231/2001, guide CY4GATE's actions, the governance and control bodies, employees and collaborators and all those who have relationships with the Company. They represent a means of direction and control, thanks to the definition of rules of conduct and the related identification of tools to facilitate their implementation.

The Company requires customers, suppliers and partners to make a formal commitment to knowledge and compliance with the principles and rules contained therein, with immediate termination of the contract in case of violation of the same.

Corporate Risk Management

CY4GATE adopts a detailed Risk Management system with quarterly review and reporting. The system is active for the identification, description, measurement, definition of the probability of occurrence, assessment of the impacts and recovery actions of the risks of the projects, but also and above all of the risks company - cyber attack, natural events, availability of resources, product reliability, market volatility, customer satisfaction - and the risks associated with the crimes established by Legislative Decree 231/2001, including environmental crimes, health and safety crimes at work, corruption crimes and corporate and tax crimes.

Quality management

100% of the processes are ISO 9001: 2015 certified.

100% of internal audits performed compared to planned, in a 3-year period

	2019	2020	2021
No. of reported non-compliances	0	2	1
No. of corrective actions and% of closed actions	3 actions- 100%	6 actions- 100%	5- actions- 100%

ABOUT > Information security & privacy

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
IT security violations lead to an interruption of activities, the leakage of personal data and the loss of information, including those of strategic relevance. This generates damage to the business and image of the Company, its customers and suppliers and also represents a threat to the citizens' safety and activities of public importance	Possibility to benefit from the information security and data privacy management systems of the ELT Parent Company	<p>CY4GATE protects Company's data safety by implementing a set of control systems to ensure physical and logistical security. These systems are monitored by ELETTRONICA S.p.A. (ISO / IEC 27001 certified company), during the periodical IT Security Assessment.</p> <p>The CY4GATE data network is designed on the concept of "Security-by-Design", as well protected by advanced security technologies at every level.</p> <p>The Company adopts an Information Security Management System and a Privacy Management System in compliance with the provisions of current EU Reg. No. 679/16 (hereinafter "Regulation" or "GDPR").</p>

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

Getting the ISO 27001 certification.

Information security

Zero

n° of anomalies related to identified infections, since 2019

Privacy

Zero

n° of proven complaints regarding violations of customer privacy and loss of customer data, in the past 3 years

No leaks, thefts or loss of client data

have been detected in the past 3 years

ABOUT > Prevention to corruption

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Non-compliances with legislative provisions and / or internal regulations and procedures can generate episodes of corruption and have both economic (sanctions and loss of orders) and reputational impacts	To contribute in consolidating behavioural practises towards ethics and legality, with business opportunities through the accreditation in new markets and with prospects.	CY4GATE Code of Ethics. Specific rules of conduct, control principles and specific organisational-procedural measures included in the OMM 231 Special Part.

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

- > Training activities to disseminate knowledge of Special Part A of the OMM 231 among employees.
- > Introduction of anti-corruption clauses for supply and commercial contracts.

In 2021 CY4GATE launched its first corruption risk assessment:

100% of Board of Directors and Board of Statutory Auditors is aware of internal anti-corruption policies and procedures

9 business areas were scanned with the corruption risk assessment

108 relevant corruption risks were identified during the assessment

Zero confirmed corruption episodes

No public corruption-related lawsuits

filed against the organization or its employees during the reporting period and the outcomes of such incidents

ABOUT > Unfair competition

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Non-compliances with legislative provisions and / or regulations and internal procedures can generate episodes of unfair competition with consequent economic (sanctions and loss of orders) and reputational impacts	To contribute to the consolidation of a competitive system based on innovation, efficiency and equal opportunities, with the benefit of healthy economic growth.	CY4GATE Code of Ethics. Specific rules of conduct, control principles and specific organisational-procedural measures included in the OMM 231 Special Part.

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

> Training activities to disseminate knowledge of Special Part A of the OMM 231 among employees

Zero legal actions

in progress or concluded during the reporting period regarding anti-competitive behaviour, violations of antitrust regulations, and relating to monopolistic practises in which the organisation has been identified as a participant

Zero key outcomes of completed legal actions

including any decisions or judgments.

ABOUT > Information’s transparency towards customers and investors

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Non-compliances with legislative provisions and / or regulations and internal procedures can generate episodes of lack of transparency of information towards customers and investors, with consequent economic (sanctions and loss of orders) and reputational impacts	Existence of a specific regulatory framework	CY4GATE adopts tools, procedures and documentation, such as the code of conduct on internal dealing and the regulations containing provisions relating to transactions with related parties, to respond to disclosure obligations and ensure the transparency of transactions on the financial market. Similarly, the transparency inherent in the characteristics, methods of use and safety of the products and solutions sold is guaranteed through the information provided to customers both in the negotiation phase and in the subsequent phases

In the past three years, **CY4GATE did not receive any report or sanction:** a sign of its full information’s transparency toward investors.

3.3.A heartfelt care of employees well-being

The values of **security and tranquillity** that inspire us in the cyber world are the same ones we apply to our work environment.

Protecting and looking after our staff is fundamental to CY4GATE.

This is why we guarantee health and safety at work through constant monitoring of the organisational and procedural system and the training and awareness of our personnel.

We are guided by the goal of improving conditions and levels of safety and health in full compliance with applicable legislation.

About occupational health and safety

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Accidents at work have impacts on the physical and psychological well-being of employees and on the business operations of CY4GATE. In particular, accidents caused by non-compliance with the legislation would cause both economic (sanctions, compensation) and reputational impacts, and would negatively affect the internal corporate mood.	CY4GATE resides at the Parent Company Elettronica, which has a certified SGSL. Through it, it is possible to transfer management models aimed at further strengthening organisational controls and the knowledge and awareness of employees on the subject.	According to current legislation, CY4GATE prepares a Risk Assessment Report, relating to the protection of health and safety in the workplace. The Special Part L of the CY4GATE's OMM provides for conduct rules, control principles and ad hoc organisational measures. In accordance with the Safety Training Protocol of the Electronics Parent Company, CY4GATE activates training and information on health and safety at work for all personnel working for the company including those who are carrying out internships

The Company adopts an internal organisation with the technical skills, resources - instrumental and economic - and adequate powers, so that the verification, assessment and management of risks are carried out in compliance with the highest standards.

ORGANISATIONAL AND MANAGEMENT MEASURES FOR HEALTH AND SAFETY AT WORK
<ul style="list-style-type: none"> ● Monitoring of the organisational / procedural system regarding safety at work. ● Staff training and awareness raising activities on workplace health and safety issues. ● Traceability of individual activities aimed at identifying the resources necessary to ensure the application of the provisions of the law in force. ● Constant assessment of the risks that may have an impact on the safety and health of workers, formalised in the Risk Assessment Report. ● Updating of protection measures in relation to organisational and production changes, with particular reference to health surveillance aspects

The detection of dangers and risk situations is carried out with reference to two general cases:

- risks generated by structural and environmental factors: linked to work spaces or environmental characteristics, therefore linked to general conditions, independent of the activity of workers;

- risks related to the specific task and equipment: linked to "homogeneous groups of workers" who perform the same activities and tasks and who are therefore exposed to the same occupational risks.

For each identified risk, the corresponding prevention and protection measures are identified: work procedures, behaviour of individual workers, organisation of work, collective protection devices, individual protection devices, other mandatory measures of law and good practice.

