

SUSTAINABILITY REPORT



TESYA S.p.A.

Registered Office and Headquarters:

Via Padana Superiore, 19 - 20055 VIMODRONE - MILAN -

tel. +39 02 27402641

Share Capital Euro 6,364,300 fully paid up.

Chamber of Commerce Milan, Monza, Brianza, Lodi

Companies Register, VAT-Tax code No. 00156280026

Index

04	<i>Letter to Stakeholders</i>
07	01 TESYA Group Companies
08	1.1 The TESYA Group
19	1.2 Governance at the TESYA Group
20	1.3 Our Culture, Our Purpose, Our Values
25	02 The Group's Approach to Sustainability
26	2.1 The Group's Sustainability Strategy
28	2.2 Stakeholder Engagement and Materiality Assessment
33	03 Environmental Responsibility
34	3.1 Energy Consumption and Emissions
43	3.2 Use of Resources
47	04 Social Responsibility
48	4.1 Focus on Employees
57	4.2 Training and Talent Development
61	4.3 Employee Health and Safety
67	05 Business Responsibility
68	5.1 Transparency and Ethics
72	5.2 Group Performance
75	<i>Methodological Note</i>
78	<i>GRI Content Index</i>

Letter to Stakeholders

[GRI 2-22]

I am pleased to present TESSYA Group's first Sustainability Report, a document that, ahead of current regulatory requirements, illustrates our commitment to making a positive contribution through all our endeavors aimed towards the people, businesses and communities in which we operate.

2022 has been a year of great satisfaction for TESSYA: despite many complexities, we have grown in terms of revenue and personnel, consolidating the best result in our history. More importantly, we launched all the innovation projects envisioned in TESSYA EVOLUTION 2025, the strategy guiding us in the construction of our "second curve", the new cycle of evolution and development of the TESSYA Group, in a timely and disciplined manner.

Sustainability is one of the fundamental pillars of this strategy, in line with the current historical moment that demands a significant commitment and sense of responsibility regarding the environment to facilitate a rapid

transition to net-zero emissions.

Our approach encompasses two execution pathways: an internal one, with a comprehensive program and investment plan to reduce our CO₂ emissions; and an external one, aimed at being ready to offer the market integrated and innovative service solutions in this field as well.

This commitment is reflected more broadly in the entire architecture of our offering: alongside our partners, we have long embarked on a journey that will enable us to develop solutions around our customers, capable of responding to their needs in an increasingly effective and sustainable manner.

As a testament to this commitment, CGTE was the first in Italy and one of the first in Europe to obtain ISO 20121 certification for sustainable events.

The focus on the environment and safety will increasingly influence the design of the machines we work with. However, to truly generate a positive impact, much will

depend on our ability to acquire expertise and awareness on these issues. With clear priorities: if environmental consciousness is an indisputable necessity, focusing on people's safety is of paramount importance.

Recognizing the value of each individual has always been one of our strengths.

Our philosophy is to provide substantial attention to everyone, not just in form but in substance. We aim to ensure a working environment that is both productive and positive, characterized by good manners and mutual respect, even in the small daily actions. Here, we work in a serene and innovative atmosphere, where nobody is left behind.

The quality of our people, their satisfaction and, last but not least, the opportunity for continuous and personalized training programs are decisive factors so that everyone can fully develop their potential and contribute to our shared success.

Throughout the entire TESIYA Group, we consider training, updating, and knowledge

sharing as cornerstones of change and development.

We have already undertaken significant investments in this area, and we will continue to do so in the coming years, always keeping people at the center.

In particular, we take pride in the evolution showcased in our 2022 Sustainability Report: it is the result of a collaborative effort carried out with intelligence, enthusiasm, and the ability to leverage, day by day, the many facets of a multicultural organization like TESIYA.

For this reason, we will not be complacent with the results achieved, and we will continue to maintain and strengthen our unwavering commitment to improvement: ethically investing in innovation, with clear principles and actions, is our small contribution to building a more sustainable, inclusive and prosperous world, for ourselves and future generations.

Lino Tedeschi

Chairman and CEO of TESIYA Group







TESYA Group Companies

1.1 The TESYA Group

[GRI 2-1, GRI 2-6, GRI 2-28]

The TESYA Group is an innovative B2B solutions provider in various industries with a global presence. The Group is characterized by a strong entrepreneurial spirit and its ability to adapt to the environment in which it operates. The TESYA Group has a **90-year history** dating back to **1934** when it started as an importer of Caterpillar machinery in Italy.

Over the years, several companies have in various sectors and countries have been founded or acquired as part of innovative development and growth projects. In 2020, the parent company, previously named Tesa, changed its name to TESYA to incorporate its values into the name, all stemming from the English pronoun “YOU”, to emphasize the importance of each individual collaborator.

As of December 31, 2022, the TESYA Group is composed of **22 companies** operating

in **12 countries** and providing services to primarily clients located in Southern Europe. The parent company, TESYA S.p.A., exercises direct control over Finanzauto S.p.A., CGT S.p.A., CLS S.p.A., CGTE S.p.A., CGT Trucks S.p.A. and Teknoxgroup S.p.A. Additionally, the Group includes companies indirectly affiliated with the parent company TESYA S.p.A., as evidenced by the organizational chart below.

During 2022, the Group acquired a 70% stake in Caymo Maintenance S.L. (abbreviated as “Caymo”), a Spanish company specializing operating in the marine services sector. Additionally, through CGTE S.p.A., the Group acquired an 80% stake in Exclusivas de Maquinaria y Equipos S.L. (abbreviated as “Emerent”), a company actively engaged in the rental industry in Spain. The economic effects and their contribution to the consolidated financial statements starting from¹.

¹The figures for the fiscal years 2021 and 2022 presented in the following chapters of this report exclude both Caymo and Emerent, as they joined the Group in the second half of 2022, as they made a limited and immaterial contribution to this report.

1930s

In 1934, the Vercelli-based company **OLMIA** begins importing and marketing Caterpillar equipment in Northern Italy. The same decade witnessed the founding of Finanzauto in Madrid in 1930.

1960s

OLMIA initially changes its name to IMAI and then to Compagnia Generale Trattori (CGT); in 1965, it relocates its headquarters to Milan.

1990

Creation of Teknoxgroup to provide Caterpillar products and services in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, North Macedonia, Kosovo and subsequently also in Albania (since 2010).

1995

Foundation of Noloitalia, a new company entirely dedicated to the rental of compact Caterpillar machinery and other brands for construction, industry, environmental maintenance, and events.

2010

Following the acquisition of MAIA, CGT expands its coverage to include the entire Italian peninsula and the Republic of Malta. Noloitalia becomes CGT Edilizia and later CGTE (in 2020).

2020

The Group consolidates and converges all its companies under a new identity with strong shared values: TESSYA.

2022

TESSYA Group acquires, through CGTE, Emerent, a rental company based in Asturias. TESSYA acquires Caymo Maintenance, a Spanish company specializing in marine engine maintenance.

1996

Creation of the TESSA Group.

2013

CGT adds the DAF dealership in 2008 and in 2013, spins off this new line of business to create a new entity: CGT Trucks, focused on the sale and rental of industrial vehicles.

2021

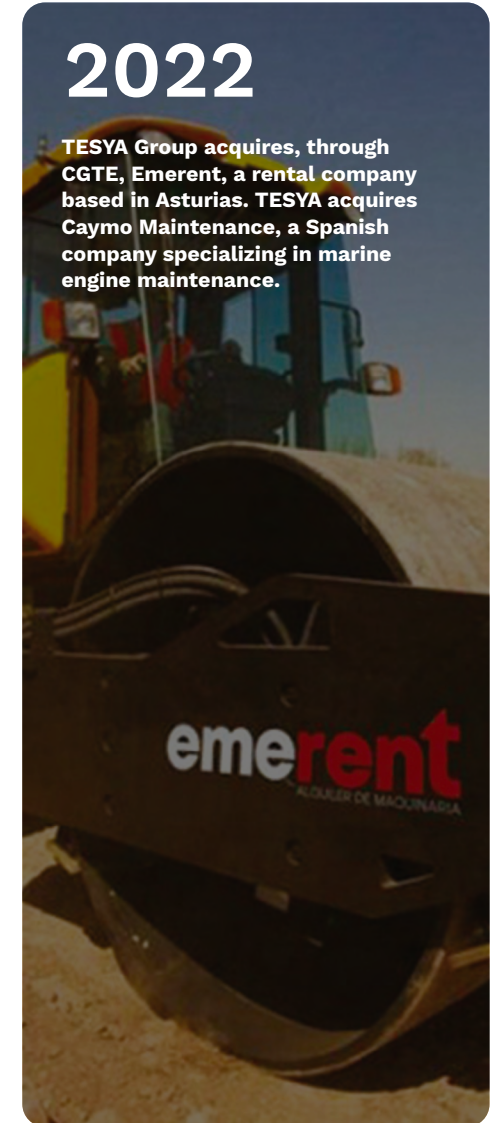
Finanzauto acquires Energyst, now known as Finanzauto Rental, an electric equipment rental firm based in Madrid. CGTE acquires GM noleggi, a provider of solutions for public works, construction and industry. CLS acquires Alfaproject.net, a specialist in intralogistics optimization.

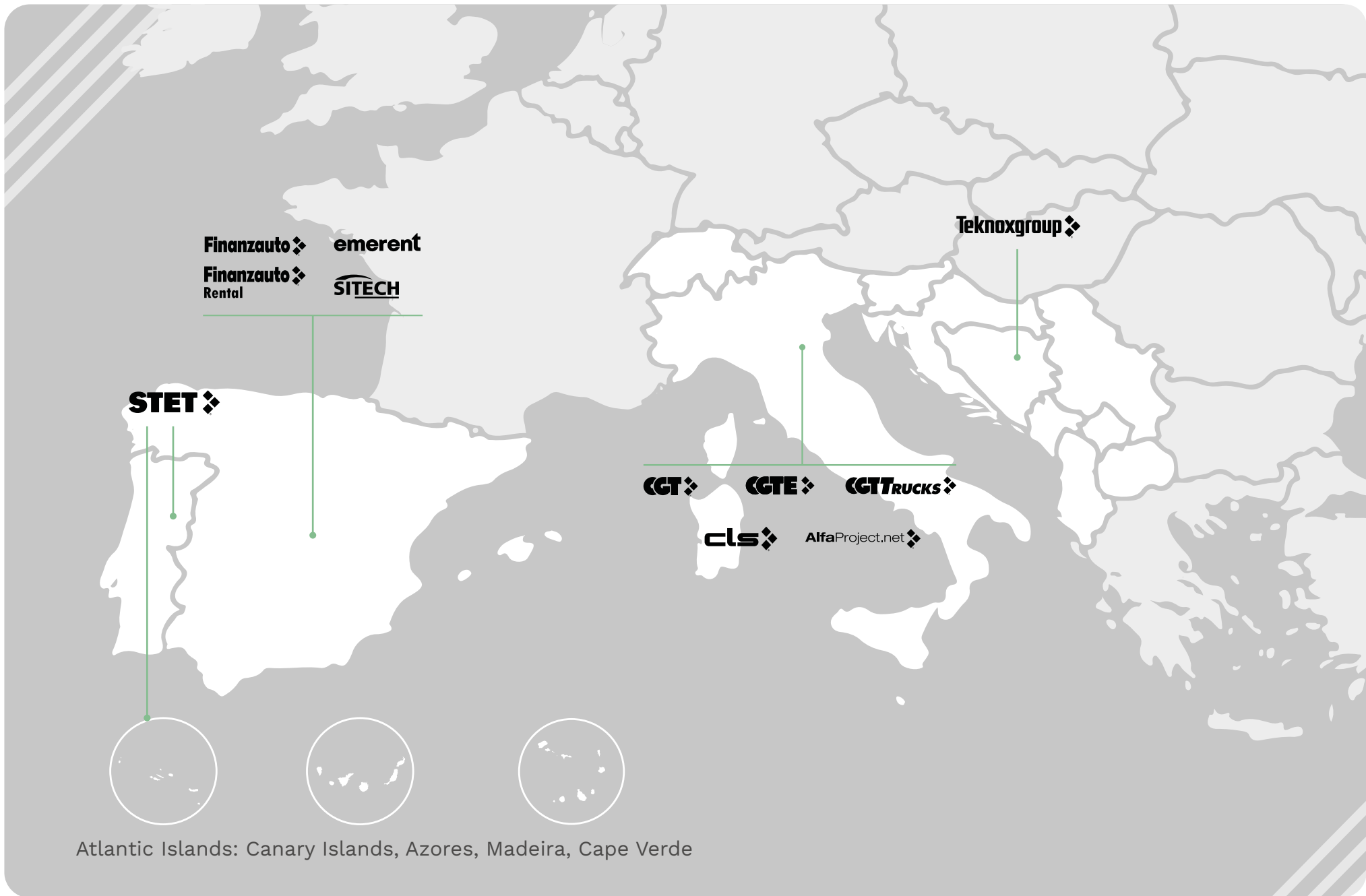
2004



In Italy, CLS demerges from CGT, specializing in material handling and logistics solutions.

