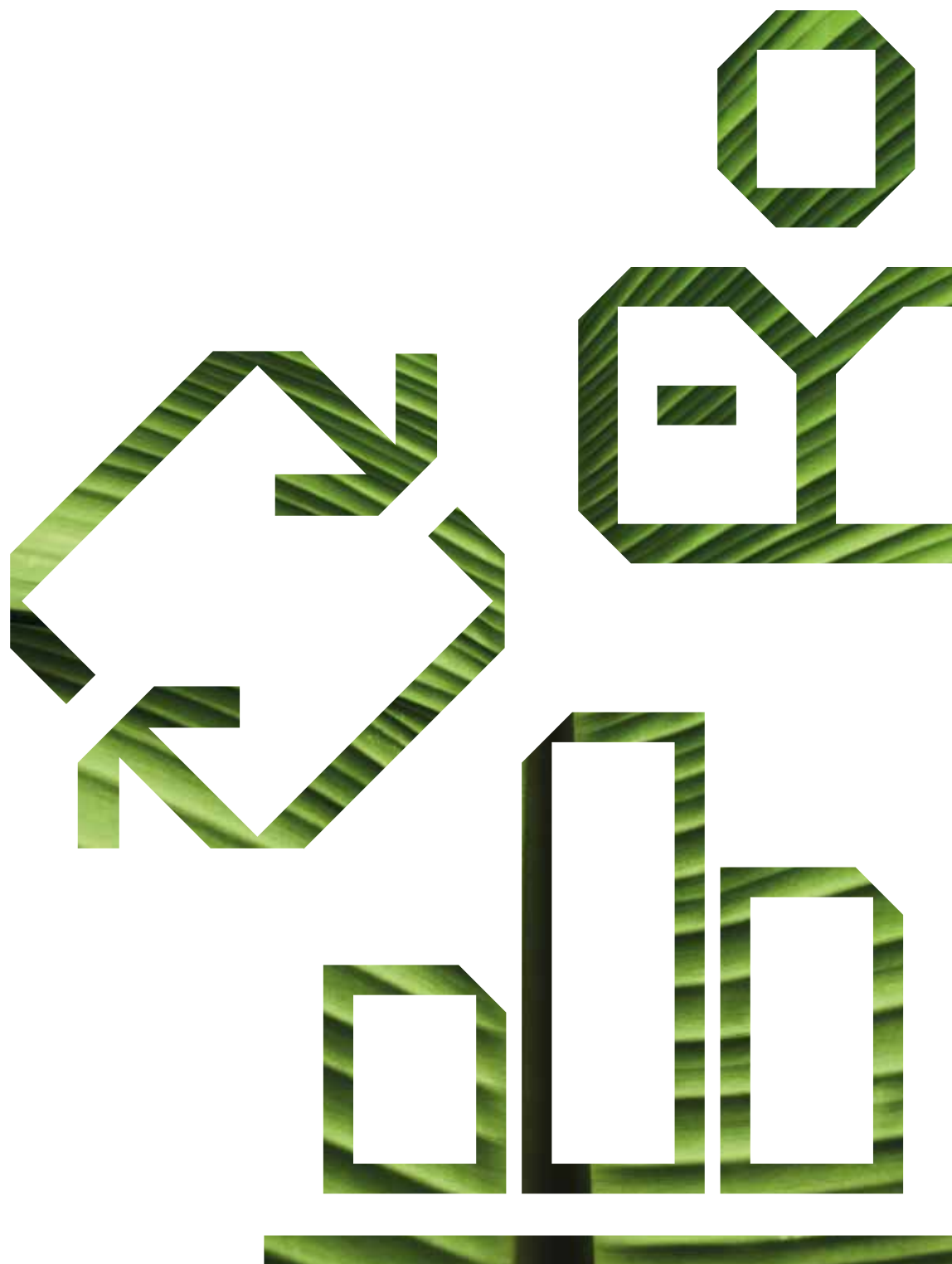




S U S T A I N A B I L I T Y R E P O R T

2023



TESYA S.p.A.

Registered Office and General Management:

Via Padana Superiore, 19 - 20055 VIMODRONE - MILANO - tel. 02 27402641

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

Chamber of Commerce Milan Monza Brianza Lodi

Business Register, Tax Code and VAT No. 00156280026



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Letter to stakeholders

[GRI 2-22]



Lino Tedeschi
Chairman and CEO
of TESSA Group

In continuity with the commitment undertaken last year, the TESSA Group is pleased to present its second Sustainability Report, relating to the year 2023; it is a transparent report on the sustainability performance of the TESSA Group, the activities and initiatives undertaken with the ultimate goal of contributing directly and positively to sustainable development.

2023 was a positive year for the TESSA Group in economic terms, in terms of international strengthening, diversification of activities and organizational consolidation. This is an important step towards the implementation of the TESSA EVOLUTION 2025 business plan, aimed at generating shared value for the benefit not only of the Group, but also of people and communities.

The goal of the TESSA Group remains to be a proactive player in sustainability, demonstrating that responsibility and profitability can coexist and reinforce each other. For the Group, sustainability is an issue of primary importance: not only an ethical duty, but also a means to seize new growth opportunities.

Faced with these challenging goals, the TESSA Group is making rapid progress in several directions: the progressive implementation of ESG initiatives on the most relevant categories, explicit support for the UN 2030 Agenda and the "Sustainable Development Goals", various initiatives in favor of local communities, including the international training project STARTech and finally adherence to the "UN Global Compact" path.

The commitment of the TESSA Group is to make sure that all its activities are carried out in the safest way possible, paying the utmost attention to the protection of people and the environment. To confirm this, some Group companies have implemented health and safety management systems certified ISO 45001 and OHSAS 18001. In addition, CGTE is one of the first in Italy and Europe, and has also obtained the ISO 20121 certification, a management standard for the sustainable organization of events.

It is the firm and thoughtful conviction of the entire TESSA Group that an inclusive and respectful working environment can foster collaboration and mutual trust. The human and professional quality of the Group's people is one of its greatest strengths. The well-being and satisfaction of all, as well as the availability of adequate means to promote the growth and full development of skills, such as training, are therefore central issues in the management of the Group.

The path to sustainability requires perseverance and innovation. Looking to the future, TESSA Group's commitment is to further improve and achieve new goals with determination and professionalism while minimizing its environmental footprint and setting new standards for the industry, demonstrating its genuine commitment to sustainability.











01

The profile of the TESSYA Group

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1.1 2023 at a glance

TESYA GROUP

 90	Years of experience
 1.7 B €	Revenues in 2023
 1.2 B €	Net invested capital
 15	Countries
 120	Branches
 >120,000	Installed base units
 >10,000	Units sold annually
 >32,000	Assets monitored
 1,000	Mobile workshops
 >5M	Spare parts delivered annually

GOVERNANCE HIGHLIGHTS



44%

female presence on the **Board of Directors** of TESYA S.p.A.

Adherence to the United Nations **"Global Compact"** (to be formalized in 2024)

0 complaints received regarding customer privacy violations

S O C I A L H I G H L I G H T S

 3,476	People
 +10%	Workforce compared to 2022
 -21%	Recordable injuries compared to 2022
 124,371	Total training hours, nearly 36 hours per capita

ISO 45001 Certification
CGT, CLS, Finanzauto, STET, Teknoxgroup Hrvatska


OHSAS 18001 Certification
Teknoxgroup Srbija

ISO 9001 Certification
CGT, Finanzauto, Teknoxgroup Srbija, Teknoxgroup Hrvatska

E N V I R O N M E N T A L H I G H L I G H T S

+26.7%

Renewable energy out of total electricity consumption

11.4  **-12%**
tCO₂/M€ vs 2021

5.9  **-18%**
tCO₂/person vs 2021

ISO 14001 Certification
CGT, Finanzauto, Teknoxgroup Hrvatska, Teknoxgroup Srbija

ISO 20121 Certification
CGTE

90 years of TESYA Group history

1930

In **1934**, the **OLMIA** company in **Vercelli** began **importing and selling Caterpillar machines in northern Italy**. The same decade saw the birth of **Finanzauto in Madrid in 1930**.

1960

OLMIA moved its activities to **IMAI** and then to **Compagnia Generale Trattori (CGT)** and in **1965** moved its **headquarters to Milan**.

1996

TESA Group
was established

2004

In Italy, **CLS** was **spun off from CGT** and specialized in **solutions for material handling and logistics**.

2010

Following the **acquisition of MAIA**, CGT extended its coverage to the entire Italian peninsula and the Republic of Malta. **Noloitalia became CGT Edilizia and subsequently CGTE (2020)**. **Teknoxgroup** also expanded to **Albania**.

2021

Finanzauto acquired Energyst, now **Alayan Rental**, a rental company for energy production solutions based in Madrid.
CGTE acquired **GM noleggi**, a provider of solutions for public works, construction, and industry.
CLS acquired **Alfaproject.net**, specializing in optimizing inter-logistic.

2022

The TESYA Group acquired **Emerent**, a Spanish rental company based in Asturias, through CGTE.

2023

The **TESYA Group founded XIBER Energy Solutions**, which operates in the field of energy transition solutions.
In the same year, CLS acquired **Alax Automation**, specializing in automation for various sectors, based in Belgium.

1961

STET was founded in **Portugal** as a **Caterpillar dealer**.

1990

Teknoxgroup was established to offer **Caterpillar products and services in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, North Macedonia, and Kosovo**.

1995

Noloitalia was founded, a company entirely dedicated to **renting Caterpillar compact machines** and other brands of **construction, industrial, environmental maintenance, and event machinery**.

2013

CGT added the **DAF dealership** in 2008 and in 2013 spun off this activity into the new entity **CGT Trucks dedicated to selling and renting industrial vehicles**.

2018

The TESA Group expanded its presence in the **Iberian Peninsula** with the **acquisition of Finanzauto** in **Spain** and **STET** in **Portugal**.

2020

The Group consolidated and unified all its companies into a **new identity with strong shared values: TESSYA**.

1.2 From the 1930s to the present day: the TESSYA Group

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



TESSYA Group is a leading provider of sophisticated services and integrated B2B customized solutions for different industry sectors, including construction, construction site management, logistics, event organization, power generation, and energy transition. The entrepreneurial spirit, the clear vision and the ability to adapt to the different contexts in which it operates have guaranteed the Group, over the course of its **90 years of history**, constant growth as well as international presence and success.

