

A person is silhouetted against a vibrant, multi-colored Milky Way galaxy in a dark night sky. The galaxy's colors transition from yellow and orange at the bottom to purple and blue at the top. The person stands on a dark, rocky ridge, looking up at the stars.

# SUSTAINABILITY REPORT 2023

TERRAN**NOVA**



# TABLE OF CONTENTS

➔ Letter to the stakeholders	3
➔ The sustainability plan	8
➔ Our story	25
➔ Economic topics	42
➔ Environmental topics	53
➔ Social topics	72
➔ ESG summary	99
➔ GRI Context Index Table	116

## LETTER TO THE STAKEHOLDERS

GRI 2-22

Dear Stakeholders,

It is with great pleasure that I introduce our Sustainability Report 2023.

For Terranova, the past year has been characterised by an important and significant change: convinced that companies should be agents of positive change in the world, we have taken the decision to amend our bylaws and become a Benefit Corporation, emphasising our ongoing commitment to environmental sustainability, social wellbeing and a safe and inclusive work environment. This important change enshrines the Terranova shareholders' desire to pursue goals beyond mere profit and to act responsibly towards people and the planet.

Being a Benefit Company is a significant step for us and reflects our dedication to creating a positive impact on the society that we operate in, also documented in our previous Sustainability Reports, as evidence of the path we have already taken towards this important goal. With the adoption of these new articles of incorporation and a new Governance that places ESG objectives at the top, the company is committed to considering the interests of all its stakeholders, including by directly involving them to inspire the strategic decisions of its business.

Our impact, also thanks to the software products we develop, is really positive, measurable and now also transparent. Change requires collective efforts and we are excited to join forces with other companies, organisations, research institutes, trade associations and individuals who share our values.

Our transformation to a Benefit Corporation is only one point in our journey towards ever greater sustainability, which is underpinned by asset management that helps us, as always, grow strong. This is what being sustainable means to us: having solidity over time. Here is why our intensive activities to open up international markets and research and development continued throughout 2023, with a special focus on our product innovation and cybersecurity issues.



ESG-related activities continued to perform exceptionally well in 2023. This Report highlights several new features that demonstrate our ongoing commitment and contribution to the collective effort in achieving the Sustainable Development Goals.

**Alessandro Vistoli**

Terranova CEO



A vibrant aurora borealis (northern lights) display in shades of green and blue, set against a starry night sky. Below the lights, a range of rugged, snow-capped mountains is visible, with their peaks and ridges illuminated by the soft glow of the aurora. The foreground shows a calm body of water reflecting the lights and the dark sky. A solid blue vertical bar is on the left side of the page.

# OUR MISSION

We invest in research and training to guide our customers in the digital transformation process through our innovative solutions that go beyond market standards and create value and sustainability.

# OUR VALUES

## TENACITY

Constancy in action, great confidence in the ability to solve any problem by turning it into an opportunity. Willingness to quickly bring high-quality solutions to bear, willingness to excel and take on new challenges. Strong motivation and focus on the objective

## PEOPLE-ORIENTED

Respect for the individual and inclusiveness. Enhancing the contribution of the individual within the team regardless of gender. Guaranteeing a dynamic, interesting, inclusive and job-safe work environment. Motivating people and creating conditions that foster and stimulate growth, as well as a culture of prevention and healthy lifestyles and allow for proper work/life balance.

## INTEGRITY

Inspiring trust by taking responsibility, acting on the basis of strong ethical values that also aim at the well-being of society as a whole, and encouraging open and honest exchange of ideas.

Operating in an excellent and transparent manner both internally and in the market. Being reliable and fulfilling commitments to employees, to the company, to customers and to sustainable growth objectives.

## PRODUCT QUALITY

High-quality functional, technical solutions that enhance Customer performance. Constant orientation towards the creation of value for the Customers and the Company. Rapidity and excellence of execution. Product leadership through a deep understanding of market needs, in-depth knowledge of information technology and strong regulatory and industry expertise.

## RESPONSIBILITY

Managing assigned tasks from start to end. Being responsible for the results to be achieved on the basis of one's skills and competences. Autonomy of judgement, entrepreneurial spirit, decision-making capacity and passion for research, innovation.

Sharing and transmitting skills and values. Contributing to the development of a strong company that is an asset for future generations and that promotes energy efficiency, the use and good management of renewable energy, and the transformation of urban centres into sustainable cities. Evaluating and being evaluated on the basis of transparently defined objectives and assigned tasks.



# TERRANOVA WAY

Terranova Way is our way of being: we digitalise with innovative solutions that create value and sustainability, respecting the values that inspire us in our everyday work.

Terranova Way means investing in R&D, training and spreading environmental and social awareness. Terranova Way is made up of concrete, documentable and transparent actions, just like our Sustainability Report.

*Terranova way is sustainability, innovation and digitalisation.*

## **SUSTAINABILITY**

We implement policies to promote and disseminate awareness on social, environmental and governance sustainability issues, so we are not only a partner, but also a guide for our customers. Find out more about our way of interpreting sustainability!

## **INNOVATION**

Investment in R&D and strategic partnerships to propose virtuous models, flanked by technologically advanced and up-to-date solutions. Our goal: to guarantee excellent standards of quality, safety and innovative enabling technology, enriching it with increasingly high-performance solutions

## **DIGITALISATION**

Digitalisation is our core business; it's something we do really well.

With our solutions, we guide our customers through the Digital Transformation journey, simplifying complex processes and enabling sustainable business growth.

# OUR SUSTAINABILITY PLAN

The Sustainability Report is both the main instrument with which Terranova wishes to give an account of the Company's environmental, social, and economic impact, and a means of communicating and establishing a transparent dialogue with the stakeholders.

This for Terranova, together with the Impact Report, is a document that systematically addresses the issue of sustainability. Terranova voluntarily decided to draft this Report as a tool for communicating the company's activities, consistently with its values and its corporate mission.

In drafting its Sustainability Report, we drew inspiration from the GRI (Global Reporting Initiative) Standards: a series of globally recognised parameters that represent the best of best practices for sustainability reporting at global level, and which provide instructions to undertakings, institutions, and subjects of all types on how to analyse and measure the impact that their activity has on our planet from an economic, social, and environmental point of view and with regard to human rights.

In order to draft this report and define the actions related to the sustainability goals identified by Terranova, as well as endorsing the GRI guidelines, the company adopted as a point of reference the 2030 Agenda of the United Nations that identifies [17 topics/objectives related to sustainable development, known as SDGs](#) (Sustainable Development Goals); this Agenda was signed by the [193 member countries](#).





# SUSTAINABLE DEVELOPMENT GOALS



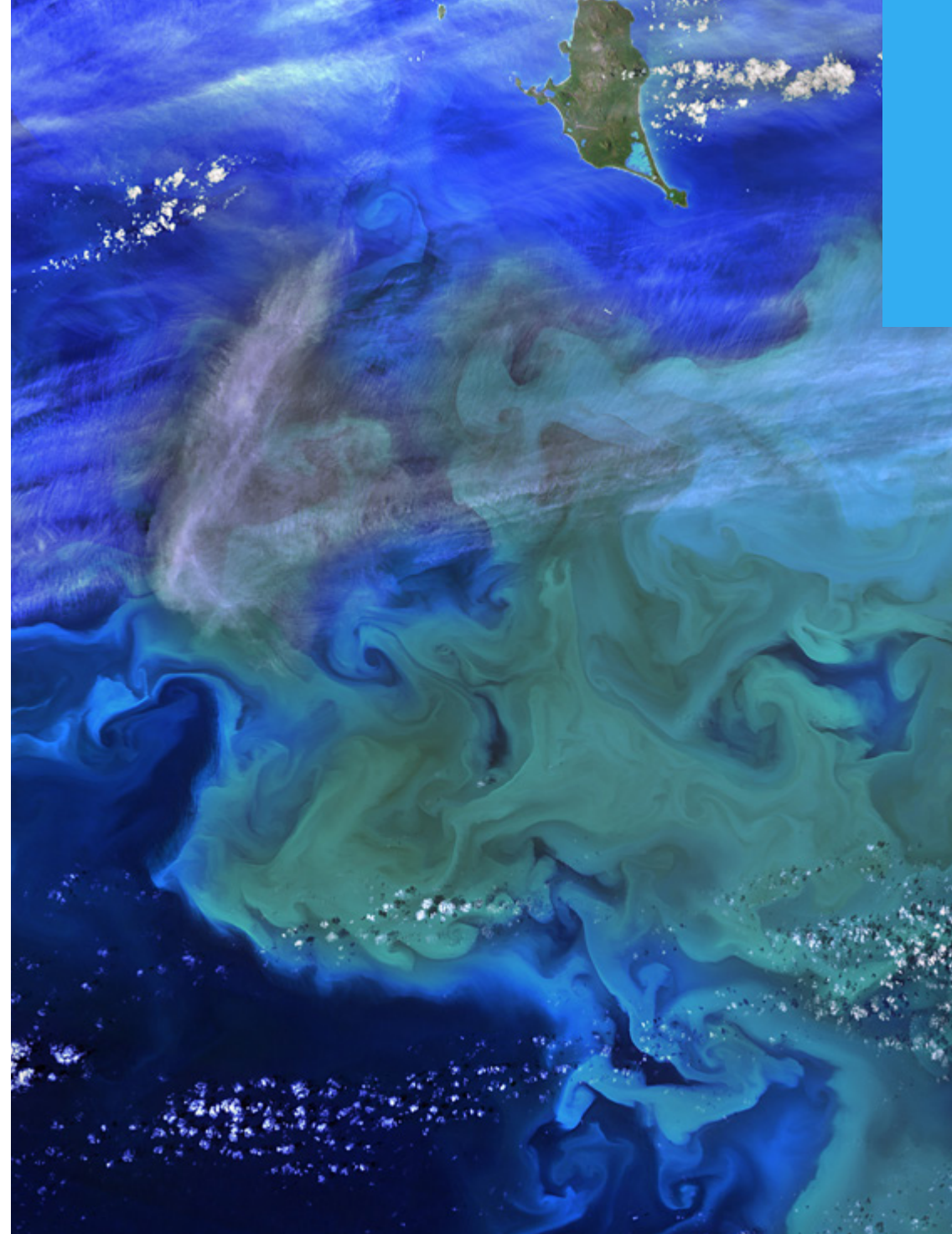
## TERRANOVA'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

With the Sustainability Plan, Terranova wants to manifest its commitment to sustainability in concrete terms, documenting the operational actions it intends to undertake by correlating them with the Sustainable Development Goals (SDGs).

Terranova has qualified the topics mentioned in the materiality matrix, associated them with those it has identified as its own SDGs of reference and, for each SDG or group of SDGs, has identified a series of actions and objectives that it intends to take and promote, in order to make a tangible contribution to the furtherance of the Goals and, therefore, to sustainability, also specifying the timeframes for action.

Our Materiality Matrix thus became a strategic tool for monitoring our objectives and our actions.

## REFERENCE SDGS FOR TERRANOVA





## SCOPE OF THE SUSTAINABILITY REPORT

(GRI 2-6)

Below please find the scope and extent of the Terranova Sustainability Report for the year 2023:

- Frequency: annual
- Reporting period: 1/1/23 - 31/12/23
- Reference guidelines: GRI – Global Reporting Initiative
- GRI application level – GRI with reference
- Companies included in the reporting scope: Terranova srl
- Significant changes during the reporting period: During 2023, Terranova became a benefit company and published its first Impact report.

## NOTE ON METHODOLOGY

(GRI 2-2; 2-3; 2-4; 3-1; 3-2)

The Terranova Sustainability Report is an important step in the sustainability process on which the company has embarked.

The document is published on an annual basis and, as mentioned, is prepared in accordance with the Global Reporting Initiative - GRI standards, with application level “GRI with reference”, as indicated in the GRI Context Index table on [page 116](#).

The topics discussed in this Sustainability Report are the topics which, after careful examination, were deemed to be pertinent and able to reflect the social and environmental, governance and human-right-related impact of the Company’s activities, as reported in the Materiality Analysis on [page 12](#).

## MATERIALITY ANALYSIS

In order to correctly set forth the contents of the Sustainability Report, in 2023 Terranova carried out an analysis process with the aim of identifying, in application of the reporting standards laid down by GRI, the material sustainability aspects that can have a significant influence on the decisions, opinions, and actions of stakeholders, and on the overall performance of the Company.

In this context, believing that the relations and interdependencies between the undertaking and all the actors of its context of reference (customers, suppliers, credit system, public administration, associations of reference and, obviously, collaborators) are fundamental and of strategic importance for the development and confirmation of a sustainable business model, the company involved its stakeholders (Stakeholders' engagement) in a series of meetings and interviews so that it could hear their voice and understand their positions.

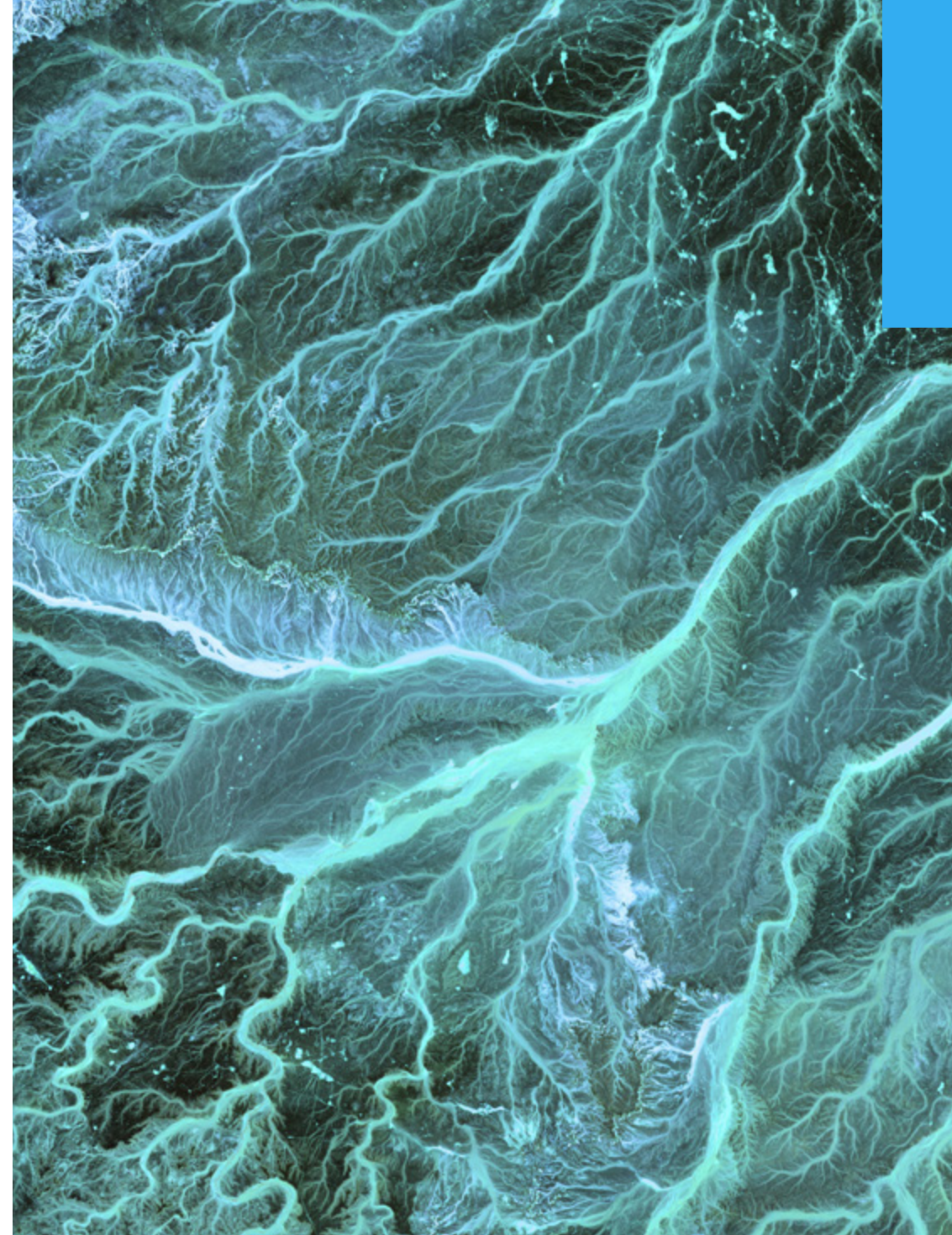
Terranova believes that understanding and addressing the perspectives of all stakeholders is crucial for developing a winning strategy that aligns with their expectations.

An initial analysis process made it possible for Terranova to identify the following categories of stakeholders:

- Customers/Customer Representatives
- Suppliers
- Shareholders
- Employees/Trade Unions
- Opinion Leaders
- Media/Sector journalists

More specifically, we analysed the involvement of the stakeholders in the related paragraph on [page 40](#)

The materiality analysis aims to identify the key issues where the company has the most significant impacts on the economy, environment, and people, including human rights impacts, known as IMPACT MATERIALITY.





In what is known as the “double relevance” perspective, companies are required to disclose information regarding both how various sustainability issues affect the company and the impact of the company’s activities on people and the environment. Therefore, the risk the company faces and the impact it produces each represent a perspective of relevance. According to this new perspective known as “dual materiality”, ESG (Environmental, Social and Corporate Governance) issues create risks and opportunities that are material from a dual perspective: financial and impact.

It is important to emphasise that dual materiality does not require two separate evaluations or matrices. Rather, it requires gathering evidence, assessing and explaining why issues are relevant from an “impact” (stakeholder) and/or “financial” perspective. Both dimensions (impact and financial), moreover, do not necessarily have to be tied to issues that are within the control of the reporting organisation, but can also relate to the value chain.

To summarise, with respect to the definition of materiality adopted by the GRI Standards, organisations are required to report on the material topics by adopting a dual perspective, which considers:

- the significant impacts on people and the environment, actual or potential, negative or positive, related to the organisation’s activities as well as to its value chain, upstream and downstream (impact materiality);
- the sustainability risks and opportunities that affect or may significantly influence a company’s future cash flows by triggering financial impacts on the organisation’s development, performance and positioning in the short, medium or long term (financial materiality)

Following these concepts, the most important material issues that could affect our ability to create financial value are:

- Smart city and innovation
- Creation of sustainable value
- Internationalisation

# MATERIALITY MATRIX



● ENVIRONMENT    ▲ ECONOMIC    ■ SOCIAL

# MATERIAL TOPICS



- Smart city and innovation
- Promotion of Environmental Awareness Supported by Innovative Technologies
- Development and protection of human capital
- Economic performance and creation of sustainable value
- Internationalisation
- Diversity and equal opportunities
- Occupational health and safety

# SMART CITY AND INNOVATION

The actions identified by Terranova will significantly contribute to the SDGs: 7,11

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



Terranova intends to develop and invest, using innovative technologies and following criteria of sustainability, software products that support the digitalisation of the city's ecosystem and contribute to the creation and progress of "Smart Cities", encouraging and promoting efficiency. Our aim is to take advantage of research and scientific innovation to find robust solutions to economic and environmental challenges, creating awareness in the use of resources and improving quality of life, to obtain high-performance results in terms of the economy and energy, that persist over time.

## The goals we have set for the five-year period 2020-2024:



Guarantee investments in innovation and technologies with effects on the population and on cities concerning digitalisation technologies of the processes for managing the activities of companies that manage public utility services, such as gas, electricity, water, etc., as well as Smart Metering and Smart Grid technologies with an annual increase of at least 10%



Establish at least one strategic partnership for the development of sustainable and smart cities, such as the integration of new, last-generation smart measuring or network management devices, with a new manufacturer of these technologies every year



Establish at least two sponsorships of events and workshops on the topic of sustainable and resilient cities every year



Establish at least three new supply projects that envisage the use of efficient and sustainable technologies to improve the management of natural resources and the digitalisation of core corporate processes for companies that manage public utility services



# GOOD HEALTH AND WELL-BEING

The actions identified by Terranova will significantly contribute to the SDGs: 3, 4, 5, 8

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Promote the professional development of personnel respecting their attitudes and aspirations, encouraging the search for personal balance between private life and work, implementing actions that promote the total well-being of the people who work at Terranova. Invest in training courses and initiatives with the aim of growing abilities and skills and enhancing welfare and personal well-being. Also put in place “employ retention” policies that can create a workplace environment that empowers the various professional and individual profiles at all levels of the organisation and that attracts the best and brightest.

## The goals we have set for the five-year period 2020-2024:

### SELECTION AND ONBOARDING



Confirmation of a resource selection and recruitment model that is guided by the desire to identify the qualities of the profiles hired and their effective integration (selection interviews with a structured method, Introduction Training Terranova (ITT), onboarding assessment, qualification process). Cover of 100% of candidates interviewed with selection assessment tests and data sheets. Increase by 10% over three years of the time dedicated to the onboarding assessment and by 30% over three years of the time dedicated to candidate qualification.



Increase the number of work-related learning projects with technical colleges by 25% in the next five years;



Increase by 50% over three years of the number of internships, curricular and non, for students of high schools and universities, including scholarships

### TRAINING



Development and implementation, at Terranova Academy, of post-related training curricula, for all resources, planned in 3 skill macro-areas (hard, soft, digital skills):



Increase the contents of CV training for each post from 60% to 100% over three years



Increase of participation to 90% of the company’s population in 25% of CV training courses over three years



Confirmation and continuation of the training pathway for acquiring well-being skills, with new activities dealing with physical health (Graphene) with 4 hours of training per person, as well as increase by 5% of the value of physical health in the Listen survey in the next five years.



Development of specialised training programs intended for high-potential figures identified in the company through the evaluation form, guaranteeing that at least 25% of the total training hours for high-potential figures per year will be dedicated to these activities.



Confirmation and continuation of advanced training programs (Master's and MBA) aimed at middle management focused on an executive career plan, involving at least 2 people per year in these programs.



Development of the new Terranova manager model, continuing with individual coaching and team coaching programs for Top Management, extending the program to middle management by increasing the hours of coaching or team coaching for each top manager to 8 per year and to 12 for middle managers over three years.

### DEVELOPMENT AND ASSESSMENT:



Confirmation of a performance appraisal model with quarterly every four months, 3 times per year, to guarantee that everyone will have equal access to the tools required to develop their career/growth plan, guaranteeing that 90% of data sheets will be filled out with remarks on the results of the assessment during all assessment campaigns, dedicating 4 hours per person and per year to feedback on the assessment.



Monitoring and implementing, for all new hires, of the project data sheet, with identification of the professional development plan over three years.

### ORGANISATION:



Implementation of the Remote working project in Terranova, EVO, for the improvement of the work-life balance with the objective of increasing the satisfaction ratio between private life and work by 10% - as measured by Listen after 1 year from the implementation of EVO



Confirmation of the two-year climate analysis by means of the internal Survey (Listen) to verify and give voice to the evaluation of all employees towards the company, accepting through an action plan the suggestions that have emerged to improve the organisation and work life.

### PROJECT GRAPHENE:

Every 24 months, carry out an analysis of the corporate climate with questionnaires and analogue tools to measure the state of the relationship of individuals with the company and, at the same time, measure the level of personal well-being thanks to the Listen survey that we will describe in detail below.

