



SUSTAINABILITY REPORT 2022

IMPACT REPORT

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LETTER TO THE STAKEHOLDERS

Dear Stakeholders and readers of this document, which is as important to us as it is in evolution, I am pleased to look at the social aspects, aim for the sustainable and therefore happy to draw some conclusions from a year that, although positive, certainly turned out to be more complex than expected: 2022.

It certainly brought different challenges and a lot of stimuli and sharing with a view to Sustainability, Social Responsibility, visions of the future and growth. At the same time, there were also difficulties related to energy costs and the economic effects on the cost of money and raw materials due to this ongoing senseless war that seems to have no end.

The year 2022 reconfirmed KF, in its role as leading manufacturer of *"Human Interface Peripherals"* (with its monitors with touch screens and with or without on board intelligence), as a fast-growing company with not just full recovery of pre-pandemic turnovers, but an additional +25% turnover.

Also reconfirmed, of course, is the more "intimate" thought of all of KF, namely the pursuit of activities in keeping with its nature as a **Benefit Corporation**, and therefore its ever-increasing aim (even looking back for a moment) to see how much has been done in **terms of Sustainability** (from the targeted reduction to the end of the use of plastics, to the analysis of a study for a major implementation of a new photovoltaic plant (as well as the *"Revamp"* of the current one), and to the continuous improvement of the development of corporate culture, which will reach its apex in 2023 and 2024, with the attainment of B Corp, as well as ISO-14001 certification.

Also in terms of **Corporate Social Responsibility**, with the confirmed internal and external support to the non-profit organisations that the company has always supported, the continuous work on the H.O.P.E./ LASSO project in Kenya, and with the long-standing beneficiary Amazonia ONLUS [non-profit].

Having said that, what is really stimulating is definitely the set of activities put in place to achieve the goal set last year: "KF Production 4.0" to pave the way to a near future, full of AI, IoT and well beyond!

In fact, the purchase of the new building at the end of December 2021, next to the current one - already owned by the company - where KF conducts its business was the start of a much broader project to revisit a logical internal restructuring, which will see KF perform in-house a good part of the activities it has so far outsourced, enabling it not only to transform itself into a technological centre of excellence, but, above all, to obtain and **offer greater benefits for its employees** in terms of well-being (canteen and internal premises for recreation and families), **for its customers** (by using the latest production technology to raise the internal and external quality standard, and to offer performance and services so far offered by few), including an important return to the community with the implementation of the latest technologies for energy efficiency, as well as doubling the current production of photovoltaic energy to aim for a *Carbon Footprint* that edges ever closer to zero.

It is certainly an obligation as well as a pleasure to thank those who have contributed to what has been achieved so far, led by the KF team with all its employees without whom very little would have been achieved, and to thank those who will join in this year full of challenges.

Massimo Romani
Sole Director of KF

HIGHLIGHTS 2022

ENVIRONMENT

- ~ **100% of** residual greenhouse gas emissions offset
- ~ **4.3 tonnes of CO2eq avoided** through photovoltaic power generation
- ~ **100% of waste** delivered for recovery
- ~ Replacement of all lighting systems with **LED lights and sensors**.

SOCIAL

- ~ **963 hours** of employee training in 2022
- ~ 8-lesson **meditation course** in the company for employees
- ~ **54 hours of** corporate volunteering
- ~ **7 Associations** supported in 2022 in Italy and in developing countries.

GOVERNANCE

- ~ **Partnerships** for sustainable product research
- ~ Creation of three corporate **working groups** on Sustainability issues
- ~ **+16%** customers
- ~ **+47%** value of customer orders.



ABOUT US

KF is a Modena-based company operating in the electronics sector: it designs and manufactures its own products and distributes those of major manufacturers worldwide.

KF stands for “**Key to the Future**” and emphasises the main characteristic of the company since its foundation, namely its forward-looking vision and new, innovative and sustainable solutions.

The key to KF's success is the creation of profitable *Partnerships* with customers and suppliers, succeeding in ensuring all-round customer satisfaction by developing the best solutions together with its *Partners*.

The collaborative spirit is not only present in the commercial sphere; in fact, the company has a long history of Corporate Social Responsibility/CSR commitments, which it confirmed by becoming a Benefit Corporation in 2020, including among the company's aims those related to the well-being of people and the planet.

THE HISTORY OF KF

KF was founded 26 years ago in Modena by a group of people with experience in customer service and sales of OEM (*Original Equipment Manufacturer*) products in the electronics and industrial sectors. Over the decades it has grown considerably, to the point of developing its own in-house *designed* products.

Today, KF treasures the values of its origins, projecting them into the future, looking towards innovation as the key to its success.



KF MILESTONES

1996 - KF is founded;

1996-2001 - Progressively, important manufacturers worldwide, such as Citizen, Japan Cash Machine, Asahi Seiko and others, are entrusting KF with the distribution of their products in Italy, in some cases on an exclusive basis;

2001 - KF buys the building where it is currently based. This extensive and rapid expansion was made possible by a widespread sales network. KF also started to develop products of its own *design* and with its own “*Innovation & Technology*”;

2003 - Acquisition of equity investments in some companies: Italian (for development and assembly) and foreign (South Korea and America);

2008 - KF decides to diversify its investments and opens a division (KF Energy) in renewable energy sources (photovoltaics);

2010 - KF founds Aurora, a company named after the flagship product in the range, born from KF's own patent. The company becomes 100% *Energy Independent* thanks to the installations made on the property;

2011 - KF decides to open its doors to the retail world by producing its first cash register in cooperation with Citizen while closing all photovoltaic divisions, as the market is saturated;

2012-2013 - In the midst of a very complex and sometimes unpredictable macroeconomic scenario, KF decides to focus its activity on its flagship products where it has been very successful, and sells some of the *Business Units* created over the years (Power Supplies, LCD, Fiscal department, as well as the latest renewables);

2014-2018 - KF grows in the Italian market for payment solutions, peripherals and, especially, customised monitoring solutions and starts pushing and developing the European market in anticipation of major international exhibitions;

2020 - KF amends its Articles of Association to become a Benefit Corporation, declaring its commitment to common benefit purposes.

2021-2022 - KF grows both in terms of figures and finance and decides to focus more and more on its Core Business, industrial monitors; in 2022, it starts planning the renovation of the factory to implement in-house production.



OUR VALUES

KF's activities are characterised by an ethical approach that can be summarised in the following values:

- ~ Quality
- ~ Innovation
- ~ Sustainability
- ~ Focus on the person
- ~ Dialogue
- ~ Sharing

OUR MISSION

Making "Crazy Fans" of our customers by satisfying them so much, with our quality, service and performance, that they shudder at the mere thought of replacing us.

Making the idea of our customer our next challenge, as well as our compass in the daily navigation towards the common goal, that of the ultimate consumer experience, thus achieving market leadership.

OUR VISION

A world increasingly organised through visualisation and tactile interaction as a synonym for "listening and talking", enabling the experiential evolution of the consumer through our solutions as used by our customers.



THE COMPANY

The company is committed to acting ethically and transparently towards all Stakeholders, promoting a conscious and sustainable way of doing business, involving all levels and areas of the company in a process of continuous improvement.

The transformation into a Benefit Corporation confirmed KF's commitment to the creation of shared value and the pursuit of the common good in parallel with its core business activities.

CORPORATE STRUCTURE AND ORGANISATION

The management and administration of the company are the responsibility of Sole Director Massimo Romani, who is also the majority shareholder. Below is a list of the corporate structure of KF srl Benefit.

Social Structure	Unit of measurement	Share capital %
Massimo Romani	%	87.00%
Lorenzo Balli	%	11.00%
Stefano Masi	%	2.00%
Total	%	100.00%

CERTIFIED QUALITY

Since 2009, KF's Quality System has been ISO 9001-certified, the certification being issued by Accredia.

The certification supports organisations that want to efficiently manage the *Governance* of their business processes with a focus on customer needs.

Constant verification of the processes and products supplied allows high quality standards to be main-

tained, all combined with a continuous check on the application of company procedures, as well as constant monitoring of the quality level of all suppliers.

The efficient management of a Quality System is the result of an ongoing commitment to customer satisfaction and the protection of the health and safety of all stakeholders.

OUR BUSINESS

KF's offer covers all activities related to the production, integration and distribution of its products, which are classified into two main business lines: the monitor line and the e-money management line.