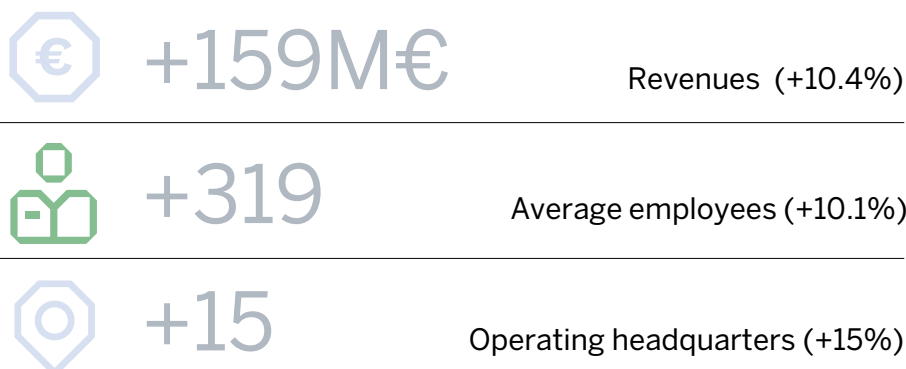
The most recent growth initiatives took place during the second half of **2022**, when the Group acquired the Spanish company Caymo Maintenance S.L. (abbreviated, "Caymo"), operating in the field of services in the marine sector and, through CGTE S.p.A., the Spanish company Exclusivas de Maquinaria y Equipos S.L. (abbreviated, "Emerent"), specialized in the rental business in Spain.

In January **2023**, the company XIBER Energy Solutions S.r.l. (in abbreviated form, "XIBER") was established, with the aim of accompanying European industrial customers on the path of improving energy efficiency and transitioning to non-polluting energy sources, providing integrated multi-technology and multi-supplier decarbonization solutions and, through CGT Logistica Sistemi S.p.A., ALAX Automation B.V. was entirely acquired, Belgium-based company operating in the business of selling solutions for the automation of industrial processes and the service of automated material handling, warehousing and packaging systems.

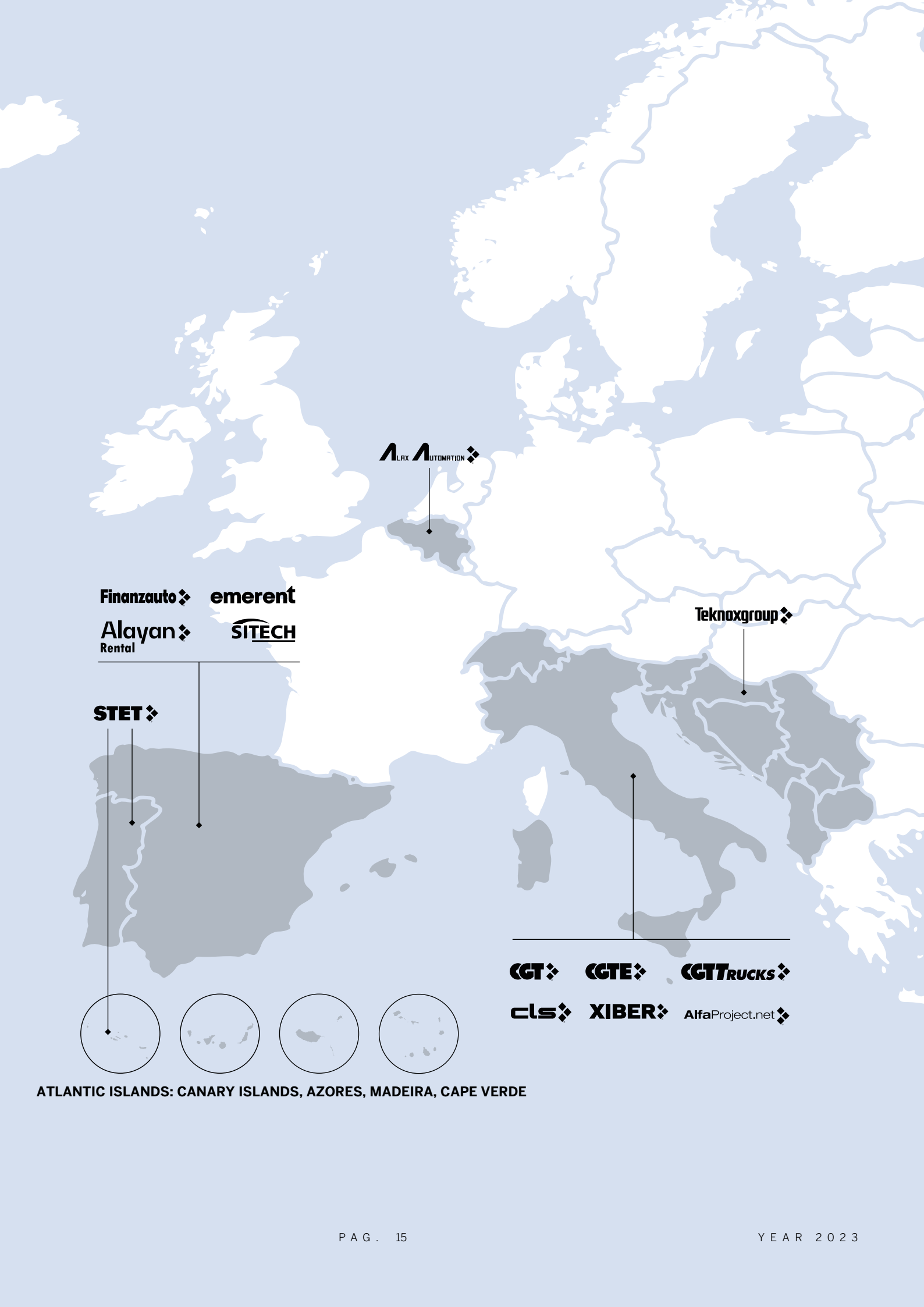
In addition, during the **2023** financial year, XIBER completed the acquisition of 100% of the quotas of the companies Zanotti Energy Group S.r.l. and Service Partner Solution S.r.l., companies based in the province of Modena active in the consultancy, design, installation, and asset management of renewable energy plants. The acquired companies were subsequently incorporated via merger into XIBER in the same 2023 financial year.

To date, thanks to the various expansions and projects carried out over the years, the parent company TESYA S.p.A. controls, directly or indirectly, 23¹ operating companies (hereinafter "Op.Co."), is present in **15 countries**, with 3,476 active employees as of 31.12.2023 in **120 branches**, all of which work with a single purpose: to foster the growth of people, companies, and communities.

To correctly understand the trend of the indicators set out below, it is important to highlight the growth of the TESYA Group in 2023, specifically:



¹For the reporting of the data for the years 2021 and 2022 referred to in the following chapters of the Report, the companies CAYMO and Emerent have been excluded, considering they entered the Group's consolidation scope in the second half of 2022.



ALAX AUTOMATION

Finanzauto

emerent

Alayan Rental

SITECH

Teknoxgroup

STET

CGT

CGTE

CGTRUCKS

cls

XIBER

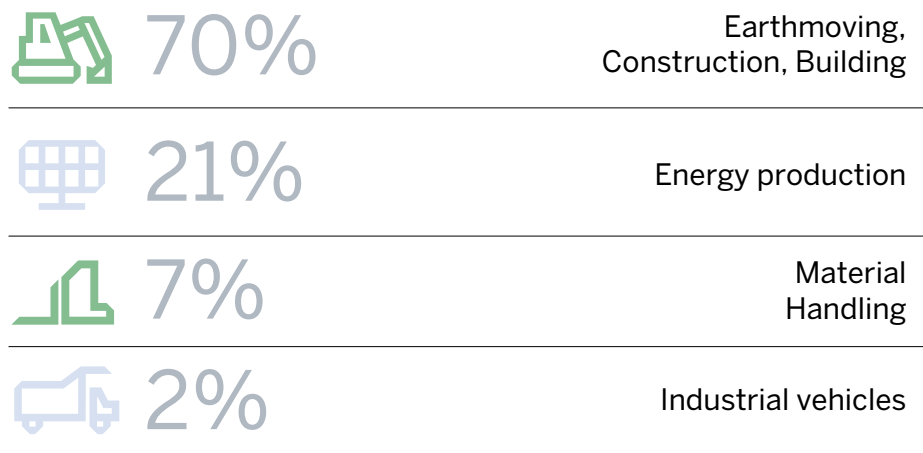
AlfaProject.net

ATLANTIC ISLANDS: CANARY ISLANDS, AZORES, MADEIRA, CAPE VERDE

TESYA S.p.A. Vimodrone (MI) - Italy	Finanzauto S.A. Arganda del Rey, Spain	100%	STET S.A. Prior Velho, Portugal	99,8%
			Tecno. Guiado de Maq. S.L.U. Arganda del Rey, Spain	100%
			Alayan Rental S.L.U. Arganda del Rey, Spain	100%
	CAYMO Maintenance S.L. El Astillero, Spain	70%		
	CGTE S.p.A. Varedo (MB), Italy	100%	Exclusivas de Maquinaria y Equipos S.L. Riaño Langreo, Spain	90%
	CLS S.p.A. Segrate (MI), Italy	100%	Alfaproject.net S.r.l. Milano, Italy	51%
			Alax Automation B.V. Herentals, Belgium	100%
	CGT S.p.A. Vercelli, Italy	100%		
	XIBER Energy Solutions S.r.l. Vimodrone (MI), Italy	100%		
	CGT Trucks S.p.A. S.G. Mil.se (MI), Italy	100%		
TESYA	Teknoxgroup S. A. Mendrisio, Switzerland	100%	Teknoxgroup Shqiperi Sh.p.k Tirana, Albania	100%
			Teknoxgroup Kosovo I.L.C. Fuschë Kosovë, Kosovo	100%
			Teknoxgroup Macedonia d.o.o.e.l. Skopje, North Macedonia	100%
			Teknoxgroup Crna Gora d.o.o. Podgorica, Montenegro	100%
			Teknoxgroup Srbija d.o.o. Vrčin, Serbia	100%
			Teknoxgroup Hrvatska d.o.o. Zagreb, Croatia	100%
			Teknoxgroup Slovenija d.o.o. Grosuplje, Slovenia	100%
			Teknoxgroup d.o.o. Grosuplje, Slovenia	100%
			Teknoxgroup B.H. d.o.o. Sarajevo, Bosnia and Herzegovina	100%

The integration of Italian and European companies united by a strong innovative drive guarantees the TESSYA Group a solid and consolidated market leadership, combining the use of innovative technologies with a wide range of skills in numerous industrial sectors.

