



IMPRESA PIZZAROTTI & C. S.p.A.
SUSTAINABILITY REPORT
UPDATED TO DECEMBER 31st, 2020

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1 Methodological note

The Sustainability Report is an annual document that the Pizzarotti Group has decided to publish voluntarily since 2019.

With this document, the Company wants to inform a wide and diversified audience of stakeholders (Shareholders; Employees and collaborators; Clients; Suppliers, partners and trade associations; Local communities; Institutions and regulatory bodies; Environment) and future generations about the choices, activities, results and use of resources in the ESG (Environment, Social and Governance) area.

The Report was prepared in compliance with the GRI Standards, "Core" option, provided for by the GRI Standards (2018) of the Global Reporting Initiative and using the Reporting Principles defined by the "GRI Standards: 101 Foundation".

It was decided to report a set of information by implementing those provided in previous years, with the aim of providing, using the GRI Standards, a **complete picture of its material issues** and related impacts, giving continuity to this tool, both in communication and in the representation of the results, through a concrete and quantitative measurement of the information made available.

The Sustainability Report includes data from the "Impresa Pizzarotti & C. S.p.A." and its consolidated companies integrally, *"to the necessary extension to ensure understanding of the Group's activity, its performance, its results and the impact it produces"*.

The perimeter was defined within the scope of the Group's projects/companies included in the consolidation area identified in the Consolidated Financial Statements for the reporting period, based on the assessment of the significance of each project for the Group's *business* for the purposes of non-financial information.

The information in the report refers to:

- ◆ Projects deemed significant in terms of annual production in which the Group, Impresa Pizzarotti & C. S.p.A. or the companies controlled by it directly or indirectly, exercises substantial management *leadership (leading partner)*;
- ◆ Headquarter in Parma and production plants;
- ◆ Branches deemed significant in terms of size or activities carried.

Therefore, are excluded from the reporting scope those projects in which the Group does not play a *leading partner* role or whose contribution in terms of the Sustainability Report has not been deemed to be significant, the financial companies and real estate promotion companies.

Considered the nature and size of the Group's projects, the representation of the environmental information and the information related to workers' health and safety is aggregated in geographical areas according to the project location and not according to that of the company that manages it, also in order to report the impact of the work in the geographical area in which it occurs.

Downstream of this chapter, the reporting perimeter identified and any excluded works are shown schematically (Figure 1).

The Sustainability Report reports on subjects relating to **personnel management** and **human rights**, occupational **health** and **safety**, the **environment**, the involvement of **local communities**, the management of the **supply chain** and the **fight against corruption** considered significant and material according to a specific and consolidated process, which takes into account the specific activities of the Pizzarotti Group, illustrated below in the document.

In order to standardize the information reporting and facilitate the connection with the contents indicated, for each thematic area, evidence is given of the materiality of the topic with respect to Pizzarotti's activities, the risks connected to it, the policies and commitments and the results obtained and monitored through *ad hoc* indicators, able to represent management results.

The data and information in this Report refer to events that occurred during the reporting period, resulting from the business activities considered relevant based on the materiality analysis.

The reporting process, in line with the provisions of the *Reporting* procedures of the Group Consolidated Financial Statements, provides for the definition of a centrally validated *Reporting Package* and sent to the key users identified in each Pizzarotti Group company for the information collection. The *Packages* are then collected centrally, verified and consolidated by the responsible functions. The data relating to 2018 and 2019 are transcribed and those of 2020 are represented. Furthermore, in relation to the quantitative information reported in this document for which estimates have been made, the relative details are appropriately reported in the various chapters.

Considering that not all construction sites/plants/offices/companies were able to provide data related to energy, water and wastes, specific estimations were made to cover the perimeter described below. These estimations are based on reliable data collected by reporting to the operating unit identified in the hours worked (total hours worked by Group employees and third parties) for each individual construction site/plant/office. Following this, an average of hourly consumption was produced divided by type: infrastructure, building, offices, prefabricated buildings, management/concessions. In this way, with the average obtained, it was possible to estimate a consumption for each entity whose data was not found, comparing it to the hours worked.

For clarification or further information on the report, the Pizzarotti Company has set up an email address to contact: sostenibilita@pizzarotti.it.

1.1 Integrated Management System applicability and sites subjected to certification

Impresa Pizzarotti has decided to apply its Management System, which apply to, among others, the environmental, health, safety and quality management, mandatorily to every company's offices, to all production units and to all companies controlled by the Group.

However, it has been decided, based on specific contexts and agreements with the Partners/shareholders, to allow some controlled companies to apply their own autonomous Management System certified by an accredited third party.

Based on the above, the sites covered by the reporting scope are equal to n° 40, while the sites which apply an Integrated Management System certified are equal to n° 29, it follows that the sites with a ISO 9001, ISO 14001 and ISO 45001 or OHSAS 18001:2017 management system certified by an accredited third party are equal to 73% of the total.

Figure 1 - Environment - Health and Safety perimeter

OFFICES	SECTOR	COMPANY	REGION	INCLUSION	CERTIFIED SITE
Parma Headquarter		Impresa Pizzarotti S.p.A.	Italy	Yes	Yes
Branch Francia		Impresa Pizzarotti S.p.A.	Europe	Yes	Yes
Branch Israel		Impresa Pizzarotti S.p.A.	Asia	Yes	Yes
Branch Kuwait		Impresa Pizzarotti S.p.A.	Asia	Yes	Yes
Branch Peru		Impresa Pizzarotti S.p.A.	America	Yes	Yes
Branch Romania		Impresa Pizzarotti S.p.A. / Pizzarotti SA	Europe	Yes	Yes
Branch Dubai		Pizzarotti SA	Asia	Yes	NO
Bellinzona Offices		Pizzarotti SA	Europe	Yes	Yes
New York Offices		Pizzarotti LLC	America	YES	NO
Moscow Offices		Pizzarotti IE ooo	Europe	YES	NO
PRODUCTION PLANTS	SECTOR	COMPANY	REGION	INCLUSION	
Lucignano Plant (Arezzo)	Prefabricated	Impresa Pizzarotti S.p.A.	Italy	YES	YES
Pontetaro Plant (Parma)	Prefabricated	Impresa Pizzarotti S.p.A.	Italy	YES	YES
Melfi Plant (Potenza)	Prefabricated	Traversud Srl.	Italy	YES	YES
PROJECTS	SECTOR	COMPANY/ CONSORTIUM	COUNTRY	INCLUSION	
CAMEROUN LOGEMENTS 1° PHASE	BUILDING	Impresa Pizzarotti S.p.A.	CAMEROUN	YES	YES
POINT-A-PITRE HOSPITAL GUADALUPA	BUILDING	Impresa Pizzarotti S.p.A.	FRANCE	YES	YES
DOUBLING OF CIRCUMVESUVIANA LINE (WORKS ENDING)	INFRASTRUCTURE		ITALY	YES	YES
TI-BRE 1° L.FONTEVIVO A15-TRECASALI	INFRASTRUCTURE	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
PURIFIER OF NAPOLI NORD (ASSIGNED TO PZ OO.CC.)	INFRASTRUCTURE	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
BELPASSO - MAINTENANCE AND WATER	MANAGEMENT	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
GESAT HOSP. PISTOIA - MAINTENANCE	MANAGEMENT	Impresa Pizzarotti S.p.A.	ITALY	YES	YES

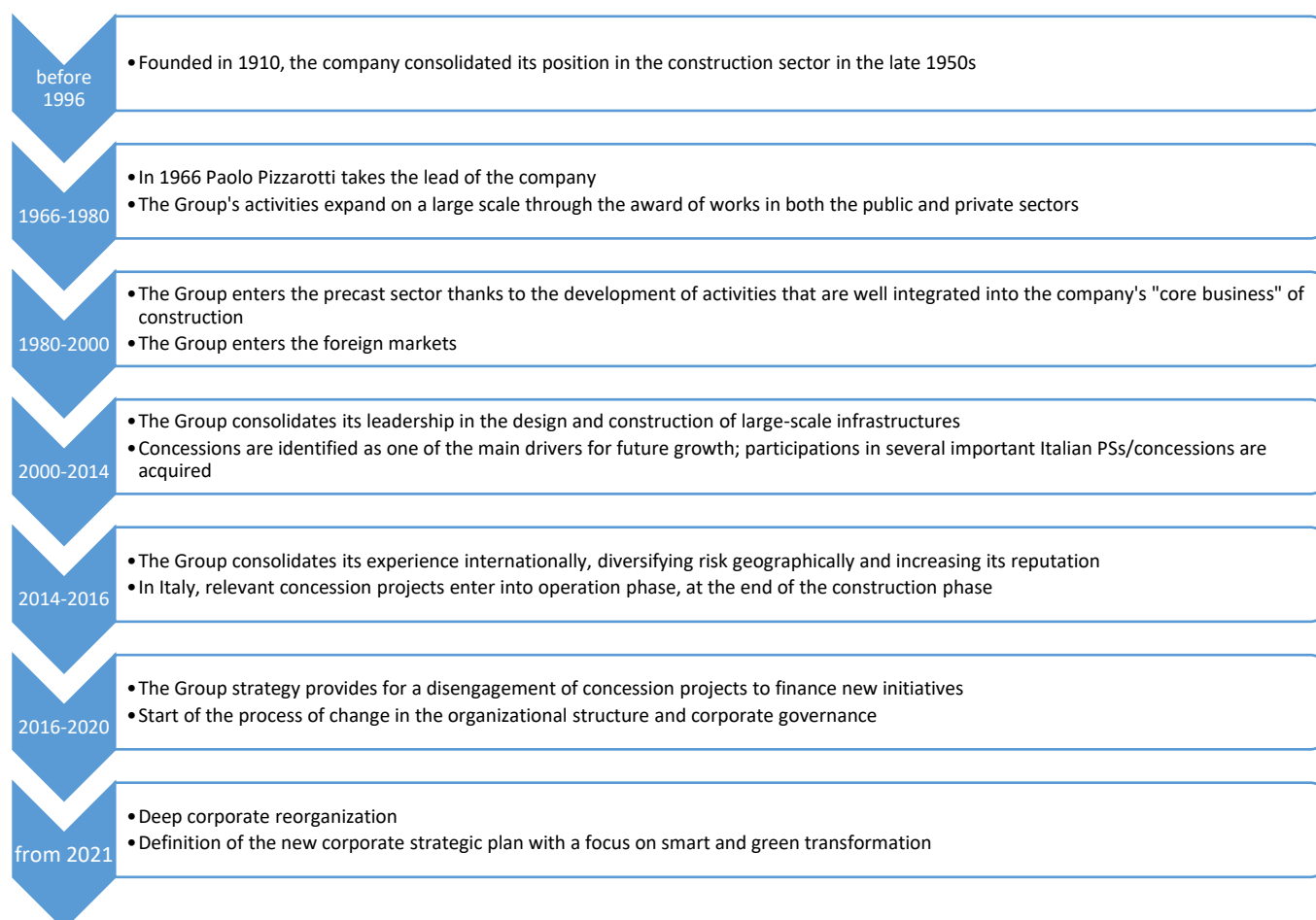
GESAT HOSP. PRATO - MAINTENANCE	MANAGEMENT	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
SPINA DUE	MANAGEMENT	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
VILLA CLARETTA	MANAGEMENT	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
MILANO POLYTECHNIC - MANAGEMENT	MANAGEMENT	Impresa Pizzarotti S.p.A.	ITALY	YES	YES
GIOVI THIRD PASS – LOT CASTAGNOLA	INFRASTRUCTURE	CONSORTIUM TUNNEL GIOVI	ITALY	YES	YES
GIOVI THIRD PASS – LOTTO CRAVASCO	INFRASTRUCTURE	CONSORTIUM TUNNEL GIOVI	ITALY	YES	YES
NA-METRO LINE 6 STAZ.ARCO MIRELLI	INFRASTRUCTURE	ARCO MIRELLI	ITALY	YES	YES
A4 THIRD LINE - PORTOGRUARO - TEGLIO VENETO - FOSSALTA	INFRASTRUCTURE	NEWCO	ITALY	YES	YES
PURIFIER OF CUMA (MANAGEMENT)	MANAGEMENT	CONSORTIUM CUMA	ITALY	YES	NO
PURIFIER OF NAPOLI NORD (MANAGEMENT)	MANAGEMENT	CONSORTIUM NAPOLI NORD	ITALY	YES	NO
AV NA BA SECTION CANCELLO-FRASSO	INFRASTRUCTURE	NEWCO	ITALY	YES	NO
NEW MATERNITY HOSPITAL KUWAIT	BUILDING	Impresa Pizzarotti S.p.A.	KUWAIT	YES	YES
R16 BALTI-FALESTI-SCULENI	INFRASTRUCTURE	Impresa Pizzarotti S.p.A.	MOLDOVA	YES	YES
MONTENEGRO RESORT PORTONOVİ KUMBOR	BUILDING	Impresa Pizzarotti S.p.A.	MONTENEGRO	YES	NO
VINTU DE JOS PZ SPA FIL. ROMANIA	INFRASTRUCTURE	Impresa Pizzarotti S.p.A.	ROMANIA	YES	YES
HIGHWAY SEBES TURDA LOT 1	INFRASTRUCTURE	Impresa Pizzarotti S.p.A.	ROMANIA	YES	YES
KULA TOWER BELGRADE	BUILDING	PARTICIPATION	SERBIA	YES	NO
FURKA TUNNEL 1618	INFRASTRUCTURE	CONSORTIUM NEW	SWITZERLAND	YES	NO
PZ LLC - 14TH STREET (GC)	BUILDING	Impresa Pizzarotti S.p.A.	USA	YES	NO
PZ LLC - AMSTERDAM HOUSES (GC)	BUILDING	Impresa Pizzarotti S.p.A.	USA	YES	NO
PROJECTS / OFFICES	SECTOR	COMPANY	REGION	INCLUSION	
Algeria Branch		Impresa Pizzarotti S.p.A.	Africa	Not included	
Camerun Branch		Impresa Pizzarotti S.p.A. / Pizzarotti SA .	Africa	Not included	
Chile Branch		Impresa Pizzarotti S.p.A.	America	Not included	
Libya Branch		Impresa Pizzarotti S.p.A.	Africa	Not included	

Marocco Branch		Impresa Pizzarotti S.p.A.	Africa	Not included	
Poland Branch		Pizzarotti SA	Europe	Not included	
Moldova Branch		Impresa Pizzarotti S.p.A.	Europe	Not included	
Saudi Arabia Branch		Impresa Pizzarotti S.p.A.	Asia	Not included	

2 Corporate identity

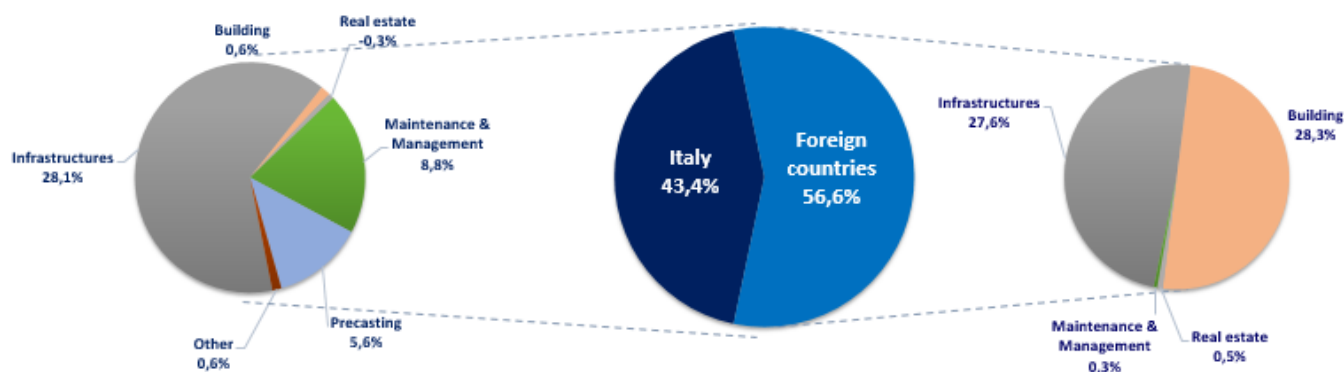
The Pizzarotti Group, active for over a hundred years in the sector of design and construction of large civil engineering works in Italy and abroad, is one of the most important Italian corporate groups in the construction sector and operates mainly as EPC [*Engineering, Procurement, Construction*] Contractor, but is also *Concessionaire* of initiatives developed in concession and in *project finance*.