The Managers of the individual activities supervise their people compliance with the prevention and protection measures and acknowledge the reports of the collaborators for the improvement of safety and the protection of health.

For the purpose of raising awareness of risks and promoting behaviours that protect the health and safety of workers, CY4GATE ensures adequate training, information and coaching on health and safety in the workplace.

MAIN TRAINING TOPICS	
●	GENERAL PRINCIPLES: risk, damage, prevention, protection, organisation of company prevention, rights, duties and sanctions for the various company subjects, supervisory bodies, control and assistance, concepts of occupational medicine.
●	SPECIFIC RISKS: risks of the job related to the type of activity carried out and the workplaces frequented, with particular reference to possible damage and consequent prevention and protection measures, based on the homogeneous groups of workers identified in the Risk Assessment Report.

	2019	2020	2021
No. of employees who have received training on occupational health and safety	24	27	34

8 average hours of training per year per employee on the subject of health and safety at work

In the three-year period 2019-2021, in CY4GATE :

there were no accidents at work;

there were no fatalities as a result of work-related ill health;

there were no cases of recordable work-related ill health.

4. Cyber Tranquillity is our innovation

***Innovate to contribute to the progress and cyber protection of the Country.
So that every citizen is truly safe, at home, at work, wherever he is.
This is what we do every day.***

***We design, we develop, we produce
technologies and products,
systems and services
for greater cyber resilience of public and private companies.
Because only in a controlled cyber domain, people and organisations are able to fulfil their core
mission in a safe environment.***

***We develop entirely Italian and proprietary cyber products and technologies.
We invest in the search for new technological frontiers.
We ensure privacy through a holistic approach.
We guarantee a hub of national skills in cyber security and cyber intelligence.
We support the authorities to counter criminal activity and fight terrorism.
We give law enforcement agencies, armed forces and public institutions the opportunity to make
more informed decisions in contexts characterised by high levels of uncertainty and ambiguity.***

CY4GATE: the Cyber Tranquillity gatekeeper.

CY4GATE TOWARD THE SDG 2030 GOALS



CY4GATE promotes cyber-culture and related specialised skills. It shares its know-how and its talents with Universities and other public institutions, to create a bigger value through collaboration.



CY4GATE promotes innovation in the cyber field. It contributes to the development of resilient infrastructures, the progress and cyber protection of the Country, protecting access to essential public services, and the operations of public and private companies.



CY4GATE contributes to the protection and security of the community, supporting the governments' actions in the fight against serious crime such as terrorism, child pornography, drugs or arms trafficking and corruption. At the same time the Company ensures the use of technological solutions in compliance with human rights.

How does CY4GATE spread Cyber-tranquility?

CY4GATE has tripled its R&D investments in the past three years

	2019	2020	2021
Total Value of R&D activities	1.399.559,00 €	2.555.706,00 €	3.664.240,61 €

About Innovation Management

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
<p>Economic and reputational impact due to inadequate capacity of:</p> <ul style="list-style-type: none"> • anticipating technological changes • successfully developing new products • offering new services promptly. 	<p>Innovation processes carried out in partnership with other players, with universities and suppliers, which promote the enhancement of synergies in the #cyber sector between institutions and national companies, to the benefit of the Country and European system.</p>	<p>CY4GATE pursues R&D policies aimed at the production of entirely national Italian and proprietary cyber products and technologies. It promotes the creation of new highly specialized and innovative products, able to follow market trends and anticipate the needs of institutions and companies.</p>

Cyber - security customers have quadrupled since 2019

71% of total customers in 2021

In the last three years, the loyalty of Cyber-intelligence institutional customers confirms the reliability of CY4GATE

21% of total customers in 2021

CY4Gate operates in compliance with regulations and under licenses to ensure safety and respect for human rights

CY4GATE has the **NCAGE code** (NATO Commercial and Governmental Entity Code). The company also holds the License ex. Art 28 of the **TULPS** for the design, manufacture, possession and sale of electronic equipment specially designed for military use intended for the Armed Forces and national and foreign police forces.

Since 2020 CY4GATE has the **NOSI** (acronym that stands for industrial safety clearance) which in Italian law represents an authorization for the processing of information, documents or materials classified from the degree of highly confidential up to that of very secret.

About community safety and critical infrastructures's protection

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
<p>Improper use or intended usage of cyberintelligence and cybersecurity solutions with impacts on security, on the provision of public utility services, and as well as in terms of corporate reputation.</p>	<p>Cybersecurity and cyberintelligence are top of mind issues both in social and institutional sectors.</p>	<p>CY4GATE develops proprietary solutions, equipped with procedures not to be improperly and illegally replicated.</p> <p>The Company has also adopted a "Ethic Code" to undertake the respect of human rights: all customers and suppliers must necessarily sign it, together with the contractual documentation.</p> <p>More specifically:</p> <ul style="list-style-type: none"> - the Company does not export products to Countries where there are significant risks of violation of human rights; - cyber solutions to intercept and process sensitive information are for the exclusive use of law enforcement agencies for public security purposes only.

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY
<p>Strengthen due diligence on potential users to prevent risks of abuse. Involvement of independent experts and civil society organisations who can highlight points of attention, or provide useful and critical information regarding the use of the cyber solutions developed.</p>

4.1. How we promotes #cyber innovation & specialised skills

A constant drive for innovation is key to propose technological solutions capable of meeting the growing needs of IT security, and to analyse and use large amounts of data, in a constantly evolving context such as the current one.

CY4GATE has been moving in this direction since its inception:

- it develops entirely national and proprietary cyber products and technologies, with significant investments in R&D;
- it stands out for an organisational model based on highly qualified personnel, with working methods that promote continuous updating and comparison in highly challenging contexts;
- it promotes innovation design thinking processes through internal contamination between different specialisations.

In the past 3 years **CY4GATE tripled its personnel in R&D activities:**
in 2021, one out of two is employed in R&D Activities

	2019	2020	2021
No. personnel employed in R&D activities	15	42	46
% of personnel by type of cyber specialisation	27% Electronics & Telecommunication; 53% IT; 20% Other	12% Electronics & Telecommunication; 45% IT; 43% Other	15% Electronics & Telecommunication; 37% IT; 48% Other
% Self-financing value of R&D activities	67%	88%	80%

CY4GATE builds and strengthens its skills in cyber security and intelligence every day. The acquisition of 100% of the Aurora Holding constitutes for the company an important consolidation of its capacity for innovation and an opportunity for new technological and R&D synergies.

The Company also activates synergies through participation in European, medium-long term projects, in partnership with public and private institutions, where CY4GATE provides technical, production and organizational skills for the development of prototypes.

1,2ML funds from European projects (participation in tenders) in 2021

The company strengthens its know-how and feeds the R&D process also through partnerships with universities and other public institutions. In Particular, in-house internships and CY4GATE professionals' participation in university activities represent a good cross-fertilization practice among research, implementation and training. Moreover, the Company also collaborates with university start-ups, to keep on nurturing R&D activities.