The streamlined model of distinguishing between different business lines allows KF to offer customers efficient service and a choice of four distinct product lines:

- ~ Industrial monitors: this is the line the company is investing in for the future. Production of monitors ranging in size from 4.3 to 55 inches suitable for various applications (petrol stations, ATMs, Visual, Medical, vending machines, ticket machines);
- ~ Money management: money management machines, banknote acceptors for payment terminals,

automatic checkout, safe deposit boxes and many other applications, such as compact cash solutions and currency recycling;

- ~ Reading modules: manual or motorised, swipe or insertion readers and reader-writers. Panel or desktop card readers, with magnetic trace reading. A wide range of solutions for different applications, from access management to ticketing (*vending*), vending machines, ATMs and industry;
- ~ Industrial printers: a wide range of industrial printers, built-in, desktop or portable. with a neat, modern *design* , maximum compactness, suitable for various applications from ticketing to dispensers, healthcare, transport and industry.

COMMITMENT AS A BENEFIT CORPORATION

In 2020, KF amended its Articles of Association, becoming a Benefit Corporation and declaring its commitment to pursue, in addition to its *Business* activity, purposes of common benefit, structured in different categories:

~ adopt Sustainability and Corporate Social Responsibility criteria as guiding references in management and planning;

~ strive for continuous waste reduction in order to optimise and maximise every available resource to pursue the best Sustainability of its processes and products;

~ pursue the Well-being and Safety of people in their working environment with Corporate *Welfare* solutions and professional development with continuous training activities;

- ~ promote creativity, exchange of ideas and dialogue as a form of product and process innovation in a positive and collaborative working environment;
- ~ participate in and support initiatives aimed at neighbouring territories and communities, with the aim of preserving and protecting environmental aspects, as well as generating positive social impacts;
- ~ support social and environmental sustainability initiatives also outside the national territory with specific projects.

OUR STAKEHOLDERS

KF's reference *Stakeholders* are as follows:



STAKEHOLDER ENGAGEMENT

KF's way of doing business requires the constant involvement of its stakeholders; in fact, the creation of *Partnerships* with suppliers to develop products that fully meet customers' needs is a distinctive feature of the company's way of working.

However, the dialogue and exchange of ideas with the *Stakeholders* does not stop at the commercial sphere. KF's Corporate Sustainability goals lead it to regularly listen to the perceptions, needs and interests of employees, suppliers, customers and the local community, in order to respond appropriately to their needs and ensure lasting and profitable relationships.

Dialogue and collaboration with other companies and other stakeholders to promote positive impact actions is one of the company's aims, consolidated in the corporate purpose of the Articles of Association.

The ways in which the company informs and consults its stakeholders differ according to the category of Stakeholder concerned. The main ESG (Environmental, Social and Governance) sustainability engagement tools used are listed below:

Stakeholder Categories		Involvement/engagement modes
Internal	Employees	~ Weekly update meeting ~ Working Tables on CSR, Sustainability Report and B-Corp with quarterly meetings ~ Annual Convention with Brainstorming Workshop ~ Questionnaire on ESG material topics ~ Communication by e-mail ~ Corporate volunteering
	Customers	~ Questionnaire on ESG material topics ~ Contact by e-mail ~ Corporate website
External	Suppliers and subcontractors	~ Questionnaire on ESG material topics ~ Contact by e-mail ~ Corporate website
	Industry associations	~ Member of Confapi (Italian Confederation of Small and Medium-sized Businesses) ~ Member of Assobenefit (National Association of Benefit Corporations) ~ Conferences on CSR and Sustainability issues
	Financial world	~ Conferences on Sustainability issues organised by banks
	Voluntary Sector	~ Donations to associations of the voluntary sector ~ Member of the Association of Modena Companies for CSR ~ Headquarters of the non-profit organisation Amazon 90 provided free of charge by the company ~ Corporate volunteering to support Ukrainian families ~ Participation in charity dinners ~ Questionnaire on ESG material topics
	Local community	~ Promotion of the Festival of Sustainable Development ~ Questionnaire on ESG material topics

SUSTAINABILITY AT KF

KF has long been committed to improving its Sustainability and Corporate Social Responsibility profile, with concrete support actions towards the community and those members of society who are most in need.

By becoming a Benefit Corporation, KF has made the ethical spirit that has always been in the company's DNA official in a concrete manner, adopting a broader approach that has led the company to file an annual *Impact Report*, in which it formalises in total transparency the actions taken with respect to different aspects of company management.

- ~ Governance policies
- ~ Environmental sustainability
- ~ Activities on supplier procurement chains
- ~ Human Resources Support policies
- ~ Community support.

Over the past few years, KF has also incorporated Sustainability issues into its corporate *Governance* through *teams* of people dedicated to pursuing various aspects of sustainable innovation, including the path towards the *B Corp* certification, to further enhance and improve its ESG (Environmental, *Social* and *Governance*) integrated Sustainability actions.

THE PATH TO THE B CORP CERTIFICATION

In mid-2020, KF embarked on the challenging and ambitious path towards the international B Corp sustainability certification.

The company first carried out a self-analysis on five sustainability dimensions (*Governance*, Employees, Community, Environment, Customers) using the international *B Impact Assessment* (BIA) platform, which provides more than 200 dedicated parameters to assess and compare the cross-sectional sustainability impacts of a company. The BIA is an essential step to be able to start the international B Corp sustainability certification after obtaining a score of at least 80 points.

In 2021, KF, with external technical support, drew up a dedicated Action Plan consisting of several folders with improvement targets to improve its social and environmental sustainability impact by engaging in new business practices.

Following the completion of the Action Plan, KF exceeded the 80-point threshold to be able to submit the application for the certification.

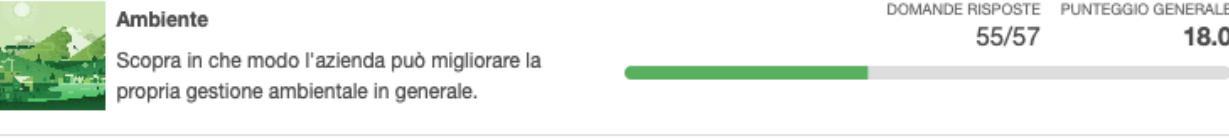
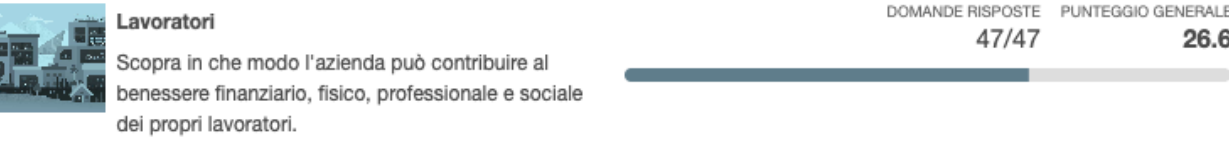
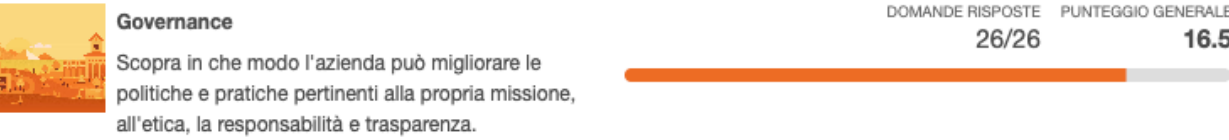
The completion of the self-assessment made it possible for the company to compare and innovate its management approach against the best management social responsibility standards with a view to continuous improvement.

The score achieved for the different aspects is released by the BIA platform as depicted opposite.

KF is now in the verification process by B Lab Europe.

KF srl Società Benefit

Data di fine dell'anno fiscale 31 Dec 2020



THE GOVERNANCE OF SUSTAINABILITY

In 2022, KF internally set up three working groups of employees to design and implement new Sustainability actions. The groups work on three separate topics: one on Corporate Social Responsibility, one on the Sustainability Report, and one on the B Corp Certification.

The objective of the three *teams* is to implement the improvement activities on sustainability issues that emerged from the *Brainstorming* of ideas that involved all employees during the 2022 *Convention*.

The working groups meet quarterly and objectives are set at each meeting, i.e. actions to be implemented over the following three months.

THE MATERIAL TOPICS

The material topics for KF are those areas that, due to their economic, social and environmental impacts, the company has identified as significant and a priority to further improve its Sustainability profile.

KF submitted the following list of topics to a sample of internal and external *Stakeholders* in order to assess from their point of view which are the priorities on which to focus its strategic ESG choices and objectives.