The Group also carries out construction activities of prefabricated structures in the field of residential and industrial construction and real estate promotion in the sector of *Real Estate*.



The production volumes recorded by the Group at December 31st, 2020 amounted to 973.6 million euros.

These volumes had a contraction of 314.6 million euros compared to 2019, and are divided by sector of activity in Italy and abroad as follows:



2.1 Business activities

Infrastructure

The construction of large public works in the field of transport infrastructure (road, rail, underground) represents one of the prevailing areas, both in Italy and abroad, in which the Pizzarotti Group acts as *EPC Contractor*.

Construction

Civil engineering constructions (residential, office, commercial, manufacturing, hospitals) represent an important operational activity for the Pizzarotti Group and a constant investment opportunity. Decades of production successes demonstrate the level of excellence achieved in the sector, both nationally and internationally.

Real estate

Abroad, the sector is characterized by the creation and promotion of high-quality initiatives with the aim of offering the market a product that is always at the forefront, both in terms of *design* and technic.

In Italy, the Group's real estate activity is confirmed to be mainly focused on urban redevelopment operations of areas inserted within built-up areas and previously occupied by disused industrial complexes. This sector completes the *core business* of construction activity in an optimal and synergistic way, making use of the great professionalism, experience, reputation gained in the field of large contracts and large projects both nationally and internationally.

Prefabricated structures

Since the 1970s, alongside the construction sector, the division dedicated to industrialization in the construction sector has developed, with the construction of a first plant in the province of Parma and, about ten years later, of a factory in the province of Arezzo. In 1984 a third industrial plant was completed in the province of Potenza.

The three production units allow the Prefabricates division of the Pizzarotti Group to meet the needs of the national market, reaching a *leadership* position in Italy in terms of production volume both in the segment of prefabricated buildings for industry and for the tertiary sector as well as in the railway sector.

Operations and Concessions

The Pizzarotti Group takes care of the creation and integrated management of services and structures with high technological intensity. The activities developed in the 'Management' sector include the rental and maintenance of buildings, services on hospital health technologies, the maintenance of road infrastructures, the management of purification plants.

The signing of agreements for large infrastructure projects based on a *partnership* between public and private through *project financing* has also enabled the Group to develop a significant presence in the concessions sector, through the acquisition of shareholdings in many major concessionary companies.

2.2 Business model

Impresa Pizzarotti is a multinational company that aims to anticipate and meet customer requests by ensuring professionalism through the values of reliability, versatility and excellence that distinguish the Group. Within its *business*, the Group reflects the topics subjected to reporting on the basis of the materiality analysis carried out, along all the development phases of the various projects, such as planification, implementation of management plans, process engineering, acquisition of production factors, execution of activities and construction, management and maintenance of the work.

The Group considers quality, in terms of the effectiveness of production processes, as a fundamental element for carrying out its activities starting from the supply chain up to the conclusion of the projects themselves, constantly supporting the fight against corruption. Making use of the daily commitment of its staff, in which it invests through specific training courses, the Group is able to develop *know-how* and skills by enhancing both innovation and design effectiveness. Aware of the impacts generated by its *business*, the Group is committed to safeguard the environment; moreover, given its scope of international action, it aims to coordinate the activities carried out by suppliers while enhancing local communities. The Group supports the respect for human rights throughout the supply chain and directs its attention to occupational health and safety topics, considering its human resources as a key factor.

2.2.1 Industrial relationships

As a construction company of national primary importance, Impresa Pizzarotti adheres to **ANCE** (National Association of Building Constructors) which represents the Italian construction industry. ANCE's action is

aimed at promoting and strengthening the entrepreneurial values and the work of the construction industry and its related industries and contributes to pursuit of the general interests of the country.

Particularly, National ANCE:

- ◆ represents and protects the interests of the category vis-à-vis the Government, Parliament and other central institutions;
- ◆ proceed to the stipulation of the national employment contract;
- ◆ dialogue with the outside world and with political forces;
- ◆ promotes and implements initiatives aimed at expanding the construction market, with particular attention to the relaunch of urban systems;
- ◆ assists the local system for issues of interest to member companies.

In the field of work, ANCE manages, together with the trade union, a national network for **training** (Building Schools), assistance (Building assistance funds) and **workers safety** in the sector (CPT).

On a territorial basis, Impresa Pizzarotti adheres to **UPI** (Parma Union of Industrialists). The association's primary purpose is to represent and protect the interests of member companies through direct intervention with the various local authorities through **Confindustria**, the main organization of manufacturing and service companies in Italy to which UPI adheres. The UPI then elaborates and proposes the solution of economic, trade union, and general problems affecting the Associates, taking care to protect their interests.

Impresa Pizzarotti shares a system of industrial relations with the various trade union organizations based on constant and constructive confront, in accordance with the principles present in the contracts managed. In the Italian companies of the Group, the National Collective Labor Agreement (CCNL) is applied to all employees, in compliance with the provisions of current law. Abroad, however, the employment relationship is regulated both by forms of national collective bargaining (covering 34% of workers) and through the application of forms of individual and/or company bargaining.

Thanks to the application of the contractual forms previously described, there are no episodes of child labor and exposure of young workers to dangerous activities, either directly (hired personnel) or indirectly through on-site control of suppliers, to whom are imposed the same conditions on the basis of the stipulated contract (absence of child labor and forced labor).

With a view to safeguarding human rights, in foreign countries where the presence of indigenous peoples is active, there are no episodes of violation of their rights, on the contrary, forms of effective collaboration that can facilitate their social and economic integration are to be promoted.

In accordance with the determinations of collective bargaining and focused on safeguarding and protecting the worker, when the need arises to make a transfer to another office/workplace, as a result of unexpected organizational needs (site closure, need for specific professionalism in other projects) Impresa Pizzarotti ensures a minimum notice period of 20 days (Article 57 of the National Collective Agreement for Construction Workers). In the case of dismissal or resignation, the content of art. 71 of the CCNL (notice varying from 1 to 4 months depending on the position of the worker and his seniority in the company; in the event of resignation, the terms are reduced by half).

Furthermore, it is confirmed that in the event of termination of activity and closure of the construction site, the procedures envisaged by the reference collective bargaining are always carried out as regards the involvement of the workers' union representatives for the application of agreements and procedures for collective dismissals and search for any possible relocation of personnel.

2.3 Stakeholders

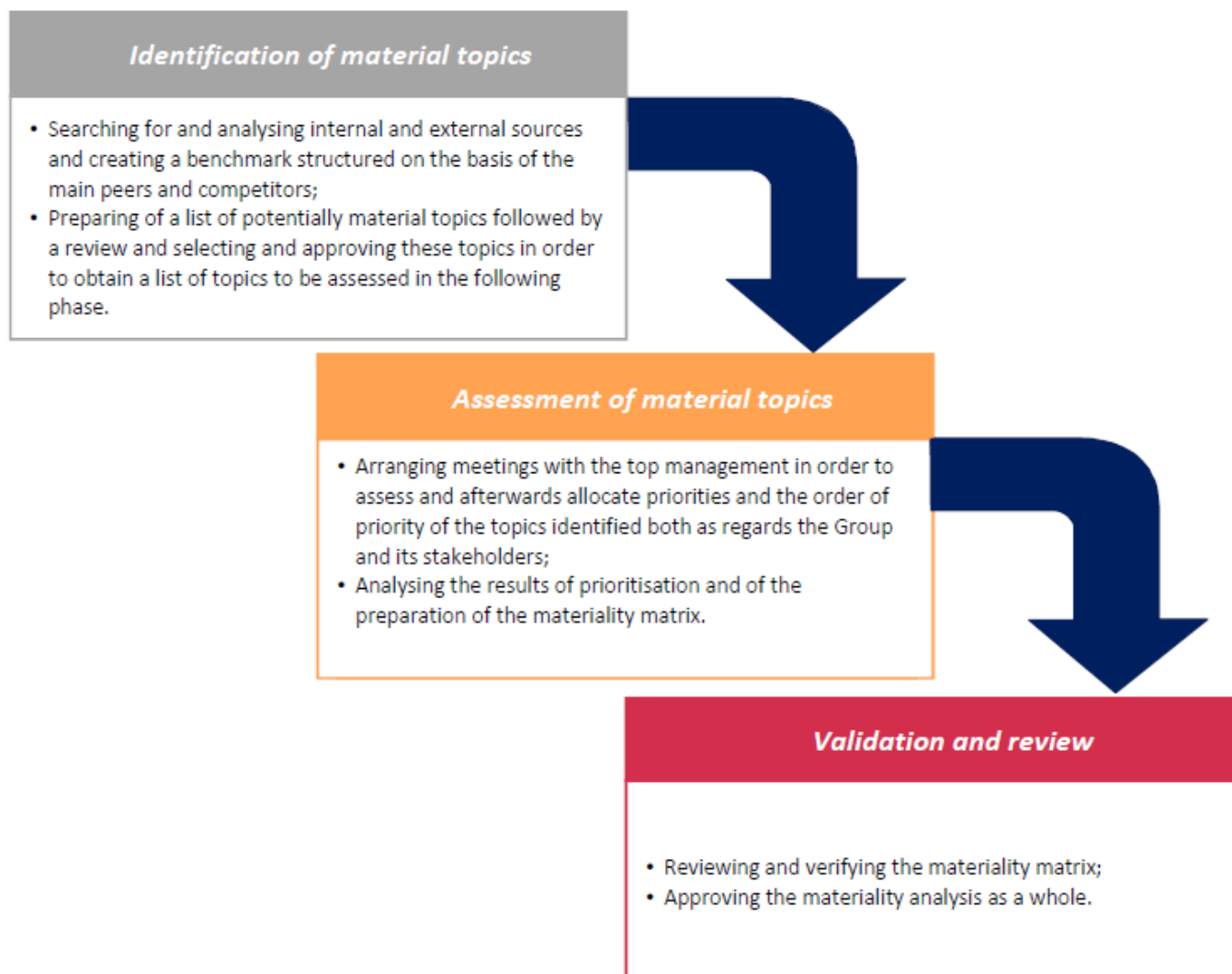
The Pizzarotti Group has identified a series of *stakeholders* that can be listed within the following subjects:

- ◆ Shareholders;
- ◆ Employees and collaborators;
- ◆ Clients;
- ◆ Suppliers, *partners* and trade associations;
- ◆ Local community;
- ◆ Institutions and regulatory bodies;
- ◆ Environment and future generations

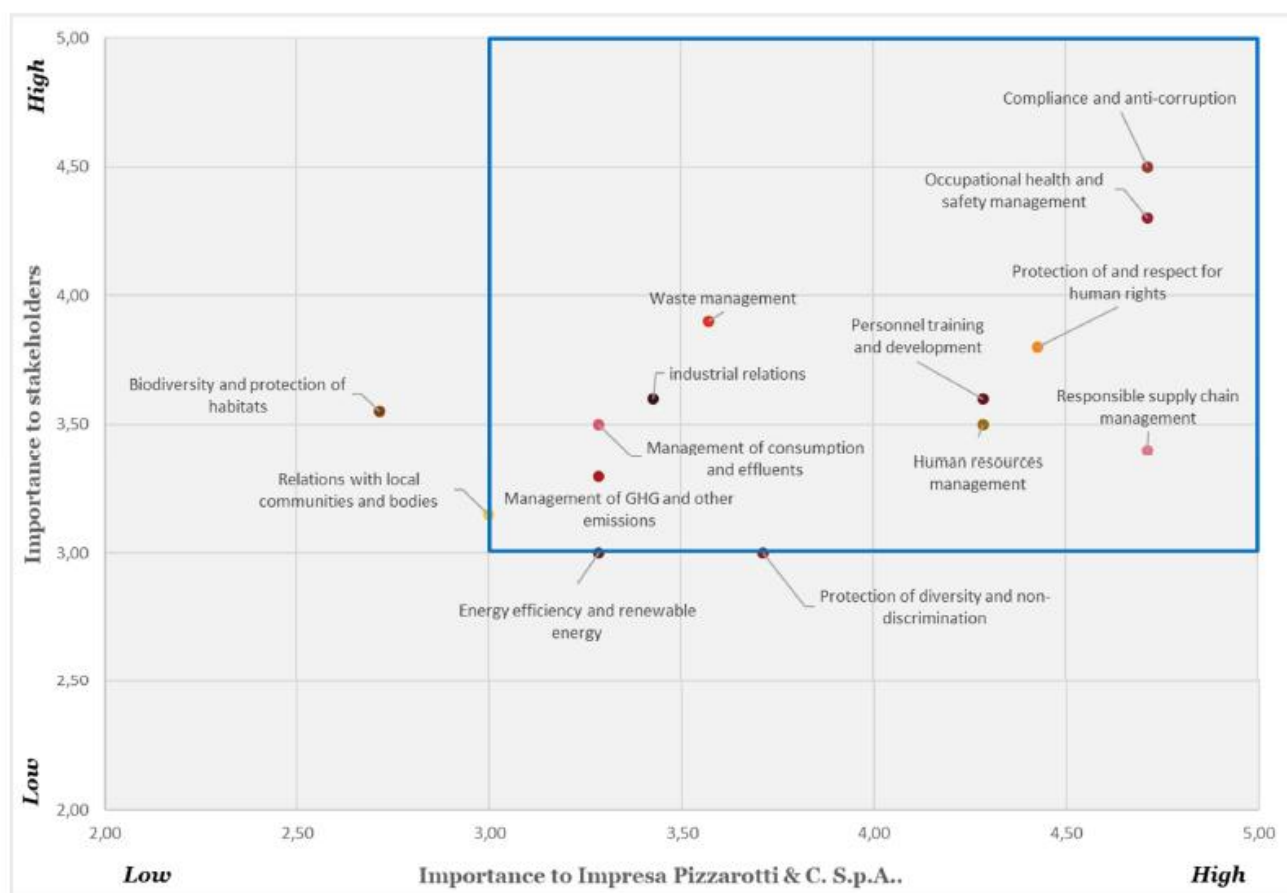
Maintaining and developing relationships of trust and cooperation with *stakeholders* is a primary interest for the Group, also for the purpose of mutual satisfaction of the parties involved. The Group considers geographical diversification as a development *driver* for dimensional growth and the creation of value for its *stakeholders*.

The Sustainability Report of Impresa Pizzarotti focuses on the importance attributed to the various aspects that characterize the Group's activities. To this end, a materiality analysis process was developed, conducted according to the **GRI** guidelines for sustainability reporting (*Global Reporting Initiative*), aimed at identifying topics that could considerably affect the Group's ability to create value in the short, medium and long term, and which are more relevant for the Group and for its *stakeholders*. The material topics will be reported within the document since, given the importance attributed to them, they can influence the decisions of *stakeholders* and reflect the economic, environmental and social impact produced by the Group.

The analysis process (materiality) was structured as follows:



The results emerging from the materiality analysis are illustrated in the materiality matrix presented below. This matrix consists of a graphic representation of the importance attributed to each topic from the point of view of *Management* (X axis) and *Stakeholders* (Y axis); the higher to the right the topic is placed on the graph, the higher is its relevance for both sides. The material topics emerged during the analysis conducted are considered the key elements to guide the Group in terms of ever-increasing commitment to non-financial topics. This Sustainability Report will focus on topics relevant to the Group and its *stakeholders*.