2018

TESSA Group steps up its presence in the Iberian Peninsula with the acquisition of Finanzauto in Spain and STET in Portugal.





Finanzauto  **emerent**
Finanzauto  **SITECH**
Rental

Teknoxgroup 

STET 





CGT  **CGTE**  **GTRUCKS** 

cls  **AlfaProject.net** 

Atlantic Islands: Canary Islands, Azores, Madeira, Cape Verde

Group's structure as of 12.31.2022

The operating companies (referred to as "Op.Co."), controlled by the parent company TESYA S.p.A., are active in the marketing, leasing and supply of machinery, technical support services, and system design, as well as customized solutions for specific customer needs that integrate these products and services. The main industries and reference markets include the following:

-  **Earthmoving - Construction - Building**
-  **Power Generation**
-  **Material Handling**
-  **Industrial Vehicles**

The Group has an extensive presence in the countries where it operates, enabling it to offer its customers a comprehensive range of products, services and solutions across all market segments in which it is active.



TESYA is present in various countries with a wide range of products and services

Business Focus

- Solution design and consulting
- Sales (new and used)
- Rental
- Product support
- Remote monitoring and performance optimization

Product Categories

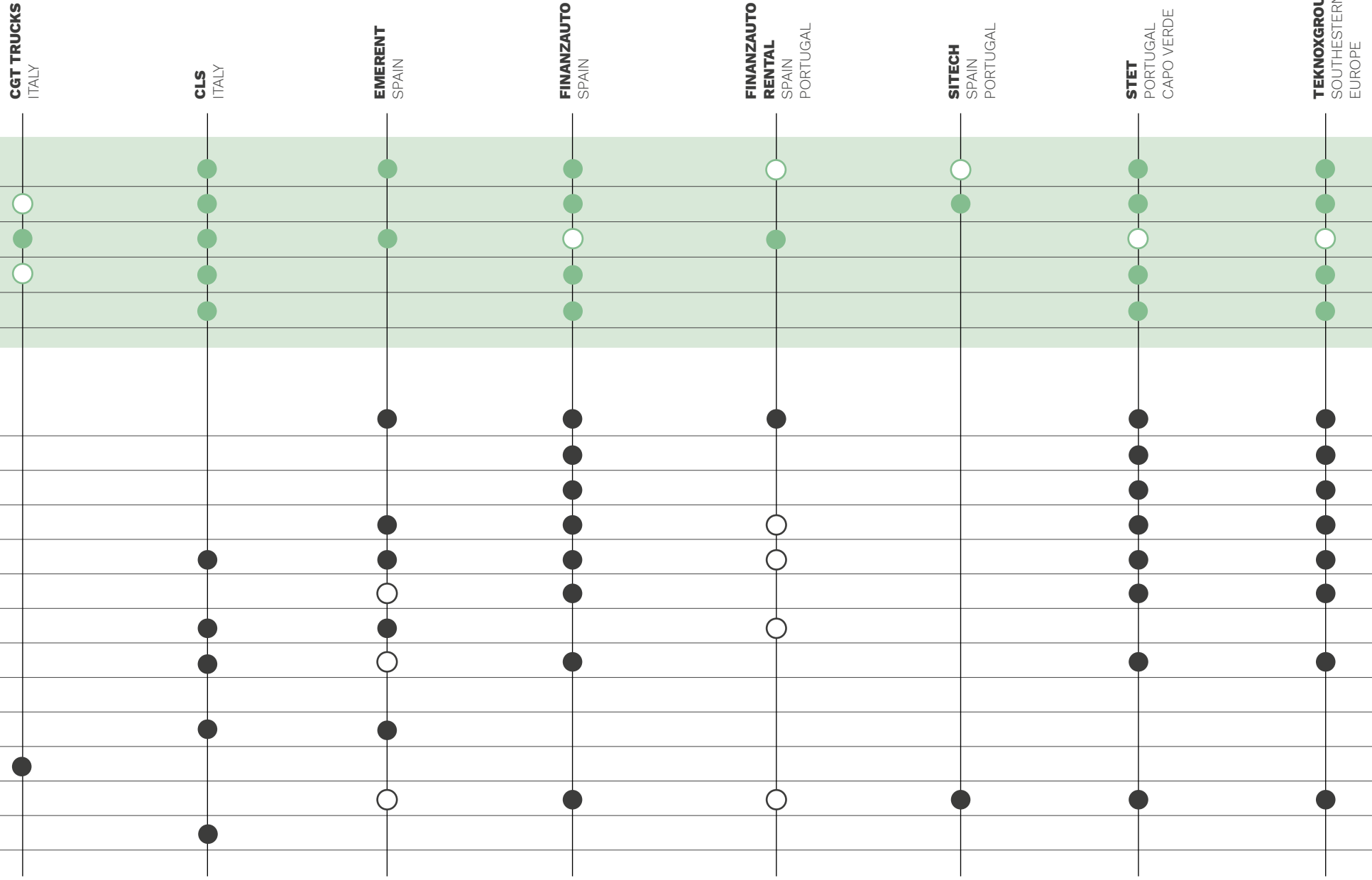
- Engines electrical power
- Engines mechanical power
- Machines larger works (mining, infrastructure)
- Construction machines and equipment
- Machines special applications (waste)
- Machines road paving
- Machines lifting and elevation
- Machines crushing, screening, bailing
- Events equipment
- Intralogistics equipment
- On-highway trucks
- 3D systems
- Storage automation

ALFAPROJECT.NET
ITALY

CGT
ITALY

CGTE
ITALY

● ● Main focus ○ ○ Ancillaries



115
BRANCHES

>60
**SECOND
LEVEL
DEALERS**

4
**LOGISTICS
HUBS**

4
**INTERNATIONAL
PARTNERSHIPS**

* Partnership and/o JVs agreements for sales and services with dealers from non-TESYA geographies

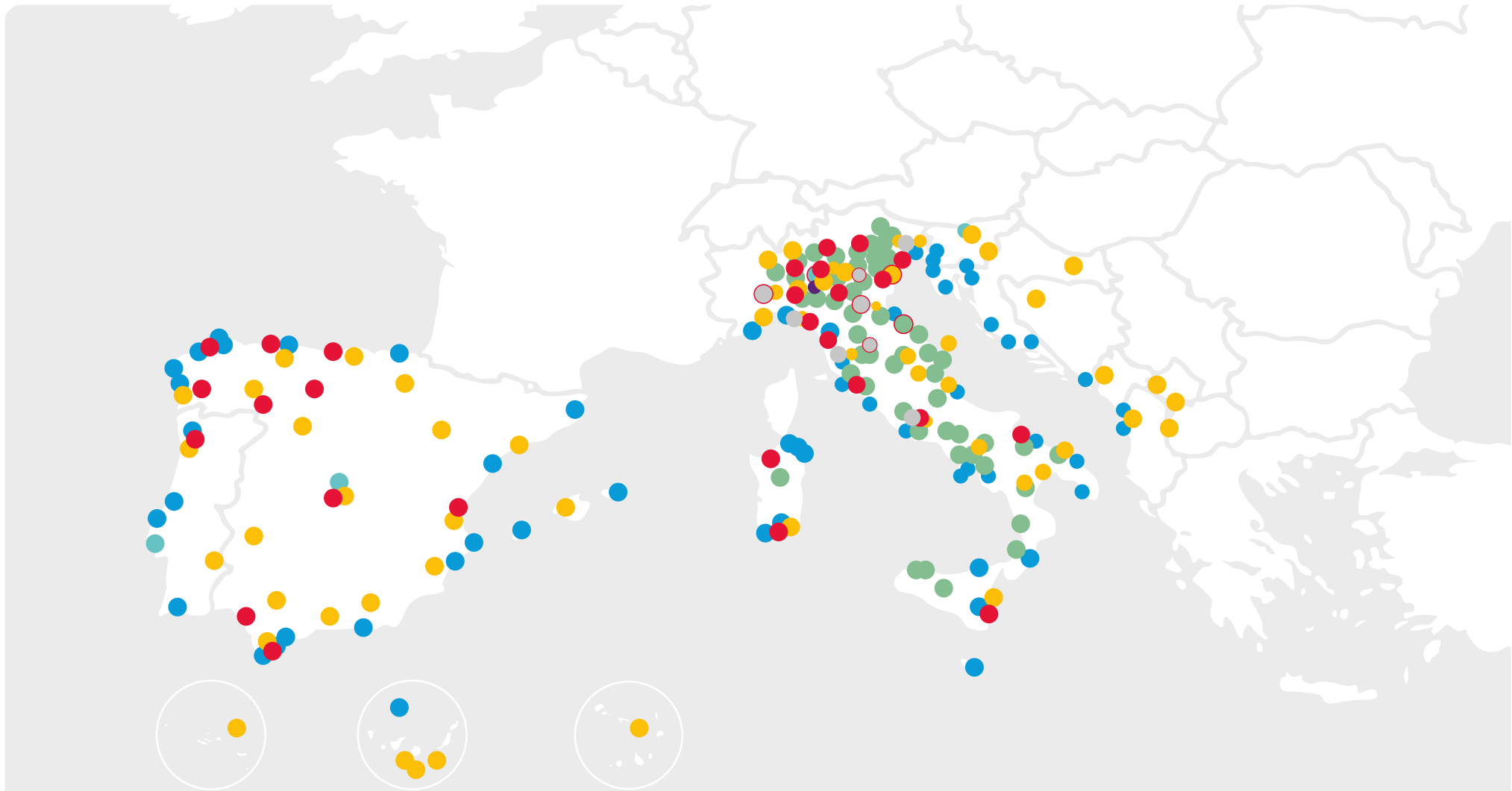
70
AMDs

As of December 31, 2022, the TESYA Group relies on over 3,150 active employees across 115 locations, all working with a single purpose: powering the growth of people, business and communities.

To achieve this goal, the Group positions itself as an entrepreneurial partner, providing solutions that are tailored to meet the needs of customers, incorporating advanced services. It leverages a portfolio of world-leading products in their respective industries, including Caterpillar, DAF, Komptech, Sandvik, Hyster, MAFI, HSM and Agilox.

Within the area of technical service for marine engines, the Group not only has significant direct technical service facilities, but also a network of 70 authorized repair centers (*Authorized Marine Dealers*).

Additionally, the Group has a network of over 60 *Second Level Dealers* for the sale and service of compact machinery, with 56 of them located in Italy.



Captions

- CAT Dealer Branch
 - CGTE Branch
 - CLS Branch
 - CGT Trucks Branch
 - AMD
- Logistics hub
 - Emerent Branch
 - Alfaproject Branch
 - Second level dealer

90

**Years of
experience**

1,532 M€

Revenues

>1,500

Technicians

~3,150

Employees

>1,000

**M€ invested
capital**

115

Branches in...