### PROJECT LISTEN:

With Project Listen, the Company has decided to listen to the people who, on a daily basis, live and contribute to Terranova's growth, to try and understand the fields that are strong points and the improvement points for the future, listening to everyone's contribution and taking into account the related expectations. Terranova wants to apply with increasing tangibility the declarations contained in the Vision, in the Mission and in the corporate values that form the foundation of the choices made by the company: to reply with increasing consistency to the needs and expectations of all.

The results of the survey will give us an idea of the energy levels available to the company, of the Organisation Well-Being and People Well-Being levels, of the level of trust, and of the approach to change that characterises the people who work at Terranova. We will also collect evaluations with respect to corporate Benefit services, the Conventions put in place and the Treedom project. This information will form the basis on which we will work to draw up the action plans that can help us optimise organisational aspects and the attention we pay to our people and how we take care of them.

# ECONOMIC PERFORMANCE AND CREATION OF SUSTAINABLE VALUE

*In terms of economic performance and creation of sustainable value, Terranova commits to take concrete action that will contribute to SDG 8*

8 DECENT WORK AND ECONOMIC GROWTH



Terranova undertakes to guarantee sustainable and inclusive economic growth from which everyone can benefit; to create sustainable value over time in terms of human and economic capital, the community, and the environment, listening and responding to the tangible needs of our customers and stakeholders.

## The goals we have set for the five-year period 2020-2024:



Economic growth of turnover with a compound annual rate of at least 10%



Allocate at least 20% of costs each year to Research & Development activities.



Have a cash flow that exceeds 70% of the EBITDA for the next 5 years



Introduce in the system of incentives linked to the implementation of the Business Plan at least two KPIs that refer to the SDGs identified by Terranova by 2022

# INTERNATIONALISATION

With regard to the topic of internationalisation, Terranova has taken actions that will contribute to the SDGs: 8, 11



Confirm Terranova as a global company, exporting the know-how and the software products that form the foundation for the creation of Smart Cities to other countries, while respecting the environment and sustainability. Expand the product range and adapt our products to various economic/environmental contexts, outside the borders of the nations where Terranova operates, promoting the growth of a culture that is highly aware of sustainability.

## The goals we have set for the five-year period 2020-2024:



Activation of at least one project for supply abroad during the year, which envisages the use of efficient and sustainable technologies to improve the management of natural resources



Establish at least one partnership abroad every year with local companies for the joint implementation of projects for the development of sustainable and smart cities



Sponsorships and constant presence in events and workshops on sustainable and resilient cities at European level, at least once per year

# PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES

*Terranova commits to use its own actions to significantly contribute in terms of environmental awareness to the following SDGs: 7, 11, 13*

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



Terranova believes it is crucial to use innovative technologies to enhance environmental awareness in today's socioeconomic context. We aim to improve access to data on resource use and environmental performance, encouraging sustainable practices in managing limited resources such as energy, water, and waste.

Sustainability is closely linked with innovation. Terranova, which fully embraces this concept, has long been committed to implementing renewal actions with the ambitious goal of minimizing the environmental impact of both its customers and end consumers. Terranova's software solutions significantly impact the environment by enhancing the efficient management of core activities in public utility companies, particularly in operations and technical services that handle primary services. These solutions also emphasize raising consumer awareness about the use of limited and environmentally impactful resources. As demonstrated in our Smart Cities initiatives, Terranova's tools are designed to improve operational efficiency and environmental awareness, and in some cases, directly reduce the environmental impact of corporate activities.

Furthermore, we are committed to promoting a culture of responsible resource use within our company. Our primary goals include disseminating best practices that effectively mitigate the environmental impact of our operations.

## **The goals we have set for the five-year period 2020-2024:**

In line with what has been said above, the scope of the goals and actions that Terranova has taken on with regard to these SDGs concerns both its customers, public utility companies, and the company itself, in relation to its organisational activity that covers a number of corporate management fields


1. **Smart City projects aiming to improve the use of environmental resources.**  
As described in the specific section dedicated to the material topic of Smart Cities, the development by Terranova of technologies and software solutions contributes in various ways to rendering the use of resources with a direct impact on the environment - such as gas, electricity, water,


and waste - more sustainable and conscious. Under those points you can find an exhaustive description of the contributions that Terranova's customers can make in reducing CO<sub>2</sub> emissions thanks to the "smart" use of distribution networks, the efficient management of the teams who operate in the field, as well as for the tools made available to the citizens of the Smart City, who can use the digitalised services of Terranova's software applications in a virtuous manner. This is another tangible contribution that Terranova offers to the community in terms of environmental sustainability.


## 2. Reducing CO<sub>2</sub> emissions


Terranova intends to make its own contribution to the global effort of all Countries in view of reducing CO<sub>2</sub> emissions, specifically drawing inspiration from the goals that the European Union has set for itself, i.e., reducing CO<sub>2</sub> emissions by 55% compared to 1990 levels by 2030, making a long-term effort to improve the target of reference so that it can be a "net zero" undertaking.

Terranova intends to take the following actions:


 **Offsetting emissions** due to corporate travel, thanks to the introduction of a fleet 100% composed of fully electric cars by 2030


 **Purchasing renewable energy** obtaining 100% certified renewable energy in all its sites by 2023

 **Green travel policy:** The Green Travel Policy that Terranova undertakes to implement and which was implemented in 2021 envisages a series of rules that will govern the Company's business trips, both in Italy and abroad, as well as all guidelines that make it possible to provide business travellers with indicators and knowledge of the practices that make for a lower environmental impact and which encourage the use of alternative solutions, as well as sustainable options for business travel.


 **Indirect mobility:** to promote lower emissions, Terranova has implemented and provided incentives for the use of video conference and online meeting systems, so as to significantly reduce the use of


cars or public transport. Moreover and always for the same reasons, thanks to the implementation of project EVO, the Company has decided to put in place an agile work plan for the year 2021/2022, fully operational by 2022. The project will envisage the organisation of the working week partly in the office and partly remotely

 Purchase by the company of **in-season locally produced fruit** as a replacement for snacks and light meals

 **Offsetting activity - Project Treedom:** In 2019, Terranova launched a collaboration with the company Treedom, which has made it possible to remotely plant trees, creating a forest that is sponsored by the Company, to offset CO<sub>2</sub> emissions and involve and raise awareness in all employees. As a commitment for the future, Terranova has decided to implement a five-year plan with Treedom that envisages planting 500 trees a year.

## 3. Concrete action for the promotion of higher environmental awareness

 Application in all company sites of the **3R principle. Reduce, Reuse and Recycle:** the company has provided all its employees with a lunch kit, including a lunch box, cutlery, cup, and water bottle, to fully eliminate the use of plastic plates and cutlery in the lunch areas. Moreover, all sites have eliminated plastic cups and plastic coffee stirrers.

 In application of the **"Plastic free"** concept, Terranova has eliminated from all its sites the use of objects made of single-use plastic, such as plates and cutlery, bottles, etc.

# DIVERSITY AND EQUAL OPPORTUNITIES

Terranova has set goals so that it can contribute in terms of Diversity and equal opportunities to SDG 5



Promote behaviours for the protection of diversity (of gender, race, religion, culture) and guarantee well-being, equal opportunities, and the absence of discrimination to all our people

## The goals we have set for the five-year period 2020-2024:



Support a project in the context of the activities carried out by Dynamo Camp, such as financing a multi-year project for the creation of a video laboratory, with the aim of also stimulating the company's personnel to launch tutoring periods.



Supporting the initiatives of LIFC Toscana (Lega Italiana Fibrosi Cistica Toscana), including funding a scholarship in memory of an employee who tragically passed away due to cystic fibrosis. This scholarship is designated for a pediatrician specializing in the treatment and care of cystic fibrosis in children, based at the Meyer Hospital in Florence.



Incentivise voluntary activities at the structures that have already been identified and are being supported by Terranova.

Confirm, for the next 5 years, bonus dedicated to families:



- A EUR 150.00 bonus for each employee getting married
- A EUR 150.00 bonus for the birth of every child
- A EUR 300.00 bonus when the child of an employee graduates from high school with a grade of over 90 out of 100
- A EUR 500.00 bonus when the child of an employee graduates from University with a grade of 110 out of 110 or higher



**Referral bonus** - A project dedicated to increasing employment with specific focus on women's employment.



**Progetto Evo** (Agile working) The implementation of Project EVO by 2022 also envisages focusing on specific categories, in order to facilitate the compatibility of personal needs and working activity.

# OCCUPATIONAL HEALTH AND SAFETY

*In terms of occupational health and safety, Terranova has embarked on a path with targeted actions, which will constitute its contribution to SDG 3*



Adopt actions that guarantee occupational health and safety for all employees, also ensuring that the business activities do not have a negative impact on the right to health, maximising the effect of individual positive behaviours and promoting their use.

## The goals we have set for the five-year period 2020-2024:



Maintain the current corporate benefit system.

**Corporate Benefits** are the set of services and perks that the company provides with the aim of improving the quality of life and the well-being of its employees and their families. So that benefits can be effective and be appreciated, it is important to understand what employees need: that is why Terranova has decided to conduct a survey that investigates the “desires” of its employees. Benefits have been inserted in a platform that will manage **flexible benefits**: the Flexible Benefits are structured with the contribution of Terranova that allocates a significant amount to each employee, that can also be increased by assigning a part of each employee’s personal bonus. Employees can dedicate the flexible Benefit to the creation of their own package of services that better serve their needs, **minimising their tax impact**.

The flexible benefits are managed by companies that perform two main functions:

- They stipulate agreements with structures in the local area where the company and its collaborators live and operate.
- They provide a web platform that makes it possible for workers to put together their own benefits basket, within the ceilings envisaged by the regulatory framework for benefitting from tax concessions.



Continuing the Graphene Project with activities aimed at enhancing personal well-being, providing 4 hours of People Wellbeing support annually.

Project Graphene is a People Well-being project intended for all corporate areas and groups, the goal of which is to provide technical and practical skills to increase the level of personal well-being, by promoting and consolidating the concept of self-care. Obtain an improvement of one’s personal physical/mental and emotional condition, and acquire new stress management tools.

- **Project Listen**
- Culture of prevention and a healthy lifestyle





# OUR HISTORY AND OUR PROFILE

## OUR STORY

(GRI 2-1; 2-6)

Terranova is a software production company founded in 2000. Through a continuous process of research and innovation in digitization, it quickly established itself as a leader in the Energy and Utilities market. As an innovative company, Terranova creates solutions that simplify complex processes and supports businesses in their digitization, growth, and market positioning.

Our goal is to provide the best integrated technology solutions for our customers, in an ongoing relationship of trust based on our experience, on results, on our ability to solve critical issues, and on the continuous inspiration that moves us in the pursuit of excellence in the field of digital services.

All of our software has a common matrix: it must be flexible, modular and designed ad hoc to be able to respond to any need that emerges from the market. In the digital society, companies must be able to respond to their needs with products that create competitive advantage and optimise processes. These are, for us, the advantages of digitisation: responding quickly and effectively to different needs, thanks to tools capable of fitting into the business context, supporting necessary and continuous innovation.

To provide customers with real solutions, we integrate the latest technologies into our process automation applications, ranging from personal productivity tools to web-based mobility software solutions. More than 350 companies use our Group's products every day, and to guarantee them the best experience, we deploy more than 430 resources in 8 locations, working together to develop and improve leading products beyond the historical sectors of Gas and Electricity Distribution and Sales, also for the Water Service, for the Environment and Smart Network and Smart Grid projects oriented to Smart Cities, in Italy and abroad. All this has enabled us to reach 48 million in turnover.

In 2011, the company further solidified its position by partnering with the multinational Pietro Fiorentini, an industrial firm in the Oil & Gas sector specializing in equipment and systems for gas and oil regulation and measurement. This partnership enabled us to fully enter the European and global markets and led to the opening of our Milan office, followed by our first international office in Shanghai, and subsequently in Birmingham, England, and Tashkent, Uzbekistan.

Subsequently, in 2016, we acquired Trilance, a competitor with an important customer portfolio in Italy and present almost exclusively in the sector of Gas and Electricity Sales solutions, maintaining its head office in Verona and the secondary office in Rome.

Precisely in this process of business growth and consolidation, which involves constant investment in evolution and development, Terranova became a partner of the Arcoda, in which it holds a 60% stake. A synergy with a very specific objective: to provide national and international players with increasingly high-performance solutions for the development of digitisation processes primarily in the area of operations.

Terranova continued its growth trajectory with the acquisition of Ambiente. it in 2022, which enabled the expansion of its software offerings into the environmental sector. The joint experience gained in their respective fields has resulted in advanced and innovative IT solutions for the environmental sector, solid and reliable solutions, tailored, integrated and customised to support the information management needs and business processes of the waste chain.

Technological innovation therefore as a fundamental element in the digital transformation process of companies that find themselves operating in a dynamic, booming and ever-changing environment, characterised by competitiveness, investment and research. In this scenario, 2021 saw the completion of a transaction that sealed the acquisition by Terranova of a 60% stake in HPA, an innovative start-up and spin-off of the University of Verona, engaged in the design and development of cross-industry forecasting, optimisation and anomaly detection solutions based on mathematical models, machine learning and neural networks.

Thanks to HPA's contribution in the field of Artificial Intelligence, Terranova has strategic and differentiating know-how in the development of its software solutions. Our company, which has always proposed virtuous models, flanked by technologically advanced solutions in step with the times to Utilities, will therefore, thanks to this partnership, increase the value of its proposal, based on excellent standards of quality, security and innovative enabling technology, enriching it with increasingly high-performance IT solutions.





2021 also saw the entry into the group of Giunco, of which Terranova acquired 60%. Giunco is a company engaged in the development of solutions related to the mobile world, in particular it has developed a mobile app called Junker that helps users to correctly sort products at the time of disposal. This allows our group of companies targeting the world of environmental management, Giunco, Ambiente.it, Arcoda and Terranova, to offer an even more comprehensive range of software solutions that enable the digitisation and automation processes of companies in the sector, while also actively helping them to achieve their sustainability goals.

In 2023, Terranova became a Benefit Company by embarking on an important path of sustainability.

Rooted firmly in Italy yet with a global perspective, Terranova initially solidified its leadership in the domestic market before taking on the challenge of expanding into international markets. Utilizing Pietro Fiorentini's logistics network, the company successfully established a strong presence in the UK, France, and Spain. Recently, Terranova has further broadened its international reach by acquiring customers in Uzbekistan and China.

# MAP OF OUR CUSTOMERS AND PARTNERS IN ITALY AND ABROAD

## AMERICA



## EUROPE



## ASIA



## ITALY



## CORPORATE STRUCTURE

(GRI 2-1; 2-6; 2-7)

At the corporate level, Terranova is owned equally by Terranova Group s.r.l. and Pietro Fiorentini S.p.A., and operates as a limited liability company.

The above-mentioned companies Arcoda, Hpa and Giunko are part of Terranova group.

There are 338 employees in the 2023 financial year; the turnover is €41,136,623 with a net profit of €5,214,147; the net assets of the company are €56,010,675 and the total liabilities are €22,148,372.

Terranova's complete business therefore revolves around the following areas:

- 1. Distribution;**
- 2. Sales;**
- 3. Smart Network;**
- 4. Water;**
- 5. Waste management.**



# OUR SECTORS DETAIL

## DISTRIBUTION

Our foundation is deeply rooted in Distribution. Since the beginning, in fact, we have accompanied companies in their process of renewal and digitisation, creating innovative solutions in the area of Operations, then in Maintenance up to Cartography and Automation of work teams. A history that goes back a long way and has led us to being a leader also on an international level.

## SALES

Our Sales Market Suite has a clear and concrete objective: to always identify new digital solutions and tools to enable our customers to differentiate themselves from their competitors. A necessary condition for responding to the dynamics of an ever-changing market.

## SMART NETWORK

Smart Grid and Smart Metering are two key concepts to being more efficient, more 'smart' in managing one's business. For this, we analyse the operational contexts of companies in order to initiate and support digitisation processes that optimise resources and ensure greater efficiency in process management.

## WATER SECTOR

Efficiency and simultaneous support of the Distribution and Sales processes of water are indispensable necessities for Water Operators. Responding to change to ensure compliance while at the same time guaranteeing technical and commercial efficiency and effectiveness: these are the drivers of development that push us to offer solutions that are always in step with the times.

## ENVIRONMENT

Terranova offers a complete range of software solutions to meet the needs of the entire waste management chain, a suite designed to provide an integrated response to the processes of all companies dealing with environmental management.

As noted above, Terranova operates mainly in Italy, but in recent years it has begun a strong process of expansion that now sees it distribute its products abroad as well, in particular in:

- England
- Spain
- Uzbekistan
- China

## ORGANISATION MODEL AND PERSONNEL ANALYSIS

(GRI 2-6; 2-7; 2-23; 3-3)

Terranova's organisational model (MOG) is in compliance with 231 and is inspired by the principles set out in the United Nations Universal Declaration of Human Rights, the ILO core conventions and the OECD Guidelines. Furthermore, since 2014 Terranova has complied with the international standard on Quality Management, UNI EN ISO 9001 from the accredited body Bureau Veritas Certification.

As a software production company, Terranova does not use raw materials to be processed in its production cycle, and the backbone of their business is human capital.

Specifically, the main purchase items are the hardware and software tools needed to develop the work, and, of course, a series of services and utilities needed to support day-to-day business.



## OUR RESOURCES

(GRI 2-28; 2-30)

Below is an indication of the workforce broken down by role:

EMPLOYEES	PERMANENT	*OF WHICH PART-TIME	TEMPORARY	*OF WHICH PART-TIME
<b>MEN</b>	251	2	1	
*of which in Florence	69	2	1	
*of which at the Grosseto/Matera site	86			
*of which at the Verona/Milan site	66			
*of which in Venice	30			
<b>WOMEN</b>	84	11	2	
*of which in Florence	26	3	1	
*of which at the Grosseto/Matera site	28	2		
*of which at the Verona/Milan site	20	4	1	
*of which in Venice	10	2		

Most of the workers are Terranova employees except for 3 people in a consultancy role, and are based in Italy divided between the offices in Florence, Grosseto/Matera, Verona/Milan, and Venice.

All employees of the company are covered by collective bargaining agreements and 21.3% of employees are members of a trade union.

In 2023 Terranova assumed the social security obligations under the applicable labour contracts. The active funds are for non-executive staff: the category fund Cometa and further private funds are chosen by employees, and PREVINDAI for executives. 32.5% of employees are members of supplementary pension funds.

## **RELATIONSHIPS BETWEEN WORKERS AND MANAGEMENT**

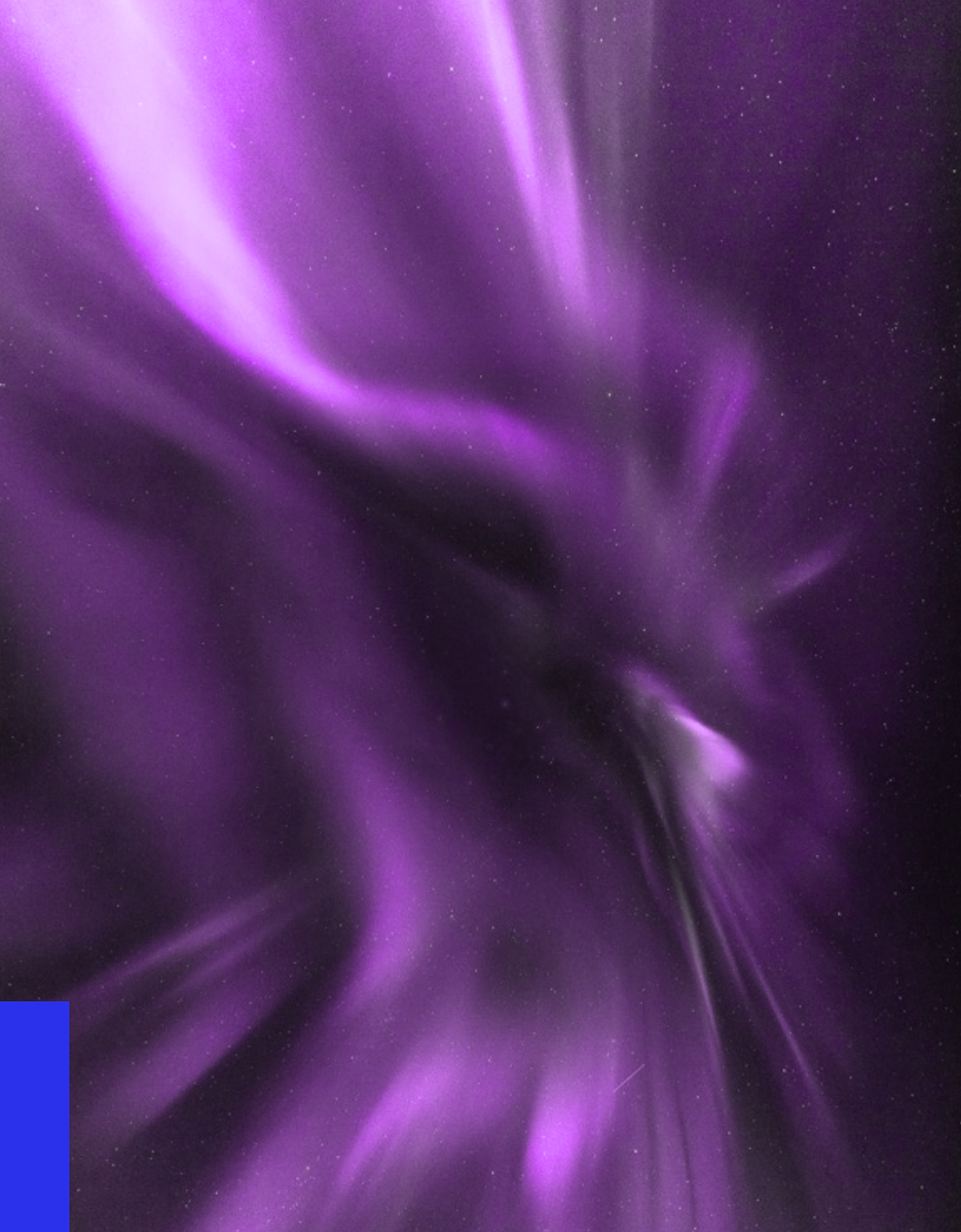
(GRI 402) DATA NOT COVERED

The Terranova collective agreement does not deal with this. Terranova collaborates and dialogues with the following organisations and associations:

- Utilitalia
- Associazione idrotecnica italiana
- ARERA
- ATO (ANEA)
- Cispel Toscana
- Fondazione AQUALAB
- ANISGEA (National Association of Gas Energy Water Services Companies)
- APCE
- ISPRA
- ENEA
- WAREG (international)
- UNIONCAMERE
- University
- Chamber of Deputies (Water and Environment).







## GOVERNANCE

(GRI 2-9; 2-13)

*Structure and composition of the Board of Directors*

(GRI 2-11;2-10;2-15; 2-12; 2-1)

Terranova's Board of Directors (BoD) consists of five members, three directors representing Pietro Fiorentini and two directors representing Terranova Group. The Chairman of the Board of Directors is also the Managing Director of the company, so given the board structure, it is not necessary for the company to implement a conflict management process.