In this direction there are the **collaborations** started in 2019 with the **Cyber Academy of LUISS**, with the **CNR**, for the **CECASP research project**, as well as the collaboration with the **University of Rome La Sapienza for the SAFE research project**, in 2020; and there is also the **partnership with GAIA-X**, the project born from the collaboration between the French and German governments, promoted by the Italian executive with the aim of creating a European-based cloud computing platform. Also the participation as **partners in the Cybersecurity Competence center 4.0** is key: the aim is a competence center resulting from a composite, interdisciplinary and multi-actor public-private partnership, which covers a wide spectrum of skills and promotes the development of a network of qualified collaborations, to support the provision of guidance and training services, and the development of research and innovation projects.

At an international level, CY4GATE continued to maintain a significant acknowledgment of its capabilities and technological level of its product portfolio as it was again included in the "THE ECSO CYBERSECURITY MARKET RADAR" in 2020. The ECSO is the European Cyber Security Organisation: in practice it is the advisor of the European Commission on Cyber issues, and therefore represents an absolute benchmark in the European Cyber segment.

In addition, the President of the CY4GATE Board of Directors Ing. D. Benigni, as a founding member, adheres to the **Women4Cyber initiative**. Launched in 2018 with the patronage of the European

Commission, the Women4Cyber initiative was formally included in January 2019 within the European Cyber Security Organisation (ECSO).

Last but not least, the very recent **collaboration for ECYSAP, the largest European cyber defense project**, carried out by a consortium formed by organizations from Spain, France, Italy and Estonia, financed by the Defense Industry Development Funds (EDIDP), which was born with the aim of creating a European platform that makes it easier for military personnel to carry out their work in cyber missions.

4.2. Our know-how to protect peoples and communities

Cyber Tranquillity constitutes the **DNA of CY4GATE**.

To protect citizen and institution interest, the Company keeps on investing in new technological frontiers for the management of cybersecurity and cyber intelligence. Day by day it develops ad hoc solutions for IT security, the resilience of critical infrastructures, the contrast of criminal and terrorist activities and the management of "big data" for public utility.

IT security and critical infrastructure protection

Digitization is one of the main development drivers of the global economy, as well as one of the pillars of the national PNRR and of European development policies.

Digitization has great potential. However, there is also the other side of the coin. The exposure of companies and individuals to cyber attacks increases day by day. This happens due to the massive diffusion of digital services, agile work and digital tools for working, relating and carrying out daily activities.

Cyber attacks can compromise the know-how and operations of companies and public institutions, the access and availability of essential public services, as well as the improper use of sensitive data and information.

CY4GATE is turning more and more international

while respecting a no export policy to Countries where there are significant risks of human rights violations.

	2019	2020	2021
% of public customers of Cybersecurity solutions by type	Security Agencies 100%	Law Enforcement Agencies 12,5% Armed Forces 75% National/EU Research Programme 12,5%	Security Agencies 70% Armed Forces 10% National/EU Research Programme 10%
% of private customers of Cybersecurity solutions by type (public utilities; other)	public utilities 60% other 40%	public utilities 33% other 67%	public utilities 32% other 68%
No. countries where the products are sold	1	4	4

% customers of Cybersecurity solutions by geographic area	Italy 100%	Europe 6% Italy 76% Middle East 18%	Italy 88% Europe 4% Middle East 4% Far East 4%
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The cybersecurity solutions developed, such as RTA - Real Time Analytics, ISOC - Security Operation Centre, CEMA - Cyber Electromagnetic Attach, as well as the training, tutoring and simulation actions offered through the Academy and Digilab, allow to detect anomalies in real time and establish the conditions to react promptly, protecting the IT systems of private companies and public institutions, but also proposing contrasting measures through the ability to analyze and catalogue threats.

	2019	2020	2021
No. of total courses delivered	2		3
h. of training / simulation provided	640	320	85
No. of course participants	26	48	85

Protection and safety of the Community

The cyberintelligence solutions developed by CY4GATE represent an important contribution to the activities of governments, public institutions and law enforcement agencies to protect their citizens and save lives.

In fact, the ability to collect and analyse online information, conveyed through the internet and generated through the use of digital and electronic devices, is the basis of modern intelligence activities of law enforcement agencies. And this is decisive for countering criminal and terrorist actions, for bringing forward investigations, for making decisions in situations of uncertainty.

	2019	2020	2021
% of public customers of Cyber intelligence solutions by type	Security Agencies 18% Armed Forces 62% Law Enforcement 23%	Security Agencies 23% Armed Forces 46% Law Enforcement 31%	Security Agencies 37% Armed Forces 63%

CY4GATE forensic intelligence software platforms for passive and active data collection and analysis - provide an important aid in investigation activities, as for public prosecutor's mandate.

Through artificial intelligence, the **Gens.AI** software creates virtual avatars that interact with those physical subjects on the web to carry out an activity, also known as *Virtual Humint*, which is particularly effective in combating drug trafficking, child pornography, subversion, and association crimes.

Use is reserved for Italian and foreign Police Forces. In particular, in Italy their use is allowed exclusively for the fight against specific serious crimes at the disposal of the Judicial Authority, in compliance with the provisions of the Privacy Guarantor.

	2019	2020	2021
No. countries where Cyberintelligence products are sold	1	3	5
% customers by geographical area	Italy 100%	Europe 17% Italy 66%	Far East 13% Italy 67%

	Middle East 17%	Middle East 13% LatAm 7%
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Cyber Intelligence solutions, such as **QUIPO** - Decision Intelligence Platform- and **C4I**, support intelligence analysts, extracting "information output" about a given topic, objective or target starting from the enormous amount of data from heterogeneous sources. This allows for more conscious decisions, having full awareness of the scenarios and the impact of each choice.

The technical skills in the field of artificial intelligence and analysis of the so-called "big-data" have also been made available to combat the COVID-19 pandemic. Thus was born **Igea-Hits**, an agile solution for companies, which allowed the monitoring of the epidemic, thanks to the collection, processing and aggregation of data voluntarily made available by employees, in full respect of privacy.

5. Our People, our Talents

Our People represent the true CY4GATE business potential.

Most of them have rare specialised skill and push themselves to the limit of technological innovation. They are people who are hard to find, and hard to keep. This is why we believe in the importance of their satisfaction, in well-being in the workplace and in the creation of opportunities for employees' growth and development.

How can we do this?

We create a comfortable and welcoming physical environment, we encourage satisfying relationships between colleagues, we nurture a sense of corporate community, and above all we lay the foundations for a real reconciliation between work and private life.

For us, it also means truly valuing people: understanding their abilities, developing their skills and enriching their professional and human background through continuous and frontier training.

CY4GATE TOWARD THE SDG 2030 GOALS



CY4GATE offers its employees the opportunity to acquire and strengthen specific, innovation-driven technical and professional skills.



CY4GATE creates job opportunities and professional growth in a rapidly expanding and highly specialised sector, giving those with distinctive skills the opportunity to enhance them.

Who works at CY4GATE?