12

COUNTRIES

~114k

Training hours





>900

**Mobile
workshops**

>10,000

**Units sold /
year**



>5M

**Spare parts
delivered
each year**

>120k

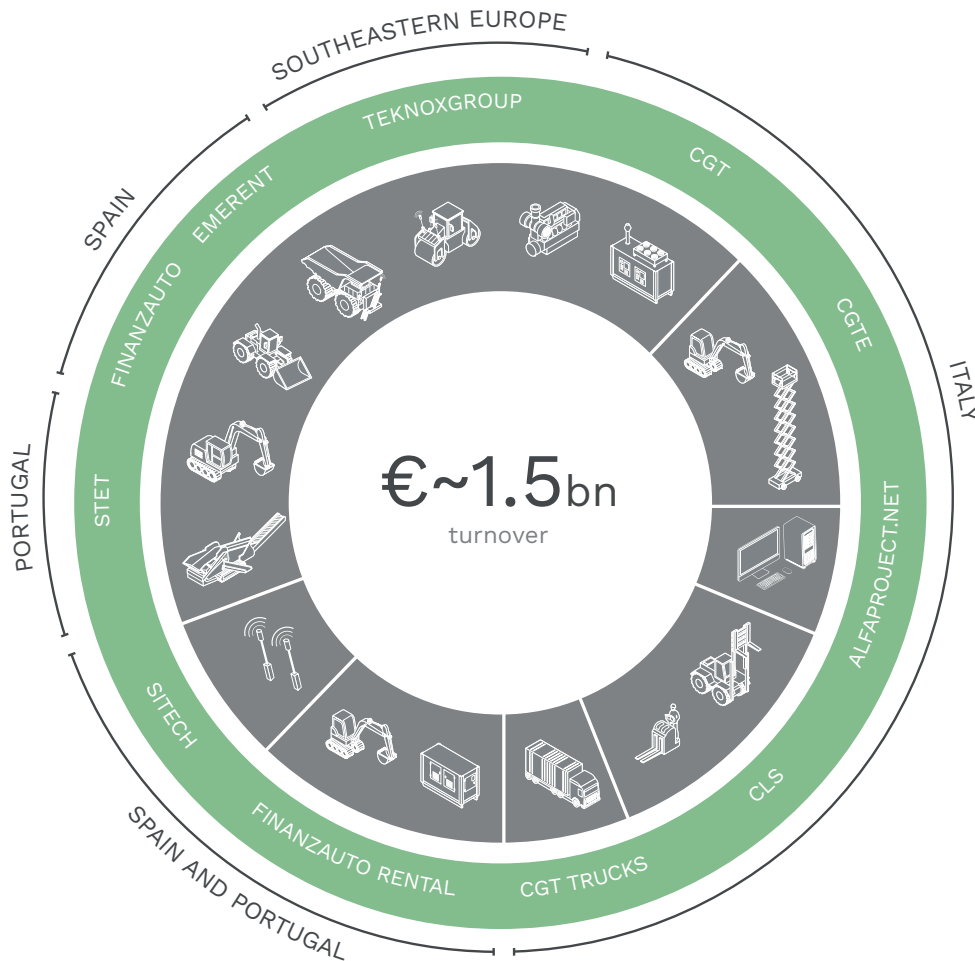
**Active bases
installed**

>30,000

**Pieces of
equipment
monitored**

The Tesya Group

In 2022, the TESYA Group generated approximately €1.5 billion in revenue, with 98% of it originating within European Union member countries.



TESYA and other companies within the Group are active members, holding important roles, in a significant number of trade associations. Below are the trade associations to which the Group's companies belong:

CGT S.p.A.:

- UNACEA - Unione Italiana Macchine per Costruzioni

CGTE S.p.A.:

- ASSODIMI - Associazione Distributori e Noleggiatori di Beni Strumentali
- ERA - European Rental Association

CLS S.p.A.:

- ANIMA (AISEM) - Associazione italiana sistemi di sollevamento, elevazione e movimentazione
- UCIMU - Associazione Costruttori Italiani Macchine Utensili, Robot e Automazione -;

Finanzauto S.A.:

- AECIM - Asociación de Empresarios del Metal de Madrid
- FREMAP - Mutua de Accidentes de Trabajo y enfermedades profesionales de la seguridad social

STET S.A.:

- ACAP - Associação de Comerciantes Automóvel de Portugal

Teknoxgroup:

- American Chamber of Commerce in BiH
- American Chamber of Commerce in Croatia
- CANSEE - Canadian Serbian Business Association.



Governance at the TESSYA Group

[GRI 2-9, GRI 2-10, GRI 2-11]

The Group's governance structure is overseen by a Board of Directors, both in the Parent Company and in the subsidiaries. In the Italian companies, the presence of a Board of Statutory Auditors is mandated by law.

The Board of Directors fulfills legal obligations and assigns powers to the managing directors. Additionally, the Board decides on the approval of medium-term business plans, the budget and/or the forecast for each financial year, and periodically monitors the results

achieved in relation to the objectives set, with a frequency of at least semi-annually.

The Board of Directors of TESSYA S.p.A. is composed of shareholder representatives and independent directors with strong experience and expertise in legal matters, communication, strategic consulting and human resources. In addition, the role of Honorary Chair has been established and entrusted to Ms. Sandra De Benedetti Böhm.

The Board of Directors of TESSYA S.p.A. is composed as follows:

Lino Tedeschi

Chairman and Chief Executive Officer

Sara Tedeschi

Vice Chairman

Silvia Böhm

Director

Carlotta Tedeschi

Director

Fennemiek Gommer

Director

Riccardo Monti

Director

Stefano Segre

Director

Guido Testa

Director

Danilo Villa

Director

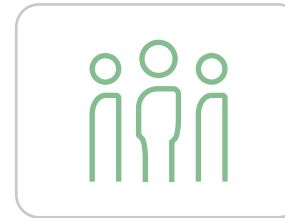
1.3 Our Culture, Our Purpose, Our Values

Recognizing the importance of being able to count on knowledgeable, motivated, experienced and innovative people, the TESYA Group invests its resources, time and creativity in providing solid and continuous training to all its employees and in developing a team spirit and a positive, close-knit, creative and inclusive work environment. In such an environment, individuals can grow and develop fully.

Thanks to this commitment, the Group is capable of continuously developing solutions for its customers that anticipate and capitalize on the rapid technological advancements in all the sectors in which it operates.

The TESYA Group acknowledges the importance of pursuing qualitative objectives that provide meaning to the commitment of its people, beyond mere economic return. For ethical and motivational effectiveness, these objectives must be concretely translated into daily operations, with tangible objectives and results for all the “stakeholders”, as further defined below.

The Group’s purpose revolves around these elements:



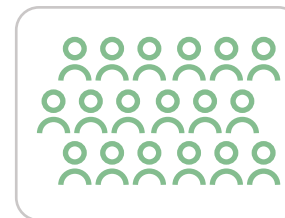
People

Enhancing the growth of over 3,150 employees at TESYA through training, professional and personal development, in a positive, inclusive and cohesive work environment.



Businesses

Supporting the growth of its customers by providing a complete architecture of customer and product support services, including design, management, and routine and extraordinary maintenance.



Communities

Extending support to the communities in which the TESYA Group operates by collaborating with schools, technical institutes and universities to leverage its knowledge and experience in assisting young people who are looking to enter the workforce.

The centrality of personal relationships is at the core of the fundamental values of the TESYA Group, principles that define the Group's identity and what TESYA aspires to be. These values have been summarized below as part of a collaborative effort involving a significant portion of the people within the Group.

Our values

We work together



YOU AND I
care



YOU AND I
build trust



YOU AND I
grow together



YOU AND I
embrace change

As **TESYA** professional, I:

Take care

Be open in **communication**
Be a team **player**
Be **supportive**

Build trust

Be **inclusive**
Be **responsible**
Be **reliable**



We power the growth
of people, business, and
communities

Embrace change

Be **entrepreneurial**
Be **agile**
Be **innovative**

Grow together

Be **willing to share**
Be **curious**
Be a **learner**





CGT CAT

ENERGIA EFFICIENTE CH



The Group's Approach to Sustainability

2.1 The Group's Sustainability Strategy

[GRI 2-25]

In 2022, the TESSA Group approved the “**TESSA EVOLUTION 2025**” business plan with the objective of achieving several ambitious goals by 2025:

Increase revenue to approximately €2 billion, with profits sufficient to finance the continued growth of the Group

Enhance the potential of existing synergies within the Group through greater integration while preserving the entrepreneurial spirit of the individual companies that are part of it

Prepare the Group's companies and the Group as a whole to **seize the challenges and opportunities of the rapid technological evolution** expected in the coming years, especially in the second half of the current decade

Significantly reduce the Group's environmental impact

In particular, regarding sustainability, the TESSA Group launched two major initiatives in 2022:

- **A general sustainability program**, following ESG criteria. As a first step, the relevant ESG dimensions for the TESSA Group were identified, such as emissions, waste disposal, water and material resource consumption, employee health and safety, diversity and inclusion, ethics and anti-corruption, as well as financial performance;
- **A detailed mapping of CO₂ emissions** - approximately 19,000 tons of CO₂ eq/year as a baseline for 2021 - and a plan to reduce these emissions by at least 37.8% by 2030, thereby reducing emissions per unit of personnel and per unit of revenue by over 55%, while considering the positive growth trend anticipated in the business plan.

To launch the first concrete actions of the TESSA 2022-2030 decarbonization plan, in 2022, the TESSA Group allocated over €16 million for the renovation and improvement

of its facilities, with more than €2 million specifically dedicated to enhancing energy efficiency and reducing emissions. Thanks to the initial effects of these initiatives, emissions from TESSA Group buildings have reduced by approximately 500 tons of CO₂, representing a net decrease of 5.4% compared to 2021.



The TESSA Group is determined to continue implementing concrete actions to achieve its sustainability goals, promoting a responsible and efficient environmental approach.



Stakeholder Engagement and Materiality Assessment

[GRI 2-29, GRI 3-1, GRI 3-2]

Sustainability goals are constantly evolving to meet emerging challenges and increasingly ambitious targets: the UN’s Agenda 2030 and the European Green Deal, which aim for climate neutrality by 2050, are just a few examples of how the adoption of sustainable practices by companies has become a key requirement from a social, environmental and regulatory perspective. The TESYA Group, very aware of ESG issues, has decided to publish its first Sustainability Report for the 2022 financial year, with the objective of formalizing its commitment to reduce, and eventually eliminate, its environmental impact to zero,

through a structured approach that aligns with what the markets and the legislations of the countries in which it operates will require in the coming years.

TESYA Group’s stakeholders

According to the GRI Standards², a *stakeholder* is an “Individual or group that has an interest that is or could be affected by the organization’s activities”. Relevant *stakeholders* for the TESYA Group have been identified through a process of external and internal context analysis. In particular, extensive research was conducted by consulting available documentation from



Employees:

internal communications platform (Conecta) with specific campaigns; periodic surveys, individual performance and potential assessments, and engagement activities such as *workshops, roadshows, social events, scholarships for employees' children*



Customers:

trade shows, open houses, conventions and conferences, frequent and structured communication on social networks



Suppliers:

trade shows, conventions and conferences



Shareholders and credit institutions:

periodic meetings

similar companies and competitors of the TESYA Group in order to identify the most important *stakeholder* categories in the industry. Subsequently, the internal analysis aimed to measure and assess the results obtained. Internal analysis involved various corporate functions within the TESYA Group, was validated by *management*, and took into account the specificities of the Group's companies.

The list of relevant *stakeholders* and their respective engagement methods are presented below.

The TESYA Group is committed to transparency and communication with its *stakeholders*. To this end, it constantly strives to involve stakeholders, both directly and indirectly, in its business activities.



Local communities³:

financial support for local community initiatives;
cooperation with Technical and Professional Institutes;
Talent & Career Days



Project partners⁴:

technical projects and collaborations



Public administration:

relationships are maintained exclusively through the methods established by the entities with which the Group needs to interact

² Source: <https://www.globalreporting.org/standards/>

³ This refers to TESYA's cooperation with local social and economic entities and associations.