All decisions concerning economic, environmental and social aspects, start, in the first instance, with the Board of Directors, which presents initiatives aimed at continuous improvement. These initiatives, thanks to a structured delegation process, are managed and made operational at the various levels of the organisation; ample space is reserved for the management of objectives related to environmental, social and economic issues, in the activities of the committees present in the company and described below. The Board of Directors holds quarterly meetings to address and monitor the progress of activities and to check their actual adherence to the initially defined guidelines.

Terranova's highest governing body, the Board of Directors, in detail, consists of four men and one woman. The Chairman of the Board of Directors is the company's legal representative and, according to the articles of incorporation, holds all powers of ordinary and extraordinary administration of the company and may perform all operations necessary for the implementation and achievement of the corporate purpose, with the exception of those which the law and the articles of incorporation expressly reserve to the shareholders and the Board. Furthermore, the Chairman is delegated by the Board of Directors to implement the necessary actions aimed at achieving objectives related to environmental, social and economic issues.

One of the Directors, within the budget defined by the business plan, has the power to decide on the adaptation of the software technology used by the company and its applications in order to be able to better respond to the needs of client companies.

## BOARD MEMBERS BY AGE GROUP

	2023	2022	2021	2020	2019	2018
Board Members < 30 years	0	0	0	0	0	0
Board Members between 30 and 49 years old	0	0	0	0	1	2
Board Members > 50 years	5	5	5	5	4	3

### Committee Structure



## COMMITTEE STRUCTURE

All decision-making processes are managed by 2 committees that report directly to the CEO: the Assembly Committee and the Value Committee, both staffed by Terranova personnel. This activity is supported by Planning & Control Management, which oversees planning and control processes.

## ESG COMMITTEE

The ESG Committee consists of 10 members, 4 of whom are staff members and 6 of whom represent senior figures in the organisational chart (CEO, CTO, COO, CCO, HR Manager, Administrative Manager) and meets on a regular basis every two months.

It was established in 2023 in the wake of the company's increasing sensitivity to ESG issues, a sensitivity that will increasingly inform and guide Terranova's policies and strategies in the economic, structural and organisational spheres.

### The functions of the committee are:

- Stakeholder engagement on ESG issues (in the various ways in which this is possible for each category)
- Identification of materiality issues (summarising feedback from stakeholders)
- Monitoring and proposed change to Materiality Matrix through the identified ESG topics
- Drafting and preparation of a Sustainability Plan with the derived sustainability topics
- Materiality Matrix Approval
- Monitoring the promotion of ESG issues on Group strategies
- Coherence of technological development with ethical principles
- Examination of positioning in Sustainability Indices
- Implementation of governance with guidance and control by informing Assembly Committee

## ASSEMBLY COMMITTEE

The Assembly Committee is a body composed of internal members of Terranova who hold frontline roles in the management and operational activities and acts as the main interface between the top management and the company's base. It performs implementation functions with regard to the strategic lines established by the CEO mandated by the Board of Directors. It also performs advisory functions that help the top management to elaborate and define these strategic lines.

The Assembly Committee is a stakeholder:

**INFORMED:** The shareholders' meeting is informed in advance of the strategic vision of the company produced by the CEO in agreement with the Internal Advisory Board and approved by the BoD

**CONSULTED:** the assembly is entitled to express opinions on the implementation of the mandate by the ESG committee

**PROACTIVE:** the assembly, through the role of area managers, contributes to the production of the sustainability plan

### The tasks and areas of responsibility of the Assembly Committee are:

- Supervision of the Ethical Code and MOG
- Code of Conduct of Suppliers
- Enterprise Risk Management
- Monitoring the promotion of ESG issues on Group strategies
- Coherence of technological development with ethical principles
- Monitoring relations with the financial community
- Financial risk analysis from an ESG perspective
- ESG risk management

## VALUES COMMITTEE

The Value Committee proposes and manages initiatives related to the enhancement and promotion of corporate values, including the values that inspire initiatives related to environmental, social and economic issues, in line with the company's overall policy.

Once the values, 'mission' and 'vision' had been presented to the entire company, it was immediately clear that a committee was needed to help disseminate the 'Core Values' and to strengthen the sense of belonging to the company, which is why the 'Values Committee' was created, consisting of the Managing Director, the Planning & Control Manager, the HR Manager, the Communication Manager, the 'Public Relations' Manager and the Sustainability Manager.

### The macro-areas identified in which the committee could have operated are:

- Communication and transmission of values
- Strengthening the sense of belonging to the corporate community
- Incentives for sustainable growth
- Team building and know-how sharing
- Quality
- Leadership development
- Raising awareness of environmental issues
- Corporate benefit issues

For each macro area, targeted actions have been identified by the Committee that could serve the promotion of values, mission and vision.

### For the 'Communication and transmission of values' area:

- Inclusion within the 'institutional' presentations in the first 2/3 pages of a reminder of the values, mission and vision, this is to ensure that communication on the issues mentioned is reinforced both during
- Prepare a 'Company History' collecting all the stories of the company from its foundation to the present day with special attention to the highlights that allowed the company to grow;

- Establishment of an award/prize for teams that distinguish themselves on topics chosen from year to year, such as one of the values.

**For the area “Strengthening the sense of belonging to the corporate community”:**

- Prepare brochures/flyers reporting Mission, Vision and Values, providing descriptions that contextualise the contribution of these values to the sense of belonging and inspiring the daily actions of personnel. The presence of this type of material allows the concept to be emphasised at different times;
- Participation in ‘career days’ at university events with company presentations
- Assignment of a mentor to new recruits for the explanation of values, the mission and vision
- Incentives for those who introduce a person to the company to be hired

**For ‘Sustainable Growth Incentives’:**

- The celebration of positive company-wide results at the institutional meetings of successful people.
- Establishment of ‘Career Plans’ at the function level providing a well-structured growth plan, closely linked to a training plan for soft skills, for technical skills and for process skills, which changes according to of the level of growth achieved.

**For ‘Team building and know-how sharing’:**

- The establishment of bi-monthly meetings to share ideas and projects, led by managers but held by colleagues in cross-company mode, during which news, projects, successes, new technologies, etc. are shared.
- The establishment of ‘client meetings’ attended by PM, R&D, Service to foster understanding of business processes.



#### **For 'Quality':**

- The introduction of the Quality Assurance Manager to verify the quality of the product/service outside the production or service functions.
- The structuring of a Client Satisfaction Survey.
- The preparation of the 'Company Point of View' in a shared DB so as to capitalise on company know-how.

#### **For 'Leadership Development':**

- Structuring a 'Succession Plan' so as to select and grow the people who, over time, will assume leadership roles in the company.
- Courses in Leadership, Communication, Project Management, for top management.

#### **For 'Awareness-raising on environmental issues':**

- Selection and supply of business kits to enable the elimination of plastic.
- Establishment of prizes for initiatives to encourage virtuous environmental protection behaviour.

#### **For 'Corporate Benefit Issues':**

- Inspiring initiatives for the correct use of corporate benefits.
- Inspiring initiatives that promote the employee's personal well-being.

## **PLANNING & CONTROL MANAGEMENT**

Through this corporate function, the process of defining the annual corporate objectives and planning the related actions aimed at achieving them is managed, with reference to the objectives defined at board level and by the other corporate governance bodies. At the same time, it oversees the monitoring of the progress of the company's activities in relation to objectives. In this context, the department has implemented a process called structured H.E.R.M.E.S., which will be described below.

The H.E.R.M.E.S. (High Evoluted Reporting Management Enterprise System) project began as a result of the planning process first and the delegation process secondly, triggered by the Management towards the Managers and the need to provide the latter with a decision-support tool, in order to monitor and compare the trends in results with respect to the objectives set by the Company, providing them with all-round operational and strategic vision within the company.

The objective of the H.E.R.M.E.S. project is also to structure uniform management reports so that production lines and staff offices can communicate with each other using the same language.

The reports designed to support the project, which are inspired by the balance scorecard, operationally use the classic Hoshin Kanri approach, i.e. the combination of strategic management and operational management, concretising the delegation process and returning the required feedback to the management, also thanks to the techniques of the Deming cycle, i.e. "delegation in cascade, execution, verification and improvement action".

**The reports monitor the company's performance in the following 4 areas:**

- general economic;
- economics of production projects;
- staff satisfaction;
- customer satisfaction

**The implementation of the direction and control of the objectives and actions is carried out by specific committees under the direction of the Assembly Committee:**

- Product Committee
- Technology Transfer Member
- Security Assurance Committee.

**PRODUCT COMMITTEE**

The Product Committee is the committee responsible for reviewing and governing with reference to the Marketing and Product strategies inherent in the company's entire offering.

This body is functionally responsible for the company's Product Management structure, guaranteeing the organicity of strategies and basic operational choices.

The committee meets when important strategic decisions have to be taken, at the request of the CEO, the ESG Committee or the members of the committee itself, rather than as a result of points of attention and critical issues in relation to the marketing strategy that arise.

The committee is represented within it by those with a relevant role in defining and implementing the marketing strategy, rather than having a responsibility to ensure its sustainability.

**By way of example, the Product Committee deals with:**

- Validating substantial changes in product strategies
- Validating Substantial Changes in Communication Policy
- Validating substantial changes in pricing policy
- Validating the marketing strategy for access to new market segments or new sectors
- Verifying the achievement of strategic product goals, including by verifying the market need for sustainability issues

**SECURITY ASSURANCE COMMITTEE**

The Security Assurance Committee aims to define the guidelines for strengthening and consolidating security in all Terranova applications and platforms. It provides support to all production groups by giving tools, skills and documentation in order to initiate the design and review of applications according to the principles of security by design and by default.

Information security has now become an integral part of responsible business management and must be implemented every day by everyone as an integral part of work processes, not just within software.

To this end, the Committee has set itself the goal of launching a training process for all technical company personnel, but above all it will involve the individual production groups for a precise analysis of the safety of their products both from a purely technical point of view and with regard to specific functionalities.

The committee is composed of three technicians specialised in security software and infrastructure issues and, given the central importance of security in the solutions and platforms, they are coordinated by the head of the Terranova framework's production line.

Any decisions and the operational plan are discussed internally, voted on and approved in consultation with management. The topics covered are mainly related to any security alerts received on our software and platforms, the planning and results of vulnerability assessments and penetration tests, and the review of training courses for technical staff in the company.

## RISK COMMITTEE

The Risk Committee is in charge of assessing corporate risks. Its task is to map the risks inherent in each area of activity, from the perspective of economic performance, data security, environmental consequences, infrastructure, and sustainability in general. The mapping of risks is functional to the elaboration of proposals of mitigation policies that the committee will prepare with the cooperation and advice of the front lines of the corporate groups. The frequency of meetings of the group is normally every six months, unless, of course, emergencies occur that require a special convocation.

## TECHNOLOGY TRANSFER

The primary purpose of this committee is to supervise and coordinate the selection activities of new technologies.

Whenever the adoption of a new technology (web, mobile, desktop, database or other) is required within a product development group, the contact persons of that group send a request to the committee explaining the requirements, scope, possible solutions and urgency.

The members of the committee meet periodically and evaluate the requests in order of priority, engaging, if necessary, the production teams for research, POC testing and validation of alternatives.

The Committee only has a supervisory and co-ordinating purpose, it relies on the co-operation of the production groups. Once the investigations are concluded, the Committee meets again to evaluate the results and make a choice taking into account costs and benefits.





## STAKEHOLDER INVOLVEMENT

(GRI 2-9; 2-30)

Sustainable growth over time is closely linked to the company's ability to identify and respond to changes in the market and society. Identifying, engaging and enhancing relationships with stakeholders can reasonably be expected to affect ability to successfully implement its strategies and achieve its objectives.

By establishing and maintaining an ongoing dialogue with stakeholders over time, it is possible to identify the most important sustainability issues and assess how best to integrate them into operational and management activities. Constant dialogue as a fundamental tool that creates mutual value and supports the sustainable growth of the company's business in line with stakeholder expectations.

For these reasons, Terranova has identified and mapped its stakeholders, with the aim of defining the importance and impact of their expectations on the Company's activities. The main methods of stakeholder engagement are identified in the table below.



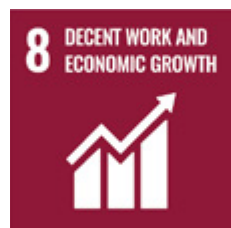
Stakeholders	Map	Engagement modes
<b>Employees</b>	<p>More than 300 employees, spread over the various locations.</p> <p>All employees of the company are covered by collective bargaining agreements. 21.3% of employees are members of a trade union.</p>	<ul style="list-style-type: none"> <li>• Employee events</li> <li>• Internal communication tools</li> <li>• Satisfaction surveys (Project Listen)</li> </ul>
<b>Shareholders</b>	<p>is 50/50 owned by Terranova Group and Pietro Fiorentini, a multinational that provides solutions for the energy sector and is accompanying Terranova into new markets, already being present in more than 80 countries worldwide</p>	<ul style="list-style-type: none"> <li>• Regular meetings</li> </ul>
<b>Client</b>	<p>with 350 client companies, mainly in Italy:</p> <ul style="list-style-type: none"> <li>• Distribution/sales companies in the utilities sector: Gas, Water, Environment and Electricity</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic satisfaction surveys</li> <li>• Dedicated events</li> <li>• Ongoing relations with our staff</li> </ul>
<b>Trade associations</b>	<p>Bodies in charge of monitoring operations, which regulate the information that all companies operating within the multi-utility markets, that Terranova operates in, must comply with by issuing specific regulations.</p>	<ul style="list-style-type: none"> <li>• Periodic meetings</li> <li>• Participation at institutional events</li> </ul>
<b>Research Bodies</b>	<p>Universities are at Terranova's side in the research and development of new software solutions. Terranova is active in partnerships with universities to implement activities in the area and search for new talent.</p>	<ul style="list-style-type: none"> <li>• Planned periodic meetings</li> <li>• Participation in joint projects</li> <li>• Design of new research initiatives</li> </ul>
<b>Suppliers</b>	<p>Mainly suppliers related to hardware and software products and consultants as well as general suppliers related to maintenance and supplies.</p>	<ul style="list-style-type: none"> <li>• Periodic meetings</li> <li>• Project progress</li> </ul>
<b>Civil society</b>	<p>The products offered by the company are intended for companies that provide essential services for the population. Therefore, Terranova works with companies that operate in regulated markets characterised by state presence. The need to provide products that comply with the various regulations in force is of fundamental importance.</p>	<ul style="list-style-type: none"> <li>• Participation at workshops</li> <li>• Involvement in initiatives promoted by Terranova</li> </ul>

# ECONOMIC TOPICS



## ECONOMIC PERFORMANCE

(GRI 201-1, 201-2)



### ECONOMIC PERFORMANCE AND CREATION OF SUSTAINABLE VALUE

*In terms of economic performance and creation of sustainable Value, Terranova commits to take concrete action that will contribute to SDG 8*

Terranova undertakes to guarantee sustainable and inclusive economic growth from which everyone can benefit; to create sustainable value over time in terms of human and economic capital, the community, and the environment, listening and responding to the tangible needs of our customers and stakeholders.

Thanks to its resilience, Terranova was able to withstand the shock and maintain a positive economic trend, in continuity with the improvement that has been accompanying the company's growth path in recent years.

In addition, during 2023 the Company recorded an added value of €31,754,022.00. This wealth contributes to the growth of the social and environmental context that Terranova operates in, and part of this value has been distributed to stakeholders (we do not report how much has been distributed to stakeholders).

ECONOMIC PERFORMANCE AND CREATION OF SUSTAINABLE VALUE					
Target	KPI	2023	2022	2021	2020
Turnover growth	Ensure turnover growth of 10% (each year)	7%	9%	2%	19%*
R&D investments	Ensure R&D investments of at least 20% of costs (each year)	21,44%	22%	24%	22%*
Cash generation	Ensuring cash generation over 70% of EBITDA	94%	61%	54%	99%*
Incentive system	Introduction of at least two SDG-related KPIs in evaluation sheets by 2022	in corso	in corso	in corso	Declaration of intent for 2020 non-monitorable
*Normalised figure for economic budget adjustment NOTE - Average figures for 2021/22 in line with targets					

ECONOMIC AND FINANCIAL DATA	2023	2022	2021	2020	07/2019-12/2019	2018 / 2019	2017 / 2018	2016 / 2017
<b>Total assets</b>	82.393.166	89.033.286	95.103.147	87.235.851	29.422.870	39.002.803	34.713.209	35.579.021
<b>Shareholders' equity</b>	56.010.675	60.830.348	61.720.623	63.168.499	14.807.638	18.859.553	17.887.556	154.523.751
<b>Value of production</b>	41.136.624	38.342.188	35.035.095	34.348.795	13.923.568	30.045.916	28.015.184	27.405.753
<b>Cost of production</b>	34.893.915	30.303.058	25.505.424	23.011.653	11.063.169	21.629.168	20.799.896	21.567.980
<b>Net profit</b>	5.214.147	7.519.267	8.531.151	10.352.864	2.450.233	6.971.997	7.363.803	5.829.049
<b>Increase in cash and cash equivalents</b>	-1.828.964	-7.965.140	1.977.323	14.757.276	-7.997.071	9.052.529	-3.621.805	2.551.247
<b>Value Added</b>	31.754.022	30.156.172	28.616.112	28.797.074	11.249.160	24.904.139	22.840.353	21.329.285
<b>MOL</b>	13.531.262	13.240.594	14.671.245	15.831.784	5.273.503	13.074.556	11.847.662	11.035.674
<b>EBIT</b>	6.242.709	8.039.130	9.529.671	11.337.142	2.860.399	8.416.748	7.215.288	5.837.773
<b>Net Financial Position</b>	2.969.220	2.197.335	4.571.873	9.645.752	-2.945.440	5.314.957	-1.031.923	589.882
<b>ROE</b>	9,31%	12,36%	13,82%	16,39%	16,55%	37,00%	41,00%	38,00%
<b>ROI</b>	7,58%	9,03%	10,02%	13,00%	9,72%	22,00%	21,00%	16,00%
<b>ROS</b>	15,27%	21,38%	28,68%	34,15%	21,52%	29,00%	27,00%	22,00%

## OUR RESEARCH AND DEVELOPMENT PROJECTS

(GRI 201-4)

During the financial year, the Company carried out Research & Development for technological innovation and focused its efforts on particularly innovative projects involving pre-competitive development activities aimed at:

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### PROJECT 1

**Pre-competitive Development activities aimed at creating innovative application, technical and technological solutions for the products of the RETI suite for the Utilities sector**

Terranova continued, during the year 2023, a programme of activities of evaluation, analysis and experimental testing in order to develop and fine-tune new modules and applications for its platforms in order to increase their operational potential, respond to the needs of the Utilities that manage water and gas services for both Italy and foreign countries.

The company's business objective is to continue the development of the performance of its platforms in order to enter foreign markets with highly advanced solutions to increase its turnover and operating margins.

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### PROJECT 2

**Pre-competitive development activities aimed at creating innovative application, technical and technological solutions for the products of the 4UTILITY suite**

During 2023 Terranova continued an articulated programme of analysis and experimentation activities aimed at implementing innovative solutions and incremental improvements to the functionality of the 4UTILITY platform.

The technical solutions developed make it possible to expand the range of services provided by the individual platforms and to make all processing and data management and information exchange processes much faster and more secure.

In this way, Terranova laid the foundations to gain a significant competitive advantage over its competitors and to expand its activities in foreign markets.

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### PROJECT 3

**Activities of acquiring new knowledge and building products for the realisation of the Terranova Framework for the substantial improvement of the company's application pool**

The project concerns the technological evolutions of the new TFRAME platform, the solution that the Framework team designed to support the technological evolution of all the applications of Terranova's production groups.

The project consists of three products:

1. TDS
2. TOBIN
3. TAMER

Respectively, the design system that studies the user experience and dictates the guidelines for front-end development, the engine for integrations, and the platform for the orchestration and delivery of applications for both on-premise and cloud evolutions.

The aim of the project is to enable production groups to rethink, subdivide and perimeter their applications so that they are more closely linked to the process they intend to solve or satisfy. Having an up-to-date application pool will allow you to capture new market share even among customers who are only interested in particular processes and therefore need to integrate the company's software into third-party solutions.

## PROJECT 4

Experimental study activities for new technical solutions and technology aimed at the pre-competitive development of a new Suite for the environmental sector

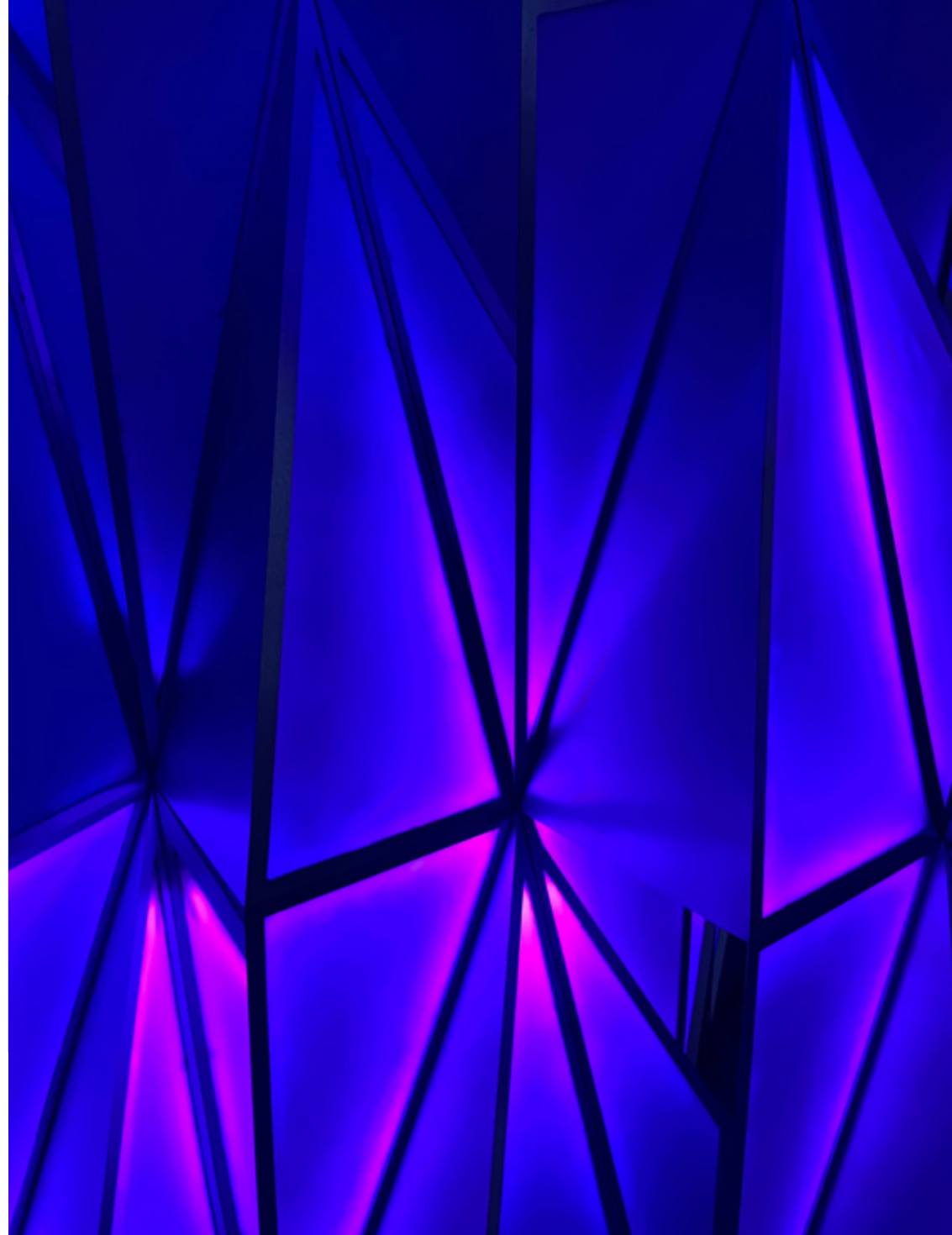
Over the course of 2023 Terranova conducted activities concerning the study and programming of innovative technical and technological solutions with the intent to obtain new technical solutions for software products intended for the environmental sector. This project will strengthen its presence at Customers and improve the company's image, presenting Terranova as standard-setting in the sector. Terranova intends to lead, rather than follow, the evolutions of this market, designing products that can meet the needs of customers in advance.