This allows TESSYA to operate in the marketing, leasing and supply of machinery, technical assistance services, plant design, as well as solutions to specific customer needs integrating these products and services, in different countries and in support of four main sectors:



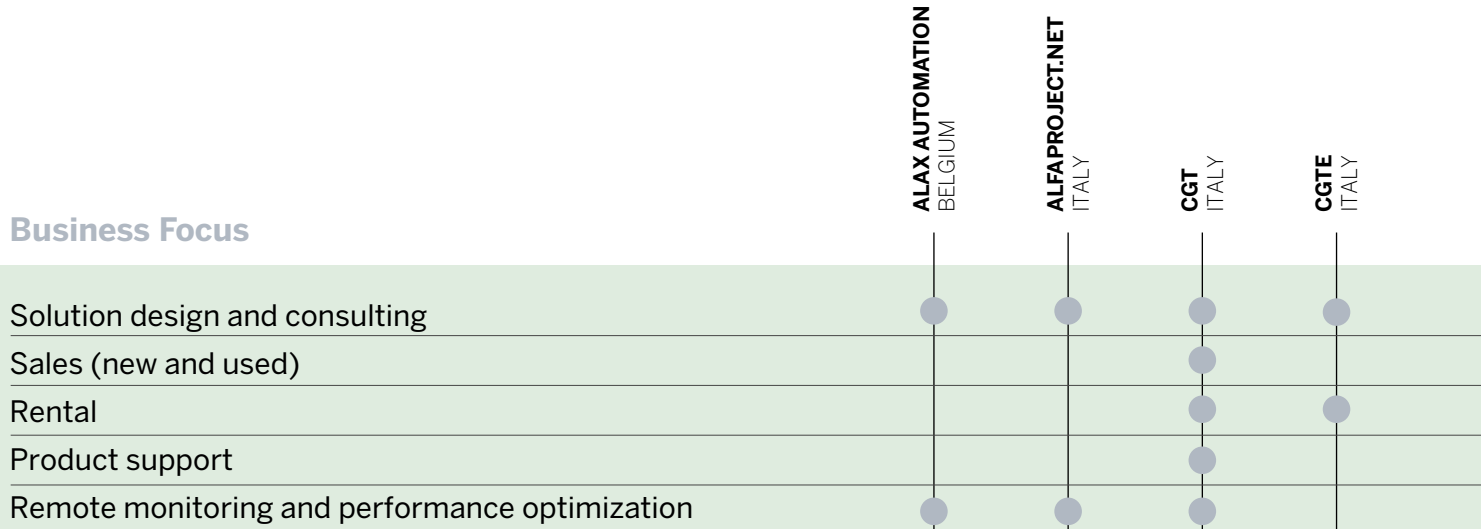
Breakdown of the total percentage of consolidated revenues of each Group business segment in 2023

In order to offer effective and cost-effective solutions, TESSYA has important partnerships with leading companies in the world in their respective fields, such as Caterpillar, DAF, Komptech, Sandvik, Hyster (from 2024, Mitsubishi), MAFI, HSM, Agilox, Versabox and Yaskawa and Pronar.

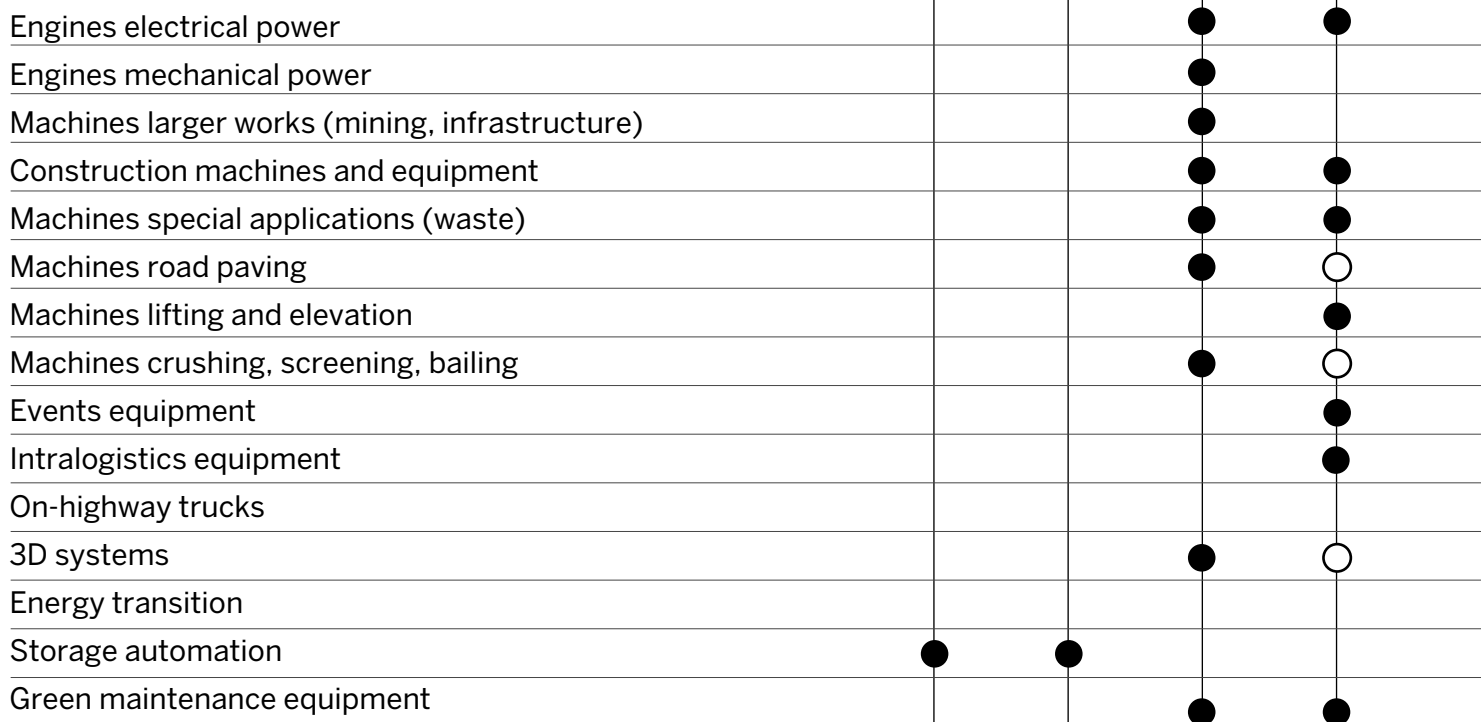
TESYA is present in various countries with a wide range of products and services

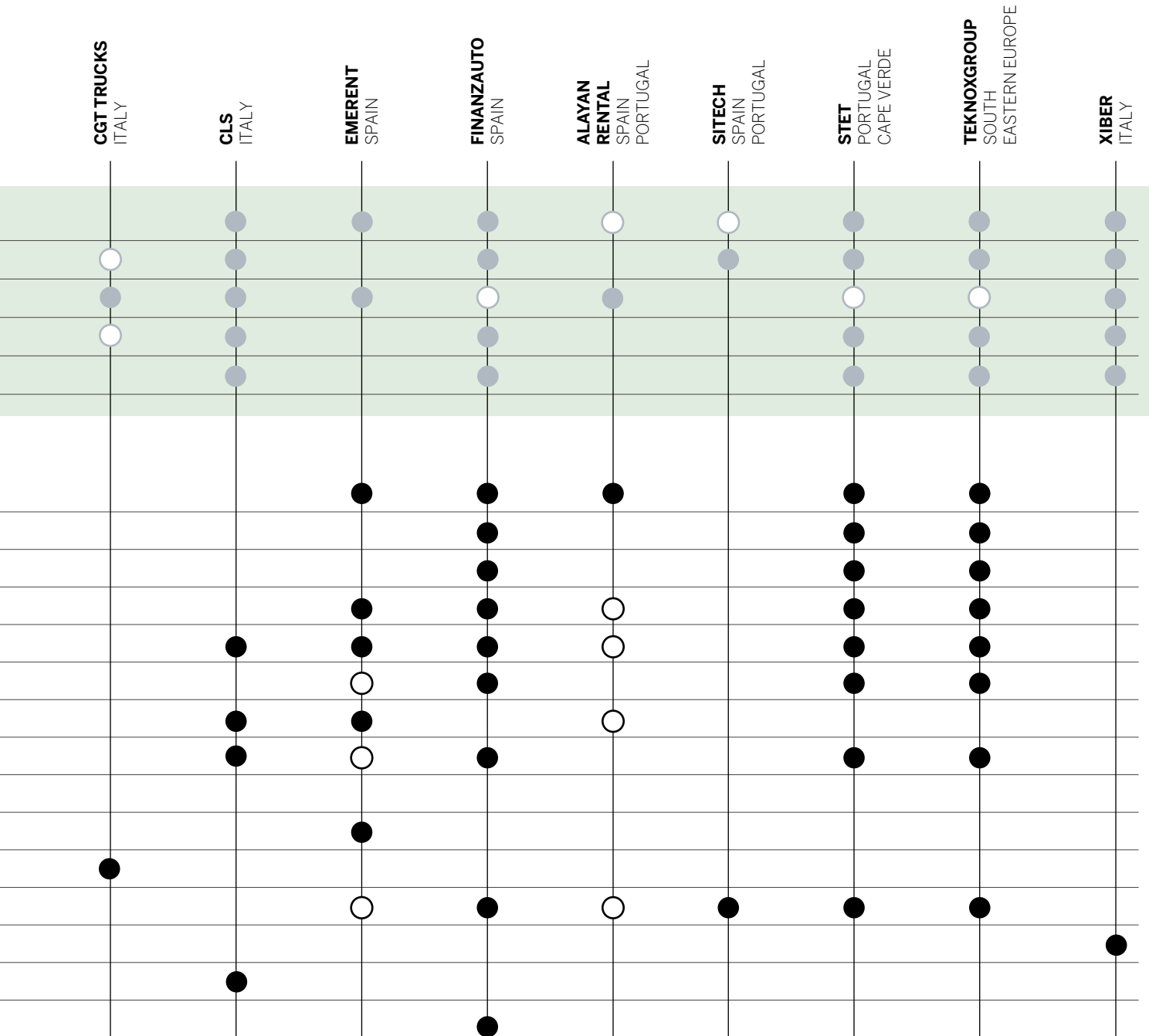
● ● Main focus ○ ○ Ancillaries

Business Focus



Product Categories





The Group has a widespread presence in the countries in which it operates and is therefore able to provide its customers with a complete range of products, services and solutions in all market segments in which it operates, for example through its direct technical assistance structures for marine engines, which include a network of **70 Authorized Marine Dealers** (AMD), as well as a network of more than **60 Second Level Dealers** for the sale and service of compact machines.