Material Topic	Impacts and Opportunities	Management methods	Scope
Reducing greenhouse gas emissions	~ Climate change mitigation ~ Reducing the use of fossil fuels	~ Greenhouse gas emission reduction policy. ~ Calculation of the Organisation's Carbon Footprint. ~ On-site photovoltaic system. ~ Policy on incentives for employee commutes with Bike to Work or Car Pooling. ~ Lighting with LED lights and sensors for switching off lights.	KF
Procurement with environmental and social criteria	~ Social and environmental protection of operators along the supply chain ~ Reduction of emissions and consumption of virgin resources	~ Sustainability questionnaire of suppliers qualifying their ESG profile.	KF and suppliers
Product innovation and Green solutions	~ Efficiency and reduction of customer consumption ~ Expansion of product lines	~ Partnership with a supplier for research and innovation of ultra-low energy products.	KF and Partners
Circularity and efficiency in the use of resources	~ Reduction of waste produced and recycling/recovery ~ Reduction of water consumption ~ Less pressure on resources	~ Environmental policy. ~ Water-saving interventions in offices. ~ Recycling in offices.	KF

Corporate Welfare	~ Promotion of integrated employee well-being and collaborative climate in the company ~ Employee retention	~ Welfare policy. ~ End-of-year economic contribution based on turnover. ~ Flexible hours, Remote Working and attention to the specific needs of employees. ~ Idea Box and financial reward for the best ones. ~ Quarterly convivial, recreational and cultural initiatives. ~ Promotion of health and sports and Mindfulness courses. ~ Reimbursement of EBM Salute benefits under the national contract.	KF employees
Diversity and equal opportunities	~ Creating an inclusive and diversity-friendly corporate culture ~ Protecting workers' rights	~ New recruitment policy. ~ Direct exchange of ideas on discrimination issues with the head of personnel.	KF employees
Growth and training	~ Continuous professional growth ~ Development of specific and transversal skills in the company	~ Regular training courses on specific and soft skills. ~ New recruitment policy.	KF employees
Involvement and support of local communities	~ Contributing to the social and cultural development of the local community	~ Member of the Association of Modena Companies for CSR. ~ Member of Assobenefit. ~ Support for the voluntary sector. ~ Participation in charity dinners. ~ Corporate volunteering. ~ Participation in the Festival for Sustainable Development.	KF and Stakeholders of the Community
Human rights in the Supply Chain	~ Humanitarian commitment to reduce conflicts in procurement areas	~ Conflict Minerals Policy shared on the company website. ~ Questionnaire to identify suppliers who have products with 3TG (tin, tantalum, tungsten and gold). ~ Creation of the table of product categories in which the 3TGs are present and indicated suppliers where these materials are present.	KF and supply chain
Economic and financial performance	~ Strengthening reliability in dealing with third-party investors ~ New management and production/technological innovation solutions	~ Regular business meetings for planning, monitoring, portfolio management. ~ Annual convention. ~ Notes to the Financial Statements.	KF
Business Ethics and Integrity	~ Strengthening transparency and respect with customers and suppliers	~ Benefit Corporation Articles of Association. ~ Charter of Values posted in the office. ~ Code of Ethics shared with new recruits.	KF
Business Continuity	~ Responding to emergencies ~ Protecting employment	~ Risk analysis procedures for ISO 9001 on risk contexts and scenarios that may jeopardise business continuity.	KF
Customer Satisfaction	~ Reputation enhancement ~ Customer loyalty	~ Customer satisfaction monitoring questionnaires. ~ Handling product complaints with a form on the site and taking charge of the defective product.	KF and customers
Dialogue with the Stakeholders	~ Anticipating Stakeholder expectations ~ Creating and developing relationships with local community Stakeholders	~ Stakeholder consultation with ESG questionnaire. ~ Corporate website. ~ Continuous dialogue through e-mail. ~ Annual convention. ~ Conferences of industry associations and banks. ~ Collaboration and support to local associations.	KF and main Stakeholders

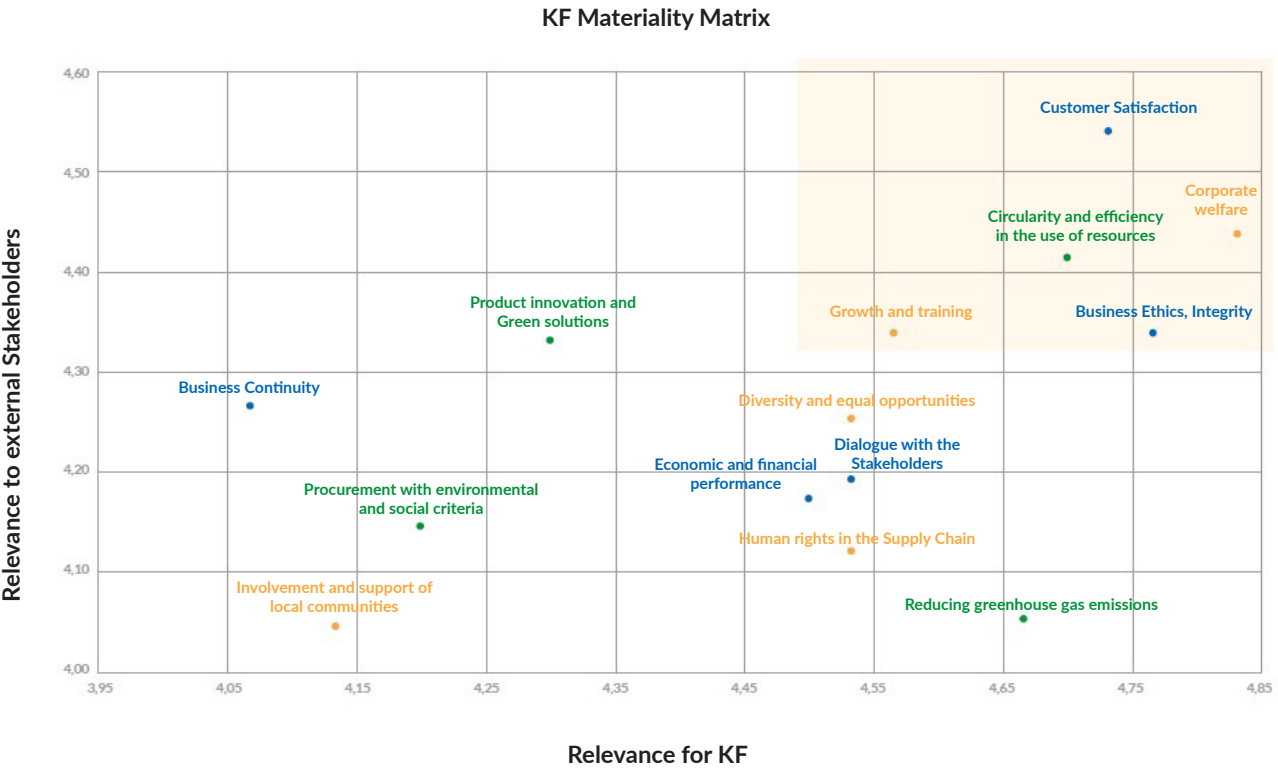
THE MATERIALITY MATRIX

The Materiality Analysis is the process that leads to the identification of the topics that are most relevant to both the company and its *Stakeholders*, in order to more consciously target efforts and anticipate expectations on the topics being reported on. The KF Materiality Analysis was carried out in three distinct stages:

1. Identification of the universe of topics, aimed at identifying the Sustainability issues potentially relevant in the company's context, to be submitted to the internal and external *Stakeholders* for evaluation;
2. Survey of topics that, according to the assessment of the internal and external *Stakeholders* , emerge as priorities. The internal *Stakeholders* (employees and company *Management*) and their external counterparts (Customers and suppliers) were consulted via an *online* questionnaire;

3. Elaboration of the Materiality Matrix, i.e. the *output* of the process showing in graphic form how material topics are positioned in relation to their relevance to the internal and external *Stakeholders* .

The results show a convergence between the priorities of the company and those of the external *Stakeholders* on the topics of Customer Satisfaction, Corporate *Welfare* , Circularity and Efficiency in the use of resources, Corporate Ethics and Continuous Training.



KF'S ACTIONS FOR THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

KF is committed to contributing through its activities to the Sustainable Development Goals (SDGs) promoted by the UN. Below please find a summary of the actions carried out in the last two years with respect to the local implementation of some of the 17 SDGs.