CY4GATE is growing fast

	2019	2020	2021
Total No. of employees	38	68	93

1 out of 4 permanent contract is a under 30-year-old employee 4 contracts are for apprentices

	2019	2020	2021
% permanent contracts	97%	100%	95%
No. of apprentices	0	0	4

**CY4GATE continued employees training during Covid19.
In 2021, one employee out of five has been receiving training.**

	2019	2020	2021
% employees receiving training	12%	10%	22%

ABOUT > People management and care

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Inadequate human capital, loss of key skills, high turnover levels, low productivity levels, decreased motivation and well-being of employees in the workplace resulting in a decrease in CY4GATE's ability to attract and retain talent	Creating stimulating jobs and professional opportunities through the definition of adequate recruitment and career advancement systems with positive impacts on the ability to attract and retain talent. Possibility of intercepting additional resources to strengthen CY4GATE corporate welfare connected to the rising importance of the issue in public funding lines.	Adopting fair selection internal policies and procedures; fostering HR hiring and management based on merit acknowledgment and on the principle of equal opportunities compliance. Favouring an agile way of working that allows everyone to define and organise their workloads with a view to reconciling work-life

ABOUT > Skills development

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Lack of attention and inadequate planning of training and development actions with a consequent decrease in motivation and generation of professional dissatisfaction of employees, and a Company internal skills impoverishment, as well.	Enhanced internal skills together with professional updating in line with business development opportunities. As a result, a greater awareness for each employee of their role and contribution to company activities.	The personnel training process is governed by the CY4GATE QMS and made to ensure a constant alignment between the necessary skills and those possessed. In CY4GATE, the development of skills is interpreted as long life development through the creation of opportunities for constant updating

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

- > Structured and shared career paths to involve and retain the best talents
- > A whole welfare plan based on employees' specific needs
- > Ad hoc training path tailored to specific needs

5.1. How we manage and take care of our people

The aim is to select the best talents and give them the opportunity to grow in the company.

To pursue this, CY4GATE implements processes and actions to strengthen its ability to develop and oversee its distinctive know-how.

Overview on employees of CY4GATE

	2019	2020	2021
Manager	1	6	8
<i>women</i>	0	0	0
<i>technicians</i>	100%	33%	37%
<i>administrative employees</i>	0%	67%	63%
<i>under 30 years</i>	0	0	0
<i>between 30 and 50 years</i>	1	4	5
<i>over 50 years</i>	0	2	3
Middle-manager	5	9	14
<i>women</i>	0	0	1
<i>technicians</i>	100%	67%	71%
<i>administrative employees</i>	0%	33%	29%
<i>under 30 years</i>	0	0	0
<i>between 30 and 50 years</i>	5	5	10
<i>over 50 years</i>	0	4	4
Office worker	32	53	67
<i>women</i>	5	9	15
<i>technicians</i>	87%	85%	86%
<i>administrative employees</i>	13%	15%	14%
<i>under 30 years</i>	0	16	13
<i>between 30-50 years</i>	30	37	52
<i>over 50 years</i>	16	0	2
Full-time contracts	37	68	93
<i>women</i>	11%	13%	83%
<i>men</i>	89%	87%	17%
Part-time contracts	1	0	0
<i>women</i>	100%	-	-
<i>men</i>	0%	-	-
Temporary contracts	1	0	1
<i>women</i>	100%	-	100%
<i>men</i>	0%	-	0%
Permanent contracts	38	68	88
<i>women</i>	11%	13%	17%
<i>men</i>	89%	87%	83%

The Recruitment & Selection process in CY4GATE identifies people who, on the basis of skills, motivation and attitudes consistent with the Company's values, are capable of supporting the evolution and realization of the Business in the long term.

Recruitment & Selection

RECRUITMENT	To reach and capture the target audience while maintaining the effectiveness and efficiency of the process in terms of time and output quality
SELECTION	To evaluate the candidate's profile with objective tools and methodologies for defining the process of skills, attitudes and motivations in relation to the requirements for effective coverage of the job description
PLACEMENT	To promote awareness of one's role, with respect to the organisational system as a whole

CY4GATE pushes young talents

In 2021 one out of three new hires is under 30 years old

	2019	2020	2021
Total No. of hires	11	30	34
% men	82%	83%	79%
% women	18%	17%	21%
% under 30 years	27%	7%	29%
% between 30-50 years	73%	80%	65%
% over 50 years	0%	13%	6%

CY4GATE creates clear career paths to engage and retain the best talents.

Career planning takes place through the identification of both a vertical and horizontal growth path that uses training and internal mobility as levers.

Career paths: step by step

MAPPING

To collect and map roles, skills, knowledge, experiences and personality traits required for each professional level.

MODEL DESIGN

To create a distinctive skills model consistent with corporate values and culture to enhance the behaviour and contributions of individuals, involving all people in the pursuit of corporate objectives.

IMPLEMENTATION

One-to-one analysis with the employee to understand where to grow and where to go, setting together professional path and direction, and all the responsibilities, objectives and incentives that correspond to career upgrades.

CY4GATE Corporate Welfare

Working conditions influence the quality of life of employees and their families.

Here's why CY4GATE puts in place initiatives to create a peaceful working environment and to promote a sense of community.

> In CY4GATE, work-life balance goes far beyond the compliance with the contractual provisions about permits and leave. People in fact enjoy flexibility and autonomy of choice in their work management. This is because for the Company what really matters is not the workspace, but the results achieved and the real contribution to the pursuit of corporate objectives.

> A bar inside the Company, where employees can have lunch or spend a pleasant work break, contributes to a serene work environment.

> CY4GATE involves employees in defining the welfare initiatives offered. With an internal survey, in 2021 CY4GATE employees expressed their preferences about the flexible benefits offered by the Company, opting for an Amazon voucher worth 200 euros.

> CY4GATE encourages people share ideas and improve innovation in the company. Creativity room and pet-friendly policy are part of the program to have the best people in the industry and create a better place to work.

In compliance with the provisions of the Metalworking National Collective Labor Agreement, CY4GATE employees can take advantage of supplementary / complementary pension tools and supplementary assistance.

Three employees became parent in 2021: for a total of 880 hours for parental leave, and a 100% rate of return to work. Sick leave hours increased during the Covid19 Pandemic period.

	2019	2020	2021
No. of hours of sick leave	784	1.418	1.672
No. of hours for blood donation permits	0	0	8
No. of hours of permits according to Law 104/1992	0	0	8

Thanks to space-sharing, CY4GATE employees can take advantage of the Elettronica mother-company infirmary services, with positive effects on the management of workers' lifetimes. People have access to seasonal flu vaccines, serological test and molecular swab test for Covid19.

	2019	2020	2021
No. seasonal flu vaccines	2	0	9
No. serological test (Covid19)	0	0	14
No. molecular swab test (Covid19)	0	2	19
No. outpatient health services	8	9	11

In 2021, one out of nine employees benefited from the outpatient health services.

5.2. How we promote internal skills development

The growth of skills and professional updating are opportunities for individual and business community growth. For this, CY4GATE training is a key tool for transmitting to employees the knowledge and skills necessary to become aware of their role and act according to the values of the corporate organisational culture.

>The personnel training process is part of the Company's Quality Management System.

Personnel training process and long life development

1. SKILLS AND QUALIFICATIONS ASSESSMENT

Analysis of the worker's knowledge, skills and competences starting from CV and interview

2. IDENTIFYING GAP

Matching between the necessary role's skills and qualifications on one side, and the skills and qualifications possessed by the worker, on the other side

3. TRAINING ACTIONS

Design and implementation of training actions to fill any gaps.

4. CONTINUOUS MONITORING

Periodic updating of the training plan

In addition to corporate training courses, CY4GATE welcomes and enhances the individual updating self-initiative expressed by its employees. This is why it provides opportunities for comparison and exchange with the outside world by promoting the participation of personnel in international conferences and events and recognizing the in-depth study and updating of the individual as a crucial part of their work duties.