⁴ This refers to partnerships with companies, corporations or entities with which TESYA collaborates in projects and/or partnerships, including strategic ones, such as for innovation processes, technical partnerships, efficiency or upgrading processes, etc.

Materiality analysis

The materiality analysis is based on the correct identification of *stakeholders*. Relevant themes topics were then identified through the analysis of the internal and external context, consulting available internal documentation, analyzing general and sector-specific sustainability trends^{5 6} and finally, examining the approaches of TESYA Group's main competitors.

Relevant themes constitute significant economic, environmental and social trends and developments for the TESYA Group and its *stakeholders*. They are represented in the "Materiality Matrix" below. In particular, the analysis results demonstrate the importance of sustainability matters within the TESYA Group and for external *stakeholders*, respectively on the X and Y axes of the matrix.

For the first reporting year, there was no direct participation of external *stakeholders* in classifying relevant themes. Therefore, company representatives assessed their relevance both from the internal perspective of the TESYA Group and from the perspective of the external *stakeholders* with whom they interact with the most, providing an assessment of the perceived relevance.

Starting from the 2023 Sustainability Report, external *stakeholders* will be involved in the materiality analysis process.

The themes under evaluation represent a *shortlist* selected from a broader list of themes that emerged from internal analyses and benchmarking. The *shortlist* of themes was selected based on how frequently these themes are reported in non-financial reports reviewed during these analyses. In addition, consideration was given to the materiality analyses already conducted out by CGT S.p.A. and Finanzauto S.A., which, since 2018, prepares its own sustainability report subject to audit in compliance with the Spanish Law 11/2018 on non-financial information and diversity.

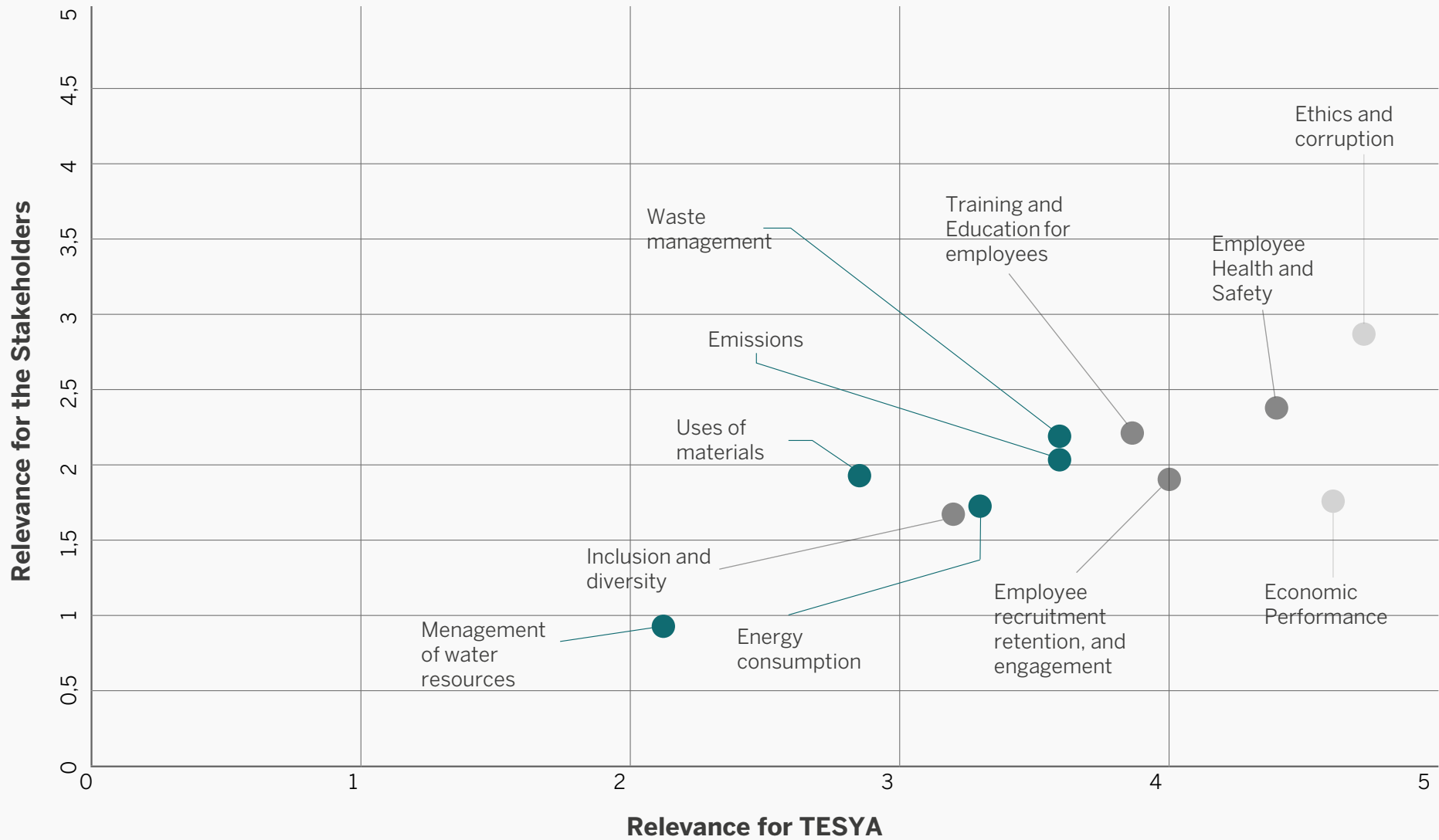
In general, the relevance of each theme is higher from TESYA's perspective than from the *stakeholders'* standpoint, which is to be expected given that the priorities have been defined internally. The theme with the highest relevance for TESYA and its *stakeholders* is "Ethics and Anti-Corruption", reflecting TESYA Group's ongoing commitment to transparency in communication and strict compliance with laws, regulations and ethical principles in all its activities. The second most important

theme is "Employee Health and Safety", a central topic in the Group's report and operational practices, including trade unions, which have consistently shared the common commitment to reducing workplace injuries and illnesses.

Themes of "Economic Performance" and "Training and Development of People" are also of high relevance, for obvious reasons, as they collectively represent a necessary condition to maintain the Group's competitiveness and investment capacity over time. The most relevant environmental topics are "Emissions" and "Waste Management", which are the closest and can be addressed more directly in the daily operations of the Group's companies.

⁵ The World Economic Forum's Global Risk Trend 2021 document was consulted.

⁶ The SASB materiality map and the MSCI ESG materiality map for the industry were consulted. Risk Trend 2021" del World Economic Forum.







Environmental Responsibility

To concretely implement the TESSA Group's environmental impact reduction goals, specific measurements and actions were initiated, as detailed below.

3.1 Energy Consumption and Emissions

[GRI 302-1, GRI 305-1, GRI 305-2]

Energy consumption

Each Op.Co., within the Group uses different energy sources depending on the nature of their activities. In general, the most commonly used energy sources are related to the energy consumption of the vehicle fleet, heating and cooling systems in the workplaces and purchased electricity.

In 2022, the Group's energy consumption amounted to approximately 240,000 GJ, showing a 3% increase compared to 2021, which is attributable to the Group's growth throughout 2022. Among the various components, the consumption of the Group's vehicle fleet, particularly diesel consumption, represents the most significant environmentally impactful energy source.

The vast majority of the energy used by the Group still comes from non-renewable sources, but there is a gradual increase in energy consumption from renewable sources.

Compared to 2021, the consumption of renewable electricity, both purchased (covered by Guarantee of Origin) and self-generated through photovoltaic systems, has increased significantly in percentage terms, although it is still limited in absolute value (from 72 GJ to 620 GJ).

⁷ It should be noted that the energy consumption in 2022 of the small Teknoxgroup offices (Teknoxgroup S.A., Teknoxgroup Shqiperi Sh.p.k., Teknoxgroup Kosovo I.L.C., Teknoxgroup Macedonia d.o.o.e.l. and Teknoxgroup Crna Gora d.o.o.) was considered equal to the consumption in 2021, as there were no significant changes in the scope of operations.

⁸ Guarantee of Origin

Group Energy Consumption in GJ

	2022 ⁷	2021		2022 ⁷	2021
Vehicle fleet	128,756.20	126,426.89	Electricity consumption	52,727.22	53,261.22
Diesel	127,625.87	125,388.23	Of which:		
Gasoline	945.26	856.89	Total electricity from NON-renewable sources	52,106.70	53,793.57
Hybrid automobiles	185.07	181.77	Of which:		
Stationary fuel consumption	56,937.18	50,905.46	Total electricity from renewable sources	620.52	72.00
Diesel	12,192.07	16,587.02	Purchase of electricity from renewable sources (covered by GO⁸)	382.55	-
Natural gas	43,965.61	33,605.32	Self-production and consumption of energy from renewable sources	237.97	72.00
Biomethane	-	-	Renewable electricity as a percentage of the total	1%	0%
LPG	778.87	713.13			
District heating	1,335.60	1,331.42	TOTAL	239,756.21	232,529.34

Table 1

Energy Consumption and Emissions

TESYA Group's carbon footprint

In 2021, the Group measured its carbon emissions, using the data obtained as a *baseline* to set its reduction targets and establish the *roadmap* for TESYA's decarbonization process.

Emissions measured in any organization under assessment are categorized into *Scope 1* emissions, generated directly by owned or controlled activities, and *Scope 2* emissions, indirect emissions arising from the purchase and consumption of electricity, steam, heat or cooling.

Scope 2 emissions can be calculated using two methods: the "*location-based*" method and the "*market-based*" method.

The "*location-based*" method reflects the average emission intensity of the national grids from which the Group consumes energy, while the "*market-based*" method reflects greenhouse gas emissions associated with consumer choices regarding the electricity supplier or product. TESYA Group has chosen to use the "*market-based*" method to measure its emissions.

Group Greenhouse Gas Emissions in tCO₂e

	2022	2021		2022	2021
Scope 1	12,660.46	12,270.61	Scope 2	5,831.90	6,318.74
Vehicle fleet	9,203.85	9,042.47	District heating	63.34	63.14
Diesel	9,128.02	8,972.13	Electricity consumption	5,768.56	6,255.59
Gasoline	63.10	57.88	Total electricity from NON-renewable sources	5,768.56	6,255.59
Hybrid vehicles	12.72	12.46	Total electricity from renewable sources (covered by GO)	0	0
Stationary fuel consumption	3,451.80	3,219.02	TOTAL Scope 1 & 2	18,492.36	18,589.35
Diesel	912.38	1,266.21			
Natural gas	2,489.57	1,907.19			
LPG	49.83	45.62			
Refrigerant gas	4.81	9.12			

Table 2

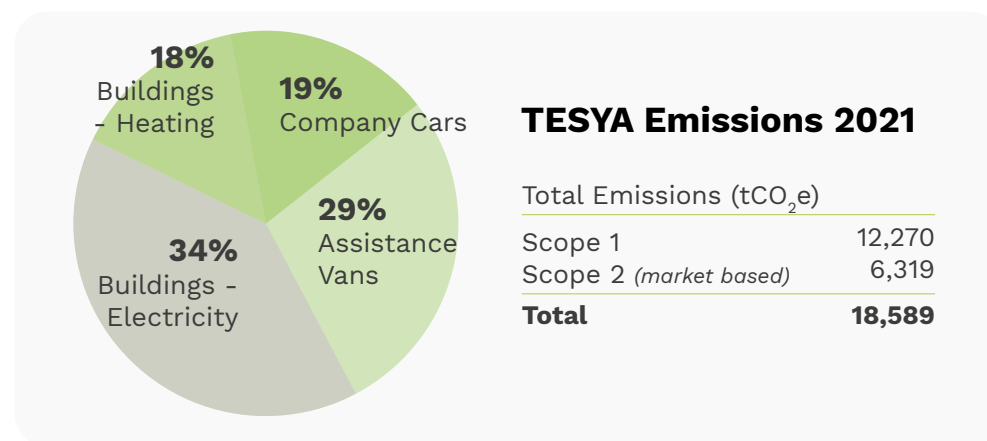
Energy Consumption and Emissions

In 2022, the Group's GHG emissions (Scope 1 and Scope 2) remained broadly constant compared to 2021, albeit with a slight decrease (from 18,589 tCO₂e to 18,492.36 tCO₂e). Specifically, Scope 1 emissions increased by 3.2%, mainly due to diesel and natural gas consumption. Scope 2 emissions, on the other hand, decreased by 8%, consistent with the reduced electricity consumption and the increased share coming from renewable sources.