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## PROJECT 5

Applied and experimental research activities for the analysis of new technological solutions including not aimed at development.

Concerning the fifth project, during 2023, TERRANOVA conducted R&D activities related to the project branch ICIR - Image Information Retrieval. This project is part of the automation of the contractualisation process. The possibility of automatically obtaining the necessary information through AI algorithms would certainly have a positive effect, both in terms of timing and in terms of actual completed contracts. For this, it was decided to proceed with the development of an SI-based tool that would automatically extract the necessary information from a bill, either in pdf format or in image form.



## INDIRECT ECONOMIC IMPACTS AND PROCUREMENT PRACTICES

(GRI 203-2, 204-1)

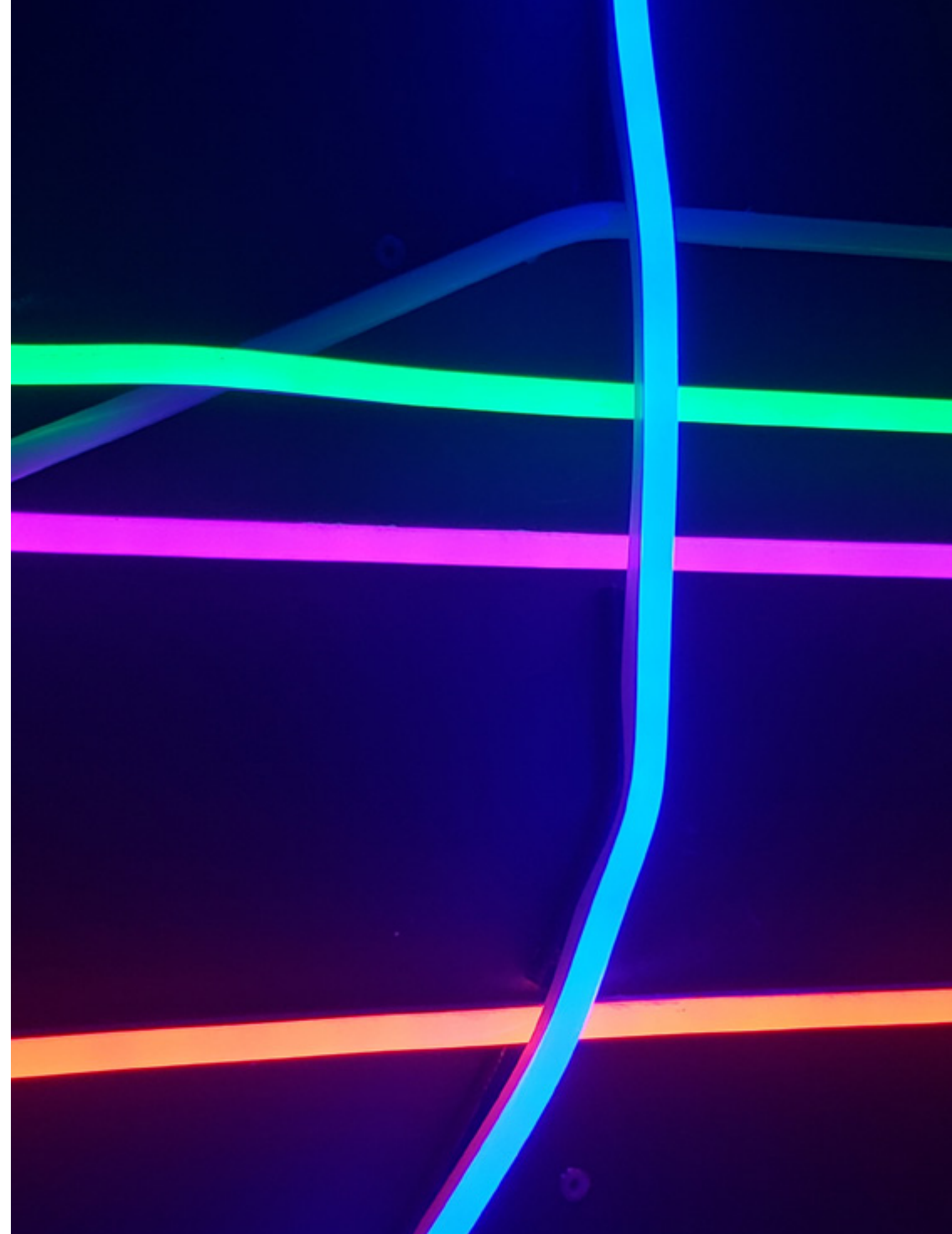
Terranova uses transparent relationships for the entire supply chain and operates in full respect of free competition. The company also seeks to establish long-lasting relationships with suppliers that allow it to aim for mutual growth and value creation that lasts over time.

Terranova has also always been committed to promoting the fight against corruption, creating a healthy workplace and protecting the environment. All relations created are based on total respect for legality and, over the years, a system of safeguards has been developed that allows to supervise the work of both the company and its employees, in full compliance with the law.

The protection of human rights underpins all the choices made by the business such that one of the fundamental values that Terranova has decided to base its business model on concerns the 'centrality of the person'. Respect for each individual on the Terranova team is fundamental to motivating people and creating the conditions necessary to foster and stimulate growth while fostering a dynamic, interesting and inclusive work environment.

The issue of environmental protection is also of fundamental importance within the company. Terranova, in addition to promoting initiatives aimed at water and energy saving and better waste management, has decided to prepare solutions aimed at environmental management.

Approximately 93 suppliers will be qualified in 2023, all operating within the Italian borders. Very often these are small and medium-sized companies operating in the vicinity of the operating sites with which it is possible to establish relationships to ensure mutual growth. Some suppliers, generally larger ones, supply two or more locations. Most of the suppliers are concentrated on the company's main sites (Florence, Grosseto, Verona) while a small number of suppliers operate on the sites in Rome, Milan, Venice-Mestre and Matera. Terranova gets its supplies nationwide for different types of procurement: from coffee, water, beverages and food, as well as the operation, maintenance and repair of existing facilities within the premises.



## ANTI-CORRUPTION

(GRI 205-1, 205-2, 205-3)

The company's Organisation, Management and Control (OMC) model contains an analysis of the major corruption risks. The Anticorruption Law 190/2012 in this sense introduced the offence of bribery between private individuals, which emphasises that in addition to persons in an executive position those who in the company or entity exercise managerial functions other than those of administration and control formally conferred may also be perpetrators of the offence, and thus also the de facto director who performs managerial functions.

According to the new wording of Article 2635 of the Civil Code, the entity may be held liable for the purposes of the decree in the event that the directors, the general managers, the managers in charge of drawing up the corporate accounting documents, the statutory auditors and the liquidators, of companies or private entities, but also all those who, within the organisational framework of the company or private entity, perform functions other than those of these persons, all those who, also through third parties, solicit or receive, for themselves or others, money or other undue benefits, or accept the promise thereof, in order to perform or omit an act in breach of the obligations inherent to their office or of the obligations of loyalty. The same article introduces the offence of incitement to bribery between private individuals, provided for in the form of active incitement and also passive incitement. Therefore, the company is liable for this offence whether it acts as a corrupting party or as a corrupted party. This offence is considered hypothetically feasible within the sales function, the marketing function as well as the purchasing area. In detail, one can refer to all the activities involved in the sale and promotion of one's own products, as well as in the

management of consultancy relationships, collaboration with partners, but also the management of relationships agents and distributors.

100% of employees and Board Members have been informed about the policies and procedures adopted by Terranova on anti-corruption. The anti-corruption control procedures are applicable to all those persons and corporate functions that manage activities with third parties and are vested with spending autonomy.

Considering the company areas of highest risk, the following procedures were created:

- Management of the product sale process;
- Management of collaborations with partners;
- Management of received consultancies;
- Management of relations with agents, representatives, distributors, business agents

### MANAGEMENT OF THE PRODUCT SALE PROCESS

The management of the product sales process with regard to the offence of bribery between private individuals shall be carried out in accordance with rules of conduct that pay particular attention to the following control activities:

- To authorising powers within the process;
- To setting the selling price;
- To the definition of the conditions and timing of payment;
- To the definition of discounting.



The head of the sales function (but also the other managers, where the function assigned to them is involved in the process) will, therefore, be required to define transparent criteria for the determination of a maximum offer price for an individual product or service, so that any anomalies can be identified

## **MANAGEMENT OF COLLABORATION WITH PARTNERS**

Any form of collaboration with partners (e.g. joint ventures, ATI, consortium, etc.) that operates within the scope of activities considered to be at risk of commission of offences under the decree, must be defined in accordance with the following rules of conduct set out in the MOG: that will operate within the scope of activities considered at risk of commission of offences under the decree, must be defined in accordance with the following rules of conduct set out in the MOG: screening of the background, legal status and tax residence of the potential partner, possession of the requisites required by law for participation in tenders and/or contracts where necessary; in any case, any form of collaboration with other partner companies must contain what will be further defined as “minimum standard contractual conditions”, indicated here briefly as:

- Contracts defined in writing, highlighting all the conditions of the agreement, in particular with regard to the economic conditions agreed upon for any joint participation in tenders and/or procurement procedures;
- Contracts approved by at least two persons belonging to Terranova and signed by the CEO or according to the proxies received;
- Specific declarations by potential Partners concerning their knowledge of Terranova’s adoption of the Model and hence their joint commitment to compliance with the Model and the adopted ethical-behavioural principles;
- Clauses regulating the consequences of violation of the Model by them and the ethical-behavioural principles adopted by the company;
- An established date by means of a special security seal created by Terranova and postmark.

## **MANAGEMENT OF RECEIVED CONSULTATIONS**

Without bias to the rules of conduct identified in the Model and already referred to, the control activities in relation to the offence of bribery between private individuals are as follows:

- The decision to procure external consultancy services must be justified in terms of the real need for the service;
- Decision and justification must be in writing, archived and traceable (including by e-mail) and are the sole responsibility of function managers;
- Appointments and assignments must be signed by the CEO or by the heads of function according to any received proxies of authority;
- The identification and choice of the consultant must always be based on technical and professional skills, respecting requirements of objectivity, impartiality and transparency;
- The definition of the consultant’s fee must be appropriate to the service agreed upon;
- Each function must document and archive the actual existence of the consultation and the actual need for it;
- The company may require those involved in the process to report on this;
- Contracts must be set out in writing with the express provision of so-called ‘standard minimum contract terms’.

## **MANAGEMENT OF RELATIONS WITH AGENTS, REPRESENTATIVES, DISTRIBUTORS, BUSINESS AGENTS**

Relationships with agents, representatives, distributors, business brokers and similar can be realised in various ways in the company in connection with sales and business support activities.

Without bias to the rules of conduct identified in the Model, the control system is based on the qualifying elements of the selection of third parties according to specific requirements and the timely evaluation of the professional level offered. In particular, the control activities are as follows:

- At the stage of identifying and choosing the professional, the requirements of professionalism, integrity, honesty and reliability are verified through:
  - Self-certification by the potential third party on the requirements possessed and on any judicial and administrative measures against the subject;
  - The declaration of the potential third party that it has not been subjected to and has no pending proceedings for the offences provided for in Decree 231;
  - The information collected during the initial set-up of the report should be periodic (at least every 3 years).
- When concluding the contract, systematic use of written agreements defining the service required as well as the agreed remuneration with reference to the average market prices applied to the acquired service;
  - The express provision of the so-called 'minimum conditions of standard contract';
  - The commissions paid, in whatever form, must be in line with the normal conditions applied by the company. Any exceptions must be justified and tracked;
  - Recording of the activities described above for the reconstruction of responsibilities, choices made and information sources.

During the year 2023, no incidents of corruption were recorded at Terranova, either by employees or business partners.



# TERRANOVA AND THE JOURNEY OF INTERNATIONALISATION

The actions identified by Terranova will significantly contribute to the SDGs: 8, 11



Target	KPI	2023	2022	2021	2020
Supply abroad	A new supply abroad for sustainable cities (one every year)	5 projects launched	2 projects launched	2 projects launched	1 projects launched
Partnerships abroad	Establish a new partnership abroad (one each year)	4 partnerships launched	1 Partnership launched	1 Partnership launched	1 Partnership launched
Event sponsorship	Sponsoring at least one event abroad per year	Participation in 4 events	Participation in 3 events	Participation in 2 events	Participation in 3 events

By way of example, here is a brief description of some projects launched by Terranova:

### **PORTUGAL - RUBIS**

Acquisition of a new customer with whom we started a smart gas metering project, consisting of the management of several thousand Nb-IoT meters.

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### **SPAIN - NEDGIA**

The project with Spanish customer Nedgia was upgraded. We switched, in fact, to a direct supply, with no longer the intermediation of the partner Pietro Fiorentini. The project now includes a significant increase in the number of managed meters and the addition of more manufacturers. Integration with the customer's datalake was also started.

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### **SPAIN - VITOGAS**

The new gas smart metering project with Vitogas is characterised by the remote management of several thousand NB-IoT smart meters, which will be joined at a later stage by meters of different makes and models and different technologies.

### **USA - PACIFIC GAS & ELECTRIC**

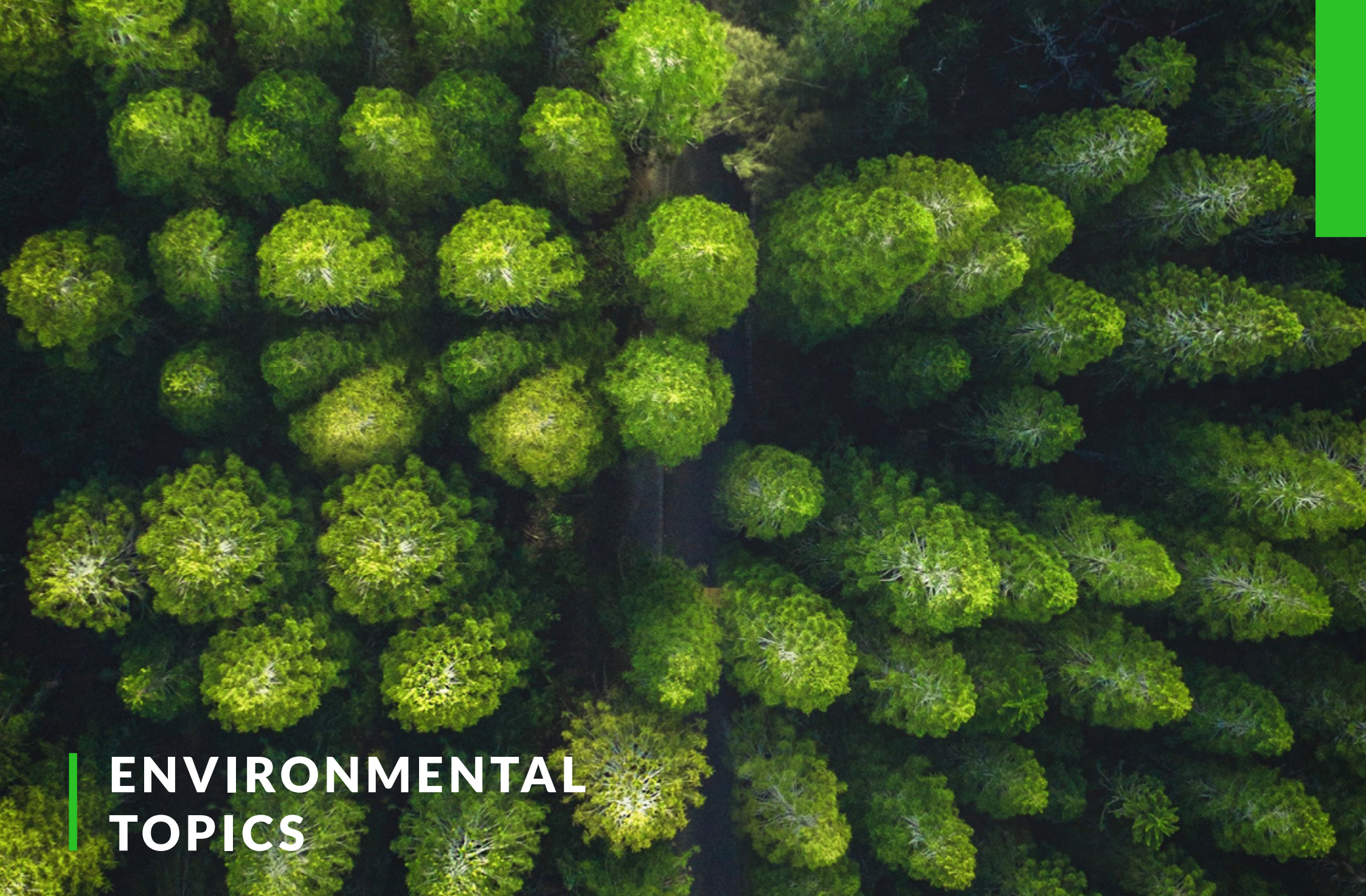
We initiated an innovative smart metering project with one of the largest distributors of gas and electric service in California, involving the management of NB-IoT and Cat-M meters produced by Pietro Fiorentini. A special feature of these meters is the ability to close the valve in the event of seismic events or fire.

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### **USA - SoCal**

As one of the largest gas distributors in the whole of California, the innovative smart metering project initiated involves the management of meters in Cat-M and NB-IoT technology produced by Pietro Fiorentini. The customer's need, as in the previous case, is to ensure greater safety and manage meters that can close valves in the event of earthquakes or fires.





# ENVIRONMENTAL TOPICS



**7** AFFORDABLE AND CLEAN ENERGY



**11** SUSTAINABLE CITIES AND COMMUNITIES



**13** CLIMATE ACTION



## OUR APPROACH

(GRI 302; GRI 305)

### PROMOTION AND AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES

*Terranova commits to use its own actions to significantly contribute in terms of environmental awareness to the following SDGs: 7, 11, 13*

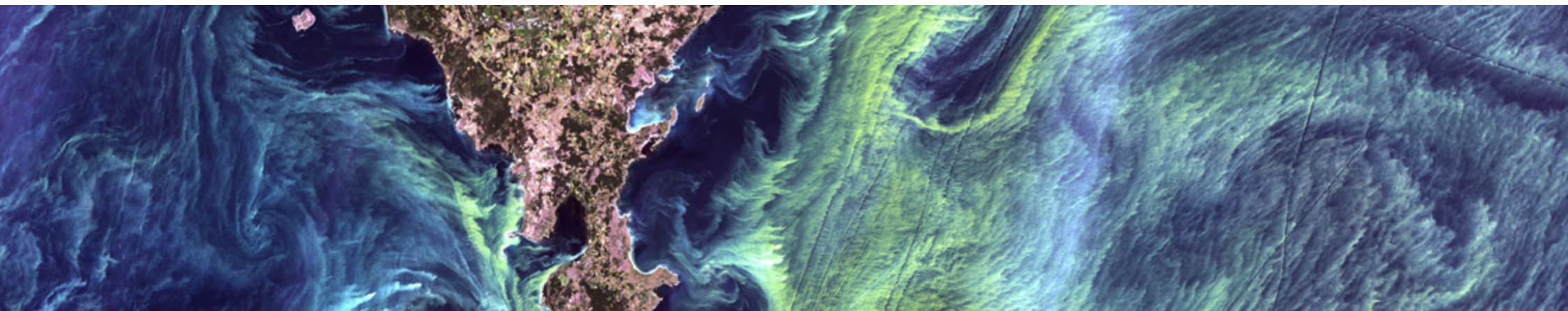
Terranova believes that it is extremely important to adopt tools and means founded on innovative technologies to promote environmental awareness in the current socioeconomic context, foster access to and the promotion of data relating to the use of resources and to environmental performance as a basis for inspiring everyone to behave sustainably and consciously, with specific reference to the use of limited resources, such as energy, water and waste management ability.

## SMART CITY PROJECTS

### SMART CITY AND INNOVATION

Target	KPI	2023	2022	2021	2020
Investments	Ensuring investment in research and development with an annual increase of at least 10%	21,44%	23%	20,46%	20,38% *
Establishing strategic partnerships	Establish a strategic partnership for the development of sustainable and smart cities (one each year)	4 (Contazara, Hidroconta, ITRON, Conthidra)	2 (Sartori, Everynet)	1 (Lereti)	1 (Edyna)
Event and/or workshop sponsorship activation	Carry out at least two sponsorship events (each year)	14 events	9 events	4 events	3 events
New Supply projects	Establish at least 3 new customers (each year)	60 new customers	22 new customers	14 new customers	11 new customers

\*\* figure normalised for Financial Statement adjustment



Smart City projects aim to improve the use of environmental resources. The development by Terranova of technologies and software solutions contributes in various ways to rendering the use of resources with a direct impact on the environment - such as gas, electricity, water, and waste - more sustainable and conscious. Thanks to the software developed, Terranova's customers can make their own contribution in terms of reducing CO<sub>2</sub> emissions with the "smart" use of distribution networks, the efficient management of the teams who operate in the field, as well as with the adoption of virtuous behaviours by the citizens of the Smart City, using the digitalised services of Terranova's software applications.

To help clarify how technologies and specific software solutions enhance the Smart City concept and make it more tangible, we examine their applications across various contexts related to public utility companies.

## SMART NETWORK PROJECTS

The current global context presents us with several challenges that we will have to face in the coming years, including tackling the water resource crisis. The deficit of precipitation, the increase in greenhouse gas emissions due to the use of fossil fuels, then the persistence of high temperatures, which in turn causes an increase in evaporation from bodies of water, uncontrolled anthropogenic impacts such as deforestation, have effectively reduced the availability of this resource vital for the sustenance of ecosystems and the services that water resources provide (civil, agricultural, industrial). In the last two years, even areas that did not experience drought are facing new problems. In Europe, consider France, Great Britain and Northern Italy.