ESG area	Actions implemented by KF for the SDGs in 2021-2022	UN SDGs
Environment	~ Installation of water-saving flow regulators in the offices	6 ACQUA PULITA E SERVIZI IGIENICI SANITARI
	~ Replacement of lighting systems with LED lights ~ Installation of sensors for switching off lights in common areas	7 ENERGIA PULITA E ACCESSIBILE
	~ Partnership with supplier for research and development of innovative low-energy consumption products	9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE
	~ 100% of waste delivered for recovery	12 CONSUMO E PRODUZIONE RESPONSABILI
	~ 100% residual greenhouse gas emissions offset ~ 4.3 tonnes of CO ₂ eq avoided through photovoltaic power generation	13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO
Society	~ Corporate volunteering with <i>Rise Against Hunger</i> to prepare food parcels for Ukrainian families	2 SCONFIGGERE LA FAME
	~ Creation of a meditation room for the use of employees ~ 8-lesson meditation course in the company ~ Promotion of "Run 530" ~ Locally produced fruit in the offices ~ Possibility of working remotely ~ Donations to Doctors without Borders, Bambino Gesù Foundation, Gaslini Children's Hospital	3 SALUTE E BENESSERE
	~ Professional refresher training courses ~ 963 training hours in 2022 ~ New course 2022 "Digital Transformation Simulation"	4 ISTRUZIONE DI QUALITÀ
	~ Continuation of the "HOPE" project for the construction of water wells in Kenya	6 ACQUA PULITA E SERVIZI IGIENICI SANITARI
	~ Organisation of vineyard visit and dinner for KF's birthday ~ Promotion of the Festival for Sustainable Development	11 CITTÀ E COMUNITÀ SOSTENIBILI
Governance	~ Year-end economic benefits for employees based on turnover	8 LAVORO DECENTO E CRESCITA ECONOMICA
	~ Workshop with all employees on the company's ESG improvement actions ~ Creation of three corporate working groups on Sustainability issues	12 CONSUMO E PRODUZIONE RESPONSABILI
	~ Promotion of the Festival for Sustainable Development	17 PARTNERSHIP PER GLI OBIETTIVI

ECONOMIC PROFILE

In 2022, the global economy, recovering after the Covid 19 pandemic, was again slowed down by the outbreak of war in Ukraine and high inflation. In this global and national context, there were considerable organisational and logistical problems, with high transport costs and slowdowns in supply chains.

The electronics sector, in which KF operates, also suffered from supply delays and rising raw material, import and energy costs. KF's strategy to cope with this period was the adoption of long-term contracts with customers, which enabled virtuous solutions with suppliers. In this way, the company was able to give continuity to its business activities, at least in terms of raw materials.

ECONOMIC PERFORMANCE

For KF, 2022 was a year of strong growth; in fact, turnover in 2022 grew by about 30% compared to the previous year. This increase was mainly due to the growth in the number of customers, and the departure of some potential ones. Clearly, some of the cost

increases (and thus prices to customers) also contributed to the increase in turnover, but, primarily, these were increases in company productivity and thus in customer growth

Basic economic and financial indicators	Unit of measurement	2021	2022
Net sales revenue	€	6,683,800	9,877,958
Gross operating margin (EBITDA)	€	250,200	854,800
Net operating margin (EBIT)	€	140,400	824,300
Net financial expenses	€	114,900	171,100
Profit before tax	€	101,600	542,360
Net result	€	42,110	542,360
Net financial debt	€	3,629,400	3,185,700
Shareholders' equity	€	100,000	500,000

Revenues by Business area	Unit of measurement	2021	2022
KF production category revenue	€	4,814,536	7,486,365
Distribution category revenue	€	2,067,950	2,391,594
Non Classified	€	706,494	0
Total	€	7,588,980	9,877,958

Number of products sold	Unit of measurement	2021	2022
Products	No.	54,044	101,651

CUSTOMERS

KF's target market is mainly *Business to Business* for the transport industry (manufacturers of ticketing machines, parking payments), banking (ATMs), medical sector and *Vending Machines* for tobacco, drugs and coffee.

With a view to its continuous improvement, KF regularly monitors customer satisfaction by sending out evaluation questionnaires. In case of product-related problems, customers can fill in a special complaint *form* on the company website, which is followed by assistance and assessment of the defect by KF personnel.

2022 was a year of strong growth for KF's customer base, both in number of customers (+16%) and order value (+47%).

TYPE OF CLIENTELE

Over the past year, KF has increased the number of its customers, who are mainly in the "manufacturer" category, as they are industries that in turn generate products. In 2022, 99% of the turnover came from sales to this type of customer.

Area	2021		2022	
	Number of customers [n]	Revenues [€]	Number of customers [n]	Revenues [€]
Manufacturer customer category	70	6,650,553	82	9,772,480
Distributor customer category	4	27,306	5	17,919
Service customer category	6	36,622	6	87,559
Total	80	6,714,481	93	9,877,958

GEOGRAPHICAL DISTRIBUTION OF CUSTOMERS

KF's products are mainly sold in Italy (63% of total customers and about 70% of turnover), but the number of foreign customers has increased over the last year. In Europe, customers come mainly from the central-western area (Germany, Austria, Switzerland, France, Spain, England, Poland).

Area	2021		2022	
	Number of customers [n]	Revenues [€]	Number of customers [n]	Revenues [€]
Italy	62	5,061,710	59	7,161,303
Europe	12	1,501,574	14	2,641,341
Non-EEC	6	151,197	20	75,313
Total	80	6,714,481	93	9,877,958

RESEARCH AND INNOVATION

The R & D department is the beating heart of the company. Experienced engineers draw and design customised solutions according to customer requirements. The in-house laboratory develops prototypes, tests and assembles new solutions.

The development of new, more sustainable products is also one of the company’s goals to improve its im-

pact. In 2022, KF started a collaboration with a Japanese supplier to do product research. The current study is aimed at producing the first 32” ultra-low brightness *display* , capable of consuming 5-10% of a normal *display* by working on the concept of sunlight reflection instead of using large amounts of energy for backlighting from the back of the display.

CREATION AND DISTRIBUTION OF VALUE ADDED

Value Added indicates the ability of a company to produce wealth and value. Acting as a link between the Sustainability Report and the annual Financial Statements, it makes it possible to highlight the economic effect that the company’s activity generates on *Stakeholders*, who contribute, directly and indirectly, to the production of wealth and its distribution.

The calculation of the distribution of Value Added shows how the wealth produced by KF’s activities is distributed among the different *Stakeholders* with whom the company has relations, such as employees, suppliers and the local community.

Value creation statement	Unit of measurement	2021 (IFRS)	2022 (IFRS)
A. Value of production	€	7,667,275	10,987,910
Revenues from sales and services	€	6,714,481	9,877,958
Changes in inventories	€	130,680	305,715
Other revenues and income	€	822,114	804,237
B. Costs	€	6,720,653	10,019,707
Costs for raw, ancillary, consumable materials and goods	€	5,161,966	7,259,249
Costs for services	€	1,194,418	1,611,524
Provisions for risks	€	243,256	260,156
Other operating costs	€	121,013	888,778
C. Income net of bank charges	€	137,262	131,794
Financial income	€	5	1,864
Bank charges	€	137,257	129,930
OVERALL GROSS VALUE ADDED (A+B+C)	€	14,525,190	21,139,411

Value creation statement	Unit of measurement	2021 (IFRS)	2022 (IFRS)
A. Personnel remuneration	€	702,450	741,600
Personnel costs	€	702,450	741,600
B. Remuneration of public administration	€	26,953.47	192,986
Income taxes for the year, current, deferred, prepaid	€	20,971	187,573
Other taxes and duties (non-deductible VAT)	€	5,982	5,413
C. Remuneration of credit capital	€	67,593	129,930
Short- and medium-term capital charges	€	67,593	129,930
D. Remuneration of risk capital	€	0	0
E. Company remuneration	€	285,366	768,671
Result for the year allocated to reserves	€	42,110	508,515
Depreciation/Amortisation	€	243,256	260,156
F. Remuneration of the community	€	5,425	7,186
Membership fees	€	3,714	4,411
Donations and gifts	€	1,710	2,775
OVERALL GROSS VALUE ADDED (A+B+C+D+E+F)	€	1,087,787	1,840,373



ENVIRONMENTAL PROFILE

KF has incorporated into its Articles of Association a multi-level focus on the environmental sustainability of its *Business* activities, to optimise the use of re-

sources and reduce the impacts of its processes and products, but also to contribute to the reduction of climate change through mitigation measures.