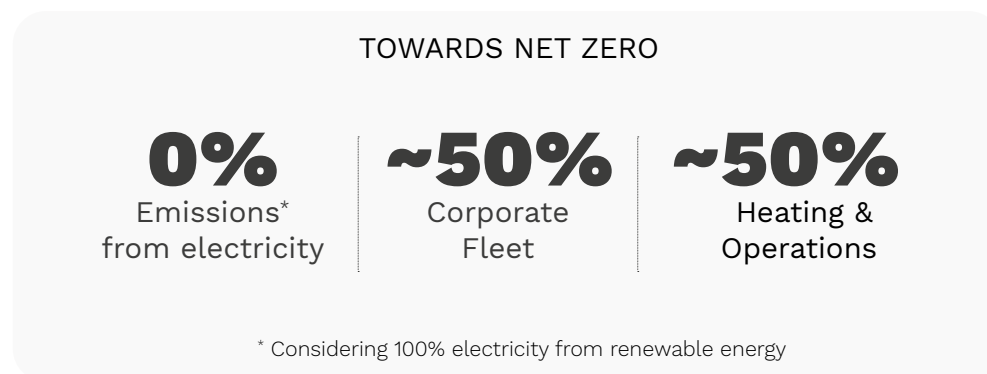
TESYA's decarbonization roadmap

To minimize the Group's environmental impact, emissions have been measured and categorized to establish a rational order of priorities that takes advantage expected technological and infrastructural developments in the coming years, while maintaining the objective of reducing its Scope 1 & 2 emissions by 37.8% by 2030.

TESYA emissions: starting point and objectives



↓ **-37.8%** ↓
Goal to be reached by 2030





TESYA emissions: decarbonization roadmap

20
23

1



FACILITY EFFICIENCY IMPROVEMENT AND ELECTRIFICATION

Energy efficiency and electrification of the most energy-intensive buildings.

2



“GREENING SCOPE 2” STRATEGY: PV

Installation of photovoltaic systems in buildings with high self-consumption.

3



“GREENING SCOPE 2” STRATEGY: PPA and GO

“100% green” energy purchasing strategies.

The main steps included in the *roadmap* are as follows:

Already underway:

- **Progressive restructuring** of the oldest and less efficient sites
- Installation of **smart meters** at all sites;
- Electrification of the most **energy-intensive systems** - such as heating
- replacement of neon/incandescent lighting with LED **lighting systems**
- Gradually installation of **electric vehicle charging stations**
- Installation of **photovoltaic panels** in high-consumption and high-potential locations

From 2024 to 2030:

- Continue to implement **efficiency improvements**, including targeting behaviors that drive consumption and introducing automation systems
- Continue to increase the production of **renewable electricity**
- Increase **renewable energy purchases** through PPA/GO agreements
- Begin adopting **hybrid or electric company cars** for selected use cases where applicable
- Initiate analysis and pilot projects for the adoption of **hybrid or electric service vehicles** for technical support.

4



CORPORATE CARS Phase 1

Push for the introduction of hybrid and/or electric company cars taking into consideration operational needs and economic and ecological benefits.

Pilot project to assess the operational feasibility of hybrid and/or electric service vehicles.

5



HYBRID VANS

Gradual introduction of hybrid service vehicles, considering corporate operational needs.

6



CORPORATE CARS Phase 2

Electrify most company cars by meeting both company operational needs and emission reduction needs.

Within the scope of this *roadmap*, several initiatives have already been implemented at various Group sites:

- **Refurbishment of entire sites**, including the replacement of outdated fixtures and equipment, at a rate of about 5-6 sites/year, with an average annual investment of no less than €10 million/year in recent years
- **Installation of photovoltaic systems** initiated with a capacity of 2.3 MW and another 2-3 MW planned in the coming years
- **Modernization of lighting systems** through the installation of LED lighting completed in 23 branches, ongoing in another 22 branches, and planned for all branches
- **Installation of smart meters** in approximately 10 high-consumption branches, with pilot projects for monitoring and optimization.

Other interventions outlined in the *roadmap* - such as the installation of electric vehicle charging infrastructure and the purchase of electricity through GO certification, which have been studied during 2022 and have already been initiated in 2023.



3.2 Use of Resources⁹

[GRI 301-1, GRI 303-1, GRI 303-2, GRI 303-3, GRI 306-1, GRI 306-2, GRI 306-3]

The TESYA Group's commitment to the environment extends beyond the numerous initiatives aimed at reducing CO₂ emissions. It also encompasses the types of materials it

uses and the disposal of waste in the course of its operations, promoting conscious and efficient utilization of natural resources.

Materials

Although there are no actual manufacturing activities within the Group, the Group's companies use various materials, such as printing paper, the consumption of which is being minimized through progressive digitalization. They also use packaging

materials, primarily cardboard and wood (wooden pallets), for shipping spare parts, as well as consumable materials and spare parts for the repair of customers' machines and the maintenance of rental fleets, including filters, hoses, fittings, batteries, tires and oils.




Material Use in Tons (t)		
	2022	2021
Renewable materials	284.65	88.77
Non-renewable materials	36,741.75	33,072.97
TOTAL	36,026.40	33,161.74

Table 3

⁹It should be noted that the 2021 and 2022 figures for materials, water consumption and waste in this section do not include the small-sized sites of Teknoxgroup (Teknoxgroup S.A., Teknoxgroup Shqiperi Sh.p.k, Teknoxgroup Kosovo L.L.c., Teknoxgroup Macedonia d.o.o.e.l. and Teknoxgroup Crna Gora d.o.o.).

Use of Resources

In 2022, several initiatives were implemented to reduce material consumption, such as:

-  Reuse of packaging for internal shipments
-  Digital invoicing
-  Replacement of plastic water bottles with water dispensers.

Water use

Within the TESSA Group, water is mainly used in office settings, mainly for hygiene and sanitation purposes, as well as for cleaning within workshops. At most sites, oil separation systems have been installed to collect oil before discharging water, minimizing the impacts of wastewater. Furthermore, in some branches of Finanzauto S.A., CGT, CLS and Teknoxgroup, innovative recirculation systems are in operation to further reduce water consumption, allowing these activities to be carried out in a closed-loop system.

Water Use in Megaliters (ML)		
	2022	2021
Total direct water withdrawal by the Group	12.27	11.28
Surface water	1.29	0.93
Ground water	10.98	10.35
Total water withdrawal by third parties	3,160.66	3,154.36
<i>of which from water-stressed areas</i>	0.00030	0.00025
Surface water	50.76	46.36
Ground water	3,109.90	3,108.00 ¹⁰
Total water withdrawal	3,172.93	3,165.64

Table 4

The Group has also launched initiatives to reduce water consumption. For example, in 2022, Finanzauto increased the volume of recycled water in its washing systems by at least 50% compared to the volume of recycled water in 2021. This improvement was achieved by enhancing the efficiency of recirculation and purification systems for water used in machine washing processes.

Waste disposal

Waste generated by the TESYA Group can be categorized into two main groups: hazardous and non-hazardous. Hazardous waste, such as used oil, oil filters, oil-soaked clothing

and contaminated water), mainly originates from repair and maintenance activities. Non-hazardous waste consists almost entirely of paper and cardboard used for packaging spare parts and equipment.

Regarding municipal waste, it should be noted that the TESYA Group carries out separate waste collection (e.g. paper, plastic, etc.) in compliance with local regulations.

To reduce the environmental impact of waste disposal, the companies within TESYA Group use recyclable materials whenever possible, which are then sent to recovery facilities.

Waste Disposal in Tons (t) ¹¹		
	2022	2021
Total hazardous waste produced	2,407.43	2,614.40
Total NON-hazardous waste produced	4,673.27	5,355.26
TOTAL	7,080.70	7,969.66

Table 5

¹⁰ It should be noted that, due to difficulties in obtaining the necessary information, the water withdrawal of CGTE S.p.A. in 2021 was assumed to be the same as in 2022 (3,108 ML).

¹¹ It should be noted that, due to difficulties in obtaining the necessary information, the amount of hazardous and non-hazardous waste produced by CGT S.p.A. in 2021 has been assumed to be the same as in 2022 (equal to 1,431.83 tons for hazardous waste and 1,273.85 tons for non-hazardous waste).





04

Social
Responsibility

4.1 Focus on Employees

[GRI 2-7; GRI 2-8; GRI 2-30; GRI 401-1; GRI 405-1]

The development of human resources is an integral part of the Group's medium-term strategies.

It is formalized within the Group's Code of Ethics, implemented concretely through significant investments in training, and measured both directly through surveys and indirectly through the employee turnover rate.

In the second quarter of 2021, a Group Human Resources Department was established to ensure a strategic vision, guidance, and coordination of Group and local HR activities. This is aimed at ensuring, also from this perspective, the consistent preparation of optimal human and professional conditions for the timely execution of the 2022-2025 Business Plan and subsequent stages of the Group's development.

To achieve this, the Group HR Department has launched 14 projects aimed at effectively implementing its role. These include, for example, talent management, career planning, and Group training programs, especially for managers.

The matrix organizational structure stipulates

that the Human Resources Department of each company reports to the CEO of the respective company, with functional coordination from the Group HR. Local HR structures ensure the day-to-day management and execution of both local HR initiatives as well as shared and planned Group projects. The *HR Board*, composed of all local HR Managers and the Group Human Resources Directorate, ensures coordination thereof.

The TESSA Group recognizes the importance of HR recruitment policies as part of its commitment to corporate sustainability. The recruitment strategy is based on principles of transparency, fairness and non-discrimination, aiming to create an inclusive work environment and provide growth opportunities for employees. The Group annually budgetary needs, upon which selection processes are based. Recruitment policies include offering compensation packages in line with market practices. For the non-executive population of Italian, Spanish, and Portuguese companies, a performance bonus is in place, which has been awarded in significant amounts in recent years.

The Group adopts a targeted approach in





the selection and recruitment, aiming to hire competent and motivated individuals who share the Group's values.

Open positions are advertised in an accessible manner to all qualified candidates, actively promoting diversity and inclusion. Candidates' skills, experience and potential are evaluated using criteria and means as objective as possible to ensure the selection of the best talents. In support of talent acquisition processes, the TESSA Group has invested in *employer branding* initiatives, intensifying its presence on *social media* and in the press to increase its visibility in the labor market and, consequently, its attractiveness.

The focus on people is realized through continuous listening by the organization. In December 2020 and December 2021, *engagement surveys* were conducted by the company Effectory.

In terms of overall engagement levels, TESSA ranked among the top 10 on a European panel of over 3,000 companies. These surveys also allowed the collection of opinions, feedback, and information on how well the company's value system is reflected in the Group's

day-to-day operations.

The focus on people also occurs through concrete initiatives during challenging times. One example is the *Energy Bonus* disbursed at the end of 2022. To mitigate the effects of the energy crisis resulting from the Russian-Ukrainian conflict, the Group provided all employees with an extra bonus of €1,000.

Based on the results obtained in the second half of 2022, a major initiative, called "**Beyond Tour**" was organized. It involved all Group companies to present the Group's 2022-2025 Business Plan in person to all colleagues for each individual company. The initiative aimed to reinforce a practical understanding of the Group's values, create awareness, foster unity, and stimulate a sense of belonging among employees.

Participants were involved interactively to encourage greater internal communication and exchange of *feedback*.