The following material topics emerged as a result of the materiality analysis:

- ◆ management of consumption and effluents;
- ◆ management of emissions into the atmosphere (including greenhouse gases);
- ◆ waste management;
- ◆ human resources management;
- ◆ industrial relations;
- ◆ occupational health and safety management;
- ◆ personnel training and development;
- ◆ protection and respect for human rights;
- ◆ compliance and anti-corruption;
- ◆ responsible supply chain management;
- ◆ energy efficiency and use of renewable energy;
- ◆ relations with local communities and bodies;
- ◆ diversity protection and non-discrimination.

It should be noted that the materiality analysis is being updated.

2.4 Governance Model

In the second half of the year it was initiated the study and planning of a deep reorganization process that involve the entire organization.

The new organization, formalized in January 2021, provides for changes in the composition of the Board of Directors, now reduced to 5 members, of which 3 external, one of whom with the position of Chief Executive Officer (CEO) in place of the three Managing Directors in charge throughout 2020, the remodeling of some central services and the introduction of new strategic functions such as "Business Development & Commercial Operations".

The Board of Directors of Impresa Pizzarotti & C. S.p.A. forms part of the *Governance* structure together with the Board of Statutory Auditors, constituted by the President and the Standing Auditors, the Surveillance Body, the Internal Audit Committee and the Security Travel Committee. The employer line is unique and starts from the CEO towards the various delegated or identified Employers.

The Group has prepared its 2021-2025 Corporate Sustainability Plan, which provides for a series of high-level commitments and the related operational objectives to promote the sustainability of its activities and in its business model. These objectives are detailed in paragraph 2.6.

As evidence of the consideration of the above issues, Impresa Pizzarotti has joined the United Nations **Global Compact** since September 2019, considering that the ten principles on which the United Nations Global Compact is found are an essential reference in the topics of **human rights, work, the environment** and **anti-corruption**.

In conducting its industrial activity, Impresa Pizzarotti acts in full respect of **Human Rights**, in accordance with the principles of:

- **The ONU Universal Declaration of Human Rights;**
- **The United Nations Global Compact;**
- **The Charter of Fundamental Rights of the European Union.**

The Parent Company Impresa Pizzarotti & C. S.p.A., in order to ensure the correctness and transparency of company operations, has deemed appropriate to adopt an Organization, Management, and Control Model in accordance with the provisions of Legislative Decree 231/01 as well as specific documents that allow to address conduct oriented towards ethics and integrity, such as the Code of Ethics, as indicated below. The Group's Board of Directors set up the Surveillance Body in 2006. The Body, based on the information received or gathered during the surveillance action, verifies the application of the Code of Ethics in relation to the administrative responsibility of the Group, as well as compliance with the measures of the Organization, Management, and Control Model. As proof of the attention paid by the Group to the topic of crime prevention, with particular, but not exclusive, reference to anti-corruption and anti-money laundering, an update activity is carried out with respect to the relevant legislation in the various countries in which operates, also in order to evaluate the possible adoption of specific prevention measures.

2.5 The precautionary principle

Introduced in 1992 at the United Nations Conference on Development and the Environment (United Nations in Principle 15 of "The Rio Declaration on Environment and Development") in the context of safeguarding the environment and biodiversity, this principle is based on assumption **better safe than sorry** (is better to prevent than to cure) and has been implemented and used at different government levels and in practice in the areas related to the protection and health of consumers.

The application of this principle involves, as an integral part of the risk management strategy, a prior assessment of the potential negative environmental and social effects that could arise from the making of decisions and/or strategic choices regarding products and processes. If the existence of a risk of serious or irreversible damage is identified, it is necessary to evaluate the adoption of adequate and effective measures, also in relation to the benefits and costs, aimed at preventing and /or mitigating negative impacts. The policies applied and the methods of management of its processes and provision of services by the Group take these principles into account.

2.6 Sustainability goals

With a view to the continuous improvement that has always characterized our Group, the Sustainability strategy was defined in order to consolidate the Group's approach to the matter of Corporate Social Responsibility and contribute to the achievement of the objectives of the 2030 Agenda for the Sustainable Development of United Nations (SDG).

The 2021-2025 Sustainability Plan is developed along 5 high-level commitment areas:

- 1 Promotion of the Circular Economy;
- 2 Mitigation and adaptation to climate change;
- 3 Care and development of the people of the Pizzarotti world;
- 4 ESG strengthening of the supply chain;
- 5 Governance of sustainability.

The commitments have been translated into the operational objectives summarized in the following table.

Area	Goals	Related SDGs
Circular economy	- Increase the proportion of waste recycled - Increase the proportion of purchased materials with recycled content Sustainable design of the works to reduce the impacts associated with their entire life cycle	 
Climate change mitigation	- Reduce direct greenhouse gas (GHG) emissions from Scope 1 - Reduce indirect GHG emissions from Scope 2 - Increase the proportion of energy from renewable sources - Development of the corporate mobility plan - Obtain the ISO 50001 certification which defines the requirements for the efficient management of direct energy consumption	 
Caring for people	- Reduce injury rates - Launch the "Behavior Based Safety" project - Introduce measures to improve the work life balance - Reduce the outbound turnover rate - Increase the proportion of women in the Group - Increase the proportion of employees who receive regular performance reviews - Obtain the ISO 39001 certification which defines the requirements of the management system for road safety - Obtain the SA 8000 certification of the management model for the enhancement and protection of personnel	 
Supply chain	- Increase the proportion of suppliers assessed according to environmental and social criteria - Integrate ESG risk analysis and criteria into supplier selection policies and procedures - Ask suppliers to sign a code of conduct	
Governance of sustainability	- Appoint a Sustainability Committee with the role of coordinating sustainability initiatives - Develop awareness and training programs on sustainability issues - Obtain the ISO 37001 certification which defines the measures and controls to prevent corruption	  

3 Respect for the environment

3.1 Group Risks

The Pizzarotti Group strives to provide its services in full respect and safeguard of the environment. With this respect for the environment focus, a series of risks have been identified that characterize this type of *business*, applicable to the entire Group, even though implementing a division between Italy and abroad at an operational level, with Division Instructions. Specifically, the risks have been identified depending on the Country of reference and with different characteristics depending on whether they are offices or construction sites.

The following risks have been identified for **construction sites**:

- ◆ risks associated with the non-rational use of **energy resources** that can generate electrical *blackouts* and consequent production blocks;
- ◆ risks associated with the production of **emissions** generated by the machines and equipment used, emissions which require the issuing of authorizations for putting the plants into service;
- ◆ risks associated with the use of deposited materials that could have an impact on the soil and lead to **environmental pollution**;
- ◆ risks associated with water discharges and consequent **spills** with possible impacts on the surrounding water resources.

Since the Group operates in several countries, the risks are of a varied nature and, at times, only applicable to certain construction sites or factories. Among these there are:

- ◆ the risk associated with the timing of obtaining the authorization for site mining activities;
- ◆ the risk that the combustion of the fuel in the asphalt production process is incomplete or there are other emissions that are not properly controlled;
- ◆ the risk of polluting the soil or surrounding water reserves as a result of the incorrect disposal of waste or production waste;
- ◆ the risk of excessive production of emissions from machinery and material handling;
- ◆ the risk of inaccurate disposal of waste produced at offices.

3.2 Management Approach

The Group promotes the reduction of environmental impacts, evaluating in advance the aspects that can generate them, defining methods and procedures to manage them. The Group promotes energy saving by adopting more efficient plants, ensuring the scheduled maintenance in order to ensure the efficiency of the energy-intensive equipment. Aspects related to water are also supervised.

The Group promotes the optimization of the use of resources and the reuse in the production cycle of by-products (excavated earth and rocks) or the reuse of secondary raw materials.

The Pizzarotti Group has adopted an Integrated Quality, Safety and Environment Management System implemented and executed in the company, which contemplate specific reports on environmental topics for

each Division (Italy and abroad). The Group also has an Integrated Company Policy, updated during 2020, articulating its contents as follows:

- ◆ Quality Policy;
- ◆ Environmental Policy;
- ◆ Occupational Health and Safety Policy;
- ◆ Sustainability Policy;
- ◆ Sustainable Procurement Policy;
- ◆ Human Resources Management Policy;
- ◆ Anti-Corruption Policy and Anti-competitive Practices;

whose contents are adequate and consistent with the strategic vision of the Company.

The adoption of the UNI EN ISO 14001: 2015 standard and the policy attributable to the Environmental management system is applicable to all activities carried out at the offices and at the production sites (construction or maintenance services) of the Pizzarotti Group.

Prior to the start of production activities, the Environmental Management System implemented requires an assessment of the environmental aspects and a consequent mitigation of potential impacts to be carried out; at the same time, the environmental authorization procedures are activated for the aspects for which there are legislative obligations.

The environmental aspects, thanks to the *corpus* of documents that the Group has adopted within the individual countries, are managed, both in compliance with local regulations and by applying instructions that follow European and international standards and eventually guidelines that are not codified because they relate to specific topics, dictated by the foreign Division System, which effectively smooth out any differences typical of individual countries, managing to create a unique language usable by the Group.

In the course of 2020, fines of € 12,412 were applied for non-compliance in environmental matters. Four spills were reported, but none of them were significant.

3.3 Water management

Compared to 2018, in 2020 was saved a 27% of water resources. .

The main source is represented by groundwater, used for operational site activities, while the offices are generally connected to local networks.

Industrial waters are always pre-treated before being discharged into the final receptors, in full compliance with the regulations and limits on water withdrawals and discharges, and no impacts related to water resources have been recorded.

3.4 Key Performance Indicators

The Group's energy consumption in the 2018/2020 three-year period is shown below.

It should be noted that these consumptions are highlighted with reference to the Pizzarotti Group's perimeter illustrated in the Methodological Note chapter.

Energy consumption

302-1 Energy consumption in the Company ¹	UM	2018 ²	2019	2020	Variation % 2019/2020
Italy					
Natural gas	m ³	1.060.315	1.019.752,00	818.892	-20%
Diesel for energy production	L	124.224	16.437	10.908	-34%
Diesel for Transport	L	857.975	2.329.426,67	2.398.946	-3%
Petrol	L	4158,35	4.550	7.792	71%
Purchased electricity	MWh	41721	50.559	63.315	25%
<i>of which from renewable sources</i>	MWh	n.a	n.a	17	n.a
Self-produced electricity from renewable sources	MWh	478,81	469	879	87%
District heating ³	MWh	n.a.	1.372	1.568	14%
Other	MWh	0	0	0	-
Rest of Europe					
Natural gas	m ³	8812,46	238	353	48%
Diesel for energy production	L	1.109.544	507.153	258.373	-49%
Diesel for Transport	L	1.561.408	1.305.120	2.131.578	63%
Petrol	L	30.501	33.799	35.025	4%
Purchased electricity	MWh	3.085	6.866,62	6.455	-6%
<i>of which from renewable sources</i>	MWh	1	4	-	n.a
Self-produced electricity from renewable sources	MWh		0	0	-
District heating	MWh		0	78	-
Other	MWh		0	407	-
America					
Natural gas	m ³	-	-	281	n.a.
Diesel for energy production	L	-	232.785	-	n.a.
Diesel for Transport	L	-	142.706	-	n.a.
Petrol	L	-	323.126	-	n.a.
Purchased electricity	MWh	713	1.007	37	-96%
<i>of which from renewable sources</i>	MWh	-	-	29	-
Self-produced electricity from renewable sources	MWh	n.a	-	-	-
District heating	MWh		79	0	-100%
Other	MWh		0	0	
Asia					
Natural gas	m ³	-	-	244	n.a.

¹ If it was not possible to perform a timely extraction of the data, an estimated average value was entered, as described in the methodological note.

² It should be noted that for simplicity of presentation of the data, the values from 2018 to 2020 have been rounded. In addition, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) "n.a" was indicated in the relevant column.

³ The data relating to the consumption of self-produced electricity, fed back into the grid, and district heating were collected for the first time in 2020, therefore the data for 2019 are reported for the first year in this document. Where necessary, the 2018 and 2019 data have been reclassified according to the new items.

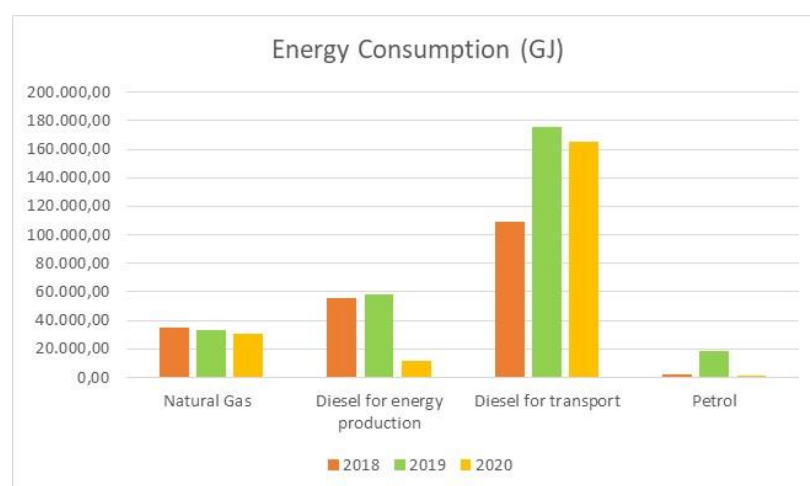
302-1 Energy consumption in the Company ¹	UM	2018 ²	2019	2020	Variation % 2019/2020
Diesel for energy production	L	528.142	523.533	45.000	-91%
Diesel for Transport	L	-	111.506	90	-100%
Petrol	L	2.393	1.821	1.568	-14%
Purchased electricity	MWh	16	357	109	-70%
<i>of which from renewable sources</i>	MWh	-	-	-	-
Self-produced electricity from renewable sources	MWh	n.a	-	-	-
District heating	MWh		0	0	-
Other	MWh		0	0	-
Africa					
Natural gas	m ³	1	1	10	n.a
Diesel for energy production	L	1.273	3.907	2.584	-34%
Diesel for Transport	L	2.013	-	16.296	n.a.
Petrol	L	4.056	4.414	-	n.a.
Purchased electricity	MWh	45	73	85	16%
<i>of which from renewable sources</i>	MWh	-	-	-	-
Self-produced electricity from renewable sources	MWh	n.a	-	-	-
District heating	MWh		0	0	-
Other	MWh		0	0	-
Total Energy Consumption					
Natural gas	m ³	1.069.128	1.019.990,63	819.780	-20%
Diesel for energy production	L	1.763.183	1.283.814,82	316.865	-75%
Diesel for Transport	L	2.421.395	3.888.757,54	4.546.910	17%
Petrol	L	41.108	367.710,56	44.385	-88%
Purchased electricity	MWh	45.580	58.863,57	70.000	19%
<i>of which from renewable sources</i>	MWh	480	473	46	-90%
Self-produced electricity from renewable sources	MWh	n.a	469	879	87%
District heating	MWh	n.a	1.451	1.646	13%
Other	MWh		0	407,44	-

In terms of the Group's overall consumption, there was a reduction of 75% in the consumption of diesel for the production of electricity and a 88% reduction in the petrol consumption .

Self-produced energy from renewable sources grows by 87%.

Energy Consumption in GJ ⁴	UM	2018 ⁵	2019	2020	Variation % 2019/2020
Total Energy Consumption	GJ	202.235	504.395	486.854	-3%
Natural gas	GJ	34.796	33.197	30.500	-8%
Diesel for energy production ⁶	GJ	55.872	58.054	11.496	-80%
Diesel for Transport	GJ	109.495	175.848	164.967	-6%
Petrol	GJ	2.065	18.475	1.410	-92%
Purchased electricity	GJ	164.088	211.909 ⁷	252.000	19%
of which from renewable sources	GJ	1,730	1.700	166	-99%
Self-produced electricity from renewable sources	GJ	-	1.688	3.164	87%
District heating	GJ	-	5.224	5.926	13%
Other	GJ	-	-	17.226	n.a.

Overall, in 2020 there was an energy saving of 3%.



The graph summarizes the energy consumption in the three-year period 2018-2020, expressed in GJ, which shows the strong reduction in the consumption of diesel for energy production.