ENVIRONMENTAL POLICY

At a formal level, KF has drawn up an Environmental Policy that integrates the commitments on the various environmental aspects that the company has set itself and is pursuing.

They include the promotion of renewable energy and the reduction of energy waste, the reduction of waste and the promotion of recovery, the reduction of greenhouse gas emissions, and the information and training of *Stakeholders* on environmental sustainability.

RAW MATERIALS

The raw materials purchased by KF are mainly electronic components for its products. In 2022, there is an increase in expenditure for purchased materials, which is attributable to the increase in the number of products sold.

With regard to product *Packaging* , KF also reuses the original pallets and packaging of purchased materials to package its finished products, saving on the use of virgin materials. The only part that is consumed and replenished are the plastic *films*.

Materials purchased by product category	Unit of measurement	2021	2022
Purchases for production	EUR	1,012,200	1,850,986
Purchases for distribution	EUR	1,083,247	1,698,103
TFT	EUR	1,264,680	1,983,480
Touch Screens	EUR	448,014	469,483
Electronic Boards	EUR	443,048	338,606
Metal Parts	EUR	190,323	195,149
Industrial PC and PC components	EUR	149,536	166,703
Controller Board touch screens	EUR	130,533	139,556
Plastic Parts	EUR	5,263	5,644
Miscellaneous and unclassified purchases by Family	EUR	444,533	824,108
Miscellaneous purchases for production	EUR	394,007	1,046,365
Total	EUR	5,565,384	8,718,182

SUPPLY CHAIN

The impacts of a company are not limited to what happens within its boundaries, but are also to be assessed within the value chain. Aware of this, KF has begun assessing its suppliers in terms of Sustainability through a special ESG questionnaire. In addition, the company has also undertaken to monitor and reduce the presence of minerals from conflict zones in its products.

CONFLICT FREE EVALUATION OF SUPPLIERS

In response to the violence and human rights violations occurring when extracting some minerals from the “*Conflict Region*”, located in the eastern part of the Democratic Republic of the Congo (DRC) and in neighbouring countries, KF undertakes to sustain the humanitarian objective to put a stop to the violent conflict in those areas.

The company has implemented an internal procedure that complies with the relevant sections of the internationally recognised OECD (Organisation for Economic Co-operation and Development) guidelines, which requires its suppliers to conduct adequate supply chain audits to determine where 3TG minerals (conflict minerals, i.e. tin, tantalum, tungsten and gold) come from and whether the smelter or refinery has been certified as “*Conflict Free*” by an independent third body or through the use of the *Conflict Minerals Reporting Template* questionnaire.

Geographical distribution of suppliers	Unit of measurement	2021	2022
Suppliers	no.	190	212
Domestic suppliers	no.	106	110
Local suppliers (max. 80 km distance)	no.	54	58
Share of domestic suppliers	0/ %	55.8%	51.89%
Share of local suppliers	%	28.4%	27.4%
Order value (materials)	€	5,569,933	8,642,410
Value of orders from domestic suppliers	€	1,034,763	1,601,909
Value of orders from local suppliers (max. 80km distance)	€	349,279	956,528
Domestic order quota	0/ %	18.6%	18.54%
Local order quota	0/ %	6.3%	11.1%

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

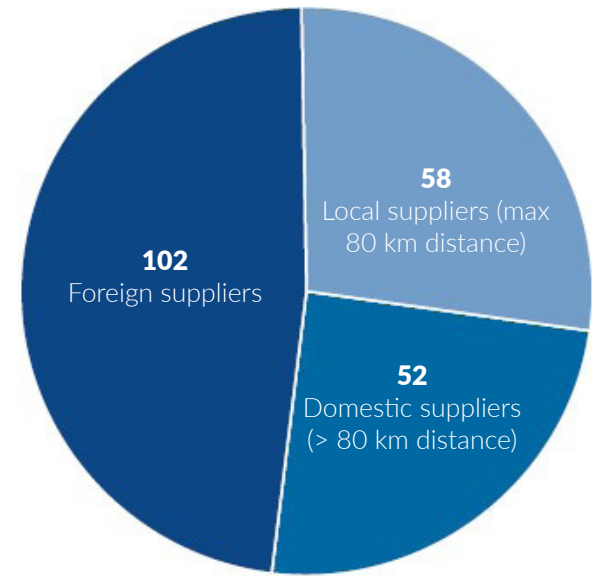
KF’s raw material suppliers are mainly located in South East Asia (China, Taiwan, South Korea, Japan), while for service providers it prefers those based in Italy.

In 2022, more than half of the national suppliers can be defined as “local”, i.e. located within a radius of 80 km of the company’s headquarters.

Supply chain distribution - 2021



Supply chain distribution - 2022



ENERGY MANAGEMENT

KF strives to promote the use of energy from renewable sources and to reduce energy waste.

Regarding efficiency, in 2022 it completed the replacement of all office lighting systems with LED systems and installed sensors to automatically switch off lights in common office spaces when not in use. Employees are also made aware of the correct use of lights in their offices to avoid unnecessary waste.

Renewable energy has been used in the company’s activities for years; in fact, KF has a photovoltaic system on the roof of its factory that

can to meet about 20 per cent of the company’s electricity needs. Also planned for next year is the replacement of the less performing panels and the expansion of the photovoltaic system on the roof of the new premises where the company will be expanding.

KF’s energy consumption in 2022 is in line with the previous year, although there is a significant reduction in methane gas consumption. The energy intensity index was almost halved, as almost twice as many products were sold for the same energy consumption.

Consumption	Unit of measurement	2021	2022
Natural Gas	cubic metres	7,206	5,074
Diesel for vehicle fleet	l	3,550	3,643
Electricity from the grid	kWh	48,354	50,575
Renewable Electricity	kWh	14,456	13,747

Consumption in GJ	Unit of measurement	2021	2022
Natural gas	GJ	254.37	179.11
Diesel	GJ	126.38	130.05
Electricity	GJ	174.07	182.07
Renewable Electricity	GJ	52.04	49.49
Total	GJ	606.87	540.72
Energy intensity	GJ/No. of products sold	0.011	0.005



SUSTAINABLE MOBILITY

KF introduces several tools to limit the impacts related to the travel of its employees.

On the one hand, it encourages the reduction of travel by promoting the implementation of forms of *Agile/Remote Working* where possible and discouraging unnecessary business travel when it can be replaced by virtual meetings.

Despite this, travel previously restricted by pandemic restrictions resumed in 2022 and this caused an in-

crease in business trips by both air and car.

On the other hand, it seeks to make non-avoidable trips more sustainable through a new policy of incentives for using public transport, bicycles or *Car-Pooling* on the commute to and from work. Although the incentive mechanisms have not yet been activated, there are several people in KF who already adopt sustainable modes of commuting, coming by bike or car-pooling with colleagues.

Transport for corporate travel	Unit of measurement	2021	2022
Plane journeys	km	45,438	73,694
Travel by personal (mixed use) or rented car*	km	2,232	11,105

*Indicative, not precisely monitored data; includes at least 80% of car trips.

GREENHOUSE GAS EMISSIONS - CARBON FOOTPRINT

KF is willing to make a concrete and responsible commitment to reduce the emission of greenhouse gases from its activities with respect to the planetary challenge of climate change.

This is why KF has had a formalised greenhouse gas Reduction Policy since 2020, which transparently communicates what the company intends to do to achieve decarbonisation.

To accurately monitor its emissions, KF has been calculating the Organisation’s *Carbon Footprint* for several years. This management tool enables the reporting of the company’s greenhouse gas emissions and is the basis for assessing and implementing carbon footprint reduction measures.

Below are the results of KF’s *Carbon Footprint*, broken down into categories according to the *GHG Protocol*, the most widely used international calculation standard. *Scope 1* reports the company’s direct emissions

from the combustion of natural gas and the company vehicle fleet, *Scope 2* includes all indirect emissions related to the production of electricity purchased from the grid.

It can be seen that Scope 1 emissions have been reduced by 14% over the past year, thanks to the reduced use of natural gas. The need for renewable energy is essentially unchanged, and in 2022, of KF will have avoided 4.33 tonnes due to the use of electricity from its photovoltaic plant.