FOCUS BOX

BEYOND Tour 2022

Between September and November 2022, a roadshow consisting of 90 events was organized, with 55 stops over 63 days (mid-September to mid-November) in all the countries where the Group operates. The purpose of this roadshow was to ensure engagement, motivation, and alignment with the company's strategy and values. The event involved everyone within the Group.

Each event was led by an integrated group of Top Managers from the parent company and the visited companies, along with locally trained *Ambassadors*, facilitated by an external consulting firm. The roadshow was divided into three parts: understanding the Group, delving into the Group's strategy "**TESYA EVOLUTION 2025**,"

and hands-on activities such as *role-playing, teamwork, and cooking*, encouraging participants to embody the Group's values through behaviors consistent with the Leadership Model. A final survey, conducted by an external research company, confirmed the enthusiasm and commitment expressed by colleagues during the events, along with a high level of motivation to achieve the company's goals.

Throughout the year, a campaign on the internal communication platform prepared and supported colleagues with content consistent with the roadshow's messages, engaging everyone through video messages, posts and comments, as well as sharing videos of follow-up events.

90
Events

55
Stops

19,000

Minutes of
events in
total

63

Days



135

Ambassadors



3,287

People
involved*

*Employees, collaborators and consultants

31

Speakers

Focus on Employees

The People of TESSA Group

As of December 31, 2022, the Group has over 3,150 employees within the scope considered for this report. The following table illustrates the distribution of TESSA Group employees

by gender and contractual type. It can be observed that between 2021 and 2022, the number of employees increased by 175 individuals.

Employees by Gender and Type of Contract						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Permanent contracts	2,627	376	3,003	2,452	362	2,814
Temporary contracts	137	16	153	155	12	167
Contract with NON-guarantee hours	1	-	1	1	-	1
Total	2,765	392	3,157	2,608	374	2,982
Full-time contract	2,775	381	3,136	2,598	361	2,959
Part-time contract	10	11	21	10	13	23
Total	2,765	392	3,157	2,608	374	2,982

Table 6

The following tables break down employees by job title, gender and age group. Among the categories experiencing the most growth

within the Group, young people under the age of 30 have increased from 11% to 13% of the total.

Employees by Gender and Qualification						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Managers	87	8	95	76	7	83
Middle-managers	192	37	229	186	36	222
Office staff	1,045	342	1,387	988	327	1,315
Manual laborers and technicians	1,441	5	1,446	1,358	4	1,362
Total	2,765	392	3,157	2,608	374	2,982
NON-employee Workers ¹²	38	12	50	26	2	28

Table 7

¹² The main categories of non-employee workers are interns, temporary workers, agency workers and external consultants.

Employees by Age Group and Qualification								
	2022				2021			
	< 30 Years	Between 30-50 Years	> 50 Years	Total	< 30 Years	Between 30-50 Years	> 50 Years	Total
Managers	1	32	62	95	-	33	50	83
Middle-managers	3	130	96	229	2	138	82	222
Office staff	146	836	405	1,387	123	803	389	1,315
Manual laborers and technicians	257	784	405	1,446	201	770	391	1,362
Total	407	1,780	970	3,157	326	1,745	911	2,982

Table 8

Focus on Employees

TESYA Group's employee headcount has increased, consistent with the growth rates observed in the past two years. In 2022, approximately 450 new hires were made, almost 100 more than in 2021.

Hires by Gender and Age Group						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Less than 30 years of age	176	17	193	136	16	152
Between 30 - 50 years of age	189	35	224	151	20	171
More than 50 years of age	31	1	32	39	3	42
Total	396	53	449	326	39	365

Table 9

Terminations by Gender and Age Group						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Less than 30 years of age	58	4	62	41	8	49
Between 30 - 50 years of age	111	14	125	70	14	84
More than 50 years of age	78	9	87	57	6	63
Total	247	27	274	168	28	196

Table 10

¹³ The hiring rate is calculated as the ratio of the number of hires by age group to the total number of employees by gender. The table provides a greater level of detail by showing the hiring rate by employee gender and age group.

Terminations by Gender and Reason for Termination						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Resignations	117	17	134	67	12	79
Retirement	28	5	33	25	5	30
Dismissals	31	2	33	22	4	26
Contract expiration	71	3	74	54	7	61
Total	247	27	274	168	28	196

Table 11

Hiring Rate ¹³ by Gender and Age Group (%)						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Less than 30 years of age	6.37%	4.34%	6.11%	5.21%	4.48%	5.10%
Between 30 - 50 years of age	6.84%	8.93%	7.10%	5.79%	5.35%	5.73%
More than 50 years of age	1.12%	0.26%	1.01%	1.50%	0.80%	1.41%
Total	14.32%	13.52%	14.22%	12.50%	10.43%	12.24%

Table 12

Focus on Employees

¹⁴ The turnover rate is calculated as the ratio of the number of terminations by age group to the total number of employees by gender. The table provides a greater level of detail by showing the turnover by employee gender and age group

Turnover Rate¹⁴ by Gender and Age Group (%)						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Less than 30 years of age	2.10%	1.02%	1.96%	1.57%	2.14%	1.64%
Between 30 - 50 years of age	4.01%	3.57%	3.96%	2.68%	3.74%	2.82%
More than 50 years of age	2.82%	2.30%	2.76%	2.19%	1.60%	2.11%
Total	8.93%	6.89%	8.68%	6.44%	7.49%	6.57%

Table 13

Employees Covered by Collective Bargaining Agreements		
	2022	2021
Total number of employees	3,157	2,982
Number of employees covered by collective bargaining agreements	3,152	2,976
Percent of Employees Covered by Collective Bargaining Agreements	99.84%	99.80%

Table 14



4.2 Training and Talent Development

[GRI 404-1, GRI 404-3]

The focus on human resources development is a top priority for the Group. Training programs encompass all personnel: technicians, sales representatives, administrative staff, and management.

Training programs are managed both at Group level and at the operating company level. Training plans are routinely decided based on individual assessments of improvement areas and are agreed upon with the respective managers.

Group-level training is divided into managerial training and technical/specialized training.

The main training paths are embodied in TESSA YOUiversity, organized into four main schools: *Leadership School*; *Tech School*; *Sales School* and *Talent School*.

Managerial training aims to support the development of management and leadership skills. There are advanced managerial training courses for *senior managers* and skill development paths for the entire *middle management* population. Individual support activities, such as one-on-one *coaching* and *mentoring*, are included in this framework.

Some of the most important initiatives have been developed in collaboration with leading European Business Schools and prominent consulting and training companies:

- Executive Leadership Program
- Advanced Business Management Program
- Transition Program to Corporate Leadership
- Strategic Business Development
- Project Management Program
- Business Communications Program
- Advanced Courses in English, Italian and Spanish
- Individual and Group Coaching Programs
- Development Program for Recent Graduates
- Various Technical/Professional Training and Refresher Courses
- Asset Management Development Program.

The purpose of technical and specialized training is to continuously update technical support personnel with various courses, especially focusing on safety, procedural updates for servicing new machines or new approaches to faults, basic electronic, hydraulic and mechanical techniques, and

Training and Talent Development

customer relationship methods.

The Human Resources and Technical Support Departments are finalizing the TESSYA Tech School program, a shared model of multi-level technical training and certification to be implemented in the Group's technical training centers in Italy, Iberia and the Balkans.

As part of the Tech School, and in line with the Group's purpose of "powering the growth of people, businesses, and communities", a project is being implemented to provide young graduates with a path of advanced higher technical education and training totaling 860 hours (divided between classroom and on-the-job training) through a first-level apprenticeship contract.

The goal is to introduce young people to the profession of specialized technician and

obtain a Technical-Professional Specialization certificate.

HR managers are also developing a structured onboarding program, including training sessions focused on activities, procedures, and tools immediately applicable in the employees' work life to update and improve the onboarding of new hires.

In Table 15, the number of training hours provided to TESSYA Group employees in 2022 and 2021 is reported. The number of training hours provided increased by 22% from one year to the next. This increase is mainly due to the expansion of the training offerings for employees and is only partially attributable to the increase in the number of employees in 2022.

Total Training Hours by Gender and Qualification (h)

	2022			2021		
	Men	Women	Total	Men	Women	Total
Managers	1,702	70	1,772	1,329	47	1,376
Middle-managers	6,638	2,103	8,651	6,122	1,146	7,268
Office staff	29,334	10,109	39,184	24,436	6,745	31,182
Manual laborers and technicians	64,155	24	63,671	52,930	24	52,954
Total	101,182	12,906	113,279	84,818	7,963	92,781

Table 15

Average Training Hours by Gender and Qualification (h)

	2022			2021		
	Men	Women	Average by Qualification	Men	Women	Average by Qualification
Managers	19.56	8.69	18.65	17.49	6.71	16.58
Middle-managers	34.57	54.41	37.78	32.91	31.84	32.74
Office staff	28.07	29.56	28.25	24.73	20.63	23.71
Manual laborers and technicians	44.52	4.80	44.03	38.98	6.00	38.88
Average by gender	36.59	30.86	35.88	32.52	21.29	31.11

Table 16

Training and Talent Development

There are scheduled moments of individual discussion at various levels between employees and their supervisors to improve employee performance, in addition to defining annual objectives and performance reviews. There are also institutional meetings between employees and their supervisors for the definition of individual annual objectives

and performance reviews.

Table 17 shows the total percentage of employees by gender and employee category who have received a periodic performance and career development evaluation during the reporting period.

Percentage of Employees who Received a Periodic Performance Appraisal by Gender and Qualification (%)						
	2022			2021		
	Men	Women	Total	Men	Women	Total
Managers	63%	63%	63%	67%	86%	69%
Middle-managers	67%	51%	61%	65%	44%	61%
Office staff	16%	13%	15%	20%	12%	18%
Manual laborers and technicians	12%	0%	12%	32%	0%	28%
Total	19%	17%	19%	31%	17%	29%

Table 17



4.3 Employee Health and Safety

[GRI 403-1; GRI 403-2; GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-6; GRI 403-7; GRI 403-9]

Employee health and safety is a top priority for the Group. As stated in previous sections, the TESYA Group has operations in numerous countries with different occupational health and safety laws. Therefore, it is necessary to specify that although the TESYA Group has a number of safety initiatives and standards

established at Group level, compliance with occupational safety regulations is managed individually, by each company.

As an example, the main activities and roles related to occupational health and safety are:

In Italy: Risk Assessment Document

The Risk Assessment Document, in accordance with Interministerial Decree 81/08 (Consolidated Law on Occupational Safety) of November 30, 2012, is updated every two years according to the deadlines for various risk assessments specific to each of the Group's sites, which are managed as annexes to the Risk Assessment Document.

The Risk Assessment Document includes an assessment of all risks and outlines an improvement plan that is regularly monitored and updated. There is a computerized process for collecting reports of accidents and "near-miss" incidents, which are analyzed alongside accidents to improve, reduce risk

and update the Risk Assessment Document. Health surveillance assesses the effectiveness of health protection procedures: the frequency and type of visits and examinations are aimed at preventing activities incompatible with the employee's health status and detecting any health deteriorations due to work-related causes.

Training, as well as all corporate communication, is intended to encourage employees to report any hazardous conditions or health risks, particularly for technical employees who are more vulnerable to accidents.

The role of the Health and Safety Officer

The Health and Safety Officer (HSO), with

the support of the company management, drafts or updates the risk assessment in case of significant organizational changes. The process described is managed on a weekly basis, both by the management and the HSO. Visual and hearing impairments are considered during health monitoring by the company doctor, who, in the health suitability assessment, may issue any prescriptions or limitations on the worker, even prior to employment.

Reporting of anomalies is done through the involvement of the designated supervisor (usually the workshop foreman) and the Safety Manager, following the procedure for detecting "near-misses".

Contracts for occupational health services

The occupational medical services established at the Group level in Italy include:

- management of the company doctor
- drafting the health protocol for video terminal workers
- planning and organization of periodic medical examinations in accordance with legal requirements
- consultation for the employer and the HSO.