⁴ The DEFRA 2021 coefficients were used for the conversions between Units of Measure (UoM), while the ISPRA 2020 national standard parameters were used for the calculation of the GJ.

⁵ It should be noted that for simplicity of presentation of the data, the values from 2018 to 2020 have been rounded. In addition, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) "n.a" was indicated in the relevant column.

⁶ It should be noted that between 2019 and 2020 the methodology for converting energy consumption into GJ was modified, refining and improving it. This variation may have limited impacts on trends.

⁷ A seguito di approfondimenti interni, si segnala che è stata rivista la metodologia di calcolo del dato 2019 dato per allinearla agli altri anni.

Water withdrawn by source

303-1 Water withdrawn by source ⁸	UM	2018 ⁹	2019	2020	Variation % 2019/2020
Italy					
Total water withdrawn	m ³	1.722.138	1.134.843	1.251.245	10%
-of which surface waters	m ³	50.827	43.308	75.635	75%
-of which groundwater	m ³	1.580.080	974.260	1.044.626	7%
sea water		540	-	-	-
- self-produced	m ³	n.a	n.a	0	-
- of which water supplied by public aqueducts or third-party companies	m ³	90.691	117.275	130.984	12%
Rest of Europe					
Total water withdrawn	m ³	105.840	144.710	85.789	-41%
-of which surface waters	m ³	-	1455,23	42.521	2822%
-of which groundwater	m ³	700	-	592	-
sea water		-	8813,05	-	-100%
- self-produced	m ³	n.a	n.a	-	-
- of which water supplied by public aqueducts or third-party companies	m ³	105.140	134.442	42.676	-68%
America					
Total water withdrawn	m ³	32.993	73.123	1.416	-98%
-of which surface waters	m ³	-	51.220	-	-100%
-of which groundwater	m ³	-	-	-	-
sea water		-	-	-	-
- self-produced	m ³	-	-	-	-
- of which water supplied by public aqueducts or third-party companies	m ³	32.993	21.903	1.416	-94%
Asia					
Total water withdrawn	m ³	2.101	8.579	16.358	91%
-of which surface waters	m ³	-	-	16200	-
-of which groundwater		-	-	-	-
sea water	m ³	-	-	-	-
- self-produced	m ³	n.a	n.a	-	-
- of which water supplied by public aqueducts or third-party companies	m ³	2.101	8.579	158	-98%
Africa					
Total water withdrawn	m ³	3.035	2.156	1.273	-41%
-of which surface waters		-	-	-	-
-of which groundwater	m ³	3.035	2.156	1.273	-41%
sea water	m ³	0	0	0	-
- self-produced	m ³	n.a	n.a	0	-
- of which water supplied by public aqueducts or third-party companies	m ³	0	0	0	-
Total	m ³	1.866.107	1.363.411	1.356.082	-1%

⁸ If a timely extraction of the data was not possible, an estimated average value was entered.

⁹ It should be noted that for simplicity of presentation of the data, the values from 2018 to 2020 have been rounded. In addition, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) "n.a" was indicated in the relevant column.

The Group's overall water consumption remained substantially unchanged compared to last year, with a slight reduction of 1%.

GHG emissions (Greenhouse gases) and polluting emissions into the atmosphere

305-1 Direct emissions – Scope 1 ¹⁰	UM	2018 ¹¹	2019	2020	Variation % 2019/2020
Italy					
Total emissions Scope 1	t CO ₂ e	5.184	9.633	8.165	-15%
Natural gas	t CO ₂ e	1.912	1.839	1.714	-7%
Diesel for energy production	t CO ₂ e	412	55	29	-47%
Diesel for Transport	t CO ₂ e	2.845	7.723	6.404	-17%
Petrol	t CO ₂ e	15	16	18	12%
Rest of Europe					
Total emissions Scope 1	t CO ₂ e	8.981	6.130	6.464	5%
Natural gas	t CO ₂ e	16	0,43	1	72%
Diesel for energy production	t CO ₂ e	3.679	1.682	690	-59%
Diesel for Transport	t CO ₂ e	5.177	4.327	5.691	23%
Petrol	t CO ₂ e	109	121	82	-32%
Fuel oil	t CO ₂ e				
America					
Total emissions Scope 1	t CO ₂ e	-	2.401	-	n.a.
Natural gas	t CO ₂ e	-	-	-	n.a.
Diesel for energy production	t CO ₂ e	-	772	-	n.a.
Diesel for Transport	t CO ₂ e	-	473	-	n.a.
Petrol	t CO ₂ e	-	1.156	-	n.a.
Asia					
Total emissions Scope 1	t CO ₂ e	11	2.113	125	-94%
Natural gas	t CO ₂ e	-	-	1	-
Diesel for energy production	t CO ₂ e	2	1.736	120	-93%
Diesel for Transport	t CO ₂ e	-	370	0,24	-100%
Petrol	t CO ₂ e	9	7	4	-44%
Africa					
Total Scope 1 emissions	t CO ₂ e	25	29	51	75%

¹⁰ Scope 1 refers to direct emissions, i.e. those coming from the Group. The data sometimes also includes energy sources managed by the Pizzarotti Group, but available to subcontractors operating at the construction sites. The source of the reference coefficients is the ISPRA 2020 national standard parameters.

¹¹ It should be noted that for simplicity of presentation of the data, the values from 2018 to 2020 have been rounded. In addition, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) "n.a" was indicated in the relevant column.

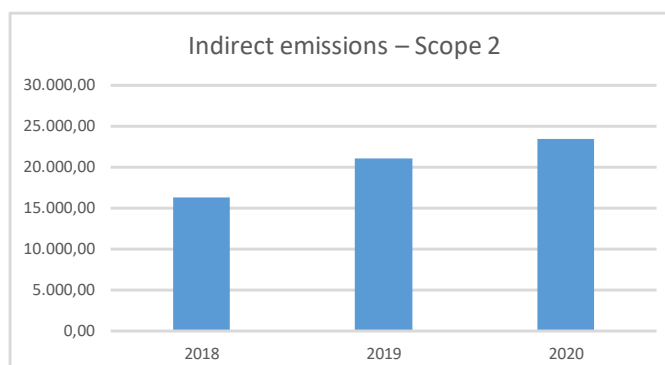
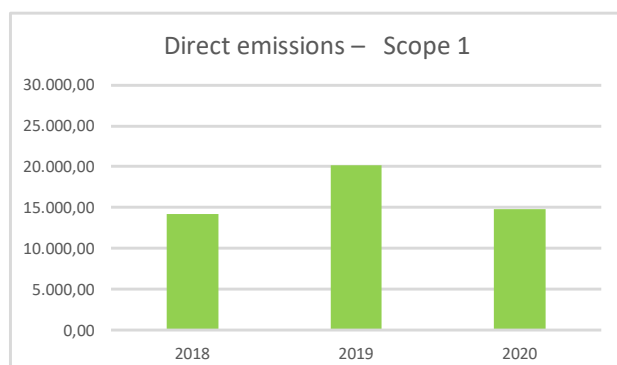
305-1 Direct emissions – Scope 1 ¹⁰	UM	2018 ¹¹	2019	2020	Variation % 2019/2020
Natural gas	t CO ₂ e	-	-	-	n.a.
Diesel for energy production	t CO ₂ e	4	13	7	-47%
Diesel for Transport	t CO ₂ e	7	-	44	-
Petrol	t CO ₂ e	14	16	0	n.a.
Total	t CO₂e	14.201	20.306	14.805	-27%

305-2 Indirect Emissions – Scope 2	UM	2018 ¹²	2019	2020	Variation % 2019/2020
Italy					
Electricity purchased from the grid	t CO ₂ e	15.020	18.201	21.274	17%
District heating ¹³	t CO ₂ e		461	527	14%
Rest of Europe					
Electricity purchased from the grid	t CO ₂ e	1.012	2.252	2.059	-9%
District heating	t CO ₂ e		25	25	0%
America					
Electricity purchased from the grid	t CO ₂ e	253	358	12	-97%
District heating	t CO ₂ e		-	-	n.a.
Asia					
Electricity purchased from the grid	t CO ₂ e	9	214	63	-71%
District heating	t CO ₂ e		-	-	n.a.
Africa					
Electricity purchased from the grid	t CO ₂ e	23	37	41	10%
District heating	t CO ₂ e		-	-	n.a.
Total	t CO₂e	16.317	21.547	24.001	11%

Direct emissions (Scope 1) decreased by 27% compared to last year, indirect emissions of scope 2 increased by 11% with a growth trend lower than that of the previous year, which saw an increase of 27% between 2018 and 2019. It should be noted that the trend of emissions follows that of energy consumption.

¹² It should be noted that for simplicity of presentation of the data, the values from 2018 to 2020 have been rounded. Furthermore, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) in the relative column the indicator “n.a” was indicated.

¹³ The data relating to scope 2 emissions deriving from district heating were collected for the first time in 2020, therefore the data for 2019 are reported for the first year in this document.



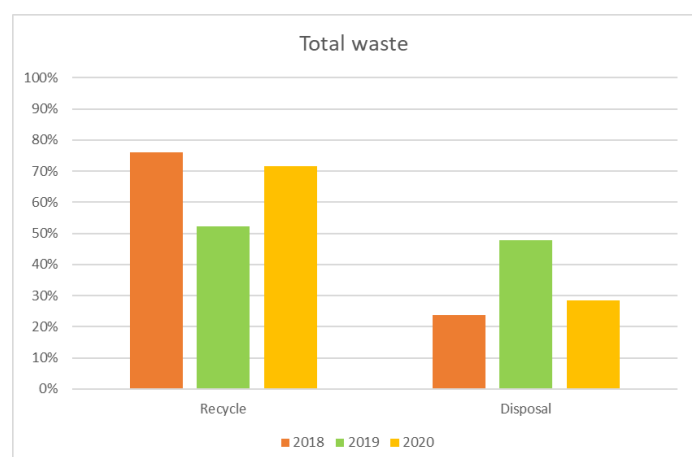
Waste produced (hazardous and non-hazardous), destined for recovery and disposal

306-2 Waste by disposal method	UM	2018 ¹⁴	2019	2020	Variation % 2019/2020
Italy					
Total non-hazardous waste produced	t	14.090,32	35.158,98	114.456	226%
Recycle	t	10.608,71	29.873,32	112.444	276%
Disposal	t	3.481,61	5.285,65	2.012	-62%
Total hazardous waste produced	t	67.504,87	5.475,60	4.707	-14%
Recycle	t	62.741,03	21,68	3.250	n.a.
Disposal	t	4.763,84	5.453,92	1.457	-73%
Rest of Europe					
Total non-hazardous waste produced	t	7.602,25	11.775,55	56.426	379%
Recycle	t	1.576,534	1.448,86	10.479	623%
Disposal	t	6.025,72	10.326,69	45.947	345%
Total hazardous waste produced	t	126	1,85	8	332%
Recycle	t	1,29	0,65	8	n.a.
Disposal	t	124,71	1,19	0	n.a.
America					
Total non-hazardous waste produced	t	9.357,47	12.550,33	1	n.a.
Recycle	t	623,59	3.527,51	0	n.a.
Disposal	t	8.733,88	9.022,82	1	n.a.
Total hazardous waste produced	t	-	551,79	0	n.a.
Recycle	t	-	-	0	n.a.
Disposal	t	-	551,79	0	n.a.
Asia					
Total non-hazardous waste produced	t	858,78	1.156,78	721	-38%
Recycle	t	276,78	-	0	-
Disposal	t	582	1.156,78	721	-38%

¹⁴ It should be noted that for simplicity of presentation of the data, the values from 2018 to 2020 have been rounded. In addition, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) "n.a." was indicated in the relevant column.

306-2 Waste by disposal method	UM	2018 ¹⁴	2019	2020	Variation % 2019/2020
Total hazardous waste produced	t	-	-	0	-
Recycle	t	-	-	0	-
Disposal	t	-	-	0	-
Africa					
Total non-hazardous waste produced	t	6,24	6,17	0	n.a.
Recycle	t	-	-	0	-
Disposal	t	6,24	6,17	0	n.a.
Total hazardous waste produced	t	-	-	0	-
Recycle	t	-	-	0	-
Disposal	t	-	-	0	-
Total non-hazardous waste	t	31.915,07	60.647,81	171.605	183%
Total hazardous waste	t	67.630,87	6.029,24	4.722	-22%

There was a significant overall reduction in the production of hazardous waste, equal to -22%.



The % of recycled waste increases and at the same time the quantity of waste disposed of in landfills decreases.

4 Human resources enhancement

4.1 Group Risks

In continuity with the path undertaken to spread a corporate culture, aimed at enhancing Human Resources in their individuality and centrality, it is intended to further finalize actions and behaviors for acquiring specific managerial skills.

In the management of Human Resources, the risks related to the issues of *engagement* and *employee retention* are confirmed also in 2020, to address them in an informed manner and translate them into concrete actions. To this purpose, internal "Well-being" investigations and motivational interviews were conducted on a representative panel of key and / or other potential resources in order to monitor, anticipate and contain the undesirable effects of an early exit.

4.2 Management Approach

The "**Procedure for the integrated management of human resources**", "**Procedure for training the personnel**", "**Personnel selection procedure**" still constitute the outline to standardize the HR processes, to spread a principle of transparency and meritocracy with the active contribution of all owners of the process.

The year 2020 imposed a rethinking of HR processes in an adaptive key because, however much it may have impacted, for example in terms of providing training in person, it has favored a new remote mode that is at the same time effective.

The personnel recruitment and selection process to start a professional training course is confirmed to be a strong point, in 2020 28 extra-curricular and curricular internships were activated both in the functions of the headquarters services in support of Italian and foreign projects in production and related technical services. The partnership with institutions, schools and more generally with the main Universities of the national territory is now consolidated and united by the desire to bring the academic world closer to the world of work. The constant presence at the University Career Days is confirmed to be one of the main actions aimed at scouting young people with high potential to be initiated in an on-the-job path to acquire technical-professional skills and managerial skills over time.

For positions where experience in the role and specific technical-professional skills is required, we use competence models and joint action, in the selection interviews, between HR and the technical functions in order to assess the relevance in total transparency and sharing of the results.

In general, in full respect of diversity, gender equality is recalled in the recruitment and selection process, without any discrimination and in the management of personnel through the analysis of statistics in terms of employment by gender and assessment of salary levels.

On the issue of Well-being, we intend to firmly support the centrality of the "Employee Wellbeing Project" as a distinctive element of company policies. The work-life balance with the concrete possibility of introducing a smart working pilot project, the prevention and health protection initiatives, the rewarding for academic merits of the children of employees and the scholarships abroad in collaboration with Intercultura are only some of the initiatives part of the project. During the pandemic, the listening desk tool was further spread, a service that aims to be a listening point for any work or family needs, which constitute elements of discomfort and which may require observation and a welcome by experts in the sector, in full respect and guarantee of privacy.

Even corporate volunteering has not stopped despite the period, it has only changed the way it is carried out, introducing the "Volunteer Days - Remote Volunteering" which intends to support projects of social interest in favor of non-profit associations in the area, inviting employees to make their contribution with active participation and sharing of values.

On the subject of environmental sustainability, we recall the experimental project "**Growing Together, Social Housing and Cocoa Forest**", consisting in the creation of a virtual corporate forest in Cameroon where, at the same time as the ongoing *Social Housing* building project, 290 cocoa trees are growing as part of the agroforestry initiatives already underway in the country, with a view to sustainable development and support for local agricultural activity. To the employees from all over the Group were given the opportunity to become

testimonials of the project by adopting trees and sharing the values that the project represents.