100% of KF’s residual 2022 greenhouse gas emissions were offset with Verified Carbon Standard (VCS) credits through additional climate protection projects. The supported project involves the construction of a 15 MW photovoltaic park on the island of Mauritius, capable of producing 80% of the island’s energy needs in a renewable way.

SCOPE 1+2 emissions	Unit of measurement	2021	2022
Scope 1	tCO2eq	23.6	19.7
Scope 2	tCO2eq	15.23	15.93
Total	tCO2eq	38.87	35.63
Offset emissions	tCO2eq	0	35.63

Emissions avoided with photovoltaics	tCO2eq	4.55	4.33
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WATER CONSUMPTION

KF’s water consumption is modest, as it corresponds to civil uses in the offices. The amount is increased from 2021 to 2022 due to the increased number of employees on site, who returned after the restrictions for the Covid 19 pandemic.

In order to avoid wasteful water consumption, KF installed flow regulators in 2022 that ensure better water efficiency.

Source	Unit of measurement	2021	2022
Consumption	cubic metres	57	80
Per capita consumption	cubic metres/No. of employees	4.07	5.72

WASTE MANAGEMENT

With a view to continuous improvement and circularity, KF has formalised a waste reduction programme to 2023 and a commitment to 100% waste recovery.

with regularity due to the very small quantities. For this reason, some types of goods are stored and disposed of every two years.

By 2022, the amount of waste produced increased by almost 40%. The reason is that waste disposal in the company is not always carried out

Concerning the commitment to send 100% of waste for recovery, this target was achieved in both 2021 and 2022.

Waste generated by type	Unit of measurement	2021 total	2022 total
Paper and cardboard packaging (15.01.01)	kg	2	870
Discarded equipment containing hazardous components (16.02.13)	kg	1,316	2,251
Discarded equipment other than above (16.02.14)	kg	0	110
Components removed from discarded equipment (16.02.16)	kg	748	771
Waste printing toner (08.03.18)	kg	37	16
Iron and steel (17.04.05)	kg	690	870
Total	kg	2,793	4,888

	Unit of measurement	2021	2022
Total non-hazardous waste	kg	1,477	2,637
Total hazardous waste	kg	1,316	2,251
Total waste on total products sold	kg waste/No. of products	0.052	0.048
Total non-hazardous waste on total products sold	kg waste/No. of products	0.027	0.026
Total hazardous waste on total products sold	kg waste/No. of products	0.024	0.022

SOCIAL PROFILE

One of the three pillars of the ESG corporate Sustainability approach is the social component, which is reflected within the company in activities aimed at employee welfare and involvement, and externally in projects to support and collaborate with the community.

This social commitment is not new at KF, which has included it as a corporate purpose in its Articles of Incorporation as a Benefit Corporation and as one of the key themes of the B Corp certification process that is in its final stages, with the objectives of pursuing the well-being, safety and continuous training of its employees, the promotion of social initiatives even beyond Italian borders.

THE PEOPLE OF KF

Teamwork and collaboration are the hallmarks of the KF way of working.

The company strives to create a positive and constructive working climate for its employees in order to stimulate them to continuous improvement; to this end, it offers *Welfare* services for the mental and physical wellbeing of employees and training and refresher programmes.

In the company, more than 85% of the employees fall into the category of white-collar workers, the remainder are middle managers, one man and one woman, demonstrating the commitment to full gender equality in the company.

On a contractual level, more than 90% of KF employees are employed on a permanent basis, while only one employee is on an apprenticeship contract. The majority of employees work *full-time*, while two female employees have *part-time* contracts.

KF is a female-dominated company, with more than 70% of employees being women.

Employees by age	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Under 30	no.	0	2	2	1	1	2
30 to 39 y.o.	no.	3	0	3	2	1	3
40 to 49 y.o.	no.	1	3	4	1	4	5
50 and over 50 y.o.	no.	0	4	4	0	4	4
Total	no.	4	9	13	4	10	14

Professional grading	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Middle managers	no.	1	1	2	1	1	2
White-collar workers	no.	3	8	11	3	9	12
Total	no.	4	9	13	4	10	14

Type of contracts	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Permanent	no.	4	8	12	4	9	13
Apprenticeship	no.	0	1	1	0	1	1
Total	no.	4	9	13	4	10	14

Full-Time	no.	4	7	11	4	8	12
Part-Time	no.	0	2	2	0	2	2
Total	no.	4	9	13	4	10	14

Levels	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Degree	no.	2	2	4	2	3	5
High school diploma	no.	2	7	9	2	7	9
Total	no.	4	9	13	4	10	14

CORPORATE WELFARE AND WORK/LIFE BALANCE

As a Benefit Corporation, KF has made the welfare of its employees one of its key points of internal social commitment. To this end, the company has adopted a Corporate Welfare Policy, in which it is committed to improving work/life balance and the mental and physical well-being of KF's internal Stakeholders.



MINDFULNESS COURSE

In order to improve the mental and physical well-being of employees, a Mindfulness area has been set up in the company in which they can meditate and relax. A meditation course of one hour per week for a total of eight lessons was also organised in 2022. The KF employees who took part in the course greatly appreciated this initiative, which is why it will be continued in the coming year.



PROMOTION OF SPORTING ACTIVITIES

To promote a healthy lifestyle, KF encourages its employees to participate in sporting initiatives, such as yoga events in city parks or the "Run 5.30", the 5.3 km non-competitive run that takes place every year in the heart of Modena. In 2022, KF covered the race entry fee for its participating employees.



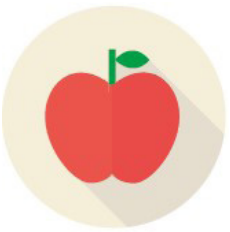
FLEXIBILITY AND REMOTE WORKING

KF is attentive to the needs of its employees, which is why it facilitates the best possible conditions to meet specific needs with working time rescheduling and flexibility. In addition, it is committed to promoting forms of Agile Working/Remote Working according to the work context and ongoing projects.



CONVIVIAL AND CULTURAL INITIATIVES

The positive and collaborative climate at KF is fuelled by the many convivial and team-building initiatives that the company has always organised to increase the cohesion of its team, such as dinners, company Convention trips, circus shows, cinema, cultural events and many others. Restrictions due to the Covid 19 pandemic had interrupted these events, but they are starting to be reorganised. For KF's birthday in 2021, employees were hosted by the VentiVenti Winery for a dinner/visit to the vineyard.



LOCALLY PRODUCED FRUIT IN THE OFFICE

Since 2022, fresh and dried fruit has been available in the KF offices for employees. In order to generate less impact with transport and support the local community, a local supplier was identified for fresh fruit.



END-OF-YEAR BONUS

KF gives the people who put their passion and ideas into the company's activities every day the credit for achieving the company's goals, which is why it distributes a financial contribution to its employees as an end-of-year bonus based on turnover.

EMPLOYMENT AND TURNOVER

With a view to continuous improvement and the creation of an inclusive working environment, KF has adopted a new policy for new hires. The guiding principles include Equality and Fair Treatment, Diversity and Social Inclusion, Merit, Sharing Sustainability Goals, Prevention of Abuse.

In addition, new employees are provided with the company's Code of Ethics, a welcome information kit, and the KF Impact Report, for value alignment from day one.

In 2022, the turnover rate increased compared to the previous year and saw five people leaving KF, balanced by the same number being hired by the company.

Incoming and outgoing flows	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Number of new hires	no.	0	3	3	2	3	5
Departed employees	no.	2	2	4	2	3	5
Total number of employees	no.	4	9	13	4	10	14
Rate of hiring new employees	%	0.0%	33.3%	23.1%	50.0%	30.0%	35.7%
Employee turnover rate	%	50.0%	22.2%	30.8%	50.0%	30.0%	35.7%

HEALTH AND SAFETY

The health and safety of workers is non-negotiable for KF, which complies with all relevant regulatory requirements and updates. Even during the pandemic period, the company mobilised to ensure the best safety conditions for all workers by purchasing personal protective equipment (gloves, disinfectant gel, masks) and equipping the facility with temperature detectors and procedures to monitor entry into the company.

With a view to health prevention, workers are encouraged to make use of the reimbursed health benefits of the EBM Salute fund, as provided for in the national contract.

In 2022 there were no accidents in the company; the lost days were mainly attributable to employee sick days.