Periodic examinations are scheduled during working hours, preferably on site, and the results of the clinical examinations are shared with the workers.

Occupational health and safety training

At present, the following safety training courses are organized by the health and safety office:

- General and Specific Training
- Special and Additional Training for Supervisors
- Safety Executive Training
- Annual Safety Update Meeting
- First Aid and AED Course with related refresher courses
- Fire Prevention Course with related refresher courses.

All these courses adhere to legal requirements in terms of duration, content, and the competence of the instructor. The courses are provided during working hours, and participants receive a certificate of attendance following a learning assessment.

In Spain:

Finanzauto S.A., in compliance with the current regulations on occupational risk prevention (Law 31/1995, Law 54/2003 and Royal Decree 39/1997) and after consultation with the employee representatives (Intercentres Committee and Occupational Health and Safety Committees), has within its Human Resources structure a Public Prevention Service consisting of the following roles:



Human Resources Director



Head of the Prevention Service



3 Prevention Technicians.

With these resources, the company assumes the management of the following

preventive disciplines: Occupational Safety, Industrial Hygiene, Ergonomics and Applied Psychosociology. A contract has also been signed with a specialized external service provider who takes on the role of health surveillance. The company also has a nationwide network of external contractors to carry out specific prevention service activities.

The prevention group provides the organization with advice and support based on the types of health and safety risks, particularly concerning:

- **Design and implementation** of an occupational risk prevention plan that facilitates the integration of prevention within the company;
- **Evaluation of risk** factors that may affect the safety and health of employees;
- **Planning and identification of priorities for the adoption** of preventive measures and monitoring their effectiveness;

- **Information and training of workers;**
- **Emergency plans.**

In accordance with the regulations governing prevention services, every four years, the Company submits its health and safety management system to an external audit by an accredited body. The company also has Health and Safety Committees (at the headquarters and subsidiaries), delegated Prevention Officers, Health and Safety Officers and an external medical service with a qualified doctor and a health center in Arganda del Rey (Madrid), providing services and advice for all company employees nationwide.

In Portugal and the Balkans:

Similar preventive measures have also been taken in Portugal and the Balkans in accordance with their national legislations.

Certifications

CGT S.p.A
ISO 45001

CLS S.p.A
ISO 45001

CGT Trucks S.p.A

Ongoing process to adopt the ISO 45001 system, with the goal of achieving certification in 2023

**Finanzauto S.A.
e STET S.A.**

Employee health and safety management system adapted to the national regulations of Spain and Portugal, respectively, certified by an external body and aligned with the requirements of ISO 45001

Teknoxgroup Srbija d.o.o.
ISO 45001

Teknoxgroup Hrvatska d.o.o.

Ongoing process to adopt the ISO 45001 system, with the goal of achieving certification by 2023

Other Group companies

Employee health and safety management system adapted to the respective national regulation

¹⁵ The injury rate is the ratio of recordable work-related injuries to hours worked by employees multiplied by 1,000,000.

¹⁶ Serious work-related injuries are defined as injuries resulting in 180 or more days away from work.

Work-related Injuries¹⁵					
	UoM	2022		2021	
		n.	Rate	n.	Rate
Recordable Work-related Injuries	No.	90	19.99	86	22.14
Including fatal	No.	-	-	-	-
Including serious work-related injuries (excluding fatalities) ¹⁶	No.	2	0.35	0	-
Including work-related injuries resulting in at least one day of absence from work	No.	86.00	19.29	84.00	21.77
Employee Hours Worked	h	6,124,649		5,869,423	

Table 18





05

Business
Responsibility



5.1 Transparency and Ethics

[GRI 205-3, GRI 2-19, GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-27]

Formal and substantive compliance with the laws and regulations of the countries where the TESSA Group operates is an integral part of its culture, and this focus is reflected in its Code of Ethics. The Group strives, through example and training, to ensure the continuity and strengthening of this commitment as a necessary condition for ensuring its long-term existence and success.

The Group's Code of Ethics, approved by the Board of Directors of the parent company TESSA S.p.A. on June 5, 2007, and subsequently updated, is adopted by all companies within the Group. The Code defines the set of ethical values that guide the Group and the behaviors to which all collaborators of the Group and individuals with whom the Group interacts must adhere, particularly with regard to corruption and the ethical and legal risks associated with relations with Public Authorities, Customers and Suppliers.

In Italy, the primary tool regulating and implementing measures to prevent the commission of crimes is the Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter, the "Model"), of which the Code of Ethics is an integral part. The Parent Company and its Italian-based subsidiaries have adopted

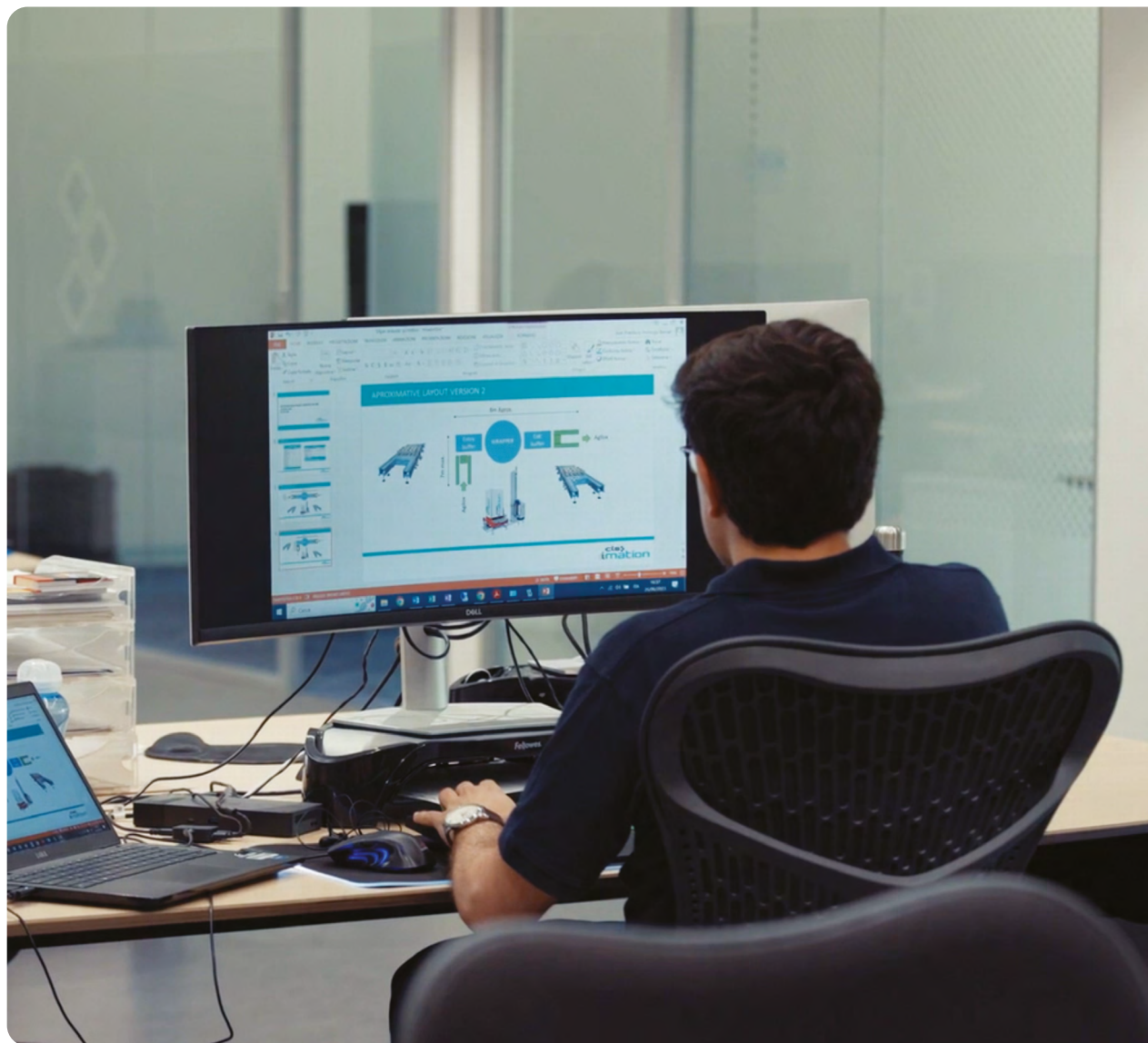
the Model to educate employees on proper conduct, prevent crimes and violations, improve corporate governance, and ensure compliance with laws and regulations. The Model encompasses all aspects of business operations, incorporating checks, responsibilities and the segregation of duties. In accordance with the Model, a continuous monitoring system is in place in coordination with the Supervisory Board, aiming to manage the risk of criminal offenses through control processes, procedures and documentation of the performed checks. Communication and training are also provided to ensure employee awareness and prevent offenses.

In the Iberian Peninsula, Finanzauto and its subsidiaries have an organizational model largely aligned with the Italian Model. The Board of Directors of the Spanish subsidiary have established a Surveillance Authority to ensure compliance with the Code of Ethics and the processes of analysis and verification of compliance with applicable laws and regulations.

The Surveillance Authority is composed of two executive directors of the Company (Director of Corporate Services and Director of Human Resources) and one executive director from the Portuguese subsidiary STET S.A. (Director

of Human Resources) assisted, in the capacity of a non-member secretary of the Authority, by the Director of Corporate Governance. The main tasks of the Authority involve defining and implementing risk management methodologies consistent with those established by TESYA, establishing policies and executing operational control systems, adaptively improving compliance with national and international regulatory standards, and, if required by the main supplier Caterpillar Inc., overseeing and managing the electronic complaints channel.

In 2021 and 2022, the TESYA Group was not involved in any confirmed cases of corruption. The data related to instances of non-compliance with laws and regulations, including the amounts paid for monetary sanctions, are provided below. It should be noted that in 2022, the values are significantly lower compared to 2021, a year in which there was a voluntary correction made by the subsidiary Compagnia Generale Trattori S.p.A. regarding the research and development tax credit pursuant to Article 3 of Legislative Decree No. 145/2013 (for an amount of €1,023 thousand, including penalties and interest), which was made in order to avoid an extensive and time-consuming legal dispute over a technical regulation with enormous interpretation problems.



Transparency and Ethics

Incidents of Non-Compliance			
	UoM	2022	2021
Cases of non-compliance with monetary penalties notified in the year	No.	27	34
Cases of non-compliance with NON-monetary penalties notified in the year	No.	-	-
Total	No.	27	34
Amounts paid during in the reporting period for monetary penalties disbursed in the year	K€	44.56	1,097.53
Amounts paid during the reporting period for monetary penalties disbursed in previous years	K€	-	-

Table 19

Whistleblowing

To facilitate the reporting of misconduct within the Group (*whistleblowing*), the Model in Italy also includes a system of guarantees specifically developed for this purpose. Within a specific protocol outlined in the Model, this system includes a dedicated and anonymous reporting channel to the Supervisory Board. Unauthorized disclosure of the whistleblower's data is considered a violation of the provisions of the TESSA Group's Model and is subject to the Company's internal disciplinary procedures. It is imperative to emphasize that TESSA explicitly prohibits any form of dismissal or discriminatory retaliation against whistleblowers, and any punitive or discriminatory actions, such as role changes, dismissals or transfers, are considered legally invalid. In the event of a dispute, the burden of proof is on the employer to show that such actions were taken for reasons unrelated to the whistleblower's report. If discriminatory actions are taken against whistleblowers, both the whistleblower and the designated trade union organization have the right to report such actions to the National Labor Inspectorate. The intentional or egregious submission of unfounded reports is considered a serious violation of both the Model and the Group Code of Ethics. As part of the mandatory

periodic training for all employees to ensure a comprehensive understanding and awareness of Legislative Decree 231/2001 and the Model, training on *whistleblowing* mechanisms and guarantees is included.

The Group's Iberian companies have adopted reporting tools that are adequate and in compliance with Italian regulations regarding the reporting of possible illegal acts and the guarantees of anonymity.