4.3 Key Performance Indicators

The nature of the business in which the company operates is linked to small or large projects whose duration varies over time (from a few months to several years) and whose activities can be carried out directly or by involving subcontractors. The quantitative sizing of the workforce is therefore subject to a natural fluctuation, due, on the one hand, to the progress of the various operational phases of the various projects, and on the other, to the use or not of live workforce. Reason for which, compared to the previous year, up to December 31st, 2020 the total number of employees of the group recorded a slight increase, equal to 0.90%. The increase is mainly the fixed-term staff, whose contractual duration is linked precisely to peaks in activity and the duration of the projects, while, on the other hand, the staff hired with stable contracts significantly decreases, due to the relative uncertainty, the pandemic situation that occurred in 2020. However, the latter in particular is confirmed to be the main form of employment in the Group, constituting 65% of the total.

A reduction in the workforce employed in some foreign construction sites is contrasted by the still growing trend of that employed in Italy, +2.31% compared to the previous year and up 18.41% and 2.56% respectively for construction sites in Asia-Middle East and Africa.

Direct Pizzarotti employees and those hired by the Consortia were considered.

102 – 8_ Employees by geographical area, gender and type of contract¹⁵

Geographic area	31.12.2018			31.12.2019			31.12.2020			2019/2018			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	Absolute values			Absolute values			Absolute values			Delta %			Delta %		
Italy	109	1.029	1.138	97	1.115	1.212	103	1.137	1.240	-11,0	8,4	6,5	6,19	1,97	2,31
Permanent contract	95	932	1.027	95	1.069	1.164	96	1.052	1.148	0,0	14,7	13,3	1,05	-1,59	-1,37
Fixed-term contract	14	97	111	2	46	48	7	85	92	-85,7	-52,6	-56,8	250,00	84,78	91,67
Rest of Europe	185	623	808	156	571	727	152	565	717	-15,7	-8,3	-10,0	-2,56	-1,05	-1,38
Permanent contract	69	233	302	80	260	340	85	230	315	15,9	11,6	12,6	6,25	-11,54	-7,35
Fixed-term contract	116	390	506	76	311	387	67	335	402	-34,5	-20,3	-23,5	-11,84	7,72	3,88
America	33	151	184	21	101	122	18	62	80	-36,4	-33,1	-33,7	-14,29	-38,61	-34,43
Permanent contract	28	84	112	17	41	58	14	25	39	-39,3	-51,2	-48,2	-17,65	-39,02	-32,76
Fixed-term contract	5	67	72	4	60	64	4	37	41	-20,0	-10,4	-11,1	0,00	-38,33	-35,94
Asia	13	241	254	14	225	239	21	262	283	7,7	-6,6	-5,9	50,00	16,44	18,41
Permanent contract	1	1	2	2	2	4	2	1	3	100,0	100,0	100,0	0,00	-50,00	-25,00
Fixed-term contract	12	240	252	12	223	235	19	261	280	0,0	-7,1	-6,7	58,33	17,04	19,15
Africa	9	18	27	14	25	39	15	25	40	55,6	38,9	44,4	7,14	0,00	2,56

¹⁵ It is specified that where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.), "n.a." was indicated in the relevant column.

Permanent contract	1	4	5	-	-	-	15	25	40	-	-	-	-	-	-
Fixed-term contract	8	14	22	14	25	39	-	-	-	75,0	78,6	77,3	-	-	-
Total	349	2.062	2.411	302	2.037	2.339	309	2.051	2.360	-13,5	-1,2	-3,0	2,32	0,69	0,90

102 – 8_ Employees by type of employment and gender

Type of employment	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
	Absolute values			Absolute values			Absolute values		
Full time	328	2.053	2.381	278	2.032	2.310	287	2.041	2.328
Part-time	21	9	30	24	5	29	22	10	32
Total	349	2.062	2.411	302	2.037	2.339	309	2.051	2.360
	% Values over row total			% Values over row total			% Values over row total		
Full time	14%	86%	100%	12%	88%	100%	12%	88%	100%
Part-time	70%	30%	100%	83%	17%	100%	69%	31%	100%
Total	14%	86%	100%	13%	87%	100%	13%	87%	100%
	% Values over column total			% Values over column total			% Values over column total		
Full time	94%	100%	99%	92%	100%	99%	93%	100%	99%
Part-time	6%	0%	1%	8%	0%	1%	7%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Overall, the data recorded on incoming and outgoing personnel during 2020 almost counterbalance each other. However, some distinctions should be highlighted depending on the geographical area taken as a reference. The incoming exceed the outgoings in the foreign sector. A dynamic to be attributed, on the one hand, to the need to respect the deadlines relating to the progress of the work on the basis of the indications received from the client and, on the other hand, to the need to start the startup phase of some orders in Asia-Middle East . Compared to 2019, there was also a decrease in the turnover rate justified by the strengthening of the retention policies implemented by the Pizzarotti Group.

401-1 _Incoming employees by geographical area, gender and age group

Geographic area	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy	56	510	566	8	370	378	19	312	331
<= 29 years	12	57	69	3	39	42	9	52	61
30 - 49 years	43	244	287	5	195	200	9	161	170
>= 50 years	1	209	210	0	136	136	1	99	100
Rest of Europe	74	295	369	63	245	308	41	202	243
<= 29 years	29	62	91	26	50	76	15	38	53
30 - 49 years	41	163	204	34	137	171	23	96	119
>= 50 years	4	70	74	3	58	61	3	68	71
America	17	47	64	8	25	33	3	6	9
<= 29 years	4	8	12	0	7	7	0	0	0

30 - 49 years	11	24	35	8	8	16	3	5	8
>= 50 years	2	15	17	0	10	10	0	1	1
Asia	4	205	209	5	113	118	6	68	74
<= 29 years	1	62	63	3	17	20	0	23	23
30 - 49 years	3	129	132	2	83	85	6	39	45
>= 50 years	0	14	14	0	13	13	0	6	6
Africa	6	12	18	5	12	17	4	8	12
<= 29 years	2	4	6	2	6	8	2	3	5
30 - 49 years	4	5	9	3	6	9	2	5	7
>= 50 years	0	3	3	0	0	0	0	0	0
Total	157	1.069	1.226	89	765	854	73	596	669
<= 29 years	48	193	241	34	119	153	26	116	142
30 - 49 years	102	565	667	52	429	481	43	306	349
>= 50 years	7	311	318	3	217	220	4	174	178

401 – 1_ Outgoing employees by geographical area, gender and age group

Geographic area	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy	4	173	177	22	323	345	15	338	353
<= 29 years	0	18	18	8	35	43	1	35	36
30 - 49 years	3	89	92	8	147	155	10	156	166
>= 50 years	1	66	67	6	141	147	4	147	151
Rest of Europe	48	139	187	87	287	374	44	204	248
<= 29 years	22	25	47	36	59	95	11	33	44
30 - 49 years	24	73	97	45	167	212	30	111	141
>= 50 years	2	41	43	6	61	67	3	60	63
America	7	16	23	21	63	84	7	26	33
<= 29 years	1	3	4	1	8	9	0	7	7
30 - 49 years	5	6	11	16	27	43	5	8	13
>= 50 years	1	7	8	4	28	32	2	11	13
Asia	1	13	14	1	43	44	22	1	23
<= 29 years	1	2	3	0	7	7	3	0	3
30 - 49 years	0	9	9	1	30	31	16	1	17
>= 50 years	0	2	2	0	6	6	3	0	3
Africa	0	6	6	3	2	5	1	3	4
<= 29 years	0	3	3	2	0	2	1	3	4
30 - 49 years	0	3	3	1	2	3	0	0	0
>= 50 years	0	0	0	0	0	0	0	0	0
Total	60	347	407	134	718	852	89	572	661
<= 29 years	24	51	75	47	109	156	16	78	94
30 - 49 years	32	180	212	71	373	444	61	276	337
>= 50 years	4	116	120	16	236	252	12	218	230

401 – 1 _Turnover

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Ratio between outgoing employees and total employees	17%	17%	17%	44%	35%	36%	29%	28%	28%
Ratio between incoming employees and total employees	45%	52%	51%	29%	38%	37%	24%	29%	28%
Ratio between employees who left voluntarily and the total number of employees	12%	7%	8%	25%	17%	18%	17%	14%	14%

The presence of women within the company staff remains unchanged compared to the previous year. As it is known, the *construction* sector, when compared with other economic sectors, is typically characterized by a low female employment rate. In fact, the peculiarities of the production process generally make the use of female labor among workers complex; while the assumption of managerial roles is limited by a lower seniority of women than men. The presence of women, on the other hand, takes on greater importance in administrative and management activities among white-collar workers and middle managers (24% of the total).

In any case, it should be noted that the feminization rate of the workforce in force in the entire group is double the national average (equal to 6.47%)¹⁶; in line with the latter, the data on total Italian staff (8%); while the presence of women in the Parma headquarters is particularly significant, where the feminization rate reaches 36%.

405 – 1_ Breakdown of employees by professional category and gender

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Professional category	% Value over row total			% Value over row total			% Value over row total		
Senior executives	1%	99%	100%	1%	99%	100%	1%	99%	100%
Managers and employees	27%	73%	100%	23%	77%	100%	24%	76%	100%
Workers	1%	99%	100%	2%	98%	100%	2%	98%	100%
Total	15%	85%	100%	13%	87%	100%	13%	87%	100%
Professional category	% Value over column total			% Value over column total			% Value over column total		
Senior executives	0%	4%	3%	0%	3%	3%	0%	3%	3%
Managers and employees	97%	45%	53%	93%	47%	53%	93%	43%	50%
Workers	3%	51%	44%	6%	50%	44%	7%	54%	47%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

With respect to the type of employment, almost all the staff are hired with full-time contracts. Part-time is mainly used by female staff, facilitated in adopting forms of flexible hours where the need arises for a better reconciliation between work commitments and private life, especially in the case of working mothers. The return to a full-time schedule is then guaranteed if requested. In order to encourage issues related to work-life balance, the Pizzarotti Group has introduced different tools to support agile work such as: flexible entry / exit hours and Smart Working.

¹⁶ Source: Istat, Workforce detection, IV Trim. 2020

405-1_ Percentage breakdown of employees by professional category and age group

Professional category	2018				2019				2020			
	<= 29	30 - 49	>= 50	Total	<= 29	30 - 49	>= 50	Total	<= 29	30 - 49	>= 50	Total
Senior executives	0%	34%	66%	100%	0%	36%	64%	100%	0%	31%	69%	100%
Managers and employees	16%	56%	28%	100%	13%	60%	27%	100%	12%	60%	29%	100%
Workers	13%	50%	36%	100%	10%	48%	42%	100%	11%	48%	41%	100%
Total	15%	53%	33%	100%	11%	54%	35%	100%	11%	53%	36%	100%

The global context in which the Pizzarotti group operates leads it to have to deal with different realities and countries, each one characterized by its own specificities in socio-cultural, regulatory and economic terms. Particular attention is therefore paid to respecting the rights of workers, both in Italy and abroad. Out of a total of 2,360 employees, 69% is covered by collective bargaining agreements. The remaining part of the staff in fact works in countries where these types of agreements are not envisaged. In these contexts, the group's approach is that of maximum compliance with local rules, with the stipulation of employment contracts in line with the applicable labor regulations, guaranteeing, where possible, conditions of employment that are better than minimum standards and / or local customs (both in terms of wages and working conditions).

The management and enhancement of differences in terms of hours, nationality, contracts, professionalism and aspirations fall within the broader sphere of respect for human rights. In this regard, as indicated in the Code of Ethics, the Group considers essential to ban all discrimination based on age, sex, sexual orientation, state of health, race, nationality, political opinions, religious beliefs. The Group supports and respects human rights, in accordance with the UN Universal Declaration of Human Rights and the Charter of Fundamental Rights of the European Union.

There were no episodes of discrimination in 2020.

People Learning is the e-learning platform of the Group that release content of various kinds and multilingual including the Code of Ethics, the disclosure Legislative Decree no. 231/2001, Human Rights and Cyber Security.

As for the evaluation and incentive tools, these vary according to the category of collaborators involved. A *Management By Objective* (MBO) system is envisaged for Senior executives, with the identification of management and performance objectives to be achieved, and a bonus to be awarded for achieving them.

For the majority of intermediate staff, middle managers and employees, a system of assessment and review of individual performance is envisaged which has a dual objective: on the one hand, to define a (variable) remuneration incentive based on performance evaluation and thus incentivizing productivity at work; on the other hand, providing salary support for the development of the internal labor market in the company, in terms of stability of the employment relationship, hierarchical growth and salary.

Finally, where collective bargaining allows it (second level agreements), collective incentive systems are implemented that involve blue-collar personnel (performance bonuses).

404-3_ Performance Review - Total number of employees who receive regular performance and career development reports by job category and gender¹⁷

Professional category	2018			2019			2020			2019/2018			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	n.			n.			n.			Delta %			Delta %		
Senior executives	1	69	70	1	67	68	0	1	1	n.a	-3%	-3%	n.a	n.a	n.a
Managers and employees	151	564	715	121	536	657	67	180	247	-20%	-5%	-8%	-45%	-66%	-62%
Workers	0	85	85	0	83	83	2	626	628	n.a	-2%	-2%	n.a	654%	657%
Total	152	718	870	122	686	808	69	807	876	-20%	-4%	-7%	-43%	18%	8%

404-3_ Performance Review - Percentage of employees who receive regular performance and career development reports by job category and gender

Professional category	2018			2019			2020		
	F	M	T	F	M	T	F	M	T
Senior executives	100%	91%	91%	100%	94%	94%	0%	2%	1%
Managers and employees	45%	60%	56%	43%	56%	53%	23%	20%	21%
Workers	0%	8%	8%	0%	8%	8%	10%	57%	56%
Total	44%	35%	36%	40%	34%	35%	22%	39%	37%

In addition to rewarding employees to facilitate their stay in the company (*retention*) and motivating them to achieve company objectives, the remuneration policy is managed with the aim of reconciling as much as possible different but converging objectives: legitimacy, in terms of compliance with the legislative framework and contractual in force in the various countries where the company operates (compliance with minimum wages, where applicable); competitiveness, in terms of the attractiveness of remuneration packages on the labor market and compared to competitors; sustainability, to safeguard the economic and financial balance; and internal equity, in terms, on the one hand, of pay differentials that take into account the importance that different roles and positions cover within the company organization, on the other hand, of equal pay for the same job (*equal pay for equal work*)

With reference to the latter aspect, in a sector, as mentioned above, historically characterized by a predominant male presence, particular attention is paid to the ratio of male/female salaries (pay gap). Between 2019 and 2020, for staff (middle managers plus employees) in the total group, the differential between the average remuneration of women and men remained unchanged at 37%. Gap which for the same category of workers is lower if we refer only to Italian personnel where the differential corresponds to 28%, remaining unchanged from 2019 to 2020.

¹⁷ It is specified that where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.), "n.a" was indicated in the relevant column.

405-1_ Composition of governance bodies by gender and body membership

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Professional category	% Values over the total column			% Values over the total column			% Values over the total column		
Board of Directors	0%	62%	62%	100%	100%	100%	0%	100%	100%
Board of Statutory Auditors	0%	38%	38%	0%	0%	0%	0%	0%	0%
Surveillance board	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	0%	100%	100%	100%	100%	100%	0%	100%	100%

405-1_ Composition of governance bodies by gender and age class

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Professional category	% Values over the total column			% Values over the total column			% Values over the total column		
<= 29 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
30 – 49 years	0%	23%	23%	100%	40%	50%	0%	0%	0%
> = 50 years	0%	77%	77%	0%	60%	50%	0%	100%	100%
Total	0%	100%	100%	100%	100%	100%	0%	100%	100%

Aware of the fact that the company's competitive advantage depends on the intellectual capital it has, particular attention is paid to the development of its human assets.

The skills a company needs grow and change continuously, the introduction of new technologies pushes towards the need to acquire new skills in terms of Innovation and Digitization.

Continuous training therefore represents the commitment to building paths that aim to give value to the Group.

Upskilling programs aim to develop new skills in the same field of work while Reskilling involves the development of skills that can allow the employee to fill a different role.