120

Branches

4

Logistical hubs

>60

Second level dealers

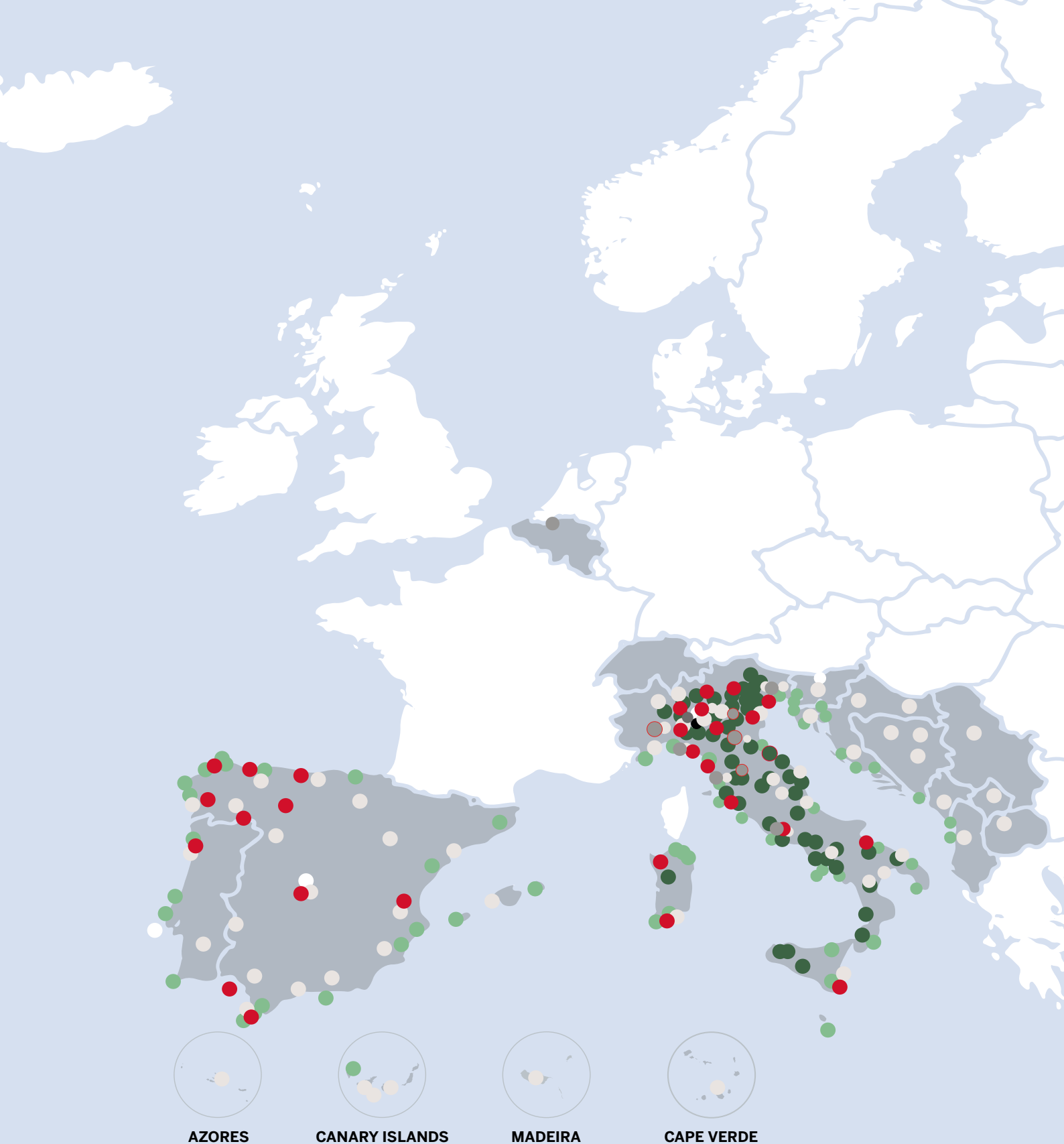
70

AMD

4

International partnerships¹

¹Partnership and/or joint venture agreements for sales and service in geographic areas where TESYA is not present



AZORES



CANARY ISLANDS



MADEIRA



CAPE VERDE

LEGEND

- | | | | |
|-------------------|-----------------------|-----------|-----------------|
| ● CAT dealer | ● CGTE | ● Emerent | ● Alayan Rental |
| ● Logistic Hub | ● Second level dealer | ● AMD | ● CGT Trucks |
| ● Alax Automation | ● Alfaproject | ● CLS | ● XIBER |

1.3 Our Culture, Our Purpose, Our Values

[GRI 2-23, GRI 2-24]

All the companies of the Group, regardless of geographical location, share the same strong values, as well as a shared vision that takes the form of collaborations and solid synergies. TESYA's **Values** and **Code of Ethics** represent the fundamental principles that guide the daily actions and future vision of the people who work within and on behalf of the Group to ensure long-term responsible development in economic, social, and environmental terms.

The behavior that characterizes the Group's actions is inspired – at all levels – by the highest principles of legality, integrity, transparency, fairness, environmental protection and health and safety. Compliance with these principles is of fundamental importance for the efficiency, reliability, and reputation of TESYA, factors that constitute a decisive asset for the success of the company and for the improvement of the social context of reference. The commitment that the Group, through its people, dedicates daily to compliance with these principles aims to encourage virtuous behavior, to encourage professional (as well as personal) growth and to guarantee a safe and stimulating working environment. TESYA recognizes the centrality of its human resources as a success factor and confirms its commitment to excellence by emphasizing training initiatives.

The TESYA Group recognizes the importance of pursuing qualitative objectives that give meaning to the commitment of the people who are part of it, beyond the mere economic return. To be ethically and motivationally effective, these objectives must be concretely implemented in daily operations with tangible goals and results for all stakeholders.

These objectives are embodied in the purpose of TESYA, which is structured around three elements:



People

Enhance the growth of TESYA's 3,476 people, through training and professional and personal growth, in a positive, inclusive, and cohesive work environment.



Companies

Support the growth of its customers by offering a complete architecture of customer and product support services, which includes design, management, and ordinary and extraordinary maintenance.



Communities

Extend support to the communities in which the TESYA Group operates, collaborating with schools, technical institutes, and universities to put its *know-how* and experience at the service of young people who want to make their way in the world of work.

By putting people at the center, it becomes natural that interpersonal relationships are an essential element to put into practice and concretize the above-mentioned values of TESSA, which can also be declined in our corporate values and in the conduct guidelines:



YOU AND I CARE

Behind every result, there are all of us working together to solve problems and build the future.

- We perform our work with passion and celebrate its successes.
- We genuinely care about the people we work with: colleagues, customers, suppliers.
- We are responsible and proud of our work.



YOU AND I BUILD A RELATIONSHIP OF TRUST

Trust, based on mutual respect and reliability, is the foundation of our relationships and success.

- We keep our promises. You can count on us.
- We always give our best.
- We are honest, open, ethical, loyal.



YOU AND I EMBRACE CHANGE

We quickly adapt to ever-changing contexts, anticipating future challenges and welcoming innovation with enthusiasm.

- We are creative. We explore different ways to achieve our goals.
- We have an entrepreneurial spirit. We are quick to seize opportunities.
- We manage uncertainty without losing sight of process quality and the overall vision.



YOU AND I GROW TOGETHER

Our personal and professional growth is based on constant learning and evolution.

- We commit to growing our company, our teams, our customers, and the communities we live in.
- We grow together with teamwork, feedback, and training.
- We are curious and never stop learning.





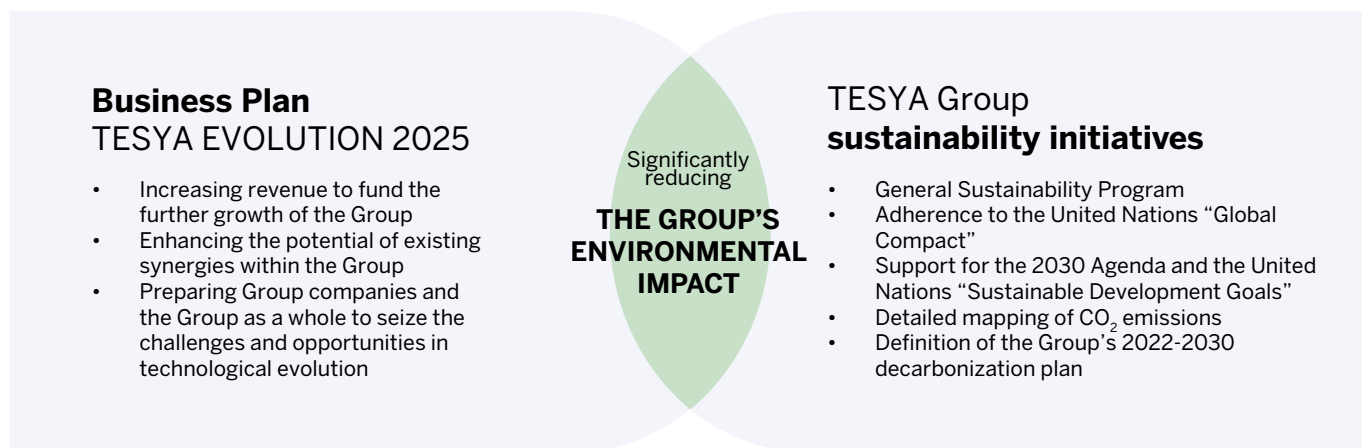
02

TESYA Group's approach to sustainability

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The adoption of sustainable business models has become a requirement of primary importance for companies operating in today's context, not only from an economic-financial point of view but also from a social, environmental, and good business conduct point of view.