Occupational health and safety indices	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Number of days lost due to illness, injury (including first aid injuries), public duties, blood donation and other time off, disability, assemblies/strikes	no.	1	24	25	66	70	136
Theoretical working days	no.	255			251		
Absenteeism rate	%	0.4%	9.4%	9.8%	26.3%	27.9%	54.2%
Rate of lost working days (severity index)	no.	0.49	11.76	12.25	32.87	34.86	67.73

DIVERSITY AND EQUAL OPPORTUNITIES

No gender or other discrimination is allowed in KF, as specified in the Recruitment Policy. The equal presence of men and women with a middle manager contractual status also testifies to this approach. In the event

of problems concerning discrimination or inconvenience, employees may resort to direct discussion with the head of personnel.

TRAINING AND PROFESSIONAL DEVELOPMENT

Training and continuing education are a resource for improving the company's skills and stimulating workers' abilities. KF knows this, which is why it organises training courses on professional and soft skills for its employees.

In 2022, all employees of the company were involved in training activities and the hours provided amounted to a total of 963, about three times the number of training hours in the previous year.

Training programmes at KF cover business management, quality and environment, organisation and planning, and technical/IT skills, such as the use of new software programs.

A new course was provided to KF employees in 2022: "Digital Transformation Simulation". This interactive learning experience was preparatory to the company's transformation from a commercial to a manufacturing company.

Training hours by professional grade	Unit of measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Middle managers	hours	0	48	48	40	38	78
White-collar workers	hours	51	230	282	114	771	885
Total	hours	51	278	330	154	809	963

Employees involved in training hours	Unit of measurement	2022		
		Men	Women	Total
Middle managers	no.	1	1	2
White-collar workers	no.	4	10	14
Total	no.	5	11	16



Thematic areas of training	Unit of measurement	2021	2022
IT	hours	78	120
Economic and financial	hours	56	3
Technical / operational	hours	13	89
Safety	hours	16	51
Quality / Environment	hours	25	102
Digital Transformation Simulation	hours	0	112
Organisation and Planning	hours	0	72
Business Management	hours	0	336
Marketing	hours	0	72
Products	hours	0	6
Sales	hours	4	0
Other	hours	96	0
Total	hours	288	963

EMPLOYEE INVOLVEMENT

KF aims to encourage and support the participation of its employees through listening, dialogue and *Engagement*, to improve the corporate climate and the management processes.

Employees are also involved in local community activities and Corporate Volunteering initiatives.

A first listening experience on Sustainability issues was organised in 2021. All KF employees participated in an internal *Workshop* to update and co-design environmental and social sustainability actions, in order to jointly define priority actions in this area.

In 2022, this experience was followed up with the *Brainstorming* on Sustainability issues at the annual *Convention* . Employees shared ideas and improvement actions on the three areas (Corporate Social Responsibility, Sustainability Report, and B Corp.). These insights were then incorporated into the action plans of three working groups that meet quarterly to plan the implementation of these actions.

In addition, KF involves its employees in activities to support and create positive impacts to community organisations with Corporate Volunteering initiatives, such as the one in support of Ukrainian families carried out in 2022 with *Rise Against Hunger*.



THE IDEA BOX

At KF, creativity is rewarded. For a number of years now, the company has had an Idea Box in which employees can put their suggestions for improving the company. Every year, the best idea is decided upon and the employee who proposed it wins a cash prize.

In 2022, the idea of making branded sweatshirts and *t-shirts* for trade fairs and company events was rewarded, but many other ideas for improvement emerged, such as the creation of a bicycle rack in the company and the use of new digital platforms.

This tool not only brings tangible benefits to the company through the implementation of proposals, but also helps to engage employees and stimulate their creativity and sense of belonging to the company.

COMMUNITY SUPPORT

KF collaborates with several non-profit organisations, in Italy and abroad, to support initiatives for social inclusion and the fight against poverty, environmental protection and health prevention, with targeted and ongoing projects.

In addition to monetary donations, KF performs corporate volunteering activities by dedicating of its employees during working hours of its employees to

support social initiatives. In addition, the company has for over ten years made its space available free of charge to the Modena headquarters of Cooperativa Amazzonia 90, which promotes the sustainable development of native populations in the Brazilian Amazon.

In 2022, the value of donations amounted to EUR 3,275 and the number of hours volunteered was 54.

Contributions to the community	Unit of measurement	2021	2022
Monetary contributions	€	2,911	3,275
Contribution in terms of voluntary time	hours	30	54

Organisation	Unit of measurement	2021	2022
Humanitarian Associations	€	2,700	2,075
Social Promotion Associations	€	211	1,200
Total	€	2,911	3,275

SOCIAL PROMOTION ASSOCIATIONS AND HEALTHCARE INSTITUTIONS

There are several social promotion Associations supported by KF. In 2021, a contribution was made to the scientific research and services of AISM (Associazione Italiana Sclerosi Multipla - Italian Multiple Sclerosis Association).

In 2022, the company supported the activities of ADMO (Associazione Donatori Midollo Osseo - Bone Marrow Donor Association). In addition, donations were made to the Bambino Gesù Children's Hospital Foundation in Rome and the Giannina Gaslini Children's Hospital in Genoa.

DOCTORS WITHOUT BORDERS

Since 2012, KF has supported Doctors Without Borders, an association that has been carrying out its humanitarian medical work around the world for 50 years. The company has chosen to provide concrete help to the Doctors Without Borders workers in the form of care, assistance and vaccinations for forgotten populations.



THE HOPE PROJECT

KF has been a *Partner* since 2021 in the Hope (*Handy Operating Point of Extraction*) project in Kenya, in which it has already invested volunteer human resources for initiatives aiming to foster better access to water for local communities.

This project consists of an innovative integrated water recovery and extraction system from artesian wells. With an automatic mechanism and totally independent of the electricity grid, it is powered by a set of roll-up photovoltaic sheets. This is undoubtedly a technological breakthrough to bring hope and a future to the most remote places in the world, where water problems are the order of the day.

The project allows the planet's most unfortunate communities to obtain life's primary asset, water, through simple solar radiation, sustainably and cleanly. The company is currently in contact with Kenyan technicians and engineers for the implementation of the intervention.

RISE AGAINST HUNGER

In 2022, KF partnered with "Rise Against Hunger", a non-profit organisation committed to fighting world hunger. All KF employees dedicated one-and-a-half hours of a working day to provide concrete help to Ukrainian families by preparing food parcels with long-life food and drinks, which were then delivered to Ukraine in June 2022.

CHARITY DINNERS

The company's participation in charity dinners is also a way used to support organisations and make employees aware of their causes.

In 2022, KF took part in the charity dinner organised by the Cooperativa Amazzonia 90 and the dinner organised by the Associazione per la RSI, of which KF is a member, at the Casa delle Donne, a facility in Modena that welcomes women victims of violence.

FESTIVAL OF SUSTAINABLE DEVELOPMENT

In 2022, KF also participated in the Festival of Sustainable Development in Modena by adopting a plant to decorate the Festival and participating in the meetings and conferences organised. To follow up on this experience, it plans to participate again next year by creating an interactive installation for Festival participants.



TARGET STATUS 2022

Pillar Benefit Articles of Association	Objectives	State of Advancement	SDG
Governance policies	Continue the path of continuous improvement on various factors for the development of the corporate culture and involve employees with initiatives of dialogue and mutual listening	Ongoing	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
Environmental sustainability	Replacement, technological upgrading of parts of the photovoltaic system and expansion on the new building	Scheduled 2023-2024	7 ENERGIA PULITA E ACCESSIBILE
	New energy-saving actions with employee involvement	Ongoing	12 CONSUMO E PRODUZIONE RESPONSABILI
	Waste reduction programme and commitment to send 100% of waste for recovery	Reached	
	Financial incentives for employees who commute to work by public transport, car pooling or bicycles	Scheduled 2023-2024	11 CITTÀ E COMUNITÀ SOSTENIBILI
	Buying electric cars to reduce emissions	Scheduled 2023-2024	
Activities on supplier procurement chains	Continuous reduction of plastic in the Offices and purchasing	Ongoing	12 CONSUMO E PRODUZIONE RESPONSABILI
Human resources support policies	New professional training and refresher courses for employees	Reached	4 ISTRUZIONE DI QUALITÀ
	Provision of an in-house canteen with more comfortable seating in the new building	Scheduled 2023-2024	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
	Creation of a space in the company to practice Mindfulness	Reached	3 SALUTE E BENESSERE
Community support	Continuing with the Water in Kenya project with other Modena-based partner companies	Ongoing	14 VITA SOTT'ACQUA
	Continuing support for the projects of non-profit association Partners	Ongoing	
	Volunteer hours for Ukrainian families	Reached	17 PARTNERSHIP PER GLI OBIETTIVI
	Participation in Sustainable Development Forums, networking with other companies, to promote initiatives in line with the 17 UN SDGs	Reached	