In 2020 we designed courses on topics such as Soft Skills and Leadership Development that are central to the definition and support of managerial roles and those of medium and high organizational positioning that involve the coordination and management of work groups. In a moment of change, the watchwords are flexibility and adaptability for which we introduce Agile Project Management concepts.

In the provision of training interventions, the Pizzarotti Group makes use of both internal company professionals who, through the Academies, transfer their know-how acquired through years of significant experience, as well as external companies and accredited consultants as well as collaborations and sponsorships with the main University of the national territory.

Training therefore plays a central role in the logic of Company Branding because it is perceived as a real added value to the acquisition of technical / specialist and managerial skills.

Considering the reference perimeter, and despite the impact that the Covid-19 pandemic has also had on the organization of training courses, in 2020 a total of n° 12,444 hours of training were provided, of which 9,525 hours of compulsory health and safety training in line with the provisions of the State Regions Agreement, the remaining part instead relating to technical / professional, managerial and internal academies topics.

404-1_ Total hours of training by professional category and gender¹⁸

	2018			2019			2020			2019/2018			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	h.			h.			h.			Delta %			Delta %		
Senior executives	8	626	634	0	810	810	0	403	4038	n.a.	29%	28%	n.a.	-50%	-50%
Managers and employees	1.484	6.467	7.951	1.356	7.614	8.970	844	3.704	4.548	9%	18%	13%	-38%	-51%	-49%
Workers	6	4.965	4.971	20	6.576	6.596	87	7.421	7.508	n.a.	32%	33%	n.a.	13%	14%
Total	1.498	12.058	13.556	1.376	15.000	16.376	931	11.528	12.459	-8%	24%	21%	-32%	-23%	-24%

404-1_ Hours of training dedicated to health and safety issues by professional category and gender²⁰

	2018			2019			2020			2019/2020			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	h.			h.			h.			Delta %			Delta %		
Senior executives	0	111	111	0	53	53	0	153	153	-	-52%	-52%	-	189%	189%
Managers and employees	692	4.044	4.736	361	3.712	4.073	448	1.891	2.339	-48%	-8%	-14%	24%	-49%	-43%
Workers	6	4.547	4.553	18	5.430	5.448	47	7.002	7.049	200%	19%	20%	161%	29%	29%
Total	698	8.702	9.400	379	9.195	9.574	495	9.046	9.541	-46%	6%	2%	31%	-2%	0%

404-1_ Hours of training dedicated to environmental issues by professional category and gender²¹

	2018			2019			2020			2019/2020			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	h.			h.			h.			Delta %			Delta %		
Senior executives	0	36	36	0	41	41	0	2	2	n.a.	14%	14%	n.a.	-95%	-95%
Managers and employees	121	463	584	121	723	844	16	43	58	0%	56%	45%	-87%	-94%	-93%
Workers	0	248	248	2	396	398	0	118	118	n.a.	60%	60%	n.a.	-70%	-70%
Total	121	747	868	123	1.160	1.283	16	162	178	2%	55%	48%	-87%	-86%	-86%

¹⁸ It should be noted that for simplicity of presentation of the data, in this table and in the following ones, the values from 2018 to 2020 have been rounded. In addition, where the changes are not significant or self-explanatory (eg data not present in previous years or in the current year, etc.) "n.a." was indicated in the relevant column.

²⁰ Mandatory training in health and safety in line with the provisions of the State Regions Agreement, RLS training, RSPP / ASPP training, emergency worker training, equipment and signage training

²¹ In total, 26 employees were trained

404-1_ Hours of training dedicated to human rights issues by professional category and gender

	2018			2019			2020			2019/2018			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	h.			h.			h.			Delta %			Delta %		
Senior executives	0	10	10	0	0	0	0	5	5	n.a	n.a	n.a	n.a	n.a	n.a
Managers and employees	16	53	69	28	25	53	33	44	77	75%	-53%	-23%	19%	75%	45%
Workers	0	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
Total	16	63	79	28	25	53	33	49	82	75%	-60%	-33%	19%	95%	55%

404-1_ Hours dedicated to other types of trainings by professional category and gender

	2018			2019			2020			2019/2018			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	h.			h.			h.			Delta %			Delta %		
Senior executives	8	469	477	0	680	680	0	242	242	n.a.	45%	43%	n.a.	-64%	-64%
Managers and employees	647	1.871	2.518	838	3.004	3842	344	1.721	2.065	30%	61%	53%	-59%	-43%	-46%
Workers	0	170	170	0	684	684	40	302	342	n.a.	302%	302%	n.a.	-56%	-50%
Total	655	2.510	3.165	838	4.368	5.206	384	2.265	2.649	28%	74%	64%	-54%	-48%	-49%

With reference to the training of personnel on policies and procedures relating to human rights, it is also specified that the data in the table above refer only to specific training in this area and concerns a total of 82 hours provided to 43 employees distributed in Peru, Consortium Tunnel Giovi and Impresa Pizzarotti. For all the other entities of the Group, it should be noted that Pizzarotti is committed to raising the awareness of its employees by sharing the Code of Ethics and by adopting an Organizational Model for the Prevention of Crimes pursuant to Legislative Decree 231/01 and the reference to compliance with the same by its employees.

5 Occupational health and safety

5.1 Group Risks

The topic identified by the materiality analysis relating to the management of health and safety in the workplace is of primary importance for the Pizzarotti Group.

The main risks to which workers are subject are divided into two macro categories: office risks and typical construction site risks.

Office risks can be identified as: risks attributable to the use of video terminals (VDT), risks associated with office lighting, risks associated with the microclimate, risk of fire and earthquake, work-related *stress*, risks

associated with exposure to magnetic fields and commuting accidents²².

Typical construction site risks are identifiable as risks of falls from heights and falls at the same level, risks due to electrocution, risks of crushing, risks of burial, risk of suffering shocks and impacts, risks deriving from manual handling of loads, noise, dust, vibrations, explosive atmospheres and climatic variations. All identified risks related to office work are presented and analyzed in the Risk Assessment Document (DVR) prepared both as a general document (with particular reference to the headquarters) and for each foreign country, in which the Pizzarotti Group has opened a Branch (identified as a production unit pursuant to Legislative Decree 81/08), while the risks associated with the activities carried out on construction sites are examined within the Operational Safety Plans (POS) in Italy or similar documents for abroad (Safety Plan or HSE Plan). These documents identify, for each risk, the prevention and protection systems, divided by type of job, to be implemented in order to mitigate the negative effects that may occur to the detriment of workers.

In some countries it is also possible to identify risks due to religious and political conflicts, which can impact on Group employees.

With reference to the foreign perimeter, albeit with the complexities relating to the specificities of individual countries and local laws on health and safety in the workplace, the Group directs the risk assessments, first of all by managing them according to its own QHSSE instructions and subsequently assessing from time to time whether the local legislation is more or less stringent than that of the parent company (Italy) and discriminating on the basis of belonging to the European Union or not.

5.2 Management approach

The Pizzarotti Group considers the topic relating to health and safety to be of high importance precisely in relation to the nature of its business. In this regard, the Group has the "*Integrated Company Policy*" document which expresses the commitment to protect the health and safety of workers. The Group has an *Integrated Quality, Safety and Environment Management System* through which it manages topics relating to the health and safety of its workers, both in Italy and in various foreign countries, according to precise regulatory standards (Legislative Decree 81/08 for Italy, local legal system for abroad) and international standard (UNI 45001) which provide for the implementation of Business Units operating procedures and instructions that govern all processes related to health and safety management, monitoring events with a view to continuous improvement. This Management System is supported by the "*Integrated Management System Manual*" containing the description of the processes and responsibilities entrusted as well as the guidelines for implementation.

The Pizzarotti company applies its own Integrated Management System (Quality / Safety / Environment) through which, in reference specific to issues related to safety, implements and organizes all actions aimed at minimizing risks through procedures, operating instructions, field checks, training, information, training,

²² By commuting accidents we also mean accidents occurring on the journey from home to work even where the trip is not organized by the organization, as required by the relevant legislation ".

health surveillance.

Particular attention is paid to the management of events (both near misses and accidents) through a timely reporting of the causes and corrective actions, where envisaged, to be implemented to eliminate their possible recurrence at source.

Since the Pizzarotti Group is present in various countries, health and safety aspects are managed in compliance with specific local laws and regulations and according to the procedures and instructions adopted by the Group. Since 2019, the QHSSE area has been managing both the Italy Division and the Foreign Division with the aim of coordinating and managing these aspects and the personnel involved, defining and applying instructions and guidelines, such as to guarantee the Group a complete surveillance over the processes. Following a profound Corporate Reorganization in the first months of 2021, the new subdivision refers to Domestic Operations and International Operations (previously identified as the Italy Division and the Foreign Division).

In Italy, the Workers' Safety Representatives (RLS) are identified who have a role of verification and consultation in matters of Health and Safety. Within the construction sites, sometimes, where the figure of the RLS is not present, reference is made to the RLS elected by the Pizzarotti staff, present at the Parma office, voted by electronic elections (via e-mail) and in some sites to the Territorial RLS .

Below will be represented what the Group has implemented, by way of example and not exhaustive, regarding the activities in the promotion of health and safety, applicable, as already mentioned, to all the Areas and production units that declare to use the Company Management System or in which the company has the employer responsibility:

- ◆ In **Romania**, surveillance activities are carried out, medical examinations, supervision of the protective devices adopted, signaling of dangerous areas, control of gripping and signaling systems and organization for first aid. The identified risks are therefore managed according to a Risk Plan prepared by the Safety Manager and, based on the identified risk group, workers are provided with the appropriate equipment to prevent adverse events and accidents. To protect themselves from risks related to work on construction sites, the Group requires its workers to wear personal protective equipment and devices, that hazardous areas are reported, continuous monitoring of the activity carried out and that non-conformities are reported and resolved in the immediate.
- ◆ In **Cameroon**, to remedy critical issues arising from the external environment, an internal and external video surveillance system has been provided to the building used as an office and dormitory, while respecting the workers' *privacy*; furthermore, steps were taken to develop a system of hygienic monitoring of the places used as canteens and to divide the work environments from the private ones, while coexisting in the same building; with reference to accidents, the offices are equipped with a first aid kit and the emergency and first aid team have been identified and trained.
- ◆ In **France**, as in other countries where the Group is present with a stable structure, a Branch HSE (*Health Safety & Environment*) Service was established; in the specific country (France), the operational supervision in the field of Health and Safety is the responsibility of the local project

partner who guarantees compliance with the contractual and legal requirements on the subject according to local law; nevertheless, the Head of Safety Management (RGS) periodically carries out scheduled visits, together with the other HSE representatives of the companies belonging to the consortium, providing the *Area Manager* (ARM) and the Headquarters offices with appropriate *feedback*.

- ◆ In the **Middle East** and beyond, the Group follows the safety practices communicated by local authorities and the Italian Embassy in the host country, communicates *security* directives to workers (through an internal *Security Structure*) and maintains continuous contact with the representatives of the Italian embassy.
- ◆ In **Moldova**, as in *Romania*, aspects relating to health and safety are managed and monitored through a Plan equivalent to the DVR, called TESA, for risks deriving from office activities and from the OHSMP (*Occupation Health Safety Management Plan*), generally in the local language "*Planu Propriu SSM*" for site Operational Risks, which indicates how to mitigate and manage the risks associated with this topic. Site risk monitoring is carried out on a daily basis and, where necessary, mitigation measures are adopted. In these countries, occupational medicine services have also been activated, through private clinics, which perform the same activities that the Competent Doctor does in Italy.
- ◆ In **Peru**, the Group makes use of a Prevention Service, an Occupational Medicine Service and adapts procedures and documents that detail the methodology for identifying hazards and assessing risks for the health and safety of workers in order to establish the respective controls for the elimination, reduction and mitigation of risks. The Joint Committee for Health and Safety at Work operates at all levels of the organization and is made up of two representatives of the Employer and two Representatives of the Worker.
- ◆ In the **United Arab Emirates** and **Kuwait**, due to the context in which the Group operates, there is no employee representation or committee; in terms of Health and Safety, it must be said that the HSE Project Managers are proactive and follow the systemic rules of the Division and monitor the work activities by giving periodic feedback to the dedicated Headquarters structure.
- ◆ In **Montenegro and in Serbia**, the Safety Committee operates at the middle management level and includes site supervisors, construction managers, site managers and safety teams.
- ◆ In **Chile**, the Pizzarotti Group registered as a foreign company in 2020 and began to carry out tenders for local contracts through the activity of an expatriate employee and some local hired on the spot. At the beginning of 2021 a branch was established and 2 jobs in the mining field were acquired in JV with other companies and with Codelco as the client.

With reference to the RLS, expatriates abroad, in addition to having their local representative where applicable, have the support of the Headquarters RLS (whose election took place by voting via email extended to all employees of the Group), to whom they can refer for issues relating to Safety and who, for the purposes of consultation, on a sample basis or at the request of employees, may carry out visits to the workplaces and subsequent meetings.

In order to be able to homogenize the activities at the Group level, Impresa Pizzarotti makes use of specific Instructions (valid both in Italy and abroad) for the identification, management and handling of Non-conformities in the workers' health and safety matter. Also, for this purpose, the Group provides that all

employees are provided with health and safety training.

The Pizzarotti Group has set itself the main objective of minimizing the number of accidents in all countries by monitoring the relative frequency and severity indexes.

In the countries where the Group operates, specific health and safety objectives have been defined, such as:

- ◆ ensure that all employees have enough training or experience to perform their duties safely;
- ◆ establish safe working practices and procedures and ensure that staff have understood them;
- ◆ to establish and maintain the highest possible health, safety and hygiene standards;
- ◆ establish procedures to prevent pollution of the environment by any subcontractor or supplier of the project;
- ◆ develop an effective system for monitoring and reviewing all the activities defined in the Safety Plan and in the Environmental Management Plan (integral parts of the Project Plans);
- ◆ establish effective communication measures as part of the program to promote active participation and coordination of communications between the workforce and *management*;
- ◆ record all incidents and *near misses* so that corrective measures can be determined and introduced;
- ◆ Carry out an effective health surveillance through a specific identification of the risks related to the work duties of the staff and defining a health protocol that also takes into account the environmental and social peculiarities of foreign countries.

To all employees of the Pizzarotti & C. S.p.A. access to an internal complaints system (*whistleblowing*) is guaranteed, which allows to report any type of discrimination or inappropriate behavior in the workplace, guaranteeing the reporting subjects the protection from any retaliatory action. This channel can also be used for OSH issues.

5.3 Key Performance Indicators

403.2 Group employee accidents ²³	2018	2019	2020	Variation % 2019/2020
ITALY				
Total injuries	40	27	11	-59%
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			11	-
Commuting injuries	3	3	1	-67%
Injuries at work	37	24	10	-58%
REST OF EUROPE				
Total injuries	9	16	10	-38%

²³ For 2020 the values refer only to the employees of the Pizzarotti & C. SpA company

403.2 Group employee accidents ²³	2018	2019	2020	Variation % 2019/2020
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			10	-
Commuting injuries	1	6	5	-17%
Injuries at work	8	10	5	-50%
AMERICA				
Total injuries	4	154	0	n.a.
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			0	-
Commuting injuries	-	-	0	-
Injuries at work	4	154	0	n.a.
AFRICA				
Total injuries	-	-	0	-
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			0	-
Commuting injuries	-	-	0	-
Injuries at work	-	-	0	-
ASIA				
Total injuries	-	1	0	n.a.
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			0	-
Commuting injuries	-	-	0	-
Injuries at work	-	1	0	n.a.