Like the creation of economic value, the creation of **shared value** is therefore fundamental. A shared value that is also long-term and through which TESYA, starting from current choices and ongoing actions, can take on - at least in part - the responsibilities towards future generations. This value, in TESYA's perspective, graphically shown below, is created thanks to the **intersection between the economic-financial and sustainability sphere.**



In a context characterized by multiple emerging challenges and increasingly ambitious goals in terms of sustainable development at European level, such as the goals set by the UN 2030 Agenda and the European Green Deal, the TESYA Group:

- Since 2021, has launched an **energy efficiency and decarbonization plan**, well ahead of current regulatory obligations, which will be fully described in the chapter on environmental aspects.
- Since 2022, has been pursuing its commitment to draw up its **Sustainability Report**, in advance of current regulatory obligations, with the aim of identifying, measuring, monitoring, and reporting on the external impacts it generates through its activities and initiatives.

2.1 TESYA EVOLUTION 2025 Business Plan

[GRI 2-25]

In 2022, the TESYA Group approved its **“TESYA EVOLUTION 2025”** business plan with ambitious targets. Specifically:



Increase turnover to approximately €2 billion, integrating the evolution of traditional activities with the entry into new business sectors and business models.



Enhance the potential for synergies existing in the Group with greater integration, while safeguarding the entrepreneurship of the individual companies that are part of it.



To prepare the Group's companies and the Group as a whole, to meet the challenges and opportunities of the very rapid technological evolution expected in the coming years, especially in the second half of the current decade.

At the same time, for the first time, the TESYA Group has included in its TESYA EVOLUTION 2025 strategic plan relevant ambitions in terms of sustainability, and in particular:



The creation and dissemination of a culture of sustainability at Group level.



The drafting of a sustainability action plan, which embraces and integrates environmental, social and governance (ESG) responsibility.



The identification of priority areas in which the TESYA Group can make a difference in terms of sustainability; for each of these, the definition of challenging objectives, concrete actions and transparent and shared progress review processes.



The annual publication of the Sustainability Report.

2.2 The Group's sustainability initiatives

As introduced by the objective of the Business and Strategic Plan related to sustainability and the reduction of the Group's environmental impact, TESYA has launched important initiatives between 2022 and 2023.

General sustainability program based on relevant ESG issues

As a first step, during 2022 the relevant ESG dimensions for the TESYA Group were identified, which can be traced back to the Group's material topics updated during the materiality analysis conducted in 2023 (*chapter 2.3*).

Path to adherence to the "UN Global Compact"

During 2023, TESYA embarked on the path to joining the United Nations "Global Compact", finalized and made official in 2024. The Global Compact defines ten principles - developed around the issues of Human Rights, Labor, Environment and Anti-Corruption - which should be incorporated as good practices in the company's current activities, policies, and procedures, for responsible management towards people and the planet. The TESYA Group wanted to embrace this philosophy with the aim of formally embracing it and collaborating within the "UN Global Compact" towards common goals to create sustainable and lasting success.

Support for the 2030 Agenda and the "Sustainable Development Goals"

In its second year of sustainability reporting, the Group has decided to conduct an analysis to identify the United Nations Sustainable Development Goals (SDGs) to which it can contribute through its initiatives and commitments. To date, the SDGs represent an important reference for reporting on the ESG performance of the entire Group and for the definition of specific initiatives and projects. It is TESYA's objective to incorporate these goals into its management and choices to demonstrate its effective contribution to their achievement. The SDGs identified by TESYA are reported in chapter 2.3.

"TESYA DECARBONIZATION 2030", an initiative aimed at measuring and reducing CO₂ emissions by at least 37.8% by 2030 (base 2021), thus reducing the level of emissions per person and per unit of revenues by more than 55%, considering the growth envisaged in the business plan. Ample space will be given in the following to the reporting of the many investments already made and the first results already obtained.

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

2.3 Stakeholder involvement and materiality analysis

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

TESYA Group stakeholders

Stakeholders are defined as individuals – or group of individuals – who have an interest that is or could be influenced by the activities of the organization. Listening to and gathering the interests of its stakeholders, as well as responding to their needs, are crucial aspects for the Group’s success and for the creation of shared value.

Already in 2022, a process of analysis of the external and internal context was launched to identify the relevant stakeholders for the TESYA Group. In 2023, this analysis has been expanded and integrated with additional points of view collected both within the various TESYA companies and externally - reaching customers, suppliers, credit institutions and universities for the first time, in order to ensure an increasingly complete and reliable mapping.

The categories of stakeholders of the TESYA Group along its value chain, as well as how to contact and engage with them, are illustrated below.



Employees

Internal communication platform (Conecta) and company Intranet with specific campaigns; periodic surveys; evaluation of individual performance and potential and engagement activities such as workshops, roadshows, social events, and scholarships for employees’ children



Costumers

Fairs, open houses, conferences, and frequent and structured communication on social networks
Digital marketing campaigns, quality control surveys, industry associations, and vendor visits



Suppliers

Fairs, conferences, active inclusion, and participation in marketing plans



Financial partners

Periodic meetings and formal statutory interaction with financial partners



Local communities

Economic contribution to local community initiatives; collaboration with Technical and Professional Institutes; Universities; Talent & Career Days



Project partners

Technical projects and collaborations and subdistribution agreements



Public administration

Relations maintained exclusively in ways identified by the entities the Group needs to contact

Customers, suppliers, credit institutions, and universities were also involved in the Materiality Analysis process, asking them to validate the material topics for the TESYA Group

TESYA's materiality analysis

The materiality analysis conducted for the purposes of the 2023 **Sustainability Report** was developed in accordance with the approach prescribed by the 2021 GRI Universal Standards, according to which companies are required to identify material topics based on the most significant impacts they generate on the economy, the environment, and people, including human rights impacts.

The materiality process has allowed the Group to deepen its analysis of the relevant impacts, actual or potential, that TESYA has on people and the environment, directly related to the activities, products and services offered by the Group, including the activities upstream and downstream of the value chains for which it is directly responsible.

The process for defining and updating the relevant topics for 2023, in line with the "GRI 3: Material Topics 2021", included the following phases:

01.

Identification of sustainability topic to be assessed

02.

Assessment of sustainability topic by internal stakeholders and Executive Committee

03.

Aggregation of results, prioritization, and identification of material topics of sustainability

04.

Validation of the list of material sustainability topics by external stakeholders

01.

Identification of sustainability issues and their impacts (current and potential, positive and negative on the economy, the environment and people, including those on human rights) **to be evaluated** through the analysis of the internal and external context in which TESYA operates, the reference legislation and company documentation. The 2022 materiality analysis, the expectations of the main partners and players in the value chains in which the Group plays an active part, the characteristics of the reference sectors (e.g. benchmark analysis) and the best references of excellence (e.g. World Economic Forum, SASB and MSCI ESG) were taken into consideration.

02.

Assessment of sustainability issues and their impacts **by internal stakeholders and Group management**. This process took place through the completion of an online questionnaire with which it was requested to assess the ESG impacts generated by the TESYA Group, according to their probability of occurrence and their severity.

03.

Aggregation of the results of the assessment carried out by the Group's internal stakeholders and management and related **prioritization to identify material sustainability issues** for TESYA. The prioritization of sustainability issues was carried out considering the level of relevance attributed to the individual associated impacts, in terms of the relationship between the probability of occurrence and severity, and through the definition of a materiality threshold.

04.

Validation of the list of sustainability issues that emerged as **materials** for TESYA by **external stakeholders** (customers, banks, universities, and industry associations), through a dedicated online questionnaire. This involvement represented an opportunity to listen and allowed us to gather further food for thought on the relevant issues.

The table below shows the **list of the material sustainability topics of the TESYA Group** aggregated by area (Environmental, Social and Governance). For each topic, the level of relevance and its trend with respect to the results of the 2022 materiality analysis is indicated, as well as the United Nations Sustainable Development Goals (SDGs)² related to each of them. For more details, please refer to the Appendix.

²The mapping of the United Nations Sustainable Development Goals (SDGs) with respect to the material topics and the GRI Standards reported was carried out using as a source the document "Linking the SDGs and the GRI Standards" prepared by the GRI – Global Reporting Initiative, in its updated version of May 2022.

LEGEND

■ Social
 ■ Governance
 ■ Environment

MATERIAL TOPIC	RELEVANCE	TREND VS 2022
Circular Economy SDG: 12		
Climate Change SDG: 7 13		
Pollution SDG: 3 6 12		NEW
Waste Management SDG: 12		
Water Resource Management SDG: 6		
Training and Development of People SDG: 4 8		
Customer Safety and Satisfaction SDG: 12 16		NEW
Affected Communities SDG: 1 3 5 8		NEW
Employee Recruitment, Retention, and Engagement SDG: 5 8 10		
Employee Health, Safety, and Well-being SDG: 3 8		
Ethical Business Conduct, Anti-corruption, and Regulatory Compliance SDG: 16		
Digitalization and Data Protection / Cybersecurity SDG: 16		NEW

----- Materiality threshold

Non material topics

Human Rights (NEW)
 Sustainable Supply Chain Management (NEW)
 Political Engagement and Lobbying Activities (NEW)

The materiality analysis shows that the priorities of the TESSYA Group are distributed, with different levels of relevance, along all areas of sustainability: environmental, social and governance. This represents an opportunity for the Group as through targeted initiatives it is possible to actively contribute to the sustainable development of the territories and communities in which TESSYA operates.

With reference to environmental issues, which represent an important area in relation to TESSYA's activities, there is a growing relevance for the aspects of *Circular Economy* and materials management and, in continuity with 2022, *Climate Change* is confirmed as a priority area. This is consistent with the current strategy of the TESSYA Group, which includes a commitment to the use of more renewable materials and significant investments for the definition and implementation of a decarbonization roadmap. Compared to 2022, there is also an interest in aspects related to air, water and soil *Pollution*, which represent a novelty among the Group's important issues, providing stimuli for future improvement, especially through proper management of water resources and waste.