According to the UN, around 4 billion people in the world already live in conditions of severe physical water scarcity for at least one month a year. Climate changes could exacerbate this situation. As far as Europe is concerned, in recent years, 30% of the EU population has been affected by water supply problems.

Spain is one of the European countries most affected by the problem. After







three years of low rainfall and high temperatures, the national weather service declared a 'long-term drought' earlier this year.

In addition to factors related to climate change, there are also factors that relate to the management of the resource, the ageing of distribution plants, water losses that can reach almost 50% compared to the input, a lack of awareness in the use of the resource by users.

Terranova with its Smart Metering and Smart Grid products stands alongside water utilities in their digitisation process. A process that can make a big contribution to tackling the water emergency. The current scenario that Terranova is working in represents an opportunity to seize as, according to research by 'The European House Ambrosetti', if all homes were equipped with smart meters, savings of up to 2.4 billion Euro per year could be made and water demand could be reduced by 513.3 million m<sup>3</sup> (approximately 10% of annual civil water consumption).

Terranova's project is to provide a software product for smart metering agnostic to the protocols and technologies entering the market. In this regard, Terranova identified as a very promising communication technology, one that utilises low-power wide area network (LPWAN) technologies for the Internet of Things (IoT): LoRAWAN.

This open standard has been implemented by more than 170 major mobile network operators globally, with connectivity available worldwide. The LoRa Alliance, a global association of companies supporting the open LoRaWAN standard, has more than 500 member companies, including major players such as Alibaba, Google Cloud and Cisco.

In summary, LoRaWAN is experiencing considerable growth, being able to meet more needs and collect more data from more devices, with the largest number of networks worldwide, even in historically underserved areas. In many countries, the development of smart water metering is mainly supported by this technology, which, due to its characteristics, is well suited to the management of water smart meters.

In this area, and with particular focus on the Spanish market, Terranova

entered into a partnership with Netmore in 2023.

Netmore is a leading communications company specialising in LoRaWAN technology that has been working on plans to implement LoRaWAN networks on a large scale in France, Spain, Poland and the Netherlands, UK, and with the recent acquisition of Senec Inc, has announced expansion into North America.

As of 2023, it also joined the Board of Directors of the LoRa Alliance.

The focus of the project with Netmore was to realise a complete integration between the Terranova smart metering platform (TAMM) and their Network Server LoRa, in order to ensure maximum efficiency of all processes involved in the telemetering and telemanagement of smart meters, starting from their master census to the collection of the measurement. Therefore, three communication flows between TAMM and the NS LoRa Netmore were set up and managed: measurement flow, remote management flow, and registry flow.

The measurement flow was implemented using the MQTT protocol and allows the NS LoRa Netmore to receive all the data that the smart meter sends, in this flow the owner of the data is the NS LoRa and TAMM takes care of receiving the data, deciphering it, interpreting it and normalising it so that it can be used by the distribution company operator, or send it to an external software with an Application 2 Application interface.

The remote management flow was implemented with WebAPI technology,

it allows requests and commands to be forwarded to the smart meters thus enabling remote management.

The registry flow, also realised with WebAPI technology, makes the provisioning process more efficient by managing all devices from a single interface, that of TAMM, and avoiding the need to register them on both TAMM and NS and by guaranteeing a more secure management of communication keys. In this way, TAMM stores the master data and security keys and 'passes' only the information it needs for network management to NS LoRa Netmore. The flow also provides all the functions for creating, modifying, replacing and removing master data.

Also on the topic of smart metering for the Spanish market, the project has included the integration of devices from Conthidra.

Conthidra is a Spanish company created in 1999 for the distribution of high-tech and high-quality water meters in Spain. Its history is rooted in a long tradition of meter manufacturers dating back to 1915. The group also includes Complementos Hidráulicos S.A. (COHISA), which deals with the creation and maintenance of hydraulic networks and is now one of the leading companies in Spain in this sector.

The project, with the collaboration of Conthidra, involved the integration of two water Smart Meter models, one with the fully integrated LoRa radio module and another with an external radio module. The external radio module gives the advantage of being able to turn traditional meters into smart ones, thus allowing the reuse of existing devices in the field.

Smart metering can offer a big advantage in relation to a more sustainable management of the water resource from many points of view. Constant monitoring of water consumption helps raise awareness and encourage the development of good practices also at the private level. Furthermore, the installation of smart meters in a widespread manner within homes would lead to several tangible benefits: a reduction in operating costs, an increase in the frequency of data reading without an increase in polluting factors related to the movement of the meters, an improvement in the processes of maintenance of the water network with the timely detection of leaks, and finally a reduction in the energy resources required for the operation of the infrastructure.

## NETWORK REGULATION BASED ON FLOW RATES, PRESSURES AND AMBIENT TEMPERATURE

“As is well known, methane has 70 times the greenhouse power of CO<sub>2</sub>. This project can be seen as an evolution of the European “Life 13” project and aims to demonstrate the applicability of a new management and control system for regulating pressure levels in natural gas distribution networks. A self-regulating network, in fact, is a network that adapts the operating pressure to its real needs, avoiding unnecessary overpressure, which is closely correlated with the increase in physiological network losses, particularly at the junction points between pipes and valves.”

In the GAS distribution sector, alternating hours of the day, periods of the year and temperature trends change the needs of end users (domestic, commercial and industrial) who alternate periods of higher gas demand with others when demand is lower. Because of this alternation, we have significant variations in pipeline pressures and flow rates.

It would be interesting, after a period of data collection on real environments, to try to predict the behaviour of the network in order to refine its regulation.

The forecasting activity should be based on data obtained from deterministic adjustments, to then proceed to an adjustment that takes into account the real needs of the network, the territorial vocation of the area, and the environmental temperatures.

- a. **Analysis of the collected data:** according to three basic patterns to then search for the combination:
  - *Clustering:* grouping data according to spatial characteristics (presence of industrial, commercial, residential, and mixed areas) so as to be able to predict the operation of the network for each cluster.
  - *Change detection test:* analysing for each cluster obtained the variations (according to the use of the gas resource) described as a trend in the variation of pressures and flow rates according to the variation of ambient temperatures.
  - *Regression:* For each cluster, an attempt is made to predict pressure and flow rate trends on the basis of data acquired from distribution and weather data. The objective is to find a relationship that can link operating pressures and flow rates to climate and temporal (year) trends, in order to obtain a sufficiently detailed curve or set of curves for each climate band (behaviour varying according to temperature, type of area)
- b. **Objective:** automatic regulation of the network according to the nature of the geographic area and ambient temperatures. This would make it possible to implement predictive mechanisms that would allow the network to be managed independently of manual adjustments.

- c. **Advantages:** a self-regulating network always maintains the optimum pressure and flow rate, without the network having any environmentally damaging crisis zones and overpressures.

## INNOVATION IN RETRIEVING READINGS FROM NON-COMMUNICATING SMART METERS

During 2023, Terranova developed and successfully implemented an innovative project in the field of Field Service Management, focusing on the efficient retrieval of non-communicating smart meter readings. This initiative represents an important step forward in optimising the operations of utilities and promoting environmental sustainability.

Our approach involved the use of advanced technologies, including intelligent optimisation algorithms, to overcome the challenges associated with the manual collection of readings on non-communicating meters by technicians. Through a process aimed at identifying critical points and the development of tailor-made solutions, we were able to create an efficient and reliable system for retrieving readings, minimising the time of intervention and maximising the accuracy of reading activities.

The implementation of this solution has brought tangible benefits for Utilities and the environment. Firstly, it optimised the use of resources, reducing the need for manual intervention and the associated operational costs. It also helped improve the quality of the service offered to customers, ensuring the accuracy and reliability of energy consumption readings.

From an environmental point of view, the adoption of this solution made it possible to significantly reduce the environmental impact associated with work in the field, minimising fuel consumption and CO<sub>2</sub> emissions. In addition, it fostered greater overall energy efficiency, contributing to the reduction of the ecological footprint of Utilities' activities.

## TREG - REGULATORY REPORTING

The project aims to make all regulatory reporting available to distribution companies.

The project makes it possible to exploit new technologies in order to guarantee high performance in the processing of extractions and extreme reliability in data management; it also aims to introduce dedicated tools and specific KPI monitoring tools for the data in terms of data collection recording obligations, which make it possible to continuously improve the internal processes of the Distributors.

The main innovative elements of the project are:

**Cloud:** cloud services offer maximum reliability in the safekeeping of data by making them safely accessible at all times. These aspects, in addition to the continuous availability of the data themselves, make the cloud particularly suitable for the management of regulatory reporting information used, for official communications to the Authority or other bodies belonging to the electricity, gas or water service distribution chain. Moreover, thanks to the computational possibilities offered by the cloud, it is possible to achieve the best performance in processing data and making them available.

**Web:** The portability of the WebBased solution makes it possible to meet the data access needs of all company resources, whether in a managerial or operational role. In fact, WebBrowser and MobileApp, which exploit the same back-end WebAPIs, offer high reliability as well as complete coverage in terms of usability of the information displayed within a single product experience.

## THE DIGITALISATION PROJECT OF THE INTEGRATED WATER SERVICE

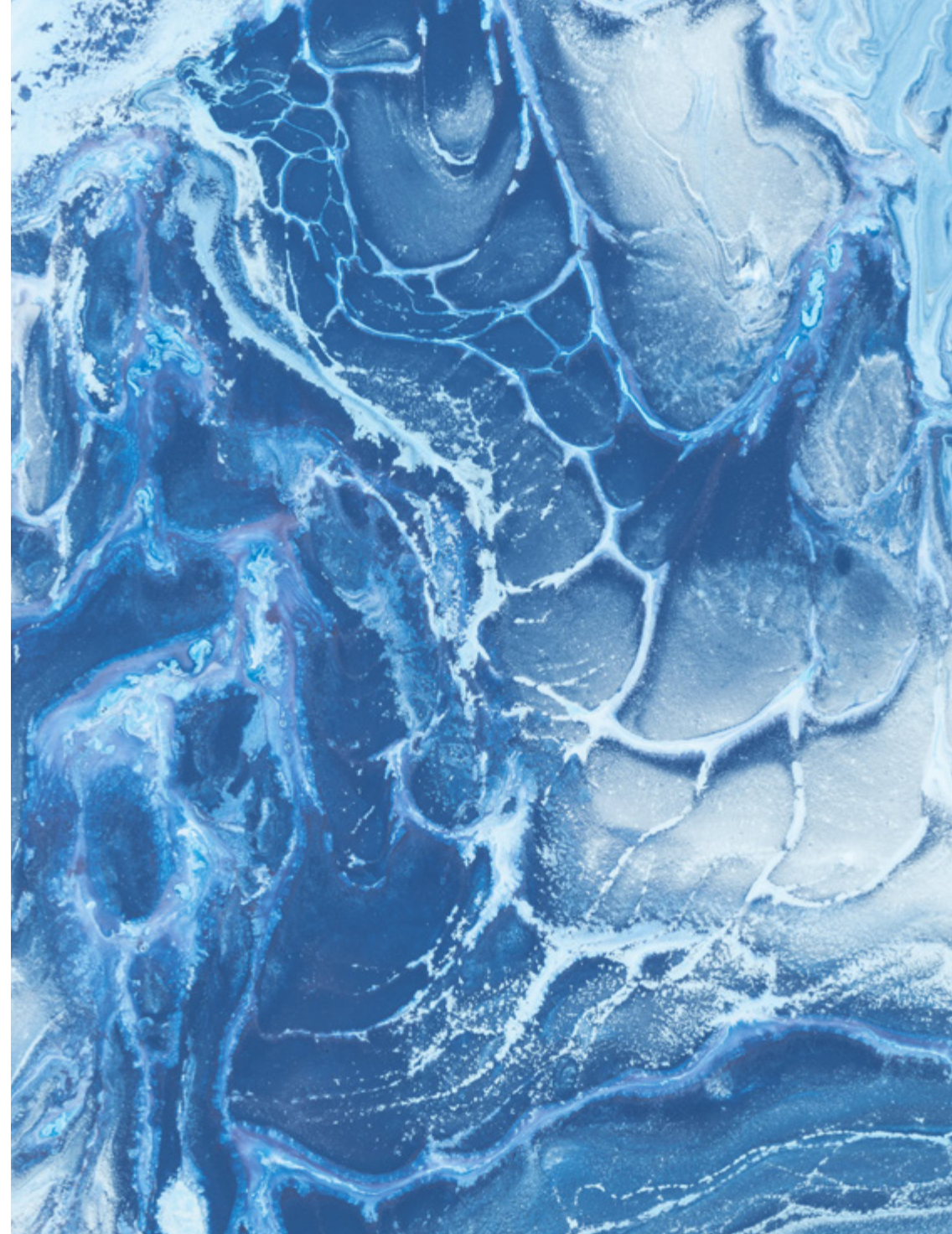
Terranova's software solutions dedicated to the Integrated Water Service exploit the most advanced artificial intelligence technologies and models for a sustainable management of water resources, but also to achieve the objectives of environmental sustainability. Our solutions support the operator in enabling a complete digital transformation and high automation of all processes.

This means being able to almost completely eliminate the use of paper, a significantly positive impact on the environment.

Through innovation and digitisation, moreover, the end customer becomes an active player in achieving common sustainability goals: the operator can offer multi-channel contact channels and, thus, improve the customer experience, an aspect that becomes fundamental in the creation of a relationship of trust and that can lead the customer to collaborate towards these objectives.

But how do digital channels improve the customer experience? When the customer, through these channels, comes into contact with the operator, he/she leaves 'traces' that can be collected, processed and transformed into data. The analysis of these data provides an in-depth insight into the customer and his/her needs and, therefore, to manage it in a timely manner and according to his/her requirements.

Through Terranova's solutions, the operator can also offer the customer an online portal through which one can carry out paperwork independently without space or time limitations and without having to go to a physical counter. This translates into a reduction in kilometres and, therefore, in CO<sub>2</sub> emissions.





## EVENT SPONSORSHIP

Terranova was also constantly present at industry events during 2023 and actively participated in events on the topic of smart cities, including abroad, in particular:

- WWT Smart Water Conference
- Smart Water System
- Smart Water Summit
- Enlit 2023

### In Italy, Terranova participated as a sponsor in:

- A.R.T.E
- Aquality
- Smart City Hub Palermo
- Waste Management Europe
- RPA & Intelligent Automation
- SaiHub
- Ecoforum
- Accadueo
- Ecomondo
- Utility Day

### In addition, Terranova organised the events:

- H2O Utilities Forum
- Green Transition
- Energy&Utilities Forum

As an exemplary case related to sustainability we can mention, by way of example, the sponsorship of the Ecomondo event, for the Waste and Water pavilions. For our participation in this event, we paid the utmost attention to the choice of environmentally sustainable and low-impact materials, to setting up the spaces, selecting gadgets, and providing promotional materials in digital form.

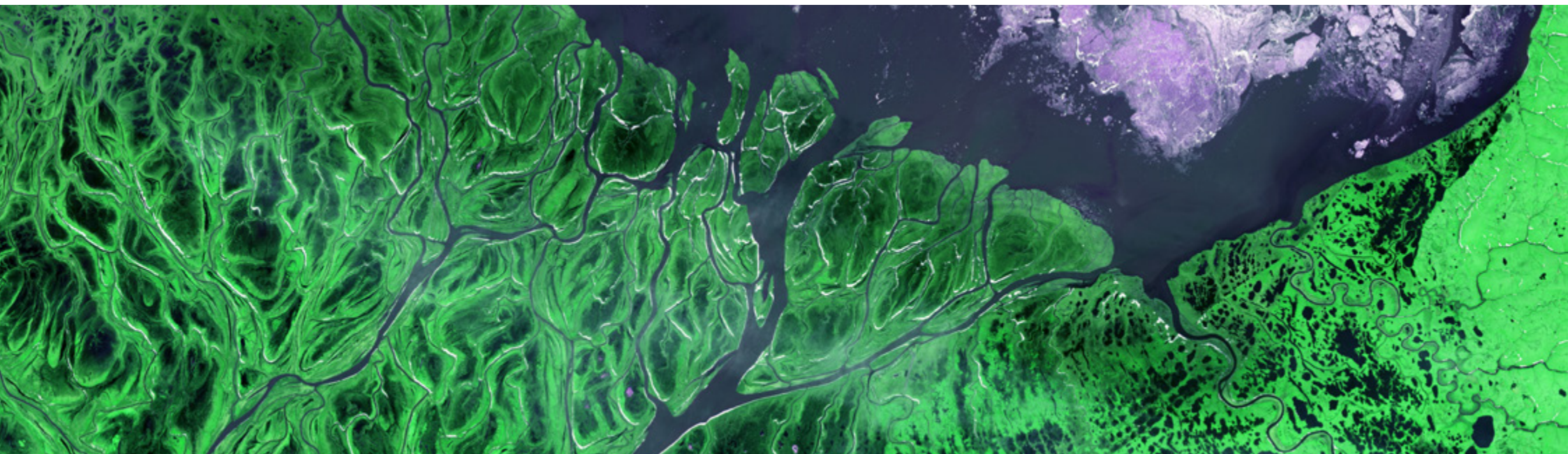
## PROJECTS FOR THE PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES

### PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES

Target	KPI	2023	2022	2021	2020
Smart City projects	Objectives already described in the Smart City section				
Zeroing emissions	CO <sub>2</sub> emission impact monitoring	210.060 Kg	148,726.35 Kg	58,290.33 Kg	43,496.78 Kg
	Introduction of full electric company car fleet (by 2030)	5.83% of the company fleet	6.1% of the company fleet	10% of the company fleet	10% of the company fleet
Purchase of renewable energy	Purchasing 100 % certified renewable energy for all sites	100%	100%	46%	46%
Green Travel Policy	Implementation of the Green Travel Policy by 2021	Green Travel Policy in place from 13/09/2021	Green Travel Policy in place from 13/09/2021	Introduction of Green Travel Policy from 13/09/2021	Declaration of intent for 2020 non-monitorable
	Monitoring CO <sub>2</sub> impacts on business travel	It was not possible to assess the data	CO <sub>2</sub> emitted 148.72635 t Average CO <sub>2</sub> emission value per trip (ANNUAL KPI): 45.48 Kg	CO <sub>2</sub> emitted 58290.3255 t: Average CO <sub>2</sub> emission value per business trip (KPI): 106.18	Declaration of intent for 2020 non-monitorable
Indirect mobility	Monitoring saved emissions by launching Remote Working	It was not possible to value the data	It was not possible to value the data	171 t	159 t
Locally-produced fruit project	Guaranteeing the purchase of locally-produced fruit	Fully operational from 1/1/2023	Agreements signed for scheduled restart from 1 January 2023	Suspended in 2021 due to the pandemic	Suspended in 2020 due to the pandemic

## PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES

Target	KPI	2023	2022	2021	2020
Offsetting activity - Treedom Project	Total monitoring of trees planted with Treedom (at least 500 trees per year)	1819 trees	1319 trees	819 trees	319 trees
	Offsetting CO <sub>2</sub> emitted through Treedom	404 tonnes CO <sub>2</sub> offset	266 tonnes CO <sub>2</sub> offset	154 tonnes CO <sub>2</sub> offset	58 tonnes CO <sub>2</sub> offset
Application in all company sites of the 3Rs principle. Reduce, Reuse and Recycle	Monitoring among employees and “lunch kits” delivered	100%	100%	100%	100%
“Plastic free”	Eliminating plastic in all sites and ensuring the purchase of elements made of alternative, sustainable materials	Declaration of intent - Non-monitorable	Declaration of intent - Non-monitorable	Declaration of intent - Non-monitorable	Declaration of intent - Non-monitorable







## REDUCING CO<sub>2</sub> EMISSIONS

For details link to the table: [“Promotion of Environmental Awareness Supported by Innovative Technologies” p.63](#)

Terranova confirms its intention to make its own contribution to the global effort of all Countries in view of reducing CO<sub>2</sub> emissions, specifically drawing inspiration from the goals that the European Union has set for itself to reduce CO<sub>2</sub> emissions by 55% compared to 1990 levels by 2030, making a long-term effort to improve the target of reference so that it can be a “net zero” undertaking.

To assess the impact on the environment, therefore, we estimated the kilometres made and the CO<sub>2</sub> emissions attributable to the vehicles used, so that we can act to reduce them, suggesting alternative vehicles and solutions. To do this, we used the following calculation sources:

### Calculation sources for air travel:


- km travelled: [World Airport Codes](#)
- CO<sub>2</sub> emissions: [Casaclima](#)

### Calculation sources for rail travel:

- km travelled: [Trenitalia](#), [Italo](#), [Trenord](#)
- CO<sub>2</sub> emissions: [Ecopassenger](#)

## TRAVEL BY CAR (FRINGE AND POOL):

Effective calculation based on KM and consumption as per the vehicle's registration document



	2023		2022		2021		2020		2019	
	Km travelled	CO <sub>2</sub> emissions	Km travelled	CO <sub>2</sub> emissions	Km travelled	CO <sub>2</sub> emissions	Km travelled	CO <sub>2</sub> emissions	Km travelled	CO <sub>2</sub> emissions
<b>Fringe benefit cars</b>	862,616.44	104,731.06 Kg	616,511.20	75,303.50 Kg	171,877.90	27,747.57 Kg	189,139	27,560.42 Kg	466,202	61,923.69 Kg
<b>Pool cars</b>	140,509.12	9,812.32 Kg	127,406 km	11,240.90 Kg	50,555	6,684.02 Kg	44,106	6,167.4 Kg	171,810	20,529.54 Kg
<b>Air travel</b>	340,798.10	30,512.80 Kg	255,707.55	25,184.60 Kg	140,392	12,524 Kg	86,981	8,370 Kg	460,310	134,250 Kg
<b>Rail travel</b>	125,040.23	7,001.70 Kg	117,054.45	6,414.50 Kg	47,845	1,941.74 Kg	29,503	1,398.96 Kg	227,414	9,913.44 Kg
<b>Overnight stays in hotels</b>	n.a.	32,542.00 Kg	n.a.	28,873.09 Kg	n.a.	9,393 Kg	n.a.	n.a.	n.a.	n.a.



Over time, the company also plans to replace the car fleet, which will allow a progressive reduction of the environmental impact in terms of CO<sub>2</sub> emissions.

In the course of 2023, we increased our pooled car fleet with an additional full-electric car, for a total of 5 cars that have travelled a total of 36,160 km.

**In brief:**

- Pool cars: 41.67 % full electric; 58.33 % diesel
- Fringe benefit cars: 2.33% Hybrid; 96.51% Diesel %; 1.16% Full electric

In addition, fuel purchases are made exclusively with DKV CARD CLIMATE the world's first climate-neutral fuel card, which allows us to offset 100% of the remaining CO<sub>2</sub> right away. Offsetting is monthly on each invoice with certification. The measuring instrument at the basis of the compensation is the petrol/diesel litres purchased for the car. This lets us, in the event of remaining tanks, to also offset a percentage of fuel that will then be used for personal travel.

During 2023, we emitted 210.06 tonnes of CO<sub>2</sub> emissions fully offset with Myclimate with the Gold Standard project portfolio.