Topics of the training interventions carried out between 2019-2021

GDPR

Data Protection

Cyber Security Awareness/IT

English Language

55 training participants in 3 years

	2019	2020	2021
No. employees receiving training	20	10	25

CY4GATE Academy

In a context of digitalization and growing demand for highly specialised figures, in 2022 CY4GATE launches its Academy for talented young people who do not find in the usual school courses those skills that are really necessary and valuable at work.

The CY4GATE Academy is the heart of the company's new development vision.

Here people become above all active subjects in the development and sharing of skills and abilities. While participating in training interventions, people carry on the dissemination of corporate culture and ceaseless innovation processes pursued by the corporate mission.

The CY4GATE Academy provides targeted training to strengthen the specific skills required by the company. The goal is to grow highly professional "home-trained" resources. For each technology, a specialist tutor transmits specific and transversal skills to the students through experiential activities in laboratory classrooms and on-the-job training.

The Academy was born for

- creating highly trained and competitive teams, always in step with the times and new technologies;
- bonding workers to corporate values;
- hiring young talents, carefully trained and with specific skills to add value to business development.

6. Our Customer Relationship Management

We exist to satisfy the need for Cyber-tranquility of Companies and Government Bodies.

Starting from the identification of the need, we guide our customers along a path.

First the design, then the realization of technological solutions capable of responding to specific needs; and eventually the transfer of specialized skills for a conscious use of the products & services offered.

The path is supported by a Customer-Centric organizational structure, and by a strategic corporate vision oriented towards Customer Intimacy.

Day by day we are committed to building solid and lasting relationships with our customers: relationships based on transparency, clarity and professionalism, capable of providing prompt and qualified responses to the growing need for cyber tranquility.

Because Customer satisfaction is our priority. And their Cyber-Tranquillity, as well.

CY4GATE TOWARD THE SDG 2030 GOALS



CY4GATE supports the development of specific skills in the cyber and intelligence field through high-tech professional training interventions.



CY4GATE promotes access to the digital technologies, that are essential for the development of reliable and resilient infrastructure in organizations.

Customers have double, since 2019

		2019	2020	2021
Revenues by Customer		€7.067.677	€ 13.023.827	€ 15.730.580
Customers > 500k		35%	39%	24%
n° of customers by location	Italy-based	100%	68%	76%
	EU-based	-	3%	2%
	Extra EU-based	-	29%	20%

About Customer relationship management

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
<p>Decrease in the market of technological solutions offered, or ineffective use by customers, due to inadequate attention and management of customer needs.</p>	<p>Customer satisfaction and growing loyalty strengthen CY4GATE leadership in the cyber security and cyber intelligence sector. New innovative technologies can arise from the development of collaboration agreements technologies and solutions.</p>	<p>CY4GATE has a Quality Management System to regulate the supply of services / products and monitor customer satisfaction. In particular, the Company has a Department entirely dedicated to Customer Management and Marketing.</p>

6.1 Why Customer intimacy is so important for us

Customer intimacy is a strategic issue for CY4GATE. For this reason, the Company in 2021 established the Customer Intimacy Committee, a body transversal to the various structures to support the CEO on business development and sales issues.

CY4GATE assigns to the Customer Management & Marketing function the task of actively and effectively guiding the customer experience. This function oversees and takes care of the customer to ensure full satisfaction through the design and implementation of increasingly customized technological solutions.

Throughout the customer journey, the CY4GATE Customer can count on a dedicated Account Manager who acts as a single point of reference for all projects and programs with the Company.

Two moments are particularly important to monitor: the phase of correct contractual execution to ensure compliance with the commitments in terms of timing, costs and expected quality of the supply; and the after-sell phase, where CY4GATE supports its customers during the use of technological solutions through after-sales consultancy activities.

Last but not least, to strengthen the customer value proposition and product customization, the CY4GATE Academy has developed training programs that differ from traditional training proposals. They are characterized in fact by a strong verticalization on the Customer and a great emphasis on exercises and laboratory activities in order to develop key competences in the cyber and intelligence fields.

6.2 And what about Customer Satisfaction

Customer satisfaction measurement provides useful information to improve business performance.

For this, CY4GATE periodically prepares and sends its customers questionnaires to detect information on the level of satisfaction and importance that the customer attributes to a specific service / product.

The analysis of the information allows the company to develop the "map of priorities". This tool contains all the elements to identify and decide what needs to be done and what type of resource/commitment must be envisaged.

The "map of priorities" guides the definition of improvement actions to be undertaken: for each of them it identifies a manager, the date by which the activity must be carried out and the monitoring indicator.

In addition to the questionnaires, the Company monitors other information sources, which allow to indirectly assess customer satisfaction, such as:

- complaints, on the basis of which corrective measures are adopted to eliminate the cause;
- how many contracts renewal for each Customer;
- two-way communications with the customer;
- meeting reports with the Customer.

100% of customers* declare themselves
Satisfied or Very Satisfied

** Customer Satisfaction Survey delivered in 2021.
21% of customers filled in the form.*

Zero

Complaints received in a 3-year-period

Number of contracts renewal

with the same Customer:

6 in 2019 / 13 in 2020 / 2 in 2021

7. More than a Supply Chain

We were born to deliver high quality and reliability: we strive for integrity, confidentiality and safety of each single CY4GATE product and service, to design a safer world to work and live in.

At the same time, we strongly want to act as an engine of innovation and economic growth in a constantly evolving frontier sector: a challenge we face together with our supply chain.

Every single company and each single individual we take on board is carefully selected on the basis of objective criteria such as know-how, appropriate means and structures availability, correctness, compliance with applicable regulations and with the Company's Ethics Code.

CY4GATE TOWARD THE SDG 2030 GOALS



CY4GATE fosters the creation of skilled jobs and stimulating career opportunities for people employed in companies operating along the supply chain.



CY4GATE feeds the growth, and economic sustainability of small businesses operating in highly specialized sectors by promoting their integration into related industries and markets.

About CY4GATE supply chain:

CY4GATE's supply chain grows together with the Company

	2019	2020	2021
No. of suppliers	88	119	444

In three years **CY4GATE has more than doubled** its number and value of orders issued to suppliers.

	2019	2020	2021
No. of orders issued to suppliers	237	384	671
Value of orders issued to suppliers	2,3 ML	2,9 ML	5,7 ML

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
<p>Brand image damages, and potential social and environmental negative impacts on workers and community, due to suppliers behavior not in line with the regulatory provisions and policies of CY4GATE in terms of health, safety and the environment.</p>	<p>Production chains oriented towards ethics, legality and sustainability.</p>	<p>CY4GATE adopts internal procedures for the selection of Suppliers, in compliance with the principles of transparency and competition. The Company relies on objective evaluation criteria such as specific know-how, the availability of appropriate means and structures, correctness and reliability, in full compliance with the regulations and provisions of adherence to the Company Code of Ethics.</p>

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

Adoption of supplier selection and evaluation criteria to strengthen the sustainability profile of the CY4GATE supply chain

7.1 How we deal with our supply chain and procurement process

CY4GATE's supply chain is mainly composed of companies that supply IT equipment and know-how for the creation of its own products and services.

The suppliers of IT material are authorised producers and distributors, not under embargo procedures, able to guarantee the origin of the supplies and high standards of confidentiality and security. All these features are essential requirements for CY4GATE products and services.