NEW SUSTAINABILITY OBJECTIVES 2023-2024 ESG

METHODOLOGICAL NOTE

Benefit Crop. Articles of Association pillar	Objectives	SDG
Governance policies	Evaluation of Gender Equality Certification	5 <small>PARIETÀ DI GENERE</small>
	Continue the path of continuous improvement on various factors for the development of the corporate culture and involve employees with initiatives of dialogue and mutual listening	8 <small>LAVORO DIGNITOSO E CRESCITA ECONOMICA</small>
	Obtaining the ISO 14001 certification of the Environmental Management System	12 <small>CONSUMO E PRODUZIONE RESPONSABILI</small>
	Obtaining the B Corp Integrated Sustainability Certification	8 <small>LAVORO DIGNITOSO E CRESCITA ECONOMICA</small>
Environmental sustainability	Replacement, technological upgrading of parts of the photovoltaic system and expansion on the new building	7 <small>ENERGIA PULITA E ACCESSIBILE</small>
	Buying electric cars to reduce emissions	7 <small>ENERGIA PULITA E ACCESSIBILE</small>
	Installation of new refrigeration and heat pump	12 <small>CONSUMO E PRODUZIONE RESPONSABILI</small>
	Financial incentives for employees who commute to work by public transport, car pooling or bicycles	11 <small>CITTÀ E COMUNITÀ SOSTENIBILI</small>
	Making the premises greener by introducing plants in outdoor areas	11 <small>CITTÀ E COMUNITÀ SOSTENIBILI</small>
Activities on supplier procurement chains	Continuous reduction of plastic in the Offices and purchasing	12 <small>CONSUMO E PRODUZIONE RESPONSABILI</small>
	Resubmit a questionnaire to assess the Sustainability profile of suppliers	12 <small>CONSUMO E PRODUZIONE RESPONSABILI</small>
	Production of a new ultra-low energy screen in Partnership with supplier	12 <small>CONSUMO E PRODUZIONE RESPONSABILI</small>
Human resources support policies	Implementation of the second meditation course in the Mindfulness room at the company	3 <small>SALUTE E BENESSERE</small>
	Create an outdoor relaxation area for employees	3 <small>SALUTE E BENESSERE</small>
	New professional training and refresher courses for employees	4 <small>ISTRUZIONE DI QUALITÀ</small>
	Provision of an in-house canteen with more comfortable seating in the new building	8 <small>LAVORO DIGNITOSO E CRESCITA ECONOMICA</small>
Community support	Partnership with the voluntary association Porta Aperta for the Street Unit	1 <small>SCONFIGGERE LA POVERTÀ</small>
	Implementing Project Hope in Kenya	14 <small>VITA SOTT'ACQUA</small>
	Continuing the support of Partner non-profit association projects	17 <small>PARTNERSHIP PER GLI OBIETTIVI</small>
	Participation in the 2023 Festival of Sustainable Development with the organisation of an interactive installation	17 <small>PARTNERSHIP PER GLI OBIETTIVI</small>

The 1st KF Sustainability Report aims to inform the company's Stakeholders about the company's environmental, social, economic and governance Sustainability profile through qualitative and quantitative information.

The reporting scope of the data and information contained in the Annual Report refers to KF s.r.l. Benefit, unless otherwise specified, and reports information for the year 2022.

Information for the reporting period is compared with that of the previous year, when available, in order to show information on performance trends over time.

The Report was prepared by referring to data and information collected directly from the company, based on indicators and reporting methods consistent with the main international Sustainability Reporting Standards and with reference to the GRI Reporting Standards, with the "With reference" approach.

For the calculation of Added Value, the reference adopted is that indicated by GBS (Gruppo Bilancio Sociale).

Within the document, reference was made to the United Nations Sustainable Development Goals (SDGs) as an international sustainability Framework in relation to the actions performed and commitments made by KF.

The Sustainability Report was approved by the Sole Director in May 2023.

For information on this Report, please contact: marketing@keyfuture.com

Technical support for the drafting of the Sustainability Report and for *Stakeholder Engagement* activities :

Focus Lab srl Benefit - B Corp certified.

GRI STANDARDS INDICATOR INDEX

GRI Standard	Disclosure	Title of Disclosure	Page/Content
ORGANISATIONAL AND GOVERNANCE ASPECTS			
GRI 2: General Disclosures 2021	2-1	Organisational details	Pages 6, 9
	2-2	Entities included in the organisation's sustainability reporting	Page 37
	2-3	Reporting period, frequency and contact point	Page 37
	2-4	Restatements of information	Correction of waste measurement units Page 26
	2-5	External assurance	Not necessary
	2-6	Activities, value chain and other business relationships	Pages 9, 22, 23
	2-7	Employees	Pages 27, 28
	2-8	Workers who are not employees	Not present
	2-9	Governance structure and composition	Page 9
	2-11	Chair of the highest governance body	Page 9
	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 12, 13, 14
	2-13	Delegation of responsibility for managing impacts	Pages 12, 13, 14
	2-14	Role of the highest governance body in sustainability reporting	Page 37
	2-17	Collective knowledge of the highest governance body	Pages 12, 13, 14
	2-22	Statement on sustainable development strategy	Page 4
	2-23	Policy commitments	Pages 12, 13, 14, 23
	2-26	Mechanisms for seeking advice and raising concerns	Page 11
	2-27	Compliance with laws and regulations	No non-compliance
	2-28	Membership associations	Pages 11
	2-29	Approach to stakeholder engagement	Pages 11
	2-30	Collective bargaining agreements	100%
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pages 14, 15
	3-2	List of material topics	Pages 14, 15
	3-3	Management of material topics	Pages 14, 15
Autonomous disclosure	Non GRI	List of Sustainability targets Achieved in 2022	Page 35
	Non GRI	Setting new Sustainability targets for 2023	Page 36

ECONOMIC SUSTAINABILITY			
GRI 201: Economic performance (2016)	201-1	Direct economic value generated and distributed	Pages 21, 22
GRI 204: Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	Page 25
Autonomous disclosure	Non GRI	Basic economic and financial indicators	Page 18
	Autonomous disclosure	Customer satisfaction	Page 19
ENVIRONMENTAL SUSTAINABILITY			
GRI 301: Materials (2016)	301-1	Materials used by weight and volume	Pages 22
GRI 302: Energy (2016)	302-1	Energy consumption within the organisation	Page 24
	302-3	Energy intensity	Page 24
GRI 303: Water (2018)	303-5	Water consumption	Page 26
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) greenhouse gas emissions	Page 25
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	Page 25
	305-4	Greenhouse gas emission intensity	0 kgCO2eq/No. of products sold
GRI 306: Waste (2020)	306-3	Waste generated	Page 26
	306-4	Waste diverted from disposal	Page 26
	306-5	Waste directed to disposal	Page 26
GRI 307: Ethics and compliance (2016)	307-1	Non-compliance with environmental laws and regulations	None
GRI 308: Supplier environmental assessment (2016)	308-1	New suppliers that were screened using environmental criteria	None
	308-2	Negative environmental impacts in the supply chain and actions taken	Page 23
SOCIAL SUSTAINABILITY			
GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	Page 30
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 28, 29
	401-3	Parental leave	0 leave requested
GRI 403: Occupational health and safety (2018)	403-1	Occupational health and safety management system	Page 30
	403-5	Worker training on occupational health and safety	Pages 31, 32
	403-9	Work-related injuries	Page 30
GRI 404: Training and education (2016)	404-1	Average training hours per year per employee	60 average hours of training/employee
GRI 405: Diversity and equal opportunity (2016)	405-1	Diversity of governance bodies and employees	Pages 9, 27, 28
	GRI 413: Local communities (2016)	Operations with local community engagement, impact assessments, and development programs	Pages 33, 34
GRI 414: Supplier social assessment (2016)	414-1	New suppliers that were screened using social criteria	None
GRI 417: Marketing and labelling (2016)	417-2	Incidents of non-compliance concerning product and service information and labelling	None
GRI 419: Socioeconomic compliance (2016)	419-1	Non-compliance with laws and regulations in the social and economic area	None
Autonomous disclosure	Non GRI	Employee Engagement activities	Page 32