403.2 Accidents for external workers ²⁴	2018	2019	2020	Variation % 2019/2020
ITALY				
Total injuries	20	18	54	200%
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			5	-
recordable work injuries			54	-

²⁴ For 2020, workers hired by Consortia / JVs are included

403.2 Accidents for external workers ²⁴	2018	2019	2020	Variation % 2019/2020
Commuting injuries	0	1	0	n.a.
Injuries at work	20	17	54	218%
REST OF EUROPE				
Total injuries	7	30	24	-20%
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			24	-
Commuting injuries	0	0	0	-
Injuries at work	7	30	24	-20%
AMERICA				
Total injuries	8	8	1	-88%
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			1	-
Commuting injuries	0	0	0	-
Injuries at work	8	8	1	-88%
AFRICA				
Total injuries	0	0	0	-
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			0	-
Commuting injuries	0	0	0	-
Injuries at work	0	0	0	-
ASIA				
Total injuries	0	0	0	-
deaths			0	-
Injuries at work with serious consequences (excluding deaths)			0	-
recordable work injuries			0	-
Commuting injuries	0	0	0	-
Injuries at work	0	0	0	-

For accidents for external workers in 2020 there was an overall increase of 41% compared to 2019, while the positive trend of reducing the number of accidents for Group employees continues, equal to - 89% compared to last year. This difference is also linked to the modification of the distribution of workers as reported in notes 6 and 7.

403.2 Occupational health and safety accident rates ²⁵ - Employees	2018	2019	2020	Variation % 2019/2020
ITALY				
Frequency rate (FA)	19,39	16,23	12,9	-21%
REST OF EUROPE				
Frequency rate (FA)	5,71	6,10	9,4	55%
AMERICA				
Frequency rate (FA))	11,87	25,55	0	n.a.
AFRICA				
Frequency rate (FA)	-	-	0	-
ASIA				
Frequency rate (FA)	-	1,39	0	n.a.
TOTAL				
Frequency rate (FA)	-	18,93	7,3	-62%

The Group FA frequency rate fell by 62% compared to 2019, with values equal to zero in America, Africa and Asia, while in Italy the reduction was 21%.

403.2 Occupational health and safety accident rates - external workers	2018	2019	2020	Variation % 2019/2020
ITALY				
Frequency rate (FA)	9,36	11,52	20,78	80%
REST OF EUROPE				
Frequency rate (FA)	1,27	5,02	4,30	-14%
AMERICA				
Frequency rate (FA))	7,87	7,9	14,32	81%
AFRICA				
Frequency rate (FA)	0,00	0,00	0,00	-
ASIA				
Frequency rate (FA)	0,00	0,00	0,00	-
TOTAL				
Frequency rate (FA)	3,49	5,49	7,18	31%

The FA frequency rate in reference to external workers increased by a total of 31%. In particular, some situations related to Consortia and JVs that are undergoing in-depth analysis, especially in Italy and South America, weigh heavily.

In 2020 there were no deaths due to accidents at work, both among employees and among all external workers. As regards accidents with serious consequences (permanent disability or prognosis of more than 6 months), there are 5 cases in Italy involving external employees. There were also no occupational diseases (definitively formalized by the various national insurance bodies) in the reporting year.

In all the countries and companies of the Group, the legal and contractual constraints envisaged for the notice periods for organizational changes are respected.

²⁵ The Fa injury index is calculated as the number of injuries / hours worked x 1,000,000. For 2020, the calculation relates exclusively to accidents at work as per UNI 7249. Therefore, accidents while commuting are not included.

6 Relations with local communities

6.1 Group Risks

The Pizzarotti Group is constantly committed to managing the social aspects relating to relations with the local community, contributing to the socio-economic well-being of the territories in which it is present.

With the support of the Pizzarotti Foundation, the synergy between the Foundation's *mission* "to promote a culture of collaboration, understood as an opportunity to contribute in a participatory way to improve the living conditions of our time" and the Group's activities is consolidated.

In broader terms, the Pizzarotti Group is committed to maintaining a constant dialogue with the local communities in the countries and areas in which it operates. If on one hand the impact generated on the local community is related to any interference caused by the Group's infrastructures in the area in which it operates, on the other hand, the Group's activities also necessarily involve the creation of local jobs, as well as to a significant induced.

In this regard, potential risks related to the issue of respect for human rights have been identified, as well as to relations with local communities such as the reputational risks deriving from the lack of harmonization of the works produced with the social matrix and the risks associated with a lack of confrontation with the local community.

6.2 Management Approach

With reference to the practices of involving local communities, these are assessed by the Board of Directors (BoD) with the involvement of the competent Directors, the human resources function and any functions proposing an initiative or interested by area of competence (construction sites).

6.3 Key Performance Indicators

In Italy, as in the rest of the countries where the Group is present, establishing a climate of dialogue and collaboration with the local matrix is a good practice that generates opportunities.

From the collaboration with the associations of the Parma area regarding the corporate volunteering project, with high schools in terms of school-work alternation and orientation of the youngest up to the universities of the national territory in order to attract young people eager to gain experience on the field. The commitment and attention to social matters is still reflected in the numerous projects of the Pizzarotti Foundation, in 2020, through the call for "combating youth alienation and early school leaving", it rewarded the initiatives dedicated to the problems of the vulnerable age group aged 6-16 in relation to early school leaving, social isolation and / or the lack of educational opportunities.

In the Parma area, in terms of environmental sustainability, the headquarters of Impresa Pizzarotti was among the first to adopt the RiVending project, a virtuous cycle of collection and recycling of plastic.

The pilot project, sponsored by the municipality of Parma and promoted by CONFIDA (Italian Association of

Automatic Distribution), COREPLA, (National Consortium for the Collection and Recovery of Plastic Packaging) and UNIONPLAST (National Union of Plastic Transformers Industries - Plastic Rubber Federation), was born with the idea of creating a "closed cycle" for the collection and recycling of plastic cups used in coffee vending machines whose plastic, recovered through special baskets, is reintroduced into the production of new cups, thus creating an efficient economy circular in accordance with the requirements of the European Union.

The final goal of the project, extending RiVending to the entire city of Parma and then also involving other provinces of the Italian territory, simplifying the material selection process and recovering a plastic of the highest quality and value with which new products can be created. A concrete initiative towards "plastic free", for the reduction of plastic through the recycling of materials.

In 2020, there were penalties for non-compliance in social and economic matters amounting to € 3,549.

7 Sustainable management of the supply chain

7.1 Management approach

The Group interacts every year with thousands of suppliers, both for the realization of acquired projects and for its own internal needs. The contractual relationships are based on the principles of correctness and transparency, undertaking not to exploit any conditions of dependence or weakness of its suppliers.

The selection of suppliers is carried out on the basis of the principles of fairness and impartiality according to selection rules based on the verification of quality, technical-professional suitability, compliance with standards in the field of labor legislation, health, safety and the environment and criteria of cost-effectiveness.

Suppliers are required to formally accept the Code of Ethics, and to read it from the Company's website.

The main suppliers are assessed at the end of each year, with reference to performance, but also compliance with the conditions of the contract, as defined and integrated with the selection rules mentioned above.

7.2 Group Risks

The analysis carried out by the Group with respect to the importance of the topics determined the responsible management of the supply chain as a material issue for both the Group and the stakeholders. All third parties that offer intellectual services (such as engineering firms, designers, freelancers and consultants), manual services (such as executing companies to which specific activities within construction sites are subcontracted) and suppliers of materials (by way of non-exhaustive example they include suppliers of cement and bituminous conglomerate, suppliers of quarry materials, infrastructural supports and joints, safety and noise barriers, material for civil construction such as masonry, false ceilings, plasters, flooring, waterproofing, fixtures, coatings, etc.) are identified as Group suppliers.

All new suppliers undergo a qualification process.

The Group is potentially exposed to various types of risks, such as compliance, commercial and reputational risks, deriving from an inadequate functioning of the supplier qualification and / or performance assessment process. The main risks suffered due to external factors include potential compliance risks, for example in the case of regulatory updates with the need to adapt measures towards suppliers, or commercial and reputational risks due to the possible occurrence of operational problems with suppliers (eg . inadequate performance in the technical, qualitative, safety, environmental, etc.), subsequent to the establishment of contractual relationships.

To control these risks, the Company has defined and updated a series of procedures for the management of the procurement process of goods and services which define the roles, responsibilities and controls to be implemented in order to ensure that operational activities are carried out in compliance the applicable laws and regulations, the Code of Ethics, the 231 Model.

7.3 Suppliers qualification and selection Process

As part of the procurement process, the supplier qualification process plays a significant role, which aims to evaluate the requirements of the potential supplier according to the criteria defined by the company, in order to include it in the company Vendor Lists. The qualification process also aims to cover the needs of the Group in all relevant product and geographic scenarios.

The assessment of suppliers is carried out periodically on an annual basis and in 2020 it concerned the most important contracts in economic terms.

The evaluation process is accompanied by on-site monitoring activities carried out by the project QHSSE Departments, which mainly concerns subcontractors and is aimed at verifying that the activities carried out by them comply with the quality and protection standards of the Environment, Health and Applicable safety.

The Group is reviewing the supplier qualification process, with the aim of achieving a significant improvement in the reliability and coverage of this process by 31/12/2021. This objective is also pursued through the establishment of a Vendor Management organizational unit, responsible for both the qualification and the management of multi-level rating feedback, and finally of the information and reporting linked to the Counterparty Risk analyzes in support of the procurement process. Supplier qualification will be fully integrated with ESG (Environment, Social, Governance) criteria, and with economic-financial and compliance information guaranteed by certified info providers.

7.4 Supply chain

The supply chain is made up of each company in the supply chain that comes into contact with the final product supplied to the Company, including manufacturers, assemblers, retailers and shipping companies.

The Group carries out checks on the entire supply chain of the main contracts being signed and already stipulated.

Among the objectives of the revision of the supplier qualification process there is also the extension of responsible management practices to the supply chain. All with a view to mitigating the risk associated with

counterparties.

During 2020, the Group was confronted with situations of strong market stress due to the effects of the Covid-19 pandemic. This caused a shock to the production system, and as an effect a strong variability of the market price and the availability of raw materials, with the need to review procurement strategies.

Some suppliers have gone through difficult situations, with the consequent need for the Group to review contractual conditions, to review supply areas, to activate alternative vendors, to proceed with financial support of an extraordinary nature, with the aim of mitigating the effects on operational projects.

7.5 Management Approach

The identified risks connected to the supply chain are managed by requesting a "performance bond" from the supplier, i.e. a guarantee of good execution, as well as applying a guarantee withholding tax with respect to the Work Progress Status. With reference to the management methods related to environmental risks, the Group requests all necessary authorizations and certifications from suppliers, which certify environmental compliance in advance of the assignment.

The aspects related to the supply chain are regulated at company level by the "Qualification of suppliers and vendor list" procedure and by the operating instruction "Qualification of Design Suppliers", specific to define the responsibilities and methods of qualification of the suppliers of engineering services. The Group pays particular attention to the choice of suppliers when qualifying them; specifically, during the selection phase, the supplier is chosen based on the types of procurement for which it is enabled. Is there when all the documentation necessary for a correct and complete issue of the offer is made available to suppliers (specifications, draft contract with specific article relating to the Code of Ethics or reference to it, technical documents, work program, need for any certifications or permissions). The next phase, corresponding to the evaluation, involves sending all the documentation indicated by the supplier during the selection; before concluding the assignment process these aspects are technically assessed, after which the economic negotiation proceeds. Finally, the revaluation phase requires the Project manager to evaluate the supplier's activity at the end of the year. In the event that there have been problems or defaults, the supplier in question will be included in the company blacklist and will be able to carry out the qualification process again after 2 years, as required by the procedure itself. All qualified suppliers are required to respect and apply the principles of the Code of Ethics also referred to within the supply contracts. Thanks to the procedure described above, it is evident how Impresa Pizzarotti deals with the management of change in relation to a supplier: through the initial qualification phase in the case of a new supplier and through the inclusion in the black list if some requirements considered non-derogable are not met.

The qualifications of the suppliers are kept active in the event that the sites are subject to changes (by their constitutive nature, the sites have a limited view over time). In these cases, upon opening a new project, suppliers who have obtained good evaluations from closed or ongoing contracts are contacted again for the formulation of new offers.

The Group's supply chain is managed at an IT level by a company system that coordinates the flow of the Procurement Request as required by the purchasing procedure in force, called "Procurement management

activities". The assessment of supplier performance is carried out annually by the Project Managers through the evaluation of the most important Suppliers in the Project. The indicators used are the marks referring to compliance with quality and the work program, up to date the Group does not include ESG (Environmental Social Governance) criteria to evaluate the selection and work of its suppliers.

7.6 Key Performance Indicators

Given the nature of the business and the typical methods of managing the Group's contracts, relations with local suppliers are preferred, since the workforce, frequently supplied through the use of subcontractors, resides in the country where the work is carried out.

For this reason, the Group prefers to implement collaborative relationships with the best suppliers in the area in which it operates, in order to ensure that work is carried out locally in compliance with current regulations, as well as to ensure that subcontractors and suppliers of goods or services have the certifications and attestations in accordance with the Contract and the relevant Subcontract.

In 2020 the data relating to contracts engaged (contracts signed during the year also with multi-year validity) with local suppliers (same area) were collected, the percentages of which are shown in the table below:

AREA	% of purchases from local suppliers ²⁶
Italy	93%
Rest of Europe	64%
America	98%
Africa	26%
Asia	100%

During 2020, penalties were applied in Italy for lack of preparations in the workplace to some subcontractors and failure to comply with the legislation on safety at work for a total of € 8.050. Abroad there are penalties for an equivalent in euros of 5.875 \$ for failure to apply local laws.

8 Anti-corruption

8.1 Group Risks

The Group has always shown great sensitivity to the subject of crime prevention. For this reason, the Group has defined, within its Code of Ethics and the Organization, Management and Control Model, pursuant to

²⁶ Only the amounts relating to contracts registered directly by Impresa Pizzarotti are included in the database for the calculation. The data presented, albeit with the indicated limitation, is in any case indicative of the Group's performance.

Legislative Decree 231/01, hereinafter also Model 231 - the latter applicable to the Italian Parent Company - the commitments and the ethical responsibilities which the members of the organization are called to abide by in carrying out the Group's activities. Directors, executives, employees and collaborators are required to follow these principles with particular attention to anti-corruption and anti-money laundering matters in relations with all Group interlocutors such as public administrations, companies and private entities, banks, investment funds, suppliers and consultants from and operating not only in Italy but also in the various countries abroad.

The Parent Company Impresa Pizzarotti & C. S.p.A., thanks to the adoption of the Organization, Management and Control Model pursuant to Legislative Decree 231/01, has identified the areas and company processes at high risk with respect to money laundering, self-laundering and corruption crimes, preparing for each of these specific prevention measures, applicable to all categories of processes and activities at risk of crime.

Specifically, with reference to money laundering and self-laundering offenses, the risks identified are those connected:

- ◆ To the use of capital deriving from illegal activities committed by others, in order to obtain a profit or in order to hinder the identification of their criminal origin;
- ◆ to the use of resources illegally obtained on one's own, invested in legitimate economic activities, in order to produce further fruit and thus polluting the original illicit derivation.

The business processes most affected by these risks are the following: "Administration/Finances", "Tenders", "Procurement", "Production", "Commercial".

With reference to corruption offenses, the main risks derive from the Group's ordinary activities, or from the management of Projects and are listed below:

- ◆ direct or indirect payment (through an intermediary) to a Public Official, Public Service Officer or to a third party (in the context of corruption between private individuals) as payment for illicit benefits;
- ◆ direct payment to the aforementioned subjects destined to the creation of a black fund;
- ◆ assignment of consultancy and/or collaboration assignments to the Public Official, Public Service Officer or a person linked to them by family relationships as consideration for illicit benefits;
- ◆ direct hiring of family members of the aforementioned subjects, circumventing the checks of correctness and congruence with respect to the role;
- ◆ propagation of liability following a corruptive offense committed by the representative of one of the commercial partners, in the context of a JV.

Also for these categories of offenses, the company processes, most affected by the related risks, are: "Administration/Finance", "Tenders", "Procurement", "Commercial", to which is also added the process/activity of hiring personnel by the "Human Resources".

The Surveillance Body verifies the measures set up for the purpose of preventing, among others, the aforementioned crimes.