With regard to social issues, the importance given to the aspects of *Employee Recruitment, Retention and Engagement* and *Training and Development of People* confirms TESSYA's commitment to the transformation process aimed at promoting greater direction and coordination of the Group's human resources management model, in the development and expansion of internal training programs (e.g. TESSYA YOUiversity), and in the initiation of young people into the profession of Industrial Mechatronics Technician and Marine Technician (i.e. STARTech). On the other hand, the reduction in the importance attributed to *Employee Health, Safety, and Well-being* aspects can be interpreted as an improvement in the perception of the level of health and safety within the Group's offices and plants. Finally, the centrality for TESSYA of the communities of reference and customers in the development of its initiatives and strategies has led to the need to give greater emphasis and visibility to the Group's commitment to aspects related to *Affected Communities* and *Customer Safety and Satisfaction*.

The governance issues confirm the importance for the Group towards *Ethical Business Conduct, Anti-corruption and Regulatory Compliance*, which sees the presence of shared values and principles of conduct within the organizational structure and with its suppliers.

Increasing digitalization has also led to the importance of *Digitalization and Data Protection/Cybersecurity aspects*, with the aim of ensuring business continuity and protecting the privacy of staff, customers, and its suppliers.





03

Environmental responsibility

3.1	Energy consumption and emissions	36
3.2	Resource use and pollution	50
3.2.1	<i>Materials and the circular economy</i>	50
3.2.2	<i>Water management</i>	52
3.2.3	<i>Waste management</i>	54

From an environmental impact perspective, the next decade is crucial for achieving climate neutrality by 2050. In order to concretely implement the objectives of reducing the environmental impact of the TESSA Group, specific actions have been initiated, which will be presented in detail below.

3.1 Energy consumption and emissions

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

Premise

As mentioned in chapter 1, during 2023 the Group saw growth in its business activity in line with the TESSA EVOLUTION 2025 business plan, and in particular:



+10%

In terms of turnover.



+10%

In terms of employees.



+15%

In the number of local offices.

As a result of both organic and inorganic development activities (i.e. entry into the reporting boundary of four new companies).

Energy consumption

Energy consumption is an important item of expenditure and an important area for the sustainability of the TESSA Group. For these reasons, since 2021 the TESSA Group has undertaken specific actions for the detection and efficiency of energy consumption and emissions, through the program called “TESSA DECARBONIZATION 2030” which aims to reduce the energy consumed and the consequent CO₂ emissions through:

- Energy efficiency of buildings.
- Installation of renewable energy sources for self-consumption.
- Purchase of electricity certified as renewable.
- Renewal of the vehicle fleet.
- Substitution of traditional fuels.

As a combined result of increased business activity and ongoing efficiency initiatives, the Group's energy consumption in 2023 stood at around 260,000 GJ. This amount represents, compared to 2022:

- An increase of +7.8% in absolute terms, and therefore +6% cumulated compared to 2021.
- A decrease of -2% year-on-year in terms of energy intensity per M€ of revenues from sales and services, reaching an overall -14% compared to 2021.
- A decrease of -2% year-on-year in terms of energy intensity per number of people, reaching -9% compared to 2021.

ENERGY CONSUMPTION KPIs

Compared to revenues from sales and services	UoM	2023	2022	2021
Group consumption	GJ	260,546	241,772	245,600
Revenues from sales and services	M€	1,690	1,532	1,365
KPIs [Consumption / Revenues from sales and services]	GJ/M€	154.2	157.8	179.9
Percentage difference compared to 2021	%	-14%	-12%	-
Compared to the number of people	UoM	2023	2022	2021
People TESSA Group as of 31.12	Pers.	3,476	3,157	2,982
KPIs [Consumption / People]	GJ/Pers.	75.0	76.6	82.4
Percentage difference from Baseline	%	-9%	-7%	-

Looking at the breakdown by energy carrier: each operating company of the Group uses different energy carriers depending on the activity carried out. The most commonly used energy carriers are:

- Car fleet fuels
- Heating fuels
- Electricity

Below is the *breakdown* of the 2021 - 2023 period of group consumption divided into the main categories of interest:

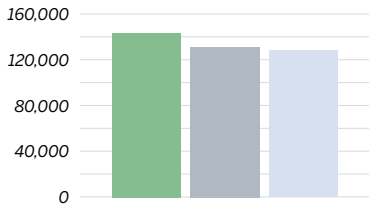
ENERGY CONSUMPTION IN GJ	2023	2022	2021
Vehicle fleet	142,941.16	130,696.66	127,768.89
Diesel vehicles	140,658.53	128,974.80	126,193.48
Gasoline vehicles	1,804.90	1,521.19	1,380.60
Hybrid vehicles	477.74	200.67	194.81
Steady fuel consumption	53,370.34	57,012.92	62,664.85
Diesel heating	2,633.75	12,268.44	17,037.98
Natural gas	49,336.40	43,965.61	44,631.65
Biomethane	-	-	-
LPG	1,400.19	778.87	995.22
District heating	1,875.72	1,335.60	1,299.60
Electricity consumption	62,358.56	52,727.16	53,866.84
Non-renewable	45,706.04	52,106.66	53,794.84
Renewable	16,652.52	620.50	72.00
<i>Covered by GO</i>	13,653.68	382.54	0.00
<i>Self-production</i>	2,998.84	237.97	72.00
TOTAL	260,545.77	241,772.34	245,600.18

An analysis of the table shows that:

- Direct energy consumption for the vehicle fleet increased by 9.4% compared to 2022, as a result of greater business activity and more travelled kilometers thus consumed liters. However, this remains the most significant item as a percentage of total direct consumption, equal to 54.8% in 2023 and progressively increasing over the years (it was 52% in 2021).

- On the other hand, direct energy consumption for heating decreased by -6.4%, and appears to be progressively decreasing compared to total direct consumption. In fact, it was 20.5% in 2023, and 25.5% in 2021. This progression once again appears to be fully consistent with the works carried out to increase the energy efficiency of buildings undertaken in 2021 by the TESSA Group.
- Total direct energy consumption represents 76% of the total, a decrease of about 2-3pp compared to previous years, demonstrating the progressive electrification of TESSA Group's energy consumption on the decarbonization road.

Energy Carriers Breakdown 23-22-21 (GJ)



142,941

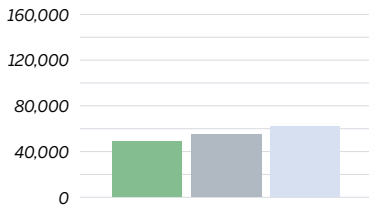
130,697

127,769

Vehicle fleet
2023

Vehicle fleet
2022

Vehicle fleet
2021



53,370

57,013

62,665

Stationary fuel
consumption 2023

Stationary fuel
consumption 2022

Stationary fuel
consumption 2021



1,876

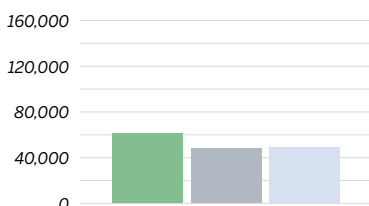
1,336

1,300

District
heating 2023

District
heating 2022

District
heating 2021



62,359

52,727

53,867

Electricity
consumption 2023

Electricity
consumption 2022

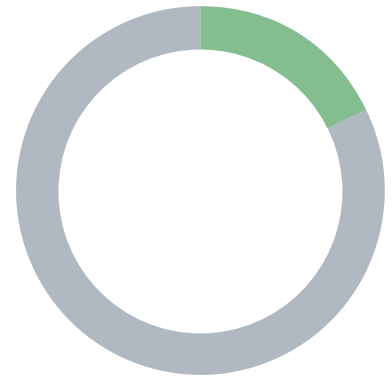
Electricity
consumption 2021

- Conversely, indirect energy consumption – i.e. the electricity consumed for lighting, cooling and the operation of workshop equipment – increased by 18% during the year, and represents 24% of the total, progressively increasing over the years (it was 22% in 2021) - in line with the progressive electrification and therefore energy transition of the Group itself.
- In indirect consumption, there has been a significant increase in the contribution of electricity of renewable origin – both from self-production and from the purchase of certified suppliers – from zero in 2021 to 26.7% of total electricity consumption in 2023.

Percentage of renewable energy

18%

82%



Self-production

Covered by GO

2023	2022
<p>73.3% Purchase of energy from non-renewable sources</p>	<p>99% Purchase of energy from non-renewable sources</p>
<p>26.7% Purchase of energy from certified renewable sources</p>	<p>1% Purchase of energy from certified renewable sources</p>

Several energy efficiency actions were completed or introduced during 2023, as described below and consistent with TESSA DECARBONIZATION plan 2030.

The carbon footprint of the TESYA Group

The purpose of this chapter is to illustrate the results achieved by the Group during the reporting process of the emissions issued during the year 2023.

TESYA is committed to reporting Scope 1 (direct emissions) and Scope 2 (indirect emissions) greenhouse gas emissions, as well as some relevant Scope 3 categories related to activities along the value chain (*see the dedicated section for further information*).

Scope 1 & Scope 2

The Scope 1 and 2 calculations have been carried out by TESYA since 2021 and have been subject to a refinement in the calculation methodology during 2023 (see Methodological note).

The Scope 1 and Scope 2 greenhouse gas emissions measured in 2023 are equal to 20,354 tCO₂e, and therefore:

- An increase of +4.7% compared to the previous year in absolute terms, due to the combined effect of the increase in energy consumption (+7.8%) and the progressive decarbonization achieved by the TESYA Group.
- Equal to 12.0 tCO₂e per thousand euros of revenues from sales and services, down -5% compared to the previous year and -17% cumulatively compared to 2021.
- Equal to 5.9 tCO₂e per staff unit, down -5% compared to the previous year and -12% cumulatively compared to 2021.