# Urkunde Confirmation

**Klimaschutz  
Climate protection**

The climate protection organisation myclimate and DKV confirm:

## TERRANOVA SRL

has made a sustainable contribution to voluntary climate protection by offsetting the following quantity of CO<sub>2</sub> in high quality myclimate carbon offset projects.

Quantity CO<sub>2</sub>e :

**210.06 (t)**

Climate offset project:

### Gold Standard project portfolio

**CO<sub>2</sub> offset of transportation  
in 2023**

Reutlingen, Jan 1, 2024

Stefan Baumeister  
Managing Director

myclimate Deutschland gGmbH – is registered under German Law as a non-profit, tax exempt foundation that promotes climate protection.

CO<sub>2</sub>e = CO<sub>2</sub> equivalent: The CO<sub>2</sub> equivalent indicates how much a fixed amount of a greenhouse gas, e.g. CO<sub>2</sub>, methane or nitrous oxide, contributes to the greenhouse effect. The unit of comparison is CO<sub>2</sub>.

Another important Terranova objective, other than the reduction of CO<sub>2</sub> emissions, is to provide at all its sites electricity 100% of which originates from renewable sources rather than fossil sources, as a fundamental basic principle for preventing emissions into the environment.

As of April 2022, all our locations are powered by certified, 100% renewable energy thanks to the partnership with our customer Duferco.

### Efficiency enhancement of heating systems in all sites

During 2023, Terranova continued the action of making heating systems more efficient, again with a view to reducing CO<sub>2</sub> emissions, which resulted in a saving of 78,742 Kw, a 13% reduction in consumption compared to 2022. In return for an economic investment by the company the following actions were taken and the following results pursued:



**Mestre site:** Post-installation monitoring of chronothermostats on each fancoil with temperature and time slot regulation. Locking of adjustment controls by password to prevent “unauthorised” operations; temperature regulation in air exchange. - 15.277 Kw

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**Verona site:** Total shutdown of machines powering some office areas not in daily use, such as the Events Auditorium and some meeting rooms). Merging connected zones on the same heating unit in order to optimise consumption. Set-point limitation settable as per standard 19°C +/- 2°C. Adjusting air exchange temperatures where activation is required, switching off where not required. -60.729 Kw

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**Sesto Fiorentino site:** Clock thermostats on each fancoil during installation. Locking of adjustment controls by password to prevent “unauthorised” operations. Set-point limitation settable as per standard 19°C +/- 2°C.

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**Grosseto site:** Monitoring and installation of clock thermostats with programming clock for each refrigeration unit with remotely controllable programmed shutdown. Installation of a management system for each fancoil, manageable locally and remotely via APP. - 2.736 Kw

In addition, the temperature on each seat is set at 21°C, as per Decree of the President of the (It.) Republic 74/2013 and updated in the national gas consumption containment plan.

## GREEN TRAVEL POLICY

For details link to the table: [“Promotion of Environmental Awareness Supported by Innovative Technologies” p.63](#)

The Green Travel Policy, which came into force on 13/09/2021, is a true “communication” document that not only contains the guidelines and objectives of the Travel Policy, but also provides business travellers with indicators and knowledge on practices that offer a lower environmental impact and encourages the use of alternatives, as well as sustainable options for business travel. After implementing the Green Travel Policy, we focused on selecting suppliers to partner with in order to make corporate travel more sustainable, prioritizing eco-friendly hotels, green transportation options, and other sustainable practices.

We have also created actual guidelines in the area of organisation, entering into targeted agreements, choosing hotels according to their ecological footprint.

We have implemented communication campaigns towards employees, analysing travel and encouraging, where possible, sustainable means of transport (train, public transport, etc.).

In 2021 we entered into a strategic partnership with BizAway, the first platform to automate the direct offset of carbon dioxide emissions. The perfect symbiosis of technology and travel agency, Bizaway offers an all-in-one platform developed to simplify every aspect of business travel. Through our collaboration with Bizaway, we have the possibility of receiving detailed travel reporting, as well as certified documents that will enable us to partially or fully offset the CO<sub>2</sub> emissions produced by business trips (travel, overnight stays, travel by public or company transport, etc.)

- Travel risk management
- Free training on the platform
- 24-hour coaching and support

Thanks to the cooperation with Bizaway in 2023, we made 990 service bookings.





## INDIRECT MOBILITY AND PROJECT EVO

[For details link to table “Environmental awareness supported by innovative technologies” p.63](#)

To promote lower emissions, Terranova invested in new high-performing technologies, and provided incentives for the use of video conference and online meeting systems, so as to significantly reduce the use of cars or public transport.

In addition, thanks to the implementation of the EVO project, the Company decided to implement an agile work plan, which became fully operational in the course of 2022: the project will involve organising the working week partly in presence and partly remotely.

## PURCHASE OF LOCALLY-PRODUCED FRUIT

In order to reduce the environmental impact, Terranova launched in 2019 an initiative for the purchase of in-season, locally-produced fruit as a replacement for snacks and light meals, thus making more sustainable purchases.

## PROJECT TREEDOM: OFFSETTING CO<sub>2</sub> CONSUMPTION, PROTECTING BIODIVERSITY

[For details link to table “Environmental awareness supported by innovative technologies” p.63](#)

In 2019, Terranova partnered with Treedom to make a meaningful gesture by gifting each employee a tree, resulting in the creation of the [Terranova Forest](#). Initially located in Sicily, the forest consists of 319 trees, including orange trees, holm oaks, cork oaks, ginger plants, and more.

Looking ahead, Terranova has reaffirmed its commitment to Treedom by pledging to plant 500 trees annually for the next five years.

By the end of 2023, the Terranova Forest had expanded to 1,819 trees across the globe, offsetting 404 tons of CO<sub>2</sub>.



## APPLICATION IN ALL COMPANY SITES OF THE 3RS PRINCIPLE. REDUCE, REUSE AND RECYCLE

Driven by a strong belief in these principles and a commitment to promoting environmental awareness, Terranova, as part of its “Plastic Free” initiative, provided all employees and collaborators with a sustainable lunch kit, consisting of a lunch box, cutlery, a cup and a water bottle, to fully eliminate the use of plastic plates and cutlery in the lunch areas. Moreover, all sites have eliminated plastic cups and plastic coffee stirrers.

Single-use plastic is one of the major culprits of plastic pollution. Even if a completely plastic-free life can be difficult to sustain on a daily basis and cannot be adopted by everyone, we can certainly aim to reduce the use of plastic in order to become more sustainable.

This is why, with its initiatives, Terranova sought to draw inspiration from certain fundamental principles:

- The use of water bottles makes it possible to eliminate single-use plastic bottles: as mentioned above, this is why Terranova has provided all its employees with an aluminium water bottle.
- Use of recyclable materials: to anyway provide glasses and coffee stirrers, Terranova decided to purchase products made from 100% recyclable materials.
- Establishment of print stations that allow document previews for accuracy checks, with the option to cancel the print if errors are found or if initiated by mistake.
- Creation of eco-friendly zones by removing individual waste bins from under desks and centralizing waste management.
- Installation of water dispensers at all locations (except Matera), offering hot, cold, and sparkling water directly from the network, eliminating 90% of the previous devices that relied on plastic water bottles.



# SOCIAL TOPICS



## TERRANOVA AND PEOPLE

People at Terranova are placed at the centre of every process, they are the heart of the company, they are the focal element for designing and innovating products and guaranteeing quality service. A high level of know-how is the basis on which Terranova builds its ability to generate value for its customers.

The company is constantly engaged in the search and selection of talent, effective induction processes, continuous training and development activities. A highly structured selection process allows the company to identify high-value profiles, and then a series of introductory training and feedback activities enable their efficient placement. Training is one of the pillars on which Terranova bases its strategy of evolution and expansion, and to this end an Academy has been created with structured curricular training courses for each corporate role, tailored to the individual person and aimed at increasing role skills and wellbeing skills geared towards improving quality of life. To nurture people's growth, Terranova has also implemented a performance appraisal process aimed at assessing each employee's performance, level of responsibility and achievement of the objectives required by the role. The purpose of the process, in addition to constant feedback, is to enable everyone, equally, to develop their journey and gain recognition for their merits through growth in the role.





## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL

*The actions identified by Terranova will significantly contribute to the SDGs: 3, 4, 5, 8*

Promote the professional development of personnel respecting their attitudes and aspirations, encouraging the search for personal balance between private life and work, implementing actions that promote the total well-being of the people who work at Terranova. Invest in training courses and initiatives with the aim of growing abilities and skills and enhancing welfare and personal well-being. Also put in place “employ retention” policies that can create a workplace environment that empowers the various professional and individual profiles at all levels of the organisation and that attracts the best and brightest.

## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL

Target	KPI	2023	2022	2021	2020
<b>Selection and onboarding</b>	Conduct structured selection interviews - target of 100% coverage	478 (100%)	463 (100%)	385 (100%)	229 (100%)
	Test the interviewees - target of 100% coverage	426 (89%)	400 (86%)	327 (85%)	190 (83%)
	Fill in Evaluation sheets for selection - 100% coverage	478 (100%)	463 (100%)	385 (100%)	229 (100%)
	Increase of onboarding assessment time by 10% (by 2023)	212 hours	99 hours	111 hours	84 hours
	Increase of time for "Onboarding assessment" at candidate qualification by 30% (by 2023)	32 hours	21 hours	36 hours	15 hours
	Increase work-related learning projects by 25% (by 2025)	4 ongoing projects	2 ongoing projects	2 ongoing projects	3 ongoing projects
	50% increase in curricular and non-curricular internships for high school and university students (by 2023)	17 established internships	10 established internships	6 existing projects	1
<b>Training</b>	Increase Curriculum training content per role from 60% to 100% by 2023	90%	90%	80%	not yet introduced
	Monitoring the number of courses established on CV training	100%	100%	100%	not yet introduced
	Number of people who participated in CV courses training - Target: to increase participation to 90% of the population at 25% of the courses	100%	100%	100%	not yet introduced
	Activation of at least 4 hours per person of "Graphene" courses	average 5 hours per participant (256 participants)	average of 4 hours per participant (238 participants)	average of 4 hours per participant (70 participants)	average 6 hours per participant (458 participants)
	Monitoring of total hours of Graphene courses delivered	1319	958	280	2780
	Increase the "physical health" value in the Listen survey by 5% (by 2025)	69%	survey not yet carried out	survey not yet carried out	survey not yet carried out
	Guarantee 25% of training hours in specialised training courses for high-potential employees	3	3	3	not yet introduced
	Confirmation and continuation of advanced training pathways (Masters and MBA) intended for middle management in service of the executive career plan, involving at least 2 persons per year in these pathways	2	2	1	2
	Increase coaching and team coaching courses by 8 hours/year per top manager	15 hours per manager	37.5 hours per manager	4 hours	4 hours
	Increase of 12 hours of coaching and team coaching by 2023	931 total hours	1725 total hours	not made	declaration of intent non-monitorable

<b>Development and assessment</b>	Confirm the performance appraisal model with four-monthly evaluation	100%	100%	100%	100%
	Have at least 90% of the evaluation forms completed with the comments of the subject of the evaluation	90%	90%	90%	90%
	Devote at least 4 hours per year to returning information to the subject of the evaluation	1567.5	1459.5 (1.5 h per person)	1163 (h 1.5 a persona)	1092 (1.5 h per person)
	Monitor and implement a project plan for all new hires, with the establishment of a professional development plan over a three-year horizon.	98%	98%	97%	non ancora introdotti
<b>Staff organisation</b>	Increase the value indicating the work/life balance by 10%	62%	survey not yet carried out	survey not yet carried out	survey not yet carried out
	Guarantee that the Listen Survey is used to assess the needs of the Graphene Project every 24 months.	survey carried out in 2023	survey not yet carried out	survey not yet carried out	survey not yet carried out

[view topic details](#)



## EMPLOYMENT AND PERSONNEL DATA

(GRI 401; 401-1: 405-1)

In terms of employment, Terranova has 338 resources at the end of 2023, compared to 44 new recruits, with a turnover of 9%. The company has shown interest in new graduates and university graduates placed on training work experience contracts (apprenticeships).

	2023	2022	2021	2020
<b>Total Employees (no.)</b>	<b>338</b>	<b>316</b>	<b>261</b>	<b>244</b>
<b>of which women (no.)</b>	86	78	64	56
<b>Average workforce (no.)</b>	323	295	252	238
<b>Average age of employees (years)</b>	38.74	37	38	38
<b>Average length of service (years)</b>	4.76	4.45	5	4
<b>Employees by classification</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Executives (no.)</b>	5	5	3	2
<b>Middle managers (no.)</b>	18	10	10	10
<b>Employees (no.) (including apprentices)</b>	316	301	248	232

<b>Employees by type of contract</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Permanent contract (no.)</b>	335	314	260	243
<b>of which women (no.)</b>	84	77	64	56
<b>Apprenticeship or insertion contract (no.)</b>	30	26	27	27
<b>Temporary contract (no.)</b>	3	2	1	1
<b>Full-time contract (no.)</b>	325	309	256	237
<b>of which women (no.)</b>	75	72	60	50
<b>Part-time contract (no.)</b>	13	7	5	7
<b>of which women (no.)</b>	11	6	4	6
<b>Employees by geographical area</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>North (no.)</b>	127	120	80	76
<b>Central (no.)</b>	205	193	181	168
<b>South and Sicily (no.)</b>	6	3	0	0
<b>Abroad (no.)</b>	0	0	0	0

Employees by gender	2023	2022	2021	2020
Men (no.)	252	238	197	188
Women (no.)	86	78	64	56
Onboarding and Offboarding	2023	2022	2021	01/01/2020-31/12/2020
total	327	298	253	238
Market hires (no.)	44	31	40	25
of which university graduates (no.)	23	14	26	17
of which high school graduates (no.)	21	17	14	8
of which women (no.)	11	11	14	5
of which men (no.)	33	20	26	20
Hiring rate (%) (*)	16%	15%	16%	11%
Hiring rate <30 years(%) (**)	48%	54%	53%	48%
Hiring rate between 30 and 49 years (%) (**)	52%	42%	45%	40%
Hiring rate >50 years (%) (**)	0%	4%	3%	12%
Percentage of university graduates employed (%)	54%	54%	65%	68%
Offboarding during the year (no.)	28	25	21	18

<b>Offboarding rate (turnover negative) (%)</b>	9%	8%	8%	8%
<b>Voluntary offboarding rate (%)</b>	8%	8%	8%	8%
<b>Positive turnover (%)</b>	16%	15%	16%	11%
<b>Overall turnover (%)</b>	24%	23%	24%	18%

(\*) Hiring rate = (market hires/average workforce\*100)

(\*\*) Hiring rate by age group = (market entries in the age group/total number of employees in the corresponding age group at 31/12\*100).



**OCCUPATIONAL HEALTH AND SAFETY** (GRI 403-1; 403-2; 403-3; 403-7; 403-8; 403-9)

DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL					
Target	KPI	2023	2022	2021	2020
Corporate Benefits	Guarantee Active Bonus in the amount of EUR 1200 for all employees	338 employees all with active bonus	302 employees all with active bonus	260 dipendenti tutti con bonus attivo	243 dipendenti tutti con bonus attivo
	Increase the number of employees who opted for the conversion of the performance bonus to benefits	133	98	79	73
Graphene Project	Maintain at least 4 hours/person for the Graphene course	average 5 hours per participant (256 participants)	4 hours average per person (238 participants)	4 hours average per person (70 participants)	average 6 hours per person (458 participants)
	Conduct courses for personal mental-physical well-being: Training hours delivered of the Graphene course	1,319	958	280	2,780
	Data analysis of psycho-physical well-being and relationship and stress management from the Listen survey	ongoing analysis	survey not yet carried out	survey not yet carried out	survey not yet carried out
Listen Project	Ensure the Listen survey is conducted every two years	confirmed	confirmed	confirmed	confirmed

During the year 2023, the company duly carried out the procedures required by current legislation on health and safety in the workplace and arranged for new employees to undergo the training courses required by the state-regions agreement, which were carried out using e-learning.

All employees working for the company underwent the required medical examination at the occupational medicine doctors.

The company's external Prevention and Protection Service Manager carried out inspections at the sites of Sesto Fiorentino, Grosseto, Rome, Verona, Milan, Mestre and Matera both to verify continuous compliance with current regulations and to discuss issues related to safety and hygiene on site with employees.



## THE CORPORATE WELL-BEING OF TERRANOVA

(GRI 403-9)

Infortuni sul lavoro	2023	2022	2021	2020	2018/2019
Number of accidents at work	1	2	2	0	2
Number of hours worked	553,073	501,503	447,670	0	376,310
Rate (x 200,000)	0.36161592	0.79760241	0.89351531	0	1.06295342
Rate (x 1,000,000)	1.80807958	3.98801204	4.46757656	0	5.31476708

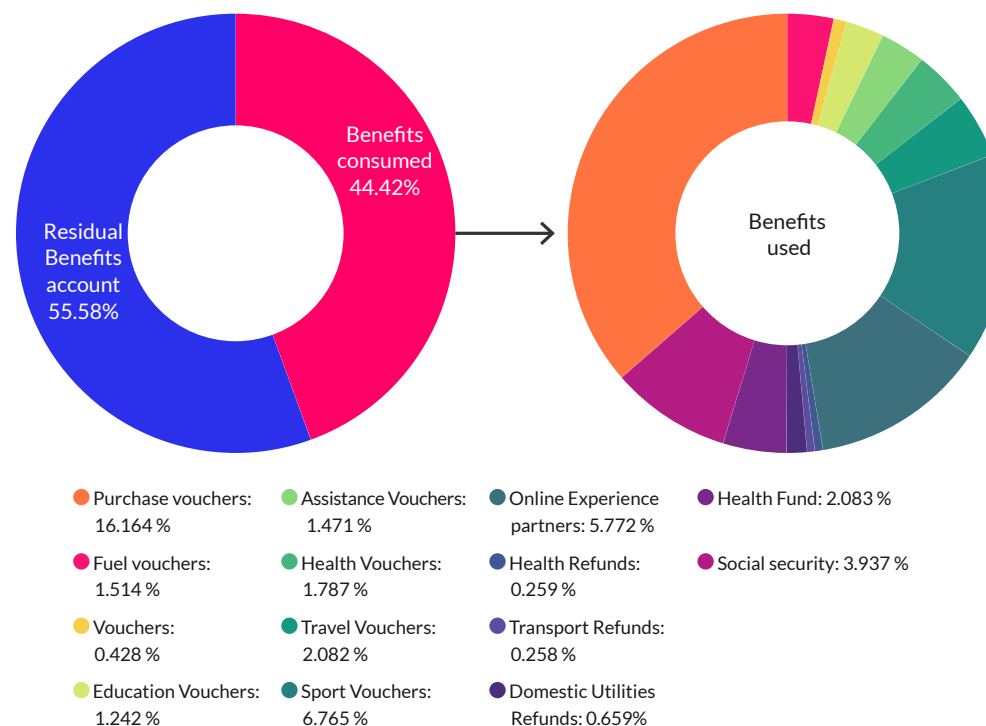
In 2023, the utilisation of the bonus was as follows:

## THE CORPORATE WELL-BEING OF TERRANOVA

The Corporate **Benefit system** is the set of benefits and services that the company provides with the aim of improving the quality of life and the well-being of its employees and their families. Terranova allocates a significant amount to each employee that can also be increased through the allocation of a portion of each employee's personal bonus, each employee composes his or her own package of services that best reflects his or her needs and those of his or her family members, **minimising the tax impact**.

Benefits have been included in a platform that manages flexible benefits, agreeing on facilities in the **area where the company and its employees operate and live**, and usable through the **web platform** that allows the worker to compose his or her own basket of services while remaining within the maximum limits set by the regulations to benefit from the relief.

### Report Plan 2023



## PROJECTS FOR THE PROTECTION OF WORKER HEALTH

(GRI 403-6)

Terranova launched the **Graphene Project** in 2018, a training course addressed to all employees with the aim of providing tools to increase the level of personal well-being by improving one's mental-physical condition and the enhancement of the concept of self-care.

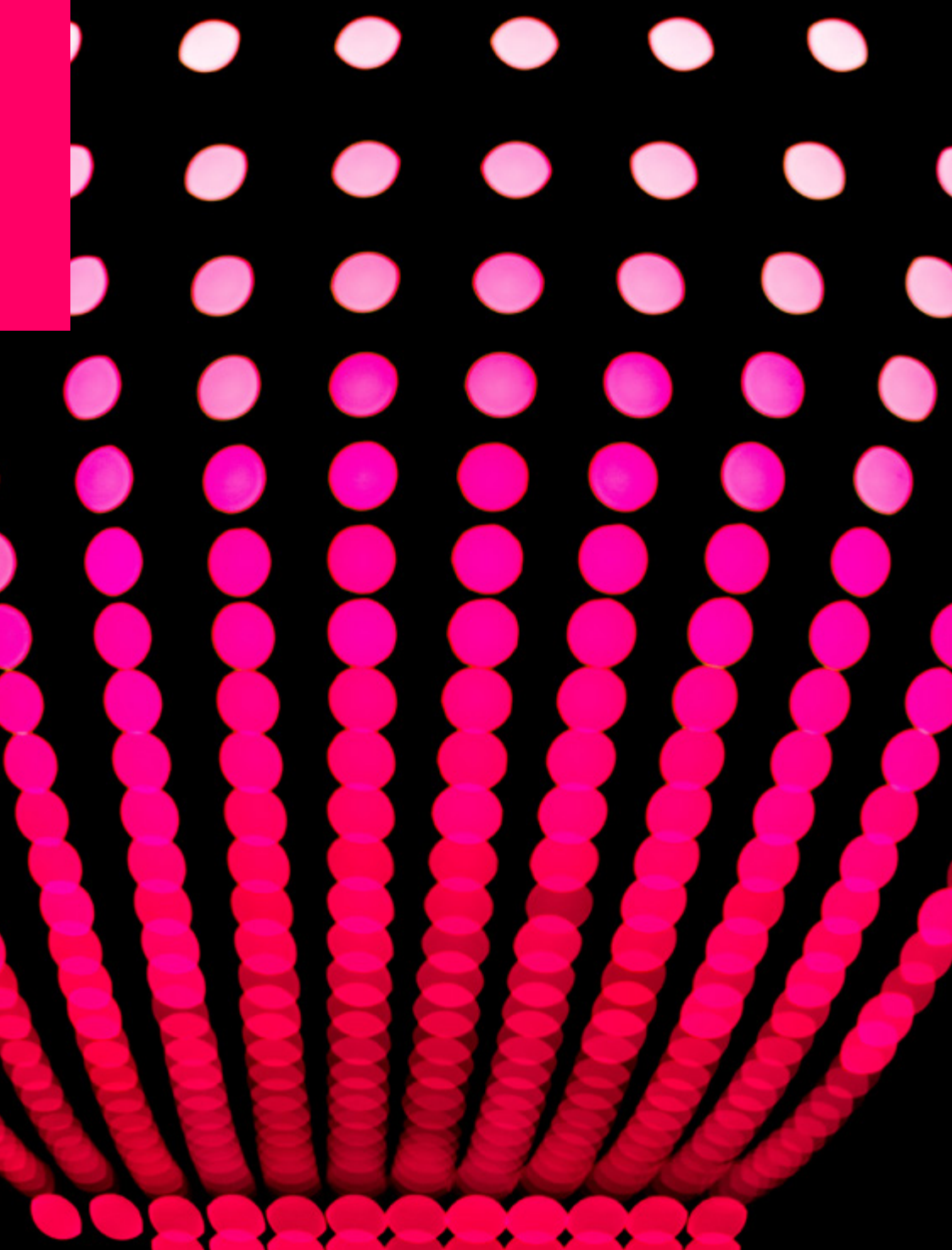
Graphene is geared towards increasing people's well-being, which translates into improved quality of life, enhanced productivity and individual and team performance.