For what concerns know-how supply, CY4GATE relies on a pool of outsourcing companies that select and provide in-house highly qualified personnel with specialised skills, even for long periods. CY4GATE enters into agreements with these companies - all Italian, small and mainly composed of young professionals - to integrate those professionals with whom there is a mutual interest in starting a stable working relationship.

All the companies that supply IT material and know-how to CY4GATE are registered in the Company's suppliers register.

Overview on companies registered in the CY4GATE supplier register

		2019	2020	2021
No. suppliers by activity	distributors	2	2	2
	information products and services's suppliers	24	45	147
	professional service and training courses providers	19	18	14
	R&D	4	1	2
	digital forensics	1	1	1
	others	38	52	278
No. of suppliers by product category	hardware	12	16	81
	software	9	20	39
	professional services	18	23	165
No. of suppliers by location	based in the regional territory (Lazio)	19	16	62
	based on national territory (extra Lazio)	38	37	110
	based out of Italy	31	66	272
% suppliers by size	small businesses	52%	47%	25%
	medium businesses	19%	34%	30%
	large businesses	29%	18%	45%
% value of orders issued to suppliers	based in the regional territory (Lazio)	21%	9%	57%
	based on national territory (extra Lazio)	45%	32%	24%
	based out of Italy	34%	66%	8%
% value of orders issued to suppliers	hardware	40%	33%	71%
	software	8%	20%	12%
	professional services	52%	36%	17%

Regardless of the type of supplies - whether necessary for business management or for the design of products and services - the procurement management process in CY4GATE is aimed at guaranteeing the reliability of purchases and keeping supply quality trends under control over time.

Purchase management process in CY4GATE

1. Purchase request

For justified needs, anyone in CY4GATE can start a request for products which are necessary for the proper performance of their work activities. The RDA must be validated by the Head of the Engineering Department who expresses the need for the specific purchase.

2. Request for quotation

The Purchasing area in collaboration with the applicant determines the specifications of the product / service to be purchased. The Request for quotation is approved by the Head of the Supply Chain Department.

3. Order issue

Following the evaluation of both the offers received from suppliers and those in the catalogue, Company proceeds with the issuance of an order.

4. Products / services check

Supplies that affect the quality of the product / service are not used before being inspected or otherwise verified as conforming to the requirements.

5. Non compliance management

If materials / services result to be non-compliant, the procedure for the treatment of the non-compliant product is activated, with subsequent return to the supplier.

6. Accounting management

The Administration Area plans the payment, not before having verified the consistency between the Purchase Request / Order and the invoice received from the supplier.

7.2A look at accreditation, qualification and evaluation of our suppliers

The CY4GATE process of supplier accreditation and qualification starts with a pre-qualification step in which the candidate company is subjected to a conformity assessment.

For this, the candidate company fills out a form through which CY4GATE detects the important information to define a compliance index.

Depending on this index value, the candidate company may have direct access to the register, or be subjected to further checks and investigations, or even judged inadequate to have access to the register. In addition to the organisational and corporate structure and the type of activity, the conformity assessment examines information elements concerning:

- safety and health management in the workplace;
- the adoption of a Company Ethics Code;
- owning quality certifications;
- the existence of measurement, control and management systems;

- compliance with governmental restrictions for the processing of certain materials, information and services;
- the absence of grounds for exclusion linked to criminal convictions.

0%

of suppliers reached by sanctioning measures by the supervisory bodies in the last 3 years for violation of the rules on health and safety at work

from 41% to 45%

of suppliers in possession of a Quality Certification, in the past 3 years

After the first supply, on an annual basis the companies in the Register are subjected to a reliability assessment. This periodic evaluation examines information elements such as the quality of supplies, the type and frequency of non-conformities, the efficiency in the responses and the attitudes of collaboration and availability demonstrated during the relationship.

The periodic monitoring of the registered companies, in addition to guaranteeing the quality and reliability of the supplies for CY4GATE, acts as a stimulus for the continuous improvement of the supplier companies as CY4GATE can request from suppliers some necessary improvement actions for their permanence in the Suppliers Register.

8. The planet: our business

We are more and more aware of the increasing role that the use of digital technologies is assuming in generating environmental impacts.

This is why we are committed to the efficiency of industrial processes, to market products with low environmental impact and to optimize the use of natural resources.

Only in this way CY4GATE feels to truly balance the attention for each individual cyber safety with the protection of the environment as an asset of common interest for the community.

CY4GATE TOWARD THE SDG 2030 GOALS



CY4GATE pursues energy efficiency together with an ecological and low environmental impact use of the company's premises and technological infrastructures, and promotes responsible behavior in the use of natural resources.

What's CY4GATE energy consumption?

	2019	2020	2021
Energy intensity (Kwh/M Revenues)	0,012	0,008	0,029

What' ours energy consumption is increasing?

We have changed and expanded our locations

We have increased our production

But our commitment goes in the direction of reducing our consumption

About energy efficiency and emission reduction

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
CO2 emissions and costs increase, lack of savings, with reputational damage, resulting from poor attention and inadequate programs for managing the energy efficiency of the premises and cyber services / products.	<p>The ELT parent company green policy affects the CY4GATE headquarters. From this comes the opportunity of transferring management models, of achieving and measuring energy efficiency and emission reduction objectives.</p> <p>Great relevance of the issue in development and financing policies and programs at European and national level. This increases the possibility of acquiring economic resources and partners to undertake processes of ecological transformation of products / services.</p>	In line with the environmental policy of the parent company ELT, the Company has undertaken actions aimed at energy efficiency.

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About water resources use

RISKS & NEGATIVE IMPACTS	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Poor water consumption optimization, with relative increase in costs, lack of savings, waste or water pollution and reputational damage	The ELT parent company green policy affects the CY4GATE headquarters, with the possibility of achieving and measuring objectives for reducing water consumption.	The water resource does not enter the industrial process: the utilities are only for civil purposes and managed directly by the ELT parent company.

About waste management

RISKS & NEGATIVE IMPACT	OPPORTUNITIES & POSITIVE IMPACTS	HOW CY4GATE MAKES IT POSSIBLE
Inadequate waste management programs, with pollution, loss of opportunities related to reuse & recycling, and related reputational damage.	ETL parent company's green policy with presence of an ecological island, and possible transfer of management models.	Waste sorting and reuse of IT equipment, in addition to the services of the ELT parent company for the disposal of special waste.

CY4GATE COMMITMENT TOWARD A GREATER SUSTAINABILITY

Develop a company vademecum to promote responsible and sustainable behavior of employees and collaborators in the use of energy and other natural resources.

Integrate the consumption measurement and monitoring system and adopt specific objectives and targets.

8.1 Our sustainable management of natural resources

The challenge of environmental sustainability in the digital universe needs different actions.

Primarily, on greater energy efficiency and the use of renewable energy for powering the datacenter and for the management of IT infrastructures.

In defining and implementing environmental management, CY4GATE benefits from the environmental policies adopted by the parent company Elettronica S.p.a., where it resides.

For CY4GATE, energy represents the main resource used for the management of premises and laboratories, and especially in relation to Cyber solutions, with particular reference to data traffic and related energy consumption.

In line with the parent company, CY4GATE pursues an efficient management of energy resources with the reduction of CO2 emissions, reducing waste by managing the switching on and off of heating and cooling systems, and through the use of mainly LED lighting.