EMISSIONS KPIS

Compared to revenues from sales and services	UoM	2023	2022	2021
Total Group emissions	tCO ₂ e	20,354	19,443	19,778
Revenues from sales and services	M€	1,690	1,532	1,365
KPIs [S.1 + S.2 Emissions / Revenues from sales and services]	tCO₂e/M€	12.0	12.7	14.5
Percentage difference compared to 2021	%	-17%	-12%	-
Compared to the number of people	UoM	2023	2022	2021
People TESYA Group as of 31.12	Pers.	3,476	3,157	2,982
KPI [Emissions S.1 + S.2 / People]	tCO₂e/Pers.	5.9	6.2	6.6
Percentage difference compared to 2021	%	-12%	-7%	-

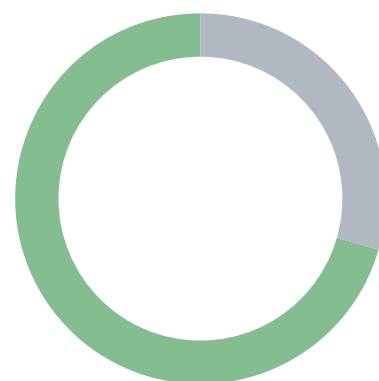
Below is an overview of the Group's emissions (Scope 1 and 2) broken down by main categories:

GROUP GREENHOUSE GAS EMISSIONS IN tCO ₂ e	2023	2022	2021
SCOPE 1	14,332.43	13,338.21	13,517.74
Vehicle Fleet	10,631.86	9,875.90	9,636.36
Diesel	10,473.22	9,755.36	9,526.38
Gasoline	127.56	107.45	97.52
Hybrid vehicles	31.08	13.09	12.46
Steady fuel consumption	3,062.97	3,457.46	3,872.34
Diesel	196.10	918.05	1,275.71
Natural gas	2,777.31	2,489.58	2,532.96
LPG	89.56	49.83	63.67
Refrigerant gases	637.60	4.86	9.03
SCOPE 2	6,021.19	6,104.84	6,260.32
District heating	93.60	0.23	0.00
Electrical energy	5,927.59	6,104.61	6,260.32
TOTAL	20,353.61	19,443.05	19,778.06

Total Scope 1 & 2 TESSA (tCO₂e)

70.4%

29.6%



Scope 1
14,332.43

Scope 2 [Market based]
6,021.19

TOTAL Scope 1 & 2: 20,353.61

In detail, Scope 1 emissions - i.e. “direct” emissions from the combustion of fuels:

- They are equal to 14,332 tCO₂e and therefore 70% of total emissions, an increase compared to previous years (68%).
- Up +7.5% compared to the previous year and overall, +6% compared to 2021, due to:
 - Increase in fleet emissions +7.7% compared to 2022 and cumulative +10% compared to 2021, mainly due to higher diesel consumption (+ approximately 360,000 liters).
 - Decrease in heating emissions -11% compared to 2022 and cumulative -20% compared to 2021, mainly due to the cessation of heating oil consumption and limited increase in natural gas consumption for heating (+137,000 m³).

These trends appear to be perfectly consistent with the energy efficiency journey and decarbonization of buildings already undertaken and they underline the urgency of more incisive interventions on the vehicle fleet, described below.

Scope 2 emissions, which represent the “indirect” emissions deriving from the consumption of electricity purchased by the Group, can be calculated using two methods: the “*location-based*” method and the “*market-based*” method. The “*location-based*” method reflects the average emissions intensity of the national grids where TESSA Group’s operating companies consume energy, while the ‘market-based’ method reflects the greenhouse gas emissions associated with the Group’s choices regarding the electricity supplier or product. For 2023, in addition to measuring Scope 2 emissions with the “*market-based*” method, TESSA has chosen to integrate the measurement of its emissions by also adopting the “*location-based*” method.

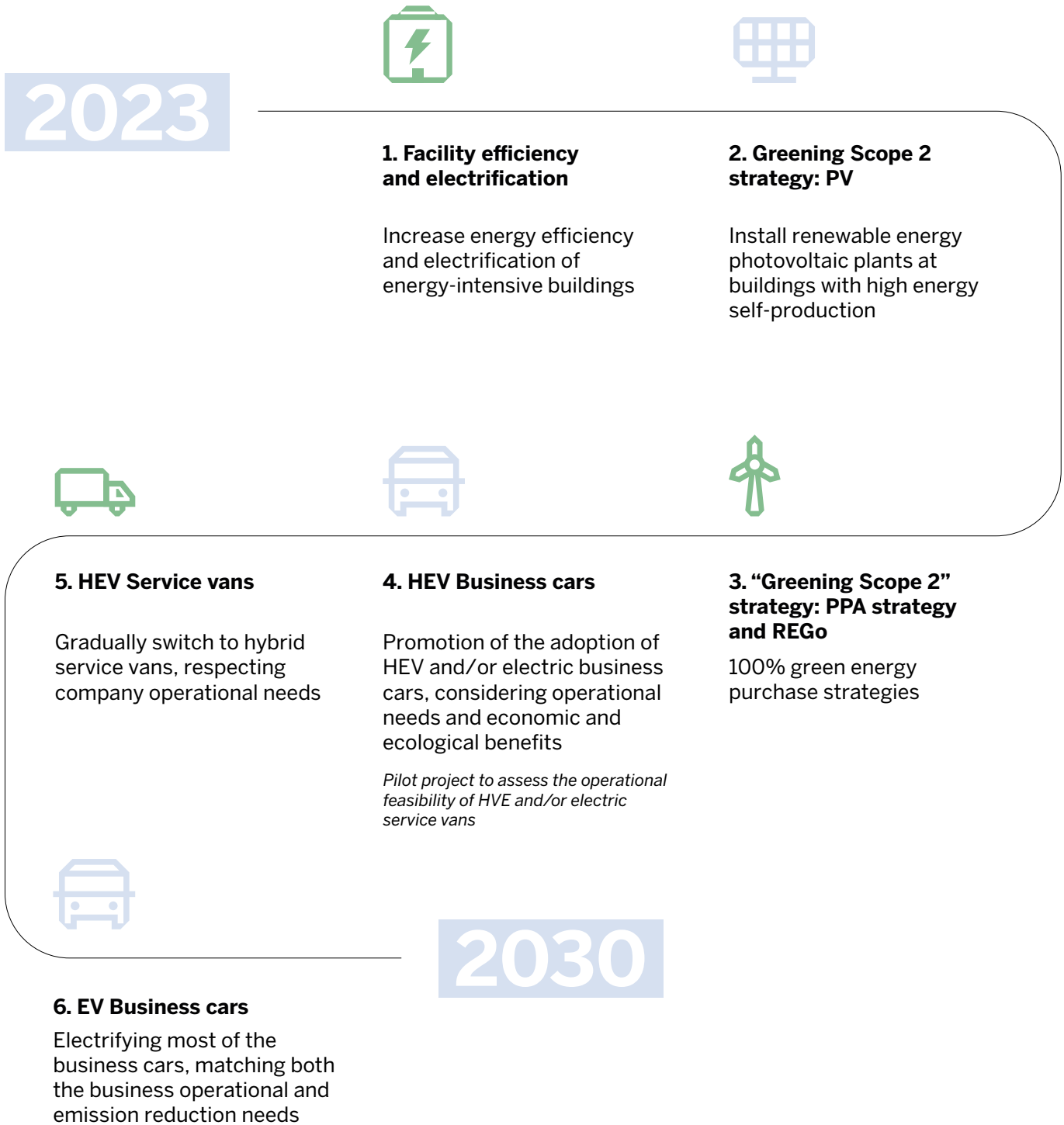
Considering the above, the Scope 2 emissions calculated for 2023 were 6,021 tCO₂e (“Market-Based”) and 5,269 tCO₂e (“Location-Based”). The difference in the result obtained with the two calculation methods, as required by the GHG Protocol, is due to the use of different emission factors.

Comparing the “*market-based*” value for the year 2023 with previous years, there is a reduction in Scope 2 emissions of -1.4% in absolute terms compared to 2022, and -4% cumulated compared to 2021.

TESSA's decarbonization roadmap

As mentioned in chapter 2, since 2021 the TESSA Group has embarked on a path of measurement and progressive reduction of its Scope 1 and Scope 2 emissions entitled “TESSA DECARBONIZATION 2030”. This investment and transformation program aims to reduce emissions by 37.8% by 2030 compared to the base year 2021. In the infographic below, you can see the main actions taken and planned.

Overall TESSA decarbonization roadmap





Some examples of energy efficiency and decarbonization actions already implemented:

- New TESSA Group car policy for Italian employees, which aims to optimize the number of cars assigned and to encourage the use of more efficient engines in line with what has already been done in previous years in Iberia. During 2023, there was a doubling in the use of hybrid vehicles compared to the previous year, although these cars were still limited in number.
- Entry into operation and reporting scope of new highly energy-efficient operating bases, replacing old offices: such as, for example, the Finanzauto headquarters in Arganda del Rey in Iberia, the Teknogroup headquarters in Zagreb, Croatia, and the CLS headquarters in Segrate, Italy.
- Energy revamping of existing sites: 7 sites involved in 2022 with measurable results in 2023, plus others under construction.
- Modernization of lighting systems: 13 locations involved in 2022 with measurable results in 2023, plus others under construction.
- The progressive installation and commissioning of photovoltaic plants for the self-production of electricity in Italy, Spain, and the Balkans, for an average operating capacity in 2023 of approximately 750 kWp and a production of 833 MWh (approximately 12.6x times compared to 2022, when it was 66 MWh).
- Purchase of electricity from certified renewable sources with Guarantees of Origin in Iberia (already undertaken in 2022 and fully operational in 2023), being extended to Italy and the Balkans for 2024 and following.

As can be seen from the tables above, the actions fully implemented so far have made it possible to contain the total CO₂e emissions of the TESSA Group to around 2021 levels (+2.9% compared to 2021), despite a very significant increase in the Group's level of activity (+25% in turnover in the same period; +17% in the number of employees).

Looking ahead, TESSA intends to accelerate its CO₂ emission reduction trajectory in order to quickly align with the targets set for 2030 (-37.8% compared to 2021). Many of the necessary initiatives are already being implemented, and their results will be more visible in the course of 2024.

In particular, the next steps set out in the roadmap for the period 2024-2030 include:

- Continue with energy efficiency measures, also acting on the behaviors that drive consumption and introducing automation systems in order to reduce energy waste.
- Progressively increase renewable electricity production, with the ambition of operating up to 6MWp of power.

- Increase the purchase of renewable energy through Power Purchase Agreements (PPAs) or Guarantees of Origin (GoO) purchases.
- Adopt a hybrid or electric company car adoption path for select use cases with higher applicability.
- Use biofuels with a reduced carbon footprint for the diesel vehicle fleet.
- Initiate pilot projects for the adoption of hybrid/electric service vans.