## SELECTION AND ONBOARDING

[view the Development and Protection of Human Capital Table](#)

In the past year, in line with past years, Terranova recorded an average increase in the recruitment rate due to its growth. In 2023 more than 470 interviews were conducted, resulting in the placement of 44 resources. To enable the effectiveness and efficiency of recruitment, a selection model was created using structured techniques, on which all middle management was trained in cooperation with the HR department. The implemented process not only allows the inclusion of a significant number of resources but also high quality of the recruited personnel. The method involves a structured interview (CBI) to assess the candidates' soft skills and administering a series of tests to evaluate their hard skills. After recruitment, in order to improve the integration process of new recruits, an induction process was implemented, which consists of three activities, called: ITT, onboarding assessment and qualification.





ITT (Introduction Training Terranova) is an onboarding that provides two days of continuous training for the new employee aimed at presenting an overview of the company. The topics covered are: structure, culture and corporate identity and an overview of the activities of the production groups, service and staff. The objective of ITT is to enable the resource to acquire all the information necessary to best fit into the reality of the company.

The onboarding assessment is an evaluation activity that is carried out shortly before the expiry of the probationary period to check the status of the resource. It consists of 4 steps: a form drawn up by the manager providing an assessment of the performance levels achieved, a battery of tests aimed at verifying the progression of the resource's learning, and an interview by the HR department with the aim of obtaining feedback from the new recruit on the induction period. In the fourth and final step, the results of the assessment are returned.

Qualification is an additional evaluation process conducted at the end of apprenticeship contracts to determine whether to offer the apprentice a permanent position. This assessment uses interviews, tests, and tutor evaluations to make the decision.

## TRAINING AND EDUCATION

(GRI 404-1; 404-3)

[view the Development and Protection of Human Capital Table](#)

We strongly believe that **training** is an indispensable tool **for the development and consolidation of professional skills**, which is why we have set up an internal Academy. The aim is to create specific training courses for each role and tailored to the individual person. The training curricula are developed with the aim of training people in three areas: hard skills, soft skills and digital skills. Depending on the complexity of the role, the courses will have a schedule that allows the development of even the most structured skills. In each academic year, all employees are required to participate in their training programmes. To foster the transfer of corporate know-how, part of the Academy's trainers are internal employees who have significant seniority in the skills transferred during the course. Such CV structuring allows not only to acquire and consolidate professional skills but also to transfer the company's technical and cultural heritage to incoming and future generations.



Training	2023	2022	2021	2020	07-2019/12-2019	2018/2019
<b>Total Training hours (n)</b>	15,416	16,253	8,624	7,695	1,544	6,840
<b>Participation (no.)</b>	1,996	1,758	1,253	986	207	1,017
<b>Average training hours per employee (no.)</b>	47	55	36	32	7	31
<b>Training hours Executives (no.)</b>	179	216	46	12	41	164
<b>Training hours Middle managers (no.)</b>	796	456	47	170	55	168
<b>Training hours White-collar workers (no.)</b>	14,441	15,581	8,523	7,519	1,448	6,484
<b>Average training hours for men (no.)</b>	49	52	35	34	7	32
<b>Average training hours for women (no.)</b>	42	52	30	26	5	27
<b>Average training hours for executives (no.)</b>	35	43	15	4	14	55
<b>Average training hours for middle managers (no.)</b>	42	46	8	24	8	24
<b>Average training hours for white-collar workers (no.)</b>	48	53	33	33	7	31
<b>Training hours for health, safety and environment (no.)</b>	902	1,451	586	294	172	903
<b>Participation for health, safety and environment (no.)</b>	165	208	156	101	34	144



There are also specific extracurricular courses for highgrowth potential resources, which can be divided into two areas:

1. Specialisation courses for high potential - In order to invest in the young people who can become the managers of the future, specialisation courses have been designed to enhance technical aptitudes, motivation and loyalty to the company.
2. High-education managerial pathways for executive potential – It has been decided to invest in middle management with high performance levels through enrolment in master's and MBA programmes that provide the structural competences to potentially fill executive roles in the future.

Since 2018, a specific coaching course has been introduced for top management, still in force, aimed at enhancing the skills recognised as strategic in the Terranova manager model. The team coaching and individual coaching projects are an ongoing tool of management training.

## **PROFESSIONAL GROWTH**

(GRI 404-3)

[view the Development and Protection of Human Capital Table](#)

The professional growth of resources is one of the pillars of the HR culture of Terranova, and a fundamental tool for ensuring that the adopted performance appraisal model is equal for all. Every four months each resource receives structured feedback on the level achieved in the hard and soft skills of the role, in the performance result that the individual reward is linked to. Increased evaluation values enable each resource to advance to higher roles and effectively pursue their career path. This tool, which has been implemented for more than five years, allows an average of sixty role changes per year. The aim is to maintain this efficient evaluation model and to include in the evaluation form new items related to corporate identity and values.



<b>IN DETAIL:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>01-2020/6-2020</b>	<b>07-2019/12-2019</b>
Men (%) periodically evaluated for performance and professional development	74%	74%	77%	78%	78%	78%
Women (%) periodically evaluated for performance and professional development	26%	26%	23%	22%	22%	22%
Executives (%) periodically evaluated for performance and professional development	1%	1%	1%	1%	1%	1%
Middle managers (%) periodically evaluated for performance and professional development	5%	3%	3%	3%	3%	3%
White-collar workers (%) periodically evaluated for performance and professional development	94%	96%	96%	96%	96%	96%
Employees periodically evaluated for performance and professional development	100%	100%	100%	100%	ND	100%
Evaluation forms completed with the comments of the subject of the evaluation (no.)	90%	90%	90%	ND	ND	ND
Time spent on feedback (h.) 1.5H per person	1,568	1,460	1,163	ND	ND	ND
Number of project sheets for recruits after 12 months(%)	98%	98%	97%	ND	ND	ND

## WORK ORGANISATION

In order to improve the quality relationship between private and work life, it was decided to introduce a remote working model, operating on a permanent basis, with alternating in person and online hours for all Terranova employees. The project, called EVO, envisages that on days when people work remotely, they are present during certain predefined time slots with the possibility of carrying out the remaining working hours of the day freely according to their needs. The aim of the project is to enable people to have greater flexibility in managing the work-life balance, through the remote phase, and on the other hand to maintain a good level of individual and team productivity thanks to being in the office. The project planned and structured in 2020 was supposed to start with a pilot phase in the course of 2021, but due to the escalation of the health emergency the start was postponed to the second quarter of 2022. The Project became fully operational in the third quarter of 2022.

Terranova, with the aim of actively listening to the people who experience the company on a daily basis and to understand what actions can be taken to improve organisational and personal wellbeing, decided to introduce an internal climate survey every two years. The survey, named Listen, aims to gather insights on how employees at Terranova perceive organizational and personal well-being. The survey also provides very interesting data on the level of energy available to the company, the level of trust and the approach to change that characterises its people. Listen is an established survey model that will be maintained and developed during this five-year period as well.



## DIVERSITY AND EQUAL OPPORTUNITIES (GRI 405; 405-1)

DIVERSITY AND EQUAL OPPORTUNITIES					
Target	KPI	2023	2022	2021	2020
Support a project within of the activities conducted by Dynamo Camp	Securing funding for a project	Dynamo Photolab project funded	Dynamo Studios project funded	Dynamo Studios project funded	Dynamo Studios project funded
Support LIFC activities Tuscany	Funding of a scholarship for activities on Cystic Fibrosis at Meyer Children's Hospital	ENRICH project	An annual scholarship funded	An annual scholarship funded	An annual scholarship funded
Encouraging volunteering activities	Encouraging volunteering activities	funded for internal promotion campaign and knowledge of the initiatives that we support	Analysis of ongoing opportunities	Company activity postponed due to organisational difficulties following the Covid-19 pandemic	Company activity postponed due to organisational difficulties following the Covid-19 pandemic
Family bonuses	Guaranteeing all family bonuses for the next 5 years	confirmed	confirmed	confirmed	confirmed
Marriage bonus	Number of marriage bonuses disbursed	8	3	3	3
Birth bonus	Number of childbirth bonuses disbursed	12	13	8	13
High school diploma bonus with grade of 90 out of 100	Number of child high school diploma bonuses disbursed	1	-	none	-
University diploma bonus with grade greater than or equal to 110 out of 110	Number of child university diploma bonuses disbursed	1	1	none	-
Referral bonus	Establish at least one referral bonus annually	12	1	4	Referral bonus not yet active
Evo Project	Number of employees participating in the project	276	293	278	EVO project not yet active

## 405-1 - VALUE REPORTED IN INDICATOR 401-1

Our company has always been competence-based, and is constantly committed to ensuring that each employee feels valued for their specificities and aptitudes, and is consistently evaluated regardless of age, gender, ethnicity, social background or other.

Our commitment to diversity, inclusion, and equal opportunities is a core value that benefits our people, our customers, and our business. It allows us to attract and retain skills and distinctive professionalism, while fostering the development of creativity and the efficiency of our entire workforce. Inclusion takes the form of respect for and appreciation of differences. We strive to ensure equal opportunities for all those who work and collaborate with our Group. Respect for diversity is intrinsic to our organisation, to the management of people, to our collaboration with our suppliers and partners and to our relations with customers and, more generally, to our relations with all our stakeholders.

## PHOTOLAB PROJECT WITH DYNAMO CAMP

“Dynamo is a place where all children learn what it is to live” this is the slogan of Dynamo, with this in mind Fondazione Dynamo founded, in 2006, Associazione Dynamo Camp Onlus offering Recreational Therapy programmes aimed at children and young people, aged 6 to 17, suffering from serious or chronic diseases, mainly oncohaematologic, neurologic and diabetes in therapy or in the post-hospitalisation period and their families. Dynamo Camp offers these children the opportunity to go back to being “simply children” and their families the opportunity to enjoy a peaceful holiday and forge relationships with other families who share the same experiences. Recognizing that a diagnosis affects not just the child but the whole family, programs have been created to support both families with sick children and their healthy siblings. Thanks to the experience with Dynamo Camp, the parents regain hope and experience an opportunity for relationships, support and exchanges with other families who have had similar experiences. Dynamo Camp brings Recreational Therapy also outside the Camp through the OUTREACH project, in hospitals, foster homes and on board the Dynamo Off Camp truck in several Italian cities. All of the Association’s programmes





are offered completely free of charge. Fondazione Dynamo was established in 2003 by INTEK S.p.A., a holding company listed on the Milan Stock Exchange. Its objective is to develop a 'Venture Philanthropy' model that will create new forms and opportunities to connect the 'for-profit' and 'non-profit' sectors, which are still distant but interdependent, proposing an alternative to public funding. According to this model, the 'for-profit world' could offer financing and technical-managerial support to initiatives capable of becoming new social enterprises, capable of operating according to criteria of efficiency, autonomy and sustainability over time.

In light of this, Terranova has continued its support for Dynamo's projects. After backing the Dynamo Studios project for three years—which helped with photography, video, and short film creation—a new project was chosen for 2023: Dynamo PhotoLab, based on numerous requests from the camp's young people.

Dynamo PhotoLab is a photography workshop for teens aged 14 to 17 from the Soli camper sessions who attend without their parents. With help from experienced photographers and Dynamo staff, the kids choose their subjects, take photos, and develop their images, letting their creativity and emotions shine through the camera.

## PROJECT WITH LIFC TOSCANA

Leg Italiana Fibrosi Cistica Onlus (LIFC) has been working for more than 30 years to support the more than 5,000 cystic fibrosis (CF) patients and their families, pursuing exclusively social, civil and cultural solidarity aims in the field of social and health care and scientific research. LIFC is an association of patients and parents, now active throughout the country thanks to the 21 Regional Associations which, together with their members, make up the association structure. In addition to patients and family members all those who share its aims and objectives are LIFC members. The voice of the members and the nation is the National Assembly, the top body, characterised by the participation of the delegates of the regional associations. All members of the Board and Presidency are volunteers and for activities on the ground (campaigns and events) LIFC makes use of the volunteer network of the Regional Associations.

Cystic Fibrosis is a disease for which there is still no conclusive cure; therefore, the association works continuously at regional level to improve the quality of life of patients and families, providing them with more social protection and better care, and also supporting research programmes for early diagnosis, treatment and rehabilitation.

Their mission is:

- Representing and protecting the legal, moral and economic interests of patients and families;
- Encouraging the school, work and social integration of patients;
- Disseminating correct information in relation to the disease and the diagnostic and therapeutic possibilities;
- Promoting moments of aggregation by offering support, advice and training to territorial structures in their activities at local level;
- Supporting scientific research;
- Raising and deploying funds in projects aimed at improving the quality of life and care of patients, LIFC Toscana was founded in 1985 to listen and give voice to the needs of families and patients suffering from cystic fibrosis, with the aim of being a reference point for all of them, for health and social workers and for all those who are actively involved in its mission.



LIFC Toscana addresses all aspects of cystic fibrosis through a comprehensive approach that safeguards the rights of those affected and provides a wide range of support activities. It offers direct assistance to improve the quality of life and treatment for individuals while continually promoting and funding scientific research.

As a regional association, LIFC Toscana coordinates initiatives and manages volunteers at the regional level. From the moment of diagnosis, it supports patients and their families with social practices and moral support, ensuring a holistic approach to care.

“Our real strength is people and their willingness to come together and support each other with a light touch that makes everything easier.” This encapsulates the mission of LIFC Toscana.

Cystic fibrosis is unfortunately a chronic disease affecting the lungs and digestive system, with no current cure and discouraging statistics: in Italy, one in 250 people is a healthy carrier, and one in 2,500 is affected, with an average life expectancy of 40 years. This underscores the importance of research, and LIFC Toscana is dedicated to advancing scientific and clinical research daily to improve living conditions and therapies, striving for a definitive cure.

In this spirit, Terranova chose to fund the Foundation’s projects in memory of Gianluca Masi, a beloved employee who passed away prematurely due to illness. Specifically, funding was provided for the European ‘ENRICH PROJECT’, which aims to study the effects of a new pharmacological therapy to slow the progression of the disease through the purchase of advanced equipment. Additionally, equipment for daily use was purchased for centers in Florence, Livorno, and Grosseto that specialize in supporting patients.





## IL SOLE FOUNDATION

“Enhancing the quality of life for individuals with mental, intellectual, relational, and multiple disabilities who need support” was the heartfelt mission set out when the Il Sole non-profit foundation was established.

Although the foundation is a private non-profit organization, it actively takes on the role of a public institution. It works diligently to promote the full social integration of people with disabilities and is also deeply committed to advancing societal and cultural causes. This includes championing civil rights, advocating for social justice, and addressing prejudices against individuals with disabilities.

The “Alla luce del sole” (In the Light of the Sun) project, which our company supports, is dedicated to enhancing the socio-educational and integration efforts of the Foundation throughout the year. This initiative includes a day center where activities are designed to be dynamic and engaging, focusing on fostering social skills, curiosity, creativity, learning, and physical activity. Each year, the Foundation offers a diverse array of workshops and activities, which are continually updated and expanded. Among these offerings are:

- Linguistics, literature and text comprehension workshops
- Cooking and pastry workshop
- Theatre and music courses
- Yoga Course
- Agility Dog
- Home autonomy workshops







## IN FRIGO VERITAS

In Frigo Veritas is a work inclusion project designed for children and young adults with autism spectrum disorder. The organization's mission is to create job opportunities through workshops focused on producing and selling souvenirs, such as magnets, mugs, and pins. These workshops include work placements and apprenticeships, aimed at training and eventually employing young people.

When we were introduced to In Frigo Veritas in 2022, we were immediately impressed by their mission and decided to partner with them. Since then, they have become our go-to for producing most of our promotional items.

In appreciation of this partnership, the team at In Frigo Veritas invited us to a plaque ceremony in 2022, where our CEO, Alessandro Vistoli, proudly accepted the honor.

In 2023, we commissioned In Frigo Veritas to produce the following items:

- 661 bottle openers
- 770 magnets
- 442 pins
- 115 mugs
- 400 coffee cups



## TERRNOVA FAMILY BONUSES

Other initiatives for equal opportunities include the “Terranova Family Bonuses,” which are financial bonuses dedicated to supporting families:

- € 150 bonus for each employee getting married
- € 150 bonus for the birth of every child
- € 300 bonus when the child of an employee graduates from high school with a grade of over 90 out of 100
- € 500 bonus when the child of an employee graduates from University with a grade of 110 out of 110 or higher

In its commitment to promoting gender equality, Terranova introduced a “Parenting Bonus” in 2022. This bonus ensures that employees on mandatory maternity leave receive 100% of their salary, rather than the 80% required by law. In 2023, a total of 12 parenting bonuses were awarded.

## CUSTOMER HEALTH AND SAFETY

(GRI 416)

Terranova is fully committed to the prevention and management of risks in all work environments, involving and sensitising all personnel to active and responsible cooperation.

The supervision of workplace safety management has been assigned to HSO, who constantly updates the Risk Assessment Document, DVR, sets standards and measures them through continuous inspections.

## NON-COMPLIANCE DETECTION

For all aspects of the social issues analysed and assessed, there were no ‘non-conformities’ throughout the entire reporting period:

- Customer health and safety
- Marketing and labelling
- Customer privacy
- Socioeconomic compliance

## SOCIOECONOMIC COMPLIANCE

(GRI 419; GRI 419-1)

Legislative Decree No. 231 regulating the administrative liability of legal persons ratifies a number of international acts drawn up on the basis of Article K.3 of the Treaty on European Union. In the founding rationale of the decree, the collective entity is regarded as the actual instigator, executor or beneficiary of the criminal conduct materially committed by the natural person within it. Essentially, it is claimed that the legal entity has a will, pursues interests that differ from those of natural persons and pursues an activity of its own, with the conclusion that it must be held accountable for the conduct of its departments and, therefore, susceptible to sanctions appropriate to its nature. As a result of subsequent regulatory measures, the list of offences was therefore expanded, so as to redefine the economic space towards a new policy, that of business ethics and legality in the global market. Again, there are no cases of non-compliance with regulations and self-regulatory codes



**ESG  
SUMMARY**

## SMART CITY AND INNOVATION



Ensuring investment in research and development with an annual increase of at least 10%

21.44%

2023 ✓

23%

2022 ✓

20.46%

2021 ✓

20.38% \*\*

\*\* figure normalised for Financial Statement adjustment

2020 ✓



Establish a strategic partnership (one every year)



4 partnerships

2023 ✓



2 partnerships

2022 ✓



1 partnership

2021 ✓



1 partnership

2020 ✓



Carry out at least two sponsorship events (each year)



14

events

2023 ✓



9

events

2022 ✓



4

events

2021 ✓



3

events

2020 ✓



Activation of at least 3 new customers (each year)



60

new customers

2023 ✓



22

new customers

2022 ✓



14

new customers

2021 ✓



11

new customers

2020 ✓

## PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES



CO<sub>2</sub> emission impact monitoring

210,060 kg

2023 ✓

148,726.35 Kg

2022 ✓

58,290.33 Kg

2021 ✓

43,496.78 Kg

2020 ✓



Introduction of full electric company car fleet (by 2030)

5.83%

of the company fleet

2023 ✓

6.1%

of the company fleet

2022 ✓

10%

of the company fleet

2021 ⌘

10%

of the company fleet

2020 ⌘



Purchasing 100 % certified renewable energy for all sites

100%

2023 ✓

100%

2022 ✓

46%

2021 ⌘

46%

2020 ⌘



Implementation of the Green Travel Policy by 2021



Green Travel Policy in place

2023 ✓



Green Travel Policy in place

2022 ✓



Introduction of Green Travel Policy from 13/09/2021

2021 ✓



Declaration of intent for 2020 non-monitorable

2020



## PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES



**Monitoring CO<sub>2</sub> impacts on business travel**

It was not possible to value the data

2023 ⌘

CO<sub>2</sub> emitted  
148.72635 t

Average CO<sub>2</sub> emission value per business trip (annual KPI): 45.48 Kg

2022 ✓

CO<sub>2</sub> emitted  
58290.3255 t

Average CO<sub>2</sub> emission value per business trip (KPI): 106.18

2021 ✓



Declaration of intent for 2020 non-monitorable

2020



**Monitoring saved emissions by launching Remote Working**

It was not possible to value the data

2023 ⌘

It was not possible to value the data

2022 ⌘

171 t

2021 ✓

159 t

2020 ✓



**Guaranteeing the purchase of locally-produced fruit**

Fully operational from 1/1/2023

2023 ✓

Agreements to resume the project from January 2023 signed during the year

2022 ✓

Suspended in 2021 due to the pandemic

2021 ⌘

Suspended in 2020 due to the pandemic

2020 ⌘



**Total tree monitoring planted with treedom (at least 500 trees per year)**



1819 trees

2023 ✓



1319 trees

2022 ✓



819 trees

2021 ✓



319 trees

2020 ⌘



## PROMOTION OF ENVIRONMENTAL AWARENESS SUPPORTED BY INNOVATIVE TECHNOLOGIES



Offsetting CO<sub>2</sub> emitted through Treedom



404 tonnes of CO<sub>2</sub> offset

2023 ✓



266 tonnes of CO<sub>2</sub> offset

2022 ✓



154 tonnes of CO<sub>2</sub> offset

2021 ✓



58 tonnes of CO<sub>2</sub> offset

2020 ✓



Monitoring delivery of Lunch Kits to all employees

100%

2023 ✓

100%

2022 ✓

100%

2021 ✓

100%

2020 ✓



Eliminating plastic in all locations and ensuring the purchase of items made of alternative, sustainable materials



Declaration of intent Non-monitorable

2023 ⊗



Declaration of intent Non-monitorable

2022 ⊗



Declaration of intent Non-monitorable

2021 ⊗



Declaration of intent Non-monitorable

2020 ⊗



✓ goal achieved

## ESG SCORECARD - SOCIAL TOPICS

⊗ work in progress

### DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL



Conduct structured selection interviews - target of 100% coverage

483  
(100%)

2023 ✓

463  
(100%)

2022 ✓

385  
(100%)

2021 ✓

229  
(100%)

2020 ✓



Test the interviewees - target of 100% coverage

426  
(89%)

2023 ⊗

400  
(87%)

2022 ⊗

327  
(85%)

2021 ⊗

190  
(83%)

2020 ⊗



Fill in Evaluation sheets for selection - 100% coverage

478  
(100%)

2023 ✓

463  
(100%)

2022 ✓

385  
(100%)

2021 ✓

229  
(100%)