Reducing energy consumption also affects the choice of IT equipment used, such as servers and PCs with low environmental impact, and guides corporate behavior in the use of devices.

	2019	2020	2021
% electricity consumption (KWh)	88060	104489	461943

The increase in energy consumption is therefore linked not to a lack of attention to efficiency and waste reduction policies, but to the change and expansion of the operational headquarters and an increase in production.

Consumption, which thanks to the start of monitoring, will be subject to a management aimed at containing energy consumption, also in relation to the strong increases in energy costs and supply criticisms for the country system.

In addition, CY4GATE adopts the needed measures for the disposal of technological devices, which represent the bigger part of special waste treated by the Company, reusing them where possible.

For those waste similar to civil ones, the Company has introduced separate waste collection, in line with the ELT parent company's policy. They are brought daily to the parent company's ecological island for intermediate waste collection, which will then be collected by the municipal garbage collector.

Water for CY4GATE is not a critical resource: there is no use for industrial purposes. The management of water supply and disposal is under the responsibility of the parent company which adopts specific environmental management policies.

Methodological Framework

This first CY4GATE Sustainability Report is drawn up according to the GRI Standards (Option “in accordance – Core”). The document contains data and information deemed relevant for understanding CY4GATE’s business activity, its performance, results and its impact through the coverage of environmental and social issues, relating to personnel, respect for human rights and the prevention against corruption (Legislative Decree 254/2016).

This document reports on the Company’s activities for the year ended December 31 2021. Where available, data for the previous two years (2019, 2020) have also been reported. The scope of the Sustainability Report coincides with the CY4GATE statutory financial statements at 31st December 2021.

Reporting process

CY4GATE has started the reporting process and defined the contents of the 2021 report in compliance with GRI 101: 2016 Reporting Principles. More specifically, the Company acted consistently with the principle of:

- **Stakeholder inclusiveness:** CY4GATE analyzed its stakeholders through the involvement of the representatives of the corporate functions. This allowed the construction of the Stakeholder Map, the description of the relationships’ natures and the expectations with respect to the Company, as well; and eventually the recognition of the channels & tools used by the Company to interact with each of them.
- **Sustainability context:** in presenting the economic, social and environmental performance of the Company in the broader context of sustainability, CY4GATE has examined the macro-topics relevant to the sector in which the Company operates; this has been pursued taking into account the actions and goals of the 2030 Agenda for Sustainable Development to which CY4GATE can make its contribution in terms of economic, social and environmental impacts generated.
- **Materiality:** this report reflects the principle of materiality. Starting from the main values, policies and strategies of the company, taking into account the indications provided by the ISO 26000: 2010 Guidance on Social Responsibility, the provisions of the 2030 Agenda on Sustainable Development, the issues subject to disclosure pursuant to Legislative Decree 254/2016 and the results of a benchmarking activity, together with the contribution of the representatives of the corporate functions, CY4GATE has defined its own material topics. These are the topics considered priorities, among all the relevant reportable issues, as they are capable of reflecting the Company's economic, environmental and social impacts and influencing the decisions of stakeholders. From an operational point of view, the material issues emerged through the construction of a matrix that related the perspective of the stakeholders and that of the Company. The topics that, in the materiality matrix, are positioned in the quadrant delimited by assigned values greater than or equal to 2 are considered material (see par. 2.2 of the report). The table below shows the list of material topics and their perimeter.

MATERIAL TOPIC	TOPIC BOUNDARY			
	Internal	External	Direct	Indirect
Protection and security of community		People; Public Institutions		X
Protection and security of the critical infrastructure		People; Public Institutions; Public & Private Customers		X
Human Right	X	People; Suppliers; Public & Private Customers	X	
Innovation Management	X	Representative bodies	X	
Solid Corporate Governance	X	Significant Shareholders; Financial Community	X	
Energy efficiency and emissions	X	People	X	
Sustainability-oriented strategies and policies	X	All Stakeholders	X	
Responsible business conduct	X	All Stakeholders	X	
Training and skills development	X		X	
Health and Safety	X		X	
Prevention of corruption	X	Public Institutions; Public & Private Customers; Suppliers	X	X
Information security and privacy	X	Public & Private Customers; Suppliers	X	X

People Management & Care	X		X	
Transparency of information toward investors		Significant Shareholders; Financial Community	X	
Relationship with customers	X	Public & Private Customers	X	
Responsible management of the supply chain	X	Suppliers	X	

- **Thoroughness:** in the 2021 Sustainability Report, CY4GATE, provides all useful information to allow stakeholders to evaluate the Company's performance. For each material topic, the vision of CY4GATE together with the topic nuances in the Company are disclosed; the risks and negative impacts as well as opportunities and positive impacts connected to the topic are explained; the management methods adopted and, where available, the specific actions and initiatives implemented, the subjects involved, the outputs produced and the results achieved are presented. When the material topic is processed by an existing GRI Standard and the data are available, CY4GATE reports the related specific disclosures; where the material topic is not included in an existing GRI Standard, additional disclosures have been identified.

For any further information on the report and its content, write to: <https://www.cy4gate.com/it/contattaci/>.

Tabella di correlazione D.Lgs. 254/16 - Temi materiali - GRI Standards

Topic of D.Lgs 254/2016	Material topic	Risks and Opportunities	Policies practiced	GRI Standard of reference	GRI Standard - Disclosure reported	N° page of GRI disclosure				
Environmental	Energy efficiency and emissions	p.53,54	p. 53-55	GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components GRI 103.3 - Evaluation of the management approach	p. 57 p. 55 p. 24,25				
				GRI 302: Energy 2016	GRI 302-1 Energy consumption within the organization GRI 302-3 Energy intensity	p.55 p.53				
				GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components GRI 103.3 - Evaluation of the management approach	p.57 p. 34, 35 p. 24-27				
Social	Protection and security of the critical infrastructure	p.32	p.32, 35, 36	GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components GRI 103.3 - Evaluation of the management approach	p.57 p. 35, 36 p. 24-27				
				GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components GRI 103.3 - Evaluation of the management approach	p.57 p. 41, 42 p. 24, 25				
				GRI 404: Training and Education 2016	GRI 404-2 Programs for upgrading employee skills	p.42, 43				
Relating to employee	Health and Safety	p.28	p.28, 29	GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components GRI 103.3 - Evaluation of the management approach	p.57 p. 28, 29 p. 28				
				GRI 403: Occupational Health and Safety 2018	GRI 403.1 - Occupational health and safety management system GRI 403.2 - Hazard identification, risk assessment, and incident investigation GRI 403.5 - Worker training on occupational health and safety GRI 403.6 - Promotion of worker health GRI 403.9 - Work-related injuries GRI 403.10 - Work-related ill health	p. 28, 29 p. 28, 29 p.29 p.41 p.29 p.29				
				GRI 102: General Disclosure 2016	GRI 102.7 - Scale of the organization GRI 102.8 - Information on employees and other workers	p.37 p.39				
				GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components	p.58 p. 39-41				
				People Management & Care	p.38	p.38-40		GRI 102: General Disclosure 2016	GRI 102.7 - Scale of the organization GRI 102.8 - Information on employees and other workers	p.37 p.39
								GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components	p.58 p. 39-41
								GRI 102: General Disclosure 2016	GRI 102.7 - Scale of the organization GRI 102.8 - Information on employees and other workers	p.37 p.39
								GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components	p.58 p. 39-41
								GRI 102: General Disclosure 2016	GRI 102.7 - Scale of the organization GRI 102.8 - Information on employees and other workers	p.37 p.39
								GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary GRI 103.2 - The management approach and its components	p.58 p. 39-41