As regards the risks on the Group's activities, deriving from the possible commission of the aforementioned categories of offenses, they are worth mentioning:

- ◆ imposition of pecuniary and/or disqualification sanctions (administrative/criminal);
- ◆ negative effects on the reputational level, with repercussions not only on a commercial and contractual level with clients, partners and suppliers, but also on the economic-financial level, in relations with financial and credit institutions;
- ◆ criticality in the participation of Group companies in tenders.

8.2 Management Approach

The Pizzarotti Group supports the fight against corruption and, as a result of this, the Parent Company Impresa Pizzarotti adopts the Organization, Management and Control Model pursuant to Legislative Decree 231/01 and a specific Protocol relating to corruption, money laundering and self-laundering; this Model is applied to the Parent Company in relation to the work performed and the employees engaged both in Italy and abroad. In the event of non-compliance with the prevention measures established therein, the sanction system provided for by the Model pursuant to Legislative Decree 231/01 operates.

The Group also has its own Code of Ethics, available on the Group's website, which defines the professional practices and behaviors to which all employees and collaborators are required to comply. This Code is signed by all employees and contains specific Group sanctioning provisions in case of violation of company rules.

The Group also adopts an Organizational Model for the Prevention of Crimes, which provides for a specific protection measure that requires prompt reporting by all subjects who become aware of the existence of administrative and procedural irregularities, omissions or falsifications, to his hierarchical superior and, in the event that the irregularity also involves the latter, to subjects superordinate to him; this Model also provides that the Internal Surveillance Body must be promptly informed of such events.

All top management and some of the personnel with roles of responsibility belonging to the Parent Company were trained on the subject of the application of Model 231. All employees with an e-mail address were directly informed by the Surveillance Body with respect to the measures envisaged by this Model, regarding corruption crimes against Public Officials and between private individuals, and all contract managers were requested to extend this information to all their subordinates. Furthermore, even within the stipulated contracts there are clauses and references to these issues.

Furthermore, in order to prevent the occurrence of such events, the Group adopts various types of prevention measures, such as:

- ◆ the obligation to ensure the traceability of financial transactions through suitable and precise procedures/actions/purposes;
- ◆ the prohibition of concluding sponsorship contracts if the Board of Directors has not previously approved a resolution;
- ◆ the obligation to verify, prior to signing the contract, the correspondence of the agreed fee for the service provided at market prices;
- ◆ the provision of joint signature on orders and contracts by at least two subjects not subordinate to each other;
- ◆ the prohibition on assigning consultancy and/or collaboration tasks to the Public Official/ Public Service Appointee who participates or has participated in the previous five-year period, in the procedures for the award of contracts in respect of which the Pizzarotti Group or other subsidiary or investee company has

successful bidder;

- ◆ the provision of a homogeneous and shared approach by the members of the JVs or consortium members of the issues relating to the correct application of Legislative Decree 231/01;
- ◆ in all cases of new hires, from executives to white-collar worker, it is mandatory to assess the need for the new hiring and to fully identify the specific characteristics of the person to be hired, as well as to compare multiple candidates with each other.

During the year 2020, the Group did not suffer any convictions for confirmed cases of corruption.

8.3 Key Performance Indicators

205-2: Communication and training related to anti-corruption policies and procedures	UM	2018	2019	2020
Total number of BoD members who received anti-corruption training	n°	1	0	0
% of BoD members who received anti-corruption training	%	0%	0%	0%
Total number of employees who received anti-corruption training	n°	11	90	13
% of employees who received anti-corruption training	%	2%	4%	1,2%
Senior executives	n°	-	9	1
Managers and employees	n°	11	48	12
Workers	n°	-	33	0

As part of the training organized in 2020, specific training was provided on anti-corruption policies and procedures.

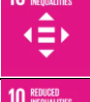
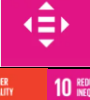
404-1_ Anti-corruption training															
	2018			2019			2020			2019/2018			2020/2019		
	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T
	h.			h.			h.			Delta %			Delta %		
Executives	0	0	0	0	36	36	0	0,75	0,75	-	-	-	-	-98%	-98%
Middle managers and employees	8	36	44	8	150	158	3	6	9	0%	317%	259%	-63%	-96%	-94%
Workers	0	0	0	0	66	66	0	0	0	-	-	-	-	-100%	-100%
Total	8	36	44	8	252	260	3	6,75	9,75	0%	600%	491%	-63%	-97%	-96%

9 GRI Content Index

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	DESCRIPTION	SDGS RELATED (IF APPLICABLE)	PAGE	OMISSION
GENERAL DISCLOSURE	102 General Disclosures 2016	102-1	Organization name		1; 4	
		102-2	Activities, brands, products and services		8-10	
		102-3	Location of the main office		4; 6	
		102-4	Place of business		6-8	
		102-5	Ownership and legal form		15	
		102-6	Markets Served		9-11	
		102-7	Size of the organization		8-9	
		102-8	Information on employees and other workers		27-37	
		102-9	Supply chain		47-48	
		102-10	Significant changes to the organization and its supply chain		47-49	
		102-11	Precautionary principle		16	
		102-12	External initiatives		45-46	
		102-13	Membership and associations		11-12	
		102-14	Senior executive statement		58	
		102-16	Values, principles, standards and rules of conduct		4;5;15-17	
		102-18	Governance structure		15	
		102-40	List of stakeholder groups		12	

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	DESCRIPTION	SDGS RELATED (IF APPLICABLE)	PAGE	OMISSION
		102-41	Collective bargaining agreements	 	12; 33	
		102-42	Identification and selection of stakeholders		4; 12-13	
		102-43	Methods for involving stakeholders		4;12-13	
		102-44	Key issues and issues raised		14	
		102-45	Subjects included in the consolidated financial statements		4-14	
		102-46	Definition of the content of the report and perimeters of the themes		4-8	
		102-47	List of material topics		4-5;13-14	
		102-48	Review of information		4-17	
		102-49	Changes in reporting		4-17	
		102-50	Reporting period		4-17	
		102-51	Date of the most recent report		5	
		102-52	Periodicity of reporting		4-5	
		102-53	Contacts to request information regarding the report		5	
		102-54	Reporting statement in accordance with the GRI Standards		4	
		102-55	GRI content index		53	
		102-56	External Assurance		61	

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	DESCRIPTION	SDGS RELATED (IF APPLICABLE)	PAGE	OMISSION
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	GRI 204 PROCUREMENT PRACTICES	204-1	Proportion of expenditure on local suppliers		49	
TRANSVERSE - TAXES	GRI 207 Taxes	207-1	Approach to taxation		N.A.	The Group complies with all the tax laws of the countries in which it operates. For more details on the tax approach and in general the issues related to it, please refer to what is indicated in the Consolidated Financial Statements published by the Group. More information about the tax approach will be reported directly in the Sustainability Report starting from the next edition.
		207-3	Governance, control and risk management		N.A.	
		207-3	Involvement of stakeholders and management of tax concerns		N.A.	
MANAGEMENT OF EMISSIONS INTO THE ATMOSPHERE (INCLUDING GREENHOUSE GASES)	GRI 302 ENERGY	302-1	Energy consumed within the organization		20-22	
	GRI 305 EMISSIONS	305-1	Direct GHG emissions (Scope 1)		24-26	
		305-2	Indirect GHG emissions from energy consumption (Scope 2)		25-26	
WASTE MANAGEMENT	GRI 306 EFFLUENTS and WASTE	306-2	Waste by type and method of disposal		26-27	
MANAGEMENT OF WATER CONSUMPTION AND SEFFLUENTS	GRI 303 WATER	303-1	Interaction with water as a shared resource		19;23-24	

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	DESCRIPTION	SDGS RELATED (IF APPLICABLE)	PAGE	OMISSION
	GRI 306 EFFLUENTS and WASTE	306-3	Significant spills		19	Only the number of spills recorded in the year was reported. The Group undertakes to report also the volumes of these over the next two years, especially in cases where the spills cause significant impacts.
ENERGY EFFICIENCY AND USE OF RENEWABLE ENERGY	GRI 308 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS	308-1	New suppliers that have been evaluated using environmental criteria		47	
HUMAN RESOURCES MANAGEMENT	GRI 401 EMPLOYMENT	401-1	New hires and turnover		30-32	
INDUSTRIAL RELATIONS	GRI 402 RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT	402-1	Minimum notice period for operational changes		12	
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT	GRI 403 HEALTH AND SAFETY OF WORKERS	403-2	Hazard identification, risk assessment and accident investigation		37-44	
PERSONNEL TRAINING AND DEVELOPMENT	GRI 404 TRAINING AND EDUCATION	404-1	Average hours of training per year per employee		28;35-37;52	
		404-3	Percentage of employees receiving an assessment periodic of performance and professional development		33-34	
DIVERSITY PROTECTION AND NON-DISCRIMINATION	GRI 405 DIVERSITY AND EQUAL OPPORTUNITIES	405-1	Diversity in governance bodies and among employees		35	
	GRI 406 NON-DISCRIMINATION	406-1	Incidents of discrimination and corrective measures taken		33	

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	DESCRIPTION	SDGS RELATED (IF APPLICABLE)	PAGE	OMISSION
PROTECTION AND RESPECT FOR HUMAN RIGHTS	GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	407-1	Activities and suppliers in which the right to freedom of association and collective bargaining can be at risk	  	12; 33	
	GRI 408 CHILD LABOR	408-1	Activities and suppliers at significant risk of incidents of child labor	  	12	
	GRI 409 FORCED OR COMPULSORY LABOR	409-1	Activities and suppliers at significant risk of incidents of forced or mandatory work	  	12	
	GRI 411 RIGHTS OF INDIGENOUS PEOPLES	411-1	Episodes of violation of the rights of indigenous peoples		12	
	GRI 412 EVALUATION OF RESPECT FOR HUMAN RIGHTS	412-2	Employee training on policies or procedures on human rights	 	37	
RELATIONS WITH COMMUNITIES AND LOCAL BODIES	GRI 414 SOCIAL ASSESSMENT OF SUPPLIERS	414-1	New suppliers who have been evaluated through the use of social criteria		49	
COMPLIANCE AND ANTI-CORRUPTION	GRI 205 ANTI-CORRUPTION	205-2	Communication and training on anti-corruption policies and procedures		52	
		205-3	Confirmed episodes of corruption and actions taken		52	
	GRI 307 ENVIRONMENTAL COMPLIANCE	307-1	Non-compliance with environmental laws and regulations		19	
	GRI 419 SOCIO-ECONOMIC COMPLIANCE	419-1	Non-compliance with laws and regulations in the social and economic area		46	

10 Approval

This Sustainability Report was drawn up by the Quality, Safety and Environment Area in collaboration and coordination with the managers of the company areas concerned and was approved on **3 August 2021** by the CEO of the Pizzarotti & C. S.p.A.

Quality, Health & Safety, Security and Environment Manager

Paolo Cavatorta

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CEO Impresa Pizzarotti & C. S.p.A.

Carlo Luzzatto

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Letter to Stakeholders

Dear Stakeholders,

the general definition of Sustainable Development indicates that it is "the development aimed at meeting the needs of the present generation without compromising the ability of future generations to meet their own needs".

We believe that the Sustainable Development represents for us an opportunity to improve our business strategies in order to ensure, in a constantly changing context, the maintenance of the efficiency and the quality of our products and services in a short and long term perspective of continuous improvement.

Occupational health and safety, environmental protection, product and service quality, sustainability and ethics of the supply chain, the enhancement and professionalism of **human capital**, the compliance with regulations **against corruption and bribery** are and will always be extremely relevant for us.

Following these principles we have updated and improved our "Company Policy" and since 2019 we joined the United Nations Global Compact.

We will continue to invest energy and resources for continuous improvements in the field of Corporate Sustainability and related communication to Stakeholders.

Our goal is to further develop the communication system in order to be able to report with improved clarity, transparency and regulatory *compliance* our Corporate Sustainability objectives and results.

In this perspective, we have published the "Sustainability Report 2020" following, on a voluntary basis, the "Non-Financial Statements" published in 2017 and 2018 as a mandatory reporting tool in line with the provisions of Legislative Decree no. 254 of 30 December 2016.

We are proud to present to you, with the "Sustainability Report 2020", the first version of our "Corporate Sustainability Plan", which will be further implemented in the second half of 2021 and which we believe represents a further important step in our improvement path.



Impresa Pizzarotti & C. SpA - Cap. Soc. € 250.000.000 i.v.

Società soggetta all'attività di direzione e coordinamento della Higen S.p.A.
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Codice Fiscale 01755470158 - R.E.A. di Parma n° 43991 - R.I.N.A. IT00633290342



Our "Corporate Sustainability Plan" is developed along the following areas of commitment:

- Circular Economy promotion;
- Mitigation and adaptation to Climate Change;
- People care and development;
- ESG strengthening of the Supply Chain;
- Governance of Sustainability;

and identifies the goals for Sustainable Development (SGDs) statements that are more relevant and in line with our "Company Policy", for which the Company's contribution to achieve them is greater.

Confident that the "Sustainability Report 2020" will be able to fully meet the knowledge requirements of all Stakeholders involved, we are looking forward to the 2021 edition and we are convinced that we will succeed in reporting further significant improvements in the direction of Corporate Sustainability.

Carlo Luzzatto

Chief Executive Officer

Impresa Pizzarotti & C. S.p.A.

Michele Pizzarotti

Vice Chairman of the Board

Impresa Pizzarotti & C. S.p.A.

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Impresa Pizzarotti & C. SpA - Cap. Soc. € 250.000.000 i.v.

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Independent auditor's report on the 2020 Sustainability Report

To the Board of Directors of Impresa Pizzarotti & C. SpA

We have been charged to carry out a limited assessment ("limited assurance engagement") on the Sustainability Report of Impresa Pizzarotti & C. SpA and its subsidiaries (hereinafter the "Pizzarotti Group") for the year ended 31 December 2020.

Responsibility of the Directors for the Sustainability Report

The Directors of Impresa Pizzarotti & C. SpA are responsible for the preparation of the Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative in 2016 and updated in 2019 ("GRI Standards"), as indicated in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are also responsible for the implementation of the internal controls that they consider necessary to prepare a Sustainability Report that is free from material misstatement, whether due to fraud or unintentional behaviours or events.

Moreover, the Directors are responsible for defining the sustainability performance targets of Pizzarotti Group, as well as for identifying the stakeholders and the significant aspects to be reported.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethical and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour.

Our audit firm adopts International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes process and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

PriceWaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico
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Società soggetta all'attività di direzione e coordinamento della PriceWaterhouseCoopers Italia Srl
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Auditor's responsibility

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the Report with the requirements of the GRI Standards. We conducted our engagement in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information" (hereafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the Report is free from material misstatement.

The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement performed in accordance with ISAE 3000 Revised ("reasonable assurance engagement") and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and consisted in interviews, primarily with company personnel responsible for the preparation of the information presented in the Report, analysis of documents, recalculations and other verification procedures.

In particular, we performed the following procedures:

- 1) analysis of the process aimed at defining the significant reporting areas to be disclosed in the Sustainability Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;
- 2) understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the Sustainability Report.

In particular, we held meetings and interviews with the management of Impresa Pizzarotti & C. SpA and with the personnel of the worksite Terzo Valico del Giovi – Lotto Cravasco and Lotto Castagnola (Italy) and we performed limited analysis of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the Sustainability Report.

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

- at Group level:
 - a) with reference to the qualitative information included in the Sustainability Report, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the correct consolidation of data;



- for the worksite Terzo Valico del Giovi – Lotto Cravasco and Lotto Castagnola (Italy), which was selected on the basis of its activities, its contribution to the performance indicators at a consolidated level and its location, we carried out site visits and insights during which we met local management and gathered supporting documentation, on a sample basis, regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Pizzarotti Group for the year ended 31 December 2020 has not been prepared, in all material respects, in compliance with the GRI Standards as disclosed in the paragraph “Methodological Note” of the Sustainability Report.

Parma, 3 August 2021

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the English translation of the Sustainability Report 2020 of Impresa Pizzarotti & C. SpA.