2020 ✓



Increase of onboarding assessment time by 10% by 2023



212 hours

2023 ✓



99 hours

2022 ✓



111 hours

2021 ✓



84 hours

2020 ⊗





## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL



Increase of time for “Onboarding assessment” at candidate qualification by 30% (by 2023)



32 hours

2023 ✓



21 hours

2022 ✓



36 hours

2021 ✓



15 hours

2020 ⊗



Increase work-related learning projects by 25% (by 2025)



4 ongoing projects  
2023 ⊗



2 ongoing projects  
2022 ⊗



2 ongoing projects  
2021 ⊗



3 projects  
2020 ⊗



50% increase in curricular and non-curricular internships for high school and university students (by 2023)



17 established internships

2023 ✓



10 established internships

2022 ✓



6 established internships

2021 ✓



1

2020 ⊗



Increase Curriculum training content per role from 60% to 100% by 2023

90%

2023 ⊗

90%

2022 ⊗

80%

2021 ⊗

Not yet introduced

2020 ⊗



## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL



Monitoring the number of courses established on CV training

100%

2023 ✓

100%

2022 ✓

100%

2021 ✓

Not yet introduced

2020 ⌘



Number of people who have participated in courses on cv training - Target: increased participation at 90% of the population at 25% of the courses

100%

2023 ✓

100%

2022 ✓

100%

2021 ✓

Not yet introduced

2020 ⌘



Activation of at least 4 hours per person of "Graphene" courses



average 5 hours

per participant (256 participants)

2023 ✓



average 4 hours

per participant (238 participants)

2022 ✓



average 4 hours

per participant (70 participants)

2021 ✓



average 6 hours

per participant (458 participants)

2020 ✓



Monitoring of total hours of Graphene courses delivered

1319

2023 ✓

958

2022 ✓

280

2021 ✓

2780

2020 ✓



## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL

	<p>69%</p>	<p>Survey not yet carried out</p>	<p>Survey not yet carried out</p>	
<p>Increase the “physical health” value in the Listen survey by 5% (by 2025)</p>	<p>2023 ✓</p>	<p>2022 ⊗</p>	<p>2021 ⊗</p>	<p>Dichiarazione di intento non monitorabile</p>
				<p>Declaration of intent non-monitorable</p>
<p>Guarantee 25% of training hours in specialised training courses for high-potential employees</p>	<p>2023 ⊗</p>	<p>2022 ⊗</p>	<p>2021 ⊗</p>	<p>2020 ⊗</p>
<p>Confirmation and continuation of advanced training programs (Master’s and MBA) aimed at middle management focused on an executive career plan, involving at least 2 people per year in these programs.</p>	<p>2023 ✓</p>	<p>2022 ✓</p>	<p>2021 ⊗</p>	<p>2020 ✓</p>
<p>Increase coaching and team coaching courses by 8 hours/year per top manager</p>	<p>2023 ✓</p>	<p>2022 ✓</p>	<p>2021 ⊗</p>	<p>2020 ⊗</p>

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL

			Not made	
<b>Increase of 12 hours of coaching and team coaching by 2023</b>	<b>931</b> total hours 2023 ✓	<b>1725</b> total hours 2022 ✓	2021 ⌘	Declaration of intent non-monitorable 2020
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Confirm the performance appraisal model with four-monthly evaluation</b>	2023 ✓	2022 ✓	2021 ✓	2020 ✓
	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Have at least 90% of the evaluation forms completed with the comments of the subject of the evaluation</b>	2023 ✓	2022 ✓	2021 ✓	2020 ✓
<b>Devote at least 4 hours per year to returning information to the subject of the evaluation</b>	<b>1567.5</b> (4.64 h per person) 2023 ✓	<b>1459.5</b> (1.5 h per person) 2022 ⌘	<b>1163</b> (1.5 h per person) 2021 ⌘	<b>1092</b> (1.5 h per person) 2020 ⌘



## DEVELOPMENT AND PROTECTION OF HUMAN CAPITAL



Implement a project plan for all new hires, with the establishment of a professional development plan over a three-year horizon.

98%

2023 ⌘

98%

2022 ⌘

97%

2021 ⌘

Not yet introduced

2020



Increase the value indicating the work/life balance by 10%

62%

2023 ✓

Survey not yet carried out

2022 ⌘

Survey not yet carried out

2021 ⌘

Survey not yet carried out

2020 ⌘



Guarantee that the Listen Survey is used to assess the needs of the Graphene Project every 24 months.

Survey carried out in 2023

2023 ✓

Survey not yet carried out

2022 ⌘

Survey not yet carried out

2021 ⌘

Survey not yet carried out

2020 ⌘



## DIVERSITY AND EQUAL OPPORTUNITIES



Securing funding for a Video Lab project



Project funded  
Dynamo Photolab

2023 ✓



Dynamo Studios  
project funded

2022 ✓



Dynamo Studios  
project funded

2021 ✓



Dynamo Studios  
project funded

2020 ✓



Funding of a scholarship for activities on Cystic Fibrosis at Meyer Children's Hospital

Project funded ENRICH

2023 ✓

An annual scholarship funded

2022 ✓

An annual scholarship funded

2021 ✓

An annual scholarship funded

2020 ✓



Encouraging volunteering activities

Internal promotion campaign and knowledge of the initiatives that we support

2023 ✓

Analysis of ongoing opportunities

2022 ⌘

Company activity postponed due to organisational difficulties following the Covid-19 pandemic

2021 ⌘

Company activity postponed due to organisational difficulties following the Covid-19 pandemic

2020 ⌘



Guaranteeing all family bonuses for the next 5 years

confirmed

2023 ✓

confirmed

2022 ✓

confirmed

2021 ✓

confirmed

2020 ✓



## DIVERSITY AND EQUAL OPPORTUNITIES



Number of marriage bonuses disbursed



8

2023 ✓



3

2022 ✓



3

2021 ✓



3

2020 ✓



Number of childbirth bonuses disbursed



12

2023 ✓



13

2022 ✓



8

2021 ✓



13

2020 ✓



Number of child high school diploma bonuses disbursed



1

2023 ✓

None

2022 ✓

None

2021 ✓

None

2020 ✓



Number of child graduation bonuses disbursed



1

2023 ✓



1

2022 ✓

None

2021 ✓

None

2020 ✓



✓ goal achieved

## ESG SCORECARD - SOCIAL TOPICS

⌘ work in progress

### DIVERSITY AND EQUAL OPPORTUNITIES



Establish at least one referral bonus annually



12  
2023 ✓



1  
2022 ✓



4  
2021 ✓

Referral bonus not yet active

2020 ⌘



Number of employees participating in the project

276  
2023 ✓

293  
2022 ✓

278  
2021 ✓

EVO project not yet active

2020 ⌘

### OCCUPATIONAL HEALTH AND SAFETY



Data analysis of psycho-physical well-being and relationship and stress management from the Listen survey

Ongoing analysis

2023 ⌘

Survey not yet carried out

2022 ⌘

Survey not yet carried out

2021 ⌘

Survey not yet carried out

2020 ⌘



Ensure the Listen survey is conducted every two years.

confirmed  
2023 ✓

confirmed  
2022 ✓

confirmed  
2021 ✓

confirmed  
2020 ✓



## OCCUPATIONAL HEALTH AND SAFETY



**Guarantee Active Bonus in the amount of €1200 for all employees**



**338**  
employees all with active bonus

2023 ✓



**302**  
employees all with active bonus

2022 ✓



**260**  
employees all with active bonus

2021 ✓



**243**  
employees all with active bonus

2020 ✓



**Increase the number of employees who have opted to convert their performance bonus into welfare benefits**



**133**  
2023 ✓



**98**  
2022 ✓



**79**  
2021 ✓



**73**  
2020 ⌘



**Maintain at least 4 hours/person for the Graphene course**



**5 hours average**  
per person (256 participants)

2023 ✓



**4 hours average**  
per person (238 participants)

2022 ✓



**4 hours average**  
per person (70 participants)

2021 ✓



**6 hours average**  
per person (458 participants)

2020 ✓



**Conduct courses for personal mental-physical well-being: Training hours provided by the Graphene course.**

**1319**

2023 ✓

**958**

2022 ✓

**280**

2021 ✓

**2780**

2020 ✓

## ECONOMIC PERFORMANCE AND CREATION OF SUSTAINABLE VALUE



Ensure turnover growth of 10% (each year)

7%

2023 ⌘

9%

2022 ⌘

2%

2021 ⌘

19%\*

2020 ✓

\*data normalised for adjustment to the Financial Statements



Ensure R&D investments of at least 20% of costs (each year)

21,44%

2023 ✓

22%\*

2022 ✓

24%

2021 ✓

22%\*

2020 ✓

\*data normalised for adjustment to the Financial Statements



Ensuring cash generation over 70% of EBITDA

94%

2023 ✓

61%

2022 ⌘

54%

2021 ⌘

99%\*

2020 ✓

\*data normalised for adjustment to the Financial Statements



Introduction of at least two SDG-related KPIs in evaluation sheets by 2022

In progress

2023 ⌘

In progress

2022 ⌘

In progress

2021 ⌘

Declaration of intent for 2020 non-monitorable

2020 ⌘



## INTERNATIONALISATION



**Establish a new supply abroad for sustainable cities (one every year)**



5

Launched projects

2023 ✓



2

Launched projects

2022 ✓



2

Launched projects

2021 ✓



1

Launched projects

2020 ✓



**Establish a new partnership abroad annually (one per year)**



4

Partnerships launched

2023 ✓



1

Partnership launched

2022 ✓



1

Partnership launched

2021 ✓



1

Partnership launched

2020 ✓



**Carry out sponsorships, attendance or workshops at international events to the extent of at least one per year**



Participation in **4 events**

2023 ✓



Participation in **3 events**

2022 ✓



Participation in **2 events**

2021 ✓



Participation in **3 events**

2020 ✓



## TABLE OF MATERIAL ASPECT SCOPE

AREA	MATERIAL TOPIC	GRI/ITEM	INTERNAL	EXTERNAL
A	<b>Software product development and digitisation with a view to Smart City</b>	GRI 302: Energy (indirect impacts)	company	suppliers/customers
A		GRI 303: Water and waste water (indirect impacts)		
A		GRI 306: Water and waste discharges (indirect impacts)		
A		GRI 305: Emissions		
A		Water management		
A		Waste Management		
A		Energy management (energy efficiency)		
A		Water and waste water		
A		Utility digitisation		
S		<b>Development and protection of human capital</b>		
S	GRI 404: Training and education			
S	Work/life balance			
S	Attention to people/ Quality of life/ Employee welfare/ wellness			
S	Remote working and new ways of working			
S	GRI 402: Relationships between workers and management			

AREA	MATERIAL TOPIC	GRI/ITEM	INTERNAL	EXTERNAL
E	<b>Economic performance and creation of sustainable value</b>	201: Economic performance	company	
E	<b>Innovation</b>	Innovation	company	customers
E		Innovation and valuable technology		
E	<b>Internationalisation</b>	202: Market Presence	company	customers
E		Internationalisation		
S	<b>Promotion of Environmental Awareness Supported by Innovative Technologies</b>	Promotion of environmental culture/information/environmental awareness/data to guide behaviour	company	
S	<b>Diversity and equal opportunities</b>	GRI 405: Diversity and equal opportunities	company	
S		GRI 406: Non-discrimination		
S		GRI 412: Evaluation of respect for human rights		
S		Diversity/attention to the role of women		
S	<b>Occupational health and safety</b>	GRI 403: Occupational health and safety	company	suppliers/Customers
S		GRI 410: Safety practices		

AREA	MATERIAL TOPIC	GRI/ITEM	INTERNAL	EXTERNAL
E	Not considered	203: Indirect economic impacts		
S	Not considered	GRI 407: Freedom of association and bargaining		
S	Not considered	Quality and development of services		
S	Not considered	GRI 416: Customer health and safety		
E	Not considered	205: Anti-corruption		
E	Not considered	Management transparency		
A	Not considered	GRI 307: Environmental compliance		
A	Not considered	GRI 308: Environmental assessment of suppliers		
S	Not considered	Relations with regulatory authorities		
E	Not considered	Corporate governance management		
S	Not considered	GRI 419: Socioeconomic compliance		

GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
<b>GRI 2 GENERAL DISCLOSURE</b>			
<b>ORGANISATION PROFILE</b>			
2-1	Name of organisation	<a href="#">Cover</a> ; pag. <a href="#">25</a>	
2-6	Activities, brands and services	pag. <a href="#">25-27</a> ; pag. <a href="#">29</a>	
2-1	Location of headquarters	pag. <a href="#">29</a>	
2-1	Location of activities	pag. <a href="#">29</a>	
2-1	Ownership and legal form	pag. <a href="#">29</a>	
2-6; 2-1	Markets served	pag. <a href="#">29-30</a>	
2-6; 2-7	Dimension of the organisation	pag. <a href="#">29</a>	
2-7; 2-8	Information on employees and other workers	pag. <a href="#">31</a>	
2-6	Supply chain	pag. <a href="#">37-38</a>	
2-6	Significant changes to the organisation and its supply chain	pag. <a href="#">11</a> ; pag. <a href="#">25-27</a>	
2-23	Precautionary principle	pag. <a href="#">31</a>	
2-28	Membership to associations	pag. <a href="#">31</a>	
<b>STRATEGY</b>			
2-22	Statement by a Senior Executive	pag. <a href="#">3-4</a>	
<b>ETHICS AND INTEGRITY</b>			
2-23	Values, principles, standards and rules of conduct	pag. <a href="#">5-7</a>	
2-26	Mechanisms for obtaining suggestions and advice on ethical issues		omissis
2-9	Governance structure	pag. <a href="#">33-39</a>	
2-13	Authority proxies	pag. <a href="#">33-39</a>	

GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
2-13	Executive level responsibility for economic, environmental and social issues	pag. <a href="#">33-39</a>	
2-12	Stakeholder consultation on economic, environmental and social issues	pag. <a href="#">41</a>	
2-9	Composition of the highest governing body and its committees	pag. <a href="#">33-39</a>	
2-11	President of the highest governing body	pag. <a href="#">33-39</a>	
2-10	Appointment and selection of the highest governing body	pag. <a href="#">33-39</a>	
2-15	Conflicts of interest	pag. <a href="#">33-39</a>	
2-12	Role of the highest governing body in setting goals, values and strategies	pag. <a href="#">33-39</a>	
2-17	Collective knowledge of the highest governing body	pag. <a href="#">33-39</a>	
2-18	Performance evaluation of the highest governing body	pag. <a href="#">33-39</a>	
2-12	Identification and management of economic, environmental and social impacts	pag. <a href="#">33-39</a>	
2-12	Effectiveness of risk management processes	pag. <a href="#">33-39</a>	
2-12	Review of economic, environmental and social issues	pag. <a href="#">33-39</a>	
2-14	Role of the highest governing body in sustainability reporting	pag. <a href="#">33-39</a>	
2-16	Communicating critical issues	pag. <a href="#">33-39</a>	
2-16	Nature and total number of criticalities	pag. <a href="#">33-39</a>	
2-19	Remuneration policies	pag. <a href="#">33-39</a>	
2-20	Process for determining remuneration	pag. <a href="#">33-39</a>	
2-20	Stakeholder involvement in remuneration	pag. <a href="#">33-39</a>	
2-21	Annual total remuneration rate	pag. <a href="#">33-39</a>	
2-21	Percentage increase in total wage rate per annum	pag. <a href="#">33-39</a>	



GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
<b>STAKEHOLDER INVOLVEMENT</b>			
<b>2-29</b>	List of stakeholder groups	pag. <a href="#">40</a>	
<b>2-30</b>	Collective bargaining agreements	pag. <a href="#">40</a>	
<b>2-29</b>	Identifying and selecting stakeholders	pag. <a href="#">40</a>	
<b>2-29</b>	Stakeholder involvement mode	pag. <a href="#">40</a>	
<b>REPORTING PRACTICES</b>			
<b>2-2</b>	Persons included in the consolidated financial statements	pag. <a href="#">11</a>	
<b>3-1</b>	Defining report content and topic perimeters	pag. <a href="#">11-13</a>	
<b>3-2</b>	List of the material topics	pag. <a href="#">15</a> ; pag. <a href="#">16-24</a>	
<b>2-4</b>	Review of information	pag. <a href="#">11</a>	
<b>3-2</b>	Changes in reporting	pag. <a href="#">11-13</a>	
<b>2-3</b>	Reporting period	pag. <a href="#">11</a>	
<b>2-3</b>	Reporting frequency	pag. <a href="#">11</a>	
<b>2-3</b>	Contact for enquiries regarding the report	pag. <a href="#">117</a>	
<b>MATERIAL TOPICS</b>			
<b>GRI 3-1</b>	Process for determining material topics	pag. <a href="#">11-13</a>	
<b>GRI 3-2</b>	List of material topics	pag. <a href="#">15</a>	

GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
<b>ECONOMIC TOPICS</b>			
<b>GRI 201 - ECONOMIC PERFORMANCE</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">43</a>	
<b>GRI 201-1</b>	Directly generated and distributed economic value	pag. <a href="#">43-44</a>	
<b>GRI 201-2</b>	Financial implications and other risks and opportunities due to climate change	pag. <a href="#">43-44</a>	
<b>GRI 201-4</b>	Financial assistance received from the government	pag. <a href="#">45-46</a>	
<b>GRI 203 INDIRECT ECONOMIC IMPACTS</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">43</a>	
<b>GRI 203-2</b>	Significant indirect economic impacts	pag. <a href="#">47</a>	
<b>GRI 204 - PROCUREMENT PRACTICES</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">12-13</a> ; pag. <a href="#">43</a>	
<b>GRI 204-1</b>	Proportion of spending on local suppliers	pag. <a href="#">47</a>	
<b>GRI 205 - ANTI-CORRUPTION</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">43</a>	
<b>GRI 205-1</b>	Operations assessed for corruption-related risks	pag. <a href="#">48-50</a>	
<b>GRI 205-2</b>	Communication and training on anti-corruption policies and procedures	pag. <a href="#">48-50</a>	
<b>GRI 205-3</b>	Established incidents of corruption and actions taken	pag. <a href="#">48-50</a>	

GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
<b>ENVIRONMENTAL TOPICS</b>			
<b>GRI 302 - ENERGY</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">54-55</a> ; pag. <a href="#">63-64</a>	
<b>GRI 302-1</b>	Energy consumed within the organisation	pag. <a href="#">54-71</a>	
<b>GRI 302-2</b>	Energy consumed outside the organisation	pag. <a href="#">54-71</a>	
<b>GRI -302-3</b>	Energy intensity	pag. <a href="#">54-71</a>	
<b>GRI 302-4</b>	Reducing energy consumption	pag. <a href="#">54-71</a>	
<b>GRI 302-5</b>	Reducing the energy requirements of products and services	pag. <a href="#">54-71</a>	
<b>GRI 305 - EMISSIONS</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">54-55</a> ; pag. <a href="#">63-64</a>	
<b>GRI 305-1</b>	Direct GHG emissions (Scope 1)	pag. <a href="#">54-71</a>	
<b>GRI 305-2</b>	Indirect GHG emissions from energy consumption (Scope 2)	pag. <a href="#">54-71</a>	
<b>GRI 305-3</b>	Other indirect GHG emissions (Scope 3)	pag. <a href="#">54-71</a>	
<b>GRI 305-4</b>	Intensity of GHG emissions	pag. <a href="#">54-71</a>	
<b>GRI 305-5</b>	Reducing GHG emissions	pag. <a href="#">54-71</a>	
<b>GRI 305-6</b>	Emission of ozone-depleting substances (ODS – ozonedepketing substances)	pag. <a href="#">54-71</a>	
<b>GRI 305-7</b>	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant emissions	pag. <a href="#">54-71</a>	

GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
<b>SOCIAL TOPICS</b>			
<b>GRI 401- OCCUPATION</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">75-76</a>	
<b>GRI 401- 1</b>	New recruitments and turnover	pag. <a href="#">77-80</a>	
<b>GRI 401-2</b>	Benefits provided for full-time employees, but not for part-time or temporary employees		omissis
<b>GRI 402 - RELATIONSHIP BETWEEN WORKERS AND MANAGEMENT</b>			
		NOTE - In 2021 Terranova assumed the social security obligations under the applicable labour contracts. The active funds are for non-executive staff: the category fund Cometa and further private funds are chosen by employees, and PREVINDAI for executives. 29% of employees are members of supplementary pension funds	data not covered
<b>GRI 403- OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">81-82</a>	
<b>GRI 403-1</b>	Occupational health and safety management system	pag. <a href="#">83-84</a>	
<b>GRI 403-2</b>	Hazard identification, risk assessment and accident investigation	pag. <a href="#">83-84</a>	
<b>GRI 403-3</b>	Occupational health services	pag. <a href="#">83-84</a>	
<b>GRI 403-4</b>	Worker participation and consultation and communication on health and safety at work	pag. <a href="#">83-84</a>	
<b>GRI 403-5</b>	Worker training on health and safety at work	pag. <a href="#">83-84</a>	
<b>GRI 403-6</b>	Workers' health promotion	pag. <a href="#">83-84</a>	
<b>GRI 403-7</b>	Prevention and mitigation of occupational health and safety impacts within trade relations	pag. <a href="#">83-84</a>	
<b>GRI 403-8</b>	Workers covered by an occupational health and safety management system	pag. <a href="#">83-84</a>	

GRI STANDARD	DISCLOSURE	REFERENCE DOCUMENT AND PAGE	NOTES/OMISSIS
<b>GRI 403-9</b>	Accidents at work	pag. <a href="#">83-84</a>	
<b>GRI 403-10</b>	Occupational diseases		omissis
<b>GRI 404 - TRAINING AND EDUCATION</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">81-82</a>	
<b>GRI 404-1</b>	Average annual training hours per employee	pag. <a href="#">86-90</a>	
<b>GRI 404-2</b>	Skills upgrading programmes for employees and transition assistance programmes	pag. <a href="#">86-90</a>	
<b>GRI 404-3</b>	Percentage of employees receiving periodic performance and professional development appraisals	pag. <a href="#">86-90</a>	
<b>GRI 405 - DIVERSITY AND EQUAL OPPORTUNITIES</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">91</a>	
<b>GRI 405-1</b>	Diversity in governing bodies and among employees	pag. <a href="#">91-97</a>	
<b>GRI 405-2</b>	Ratio of basic salary and wages of women compared to men		omissis
<b>GRI 416 - CUSTOMER HEALTH AND SAFETY</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">98</a>	
<b>GRI 416-1</b>	Assessment of health and safety impacts for product and service categories	pag. <a href="#">98</a>	
<b>GRI 416-2</b>	Incidents of non-conformity concerning impacts on health and safety of products and services	pag. <a href="#">98</a>	
<b>GRI 419 - SOCIOECONOMIC COMPLIANCE</b>			
<b>GRI 3-3</b>	Management of material topics	pag. <a href="#">11-13</a> ; pag. <a href="#">98</a>	
<b>GRI 419-1</b>	Non-compliance with social and economic laws and regulations	pag. <a href="#">98</a>	

For any information or questions regarding our Sustainability Report contact the Communication & Sustainability Manager [alippi@terranovasoftware.eu](mailto:alippi@terranovasoftware.eu)