Compensation Policy

All Group managers receive a fixed salary and an annual variable incentive ("Short Term Incentive", for brevity, hereinafter referred to as "STI"). In 2022, a classification and remuneration reference system was introduced for all executives at the Group level. Management salaries are generally aligned with the market median. The introduction of this system led to a more rational way of determining the variable component (STI), which varies between 15% and 25% of the fixed salary, depending on the position's level.

Approximately fifty *Senior Managers* of the Group were also offered a long-term incentive plan ("Long-Term Incentive", hereinafter referred to as "LTI") with targets linked to the 2022-

2025 Business Plan. The LTI has a vesting period of three years (from January 1, 2023 to December 31, 2025). The assessment of results and key performance indicators (KPIs) is based 70% on Group results (economic aspects and strategic initiatives related to the plan) and 30% on the financial and economic results of the respective operating division. The LTI regulations include claw-back clauses, address specific situations and "malus" clauses, and are supervised by a dedicated LTI Committee.

In Italian companies, a portion of the variable remuneration for managers is provided in the form of benefits through a dedicated platform that regulates their allocation (so-called "Welfare"). This same portion of benefits can be voluntarily allocated to the contractual supplementary pension fund, in accordance with the applicable legal provisions for employee severance indemnities (TFR).

The performance-related compensation criteria for managers are linked to the objectives set by the respective Boards of Directors and are aligned, both in the short term (STI) and in the long term (LTI), with the economic, social and sustainability objectives defined in the Group's Business Plan.

5.2 Group Performance

[GRI 201-1]

The TESSA Group continues to demonstrate its ability to seize opportunities and create value in the markets in which it operates. The validity of the strategic choices in the “TESSA EVOLUTION 2025” business plan approved at the end of June 2022 is confirmed by the quantitative and qualitative results achieved in fiscal year 2022. Despite this fiscal year, like the three preceding ones, being characterized by insufficient and uncertain product availability from the Group’s main suppliers due to increased global demand and persistent supply chain and logistics problems. This was exacerbated by strong inflationary pressures caused by price increases by all suppliers of products and

services, rising interest rates and higher energy costs. These increases have been transferred to the market where possible, but still led to higher-than-expected increases in operating costs, significantly impacting procurement costs, albeit in different ways across various sectors and segments of the Group.

From the data in Table 20, it is clear that the Group’s results and the economic value generated have had a positive impact on the well-being of people within the Group and the industry as a whole. This is highlighted by the significant increase in economic value distributed to both employees and the supply chain.

Direct Economic Value Generated and Distributed in Thousands of Euros (K€)

	2022	2021
Direct economic value generated	1,610,048	1,435,664
Economic value distributed	1,423,760	1,254,204
Operating costs	1,146,650	1,030,016
Employee salaries and benefits	209,802	191,345
Payments to providers of capital	36,964	6,554
Value distributed to Public Authorities	30,237	26,115
Investments in the community	107	174
Economic value retained	186,288	181,460

Table 20

Group Performance

As per the GRI 201-1 guidelines, it is specified that Table 20 includes the following items from the consolidated financial statements of the TESSA Group, prepared in accordance with the Italian

Civil Code, interpreted and supplemented by the accounting principles and criteria developed by the Italian accounting body, Organismo Italiano di Contabilità (OIC):



“Direct economic value generated”:

- A.) Production value
- C.15) Income from equity investments
- C.16) Other financial income
- C.17.bis) Exchange rate gains
- D.18) Value adjustments to investments



“Distributed economic value”

is determined by summing the items below in the table. It is clarified that in the “Payments to providers of capital” value, in addition to item C.17 “Interest and other financial charges”, the amount of dividends distributed to the shareholders of the Parent Company during the period is included



“Economic value retained”

is determined as the difference between “Directly generated economic value” and “Distributed economic value”.

Methodological Note

[GRI 2-1, GRI 2-2, GRI 2-3]

The 2022 Sustainability Report is the first Sustainability Report produced by the TESSA Group, headquartered in Vimodrone (Milan), via Padana Superiore, 19 - 20055. The data reported in the report for the years 2021 and 2022 include the following companies:

- **Alfaproject.net S.r.l.**
- **CGT S.p.A.**
- **CGTE S.p.A.**
- **CGT Trucks S.p.A.**
- **CLS S.p.A.**
- **Finanzauto S.A.**
- **Finanzauto Rental S.L.U.**
- **Tecnologias de Guiado de Maquinaria de Obra Pública S.L.U.**
- **STET S.A.**
- **Teknoxgroup S.A.**
- **Teknoxgroup Srbija d.o.o.**
- **Teknoxgroup Hrvatska d.o.o.**
- **Teknoxgroup Slovenija d.o.o.**
- **Teknoxgroup d.o.o.**
- **Teknoxgroup B.H. d.o.o.**
- **Teknoxgroup Shqiperi Sh.p.k.**
- **Teknoxgroup Kosovo l.l.c.**
- **Teknoxgroup Macedonia d.o.o.e.l.**
- **Teknoxgroup Crna Gora d.o.o.**

Both Caymo Maintenance S.L. and Exclusivas de Maquinaria y Equipos S.L. have been excluded from the scope of the report, considering that they became part of the Group in the second half of 2022 with a partial and not significant contribution to this report. The scope limitations of some data in this report are appropriately indicated with specific notes and within the GRI Content Index.

The “GRI Sustainability Reporting Standards,” updated to 2021, are published by the Global Reporting Initiative (GRI), an internationally recognized association that develops sustainability reporting standards. For reporting information, reference has been made to the GRI Standards: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. References to the GRI Standards are provided within the document and in the final GRI Content Index table.

Regarding the materiality assessment process, with reference to the new GRI 3 and in particular GRI 3-1 “Process to determine material topics” and GRI 3-3 “Management of material topics”, in this first voluntary

Methodological Note

reporting exercise the TESSA Group has used best practices for identifying and assessing sustainability topics, such as identifying material topics through internal and external context analysis, direct engagement with internal *stakeholders*, and indirect engagement through interviews with business functions that oversee the *stakeholder* categories identified for assessing material topics. TESSA Group's materiality identification process did not include the identification of external impacts caused by its activities. The Group commits, for future reporting periods, to undertake an impact analysis by initiating a structured process that involves dedicated engagement from relevant internal units and external *stakeholders*.

The information and data presented in the Sustainability Report cover the period from January 1, 2022 to December 31, 2022. Data related to 2021 has been included, where

available, solely for the purpose of comparison. When relevant, focuses on projects developed in 2023 have been included for completeness of information and relevance to the topics discussed.

For the preparation of the Sustainability Report, TESSA Group established an internal working group with several members of top management who actively contributed to identifying the most relevant topics, as well as collecting the necessary data and information.

Regarding the frequency of updates and publication, reporting will be annual. For any feedback or questions related to this report, please contact the TESSA Group Communications Office at inembro@tesya.com.



GRI Content Index

GRI Standard 2021	Disclosure	Notes/omissions	Page Number(s) and/or Link(s)
GENERAL DISCLOSURE			
Statement of use	TESYA S.p.A. has reported "with reference to the GRI Standards" for the period from January 01, 2022 to December 31, 2022.		
2-1	Organizational details		Page 38
2-2	Entities included in the organization's sustainability reporting		Page 38
2-3	Reporting period, frequency and contact point		Page 38
2-6	Activities, value chain and other business relationships		Pages 5-6
2-7	Employees		Pages 23-24
2-8	Workers who are not employees		Pages 23-24
2-9	Governance structure and composition		Pages 8-9
2-10	Nomination and selection of the highest governance body		Pages 8-9
2-11	Chair of the highest governance body		Pages 8-9

GRI Standard 2021	Disclosure	Notes/omissions	Page Number(s) and/or Link(s)
GENERAL DISCLOSURE			
2-19	Remuneration policies		Page 36
2-22	Statement on sustainable development strategy		Pages 2-3
2-23	Policy commitments		Page 34
2-24	Embedding policy commitments		Page 34
2-25	Processes to remediate negative impacts		Page 11
2-26	Mechanisms for seeking advice and guidance on ethical issues		Page 35
2-27	Compliance with laws and regulations		Page 36
2-28	Membership associations		Page 8
2-29	Approach to stakeholder engagement		Page 12
2-30	Collective bargaining agreements		Page 27

GRI Standard 2021	Disclosure	Notes/omissions	Page Number(s) and/or Link(s)
MATERIAL TOPICS			
3-1	Process to determine material topics		Pages 12-13
3-2	List of material topics		Pages 12-13
Ethics and Anti-corruption			
3-3	Management of material topics		Page 34
205-3	Confirmed incidents of corruption and actions taken		Page 35
Economic Performance			
3-3	Management of material topics		Page 36
201-1	Direct economic value generated and distributed		Pages 36-37
Employee Health and Safety			
3-3	Management of material topics		Pages 30-33
403-1	Occupational health and safety management system		Pages 30-33
403-2	Hazard identification, risk assessment, and incident investigation		Pages 30-33
403-3	Occupational health services		Pages 30-33

GRI Standard 2021	Disclosure	Notes/omissions	Page Number(s) and/or Link(s)
403-4	Worker participation, consultation, and communication on occupational health and safety		Pages 30-33
403-5	Worker training on occupational health and safety		Pages 30-33
403-6	Promotion of worker health		Pages 30-33
403-7	Prevention and mitigation of occupational health and safety impacts directly linked with business relationships		Pages 30-33
403-9	Work-related injuries		Page 33
Inclusion and Diversity			
3-3	Management of material topics		Pages 21-22
405-1	Diversity of governance bodies and employees		Pages 24-25
Employee Recruitment, Retention, and Engagement			
3-3	Management of material topics		Pages 21-22
401-1	New employee hires and employee turnover		Pages 25-27
Employee Training and Career Development			
3-3	Management of material topics		Page 28
404-1	Average hours of training per year, per employee		Page 29

GRI Standard 2021	Disclosure	Notes/omissions	Page Number(s) and/or Link(s)
404-3	Percentage of employees receiving regular performance and career development reviews		Page 30
Waste Management			
3-3	Management of material topics		Page 20
306-1	Waste generation and significant waste-related impacts		Page 20
306-2	Management of significant waste-related impacts		Page 20
306-3	Waste generated	Please note that the data for the operating companies Teknoxgroup S.A. Op.Co., Teknoxgroup Shquiperi Sh.p.k, Teknoxgroup Kosovo l.l.c., Teknoxgroup Macedonia d.o.o.e.l. and Teknoxgroup Crna Gora d.o.o. are excluded from the scope of reporting due to the impossibility of obtaining data.	Page 20
Energy Consumption			
3-3	Management of material topics		Page 14
302-1	Energy consumption within the organization		Pages 14-15
Emissions			
3-3	Management of material topics		Pages 15-18

GRI Standard 2021	Disclosure	Notes/omissions	Page Number(s) and/or Link(s)
305-1	Direct (Scope 1) GHG emissions		Page 16
305-2	Energy indirect (Scope 2) GHG emissions		Page 16
Management of Water Resources			
3-3	Management of material topics		Page 19
303-1	Interactions with water as a shared resource		Page 19
303-2	Management of water discharge-related impacts		Page 19
303-3	Water withdrawal	Please note that the data for the operating companies Teknoxgroup S.A. Op.Co., Teknoxgroup Shquiperi Sh.p.k, Teknoxgroup Kosovo I.l.c., Teknoxgroup Macedonia d.o.o.e.l. and Teknoxgroup Crna Gora d.o.o. are excluded from the scope of reporting due to the impossibility of obtaining data.	Page 19
Use of Materials			
3-3	Management of material topics		Page 19
301-1	Materials used by weight or volume	Please note that the data for the operating companies Teknoxgroup S.A. Op.Co., Teknoxgroup Shquiperi Sh.p.k, Teknoxgroup Kosovo I.l.c., Teknoxgroup Macedonia d.o.o.e.l. and Teknoxgroup Crna Gora d.o.o. are excluded from the scope of reporting due to the impossibility of obtaining data.	Page 19

TESYA 