					GRI 103.3 - Evaluation of the management approach	p. 24, 25
				GRI 401: Employment 2016	GRI 401.1 - New employee hires and employee turnover	p. 40
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					GRI 401.3 - Parental leave	p.41
Relating to Human Rights	Human Right	p.20, 32	p.20, 32	GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary	p. 57
					GRI 103.2 - The management approach and its components	p. 20, 25, 32
					GRI 103.3 - Evaluation of the management approach	p. 24, 25
Relating to Anti-corruption	Prevention of corruption	p.26	p.26	GRI 412: Human Right Assessment 2016	GRI 412.1 - Operations that have been subject to human rights reviews or impact assessments	p.20
					GRI 412.3 - Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	p.32
				GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary	p.57
					GRI 103.2 - The management approach and its components	p.26
				GRI 205: Anticorruption 2016	GRI 103.3 - Evaluation of the management approach	p. 24-26
Other topic	Solid Corporate Governance	p.22	p.31		GRI 205.1 - Operations assessed for risks related to corruption	p.26
					GRI 205.2 - Communication and training about anti-corruption policies and procedures	p.26
					GRI 205.3 - Confirmed incidents of corruption and actions taken	p.26
	Innovation Management			GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary	p.57
					GRI 103.2 - The management approach and its components	p. 32-34
					GRI 103.3 - Evaluation of the management approach	p.25,26
					GRI 102.18 - Governance structure	p.23
					GRI 102.20 - Executive-level responsibility for economic, environmental, and social topics	p.23
				GRI 102: General Disclosure 2016	GRI 102.22 - Composition of the highest governance body and its committees	p.23
					GRI 102.29 - Identifying and managing economic, environmental, and social impacts	p.23, 25
					GRI 102.30 - Effectiveness of risk management processes	p.25
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				GRI 103: Management approach 2016	GRI 103.1 - Explanation of the material topic and its Boundary	p.57
					GRI 103.2 - The management approach and its components	p. 22-24

					GRI 103.3 - Evaluation of the management approach	p. 25,26
					GRI 102.14 - Statement from senior decision-maker	p.14-19
						For each material topic reported, the document contains tables with an explanation of related impact, risks and opportunities.
Sustainability-oriented strategies and policies	p.22	p.14-19, 22	GRI 102: General Disclosure 2016		GRI 102.15 - Key impacts, risks, and opportunities	
			GRI 103: Management approach 2016		GRI 103.1 - Explanation of the material topic and its Boundary	p.57
			GRI 103: Management approach 2016		GRI 103.2 - The management approach and its components	p.22,23
			GRI 103: Management approach 2016		GRI 103.3 - Evaluation of the management approach	p.25,26
Responsible business conduct	p.24	p.24-27	GRI 103: Management approach 2016		GRI 103.1 - Explanation of the material topic and its Boundary	p.57
			GRI 103: Management approach 2016		GRI 103.2 - The management approach and its components	p.24-27
			GRI 103: Management approach 2016		GRI 103.3 - Evaluation of the management approach	p.25,26
Information security and privacy	p.25	p.25	GRI 103: Management approach 2016		GRI 103.1 - Explanation of the material topic and its Boundary	p.57
			GRI 418: Customer Privacy 2016		GRI 103.2 - The management approach and its components	p.25
			GRI 103: Management approach 2016		GRI 103.3 - Evaluation of the management approach	p.25
Transparency of information toward customers and investors	p.27	p.27	GRI 103: Management approach 2016		GRI 418.1 - Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.26
			GRI 103: Management approach 2016		GRI 103.1 - Explanation of the material topic and its Boundary	p.58
			GRI 103: Management approach 2016		GRI 103.2 - The management approach and its components	p.27
			GRI 103: Management approach 2016		GRI 103.3 - Evaluation of the management approach	p.27
Relationship with customers	p.45	p.46	GRI 103: Management approach 2016		GRI 103.1 - Explanation of the material topic and its Boundary	p.58
			GRI 102: General Disclosure 2016		GRI 103.2 - The management approach and its components	p.46
			GRI 103: Management approach 2016		GRI 103.3 - Evaluation of the management approach	p.46,47
Responsible management of the supply chain	p.49	p.49-52	GRI 102: General Disclosure 2016		GRI 102.9 - Supply chain	p.50
			GRI 103: Management approach 2016		GRI 102.10 - Significant changes to the organization and its supply chain	not present
			GRI 103: Management approach 2016		GRI 103.1 - Explanation of the material topic and its Boundary	p.58
			GRI 103: Management approach 2016		GRI 103.2 - The management approach and its components	p.50-52
			GRI 103: Management approach 2016		GRI 103.3 - Evaluation of the management approach	p.25,26
			GRI 103: Management approach 2016		GRI 414.1 - New suppliers that were screened using social criteria	p.49,51,52

GRI Standard of reference and disclosure reported (further than those listed above)

GRI Standard of reference	GRI Standard - Disclosure reported	N° page of GRI disclosure
	GRI 102.1 - Name of the organization	CY4Gate S.p.A
	GRI 102.2 - Activities, brands, products, and services	p.8-10
	GRI 102.3 - Location of headquarters	Via Morolo 92 – 00131 Rome -Italy
	GRI 102.4 - Location of operations	Via Morolo 92 – 00131 Rome -Italy
	GRI 102.5 - Ownership and legal form	p.6
	GRI 102.6 - Markets served	p.6
	GRI 102.7 - Scale of the organization	p.6
	GRI 102.11 - Precautionary Principle or approach	p.25
	GRI 102.12 - External initiatives	not present
	GRI 102.13 - Membership of associations	p.13
	GRI 102.16 - Values, principles, standards, and norms of behavior	p.7
	GRI 102.40 - List of stakeholder groups	p.12,13
	GRI 102.41 - Collective bargaining agreements	100%
	GRI 102.42 - Identifying and selecting stakeholders	p.56
GRI 102: General Disclosure 2016	GRI 102.43 - Approach to stakeholder engagement	Until now, CY4Gate has not implemented stakeholder engagement processes
	GRI 102.44 - Key topics and concerns raised	Until now, CY4Gate has not implemented stakeholder engagement processes
	GRI 102.45 - Entities included in the consolidated financial statements	CY4Gate S.p.A
	GRI 102.46 - Defining report content and topic Boundaries	p.56-58
	GRI 102.47 - List of material topics	p.14-18
	GRI 102.48 - Restatements of information	This is CY4Gate's first sustainability report
	GRI 102.49 - Changes in reporting	This is CY4Gate's first sustainability report
	GRI 102.50 - Reporting period	p.56
	GRI 102.51 - Date of most recent report	This is CY4Gate's first sustainability report
	GRI 102.52 - Reporting cycle	p.56
	GRI 102.53 - Contact point for questions regarding the report	p.58
	GRI 102.54 - Claims of reporting in accordance with the GRI Standards	p.56
	GRI 102.55 - GRI content index	p.59-62

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Thanks to all the managers, employees and collaborators of CY4GATE for their contribution and collaboration to the realization of the Sustainability Report

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Approvato con delibera del Consiglio di Amministrazione del 17 marzo 2022