Scope 3

Starting from 2023, the TESSYA Group has decided to increase its commitment to decarbonization and therefore to report on Scope 3 emissions.

The Group has identified the most relevant categories on the basis of two factors:

- Benchmark against competitors/similar companies.
- Relevance to the main business activities carried out by the Group.

The market benchmark showed that comparable operators report, in most cases, the categories relating to the products/services purchased (Cat.1) and the use of the products sold (Cat.11). In addition, the TESSYA Group operates in different technology sectors with a broad portfolio of products and services and addresses its customers with sales and rental solutions; it is therefore also necessary to report on the category relating to the rental activities carried out (Cat.13).

As a result, the following have been selected as the **main categories** to be reported:

- Cat.1 "Products and Services Purchased".
- Cat.11 "Use of Sold Products".
- Cat.13 "Downstream leased activities".

In addition, with the aim of progressively extending the reporting of the Scope 3 categories on the basis of the data available and the impact for TESSYA, the following categories have been identified as categories of interest to the Group, albeit with a lower impact in absolute terms:

- Cat.2 "Capital Goods".
- Cat.3 "Fuel and energy-related activities".
- Cat.6 "Business Travel".

All other categories not on the list were considered as not applicable or irrelevant given the nature of the TESSYA Group and its main activities.

On the basis of the available data, some evaluations were carried out aimed at understanding which, among the different calculation methodologies proposed by the GHG Protocol, was the most appropriate, concluding to use the following methodological approaches:

- “Spend-based” for the calculation of Cat.1, Cat.2 and Cat.6 categories.
- “Direct Use Phase Emission” for the calculation of Cat.11 and Cat.13 categories.

All methodologies and data assessment adopted are based on the GHG Protocol's “*Technical Guidance for Calculating Scope 3 Emissions*” report.

Below is an overview of the Group's Scope 3 emissions broken down by main categories:

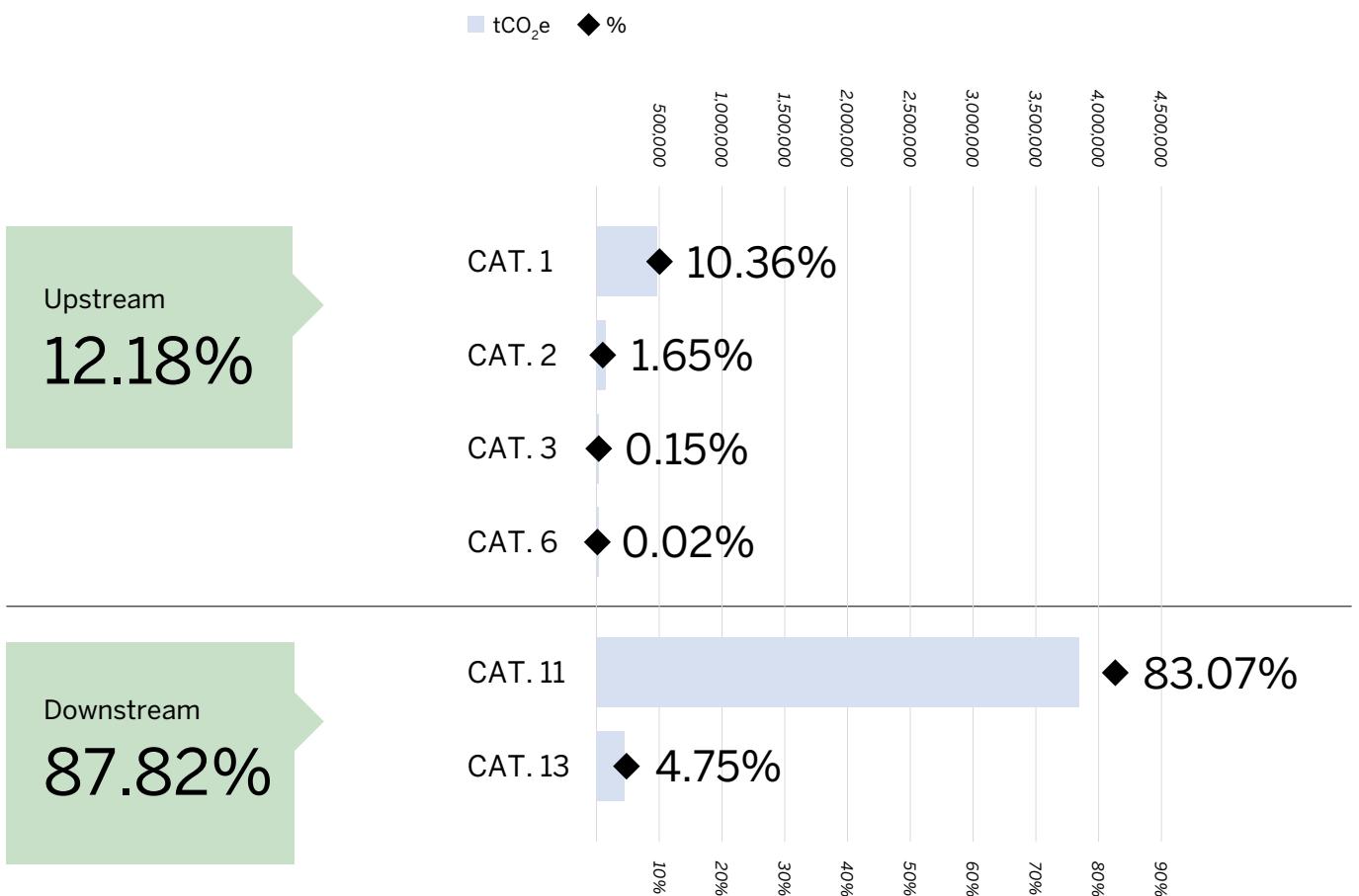
GROUP GREENHOUSE GAS EMISSIONS IN tCO₂e	2023
SCOPE 3	4,630,492
Scope 3 upstream	563,870
Cat.1 – Purchased goods and services	479,634
Cat.2 – Capital goods	76,515
Cat.3 – Fuel and energy-related activities [not included in scope 1 or 2]	6,808
Cat.4 – Upstream transportation and distribution	n/a
Cat.5 – Waste generated in operations	n/a
Cat.6 – Business travel	911
Cat.7 – Employee commuting	n/a
Cat.8 – Upstream leased assets	n/a
Scope 3 downstream	4,066,622
Cat.9 – Downstream transportation and distribution	n/a
Cat.10 – Processing of sold products	n/a
Cat.11 – Use of sold products	3,846,489
Cat.12 – End-of-life treatment of products sold	n/a
Cat.13 – Downstream leased assets	220,132
Cat.14 – Franchises	n/a
Cat.15 – Investments	n/a

Scope 3 emissions (emissions from the downstream and upstream supply chain of TESSYA) amounted to 4.6 MtonCO₂e and accounted for the majority of the Group's total emissions (>99%); this figure appears to be consistent with what has been found by benchmark analyses of other similar players.

The origin of emissions from TESSYA's supply chain is strongly skewed towards "downstream" emissions, i.e. related to the use of goods sold by TESSYA (about 88% of the total), of which 83% from products sold and 5% from rented products; conversely, upstream emissions represent 12% of the total and are mainly related to Cat.1 - "Purchased goods and services" (10% of the total Scope 3).

All the most relevant categories are unlikely to be influenced by TESSYA Group actions and could only be indirectly impacted; nevertheless, on its path towards decarbonization and sustainability, TESSYA is committed to imagining and defining concrete actions – in dialogue with upstream suppliers and downstream users – in order to progressively reduce the overall amount of Scope 3 emissions.

Total Scope 3 by category (tCO₂e)



3.2 Resource use³ and pollution

[GRI 301-1, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5]

In order to minimize its impact on the environment and to promote a conscious and efficient use of natural resources, the TESSYA Group, in addition to the initiatives aimed at reducing CO₂ emissions, has embarked on a path aimed at mapping the use of the different types of materials used during its activities, water withdrawals and discharges, as well as the waste generated and how it is managed.

3.2.1 Materials and the circular economy

The Group's activities, given their nature related to the sale, rental and assistance of machinery and fleets, mainly use paper and cardboard, plastic, wood, and pallets, attributable to the performance of office tasks and product packaging. Other materials used are lubricating oils, tires, batteries, iron and steel, which are mainly used for the repair and maintenance of machinery and rental fleets.

In 2023, TESSYA continued to collect and monitor data on renewable and non-renewable materials used by Group companies. In particular, in the year in question, the total materials used by the TESSYA Group amounted to approximately 2,460 tons, of which 19% were renewable (a percentage in line with previous years).

USE OF MATERIALS IN TONS (t)	2023 ⁴	2022	2021 ⁵
Renewable materials	464.50	284.65	88.78
Non-renewable materials	1,996.40	1,174.39	645.67
TOTAL materials used	2,460.90	1,459.04	734.45

The increase in the use of materials can be attributed to the increase in business volumes, the expansion of the scope of data collection to new companies (e.g., Caymo and Emerent) and, finally, the progressive systematization of census activities and collection of this information.

³It should be noted that the 2021, 2022 and 2023 data relating to materials, water consumption, and waste contained in this paragraph do not include the small offices of Teknoxgroup S.A., Teknoxgroup Shqiperi Sh.p.k, Teknoxgroup Kosovo I.I.c., Teknoxgroup Macedonia d.o.o.e.l. and Teknoxgroup Crna Gora d.o.o. and TESSYA S.p.A. Further reporting boundary restrictions are appropriately reported where necessary.

⁴For the company Teknoxgroup Srbija and CGT Trucks, the data on the materials used have been estimated. In addition, the data on the materials used in 2023 exclude, in addition to what was previously indicated, also the data of the companies XIBER Energy Solutions, STET, Alfaproject.net, ALAX Automation, Sitech, given the difficulty in finding the data.

⁵Compared to what was reported in the previous reporting period for the years 2022 and 2021, the data on the materials used have changed following a refinement in the calculation method.

Considering the relevance of issues related to the circular economy and the use of materials, TESSYA is defining and activating initiatives aimed both at increasing the reuse of some ancillary packaging to its activities (e.g. cardboard), and at reducing the use of paper and plastic:



Reuse of packaging for internal shipments.



Digitization of invoices.



Replacing plastic water bottles with water dispensers.

In addition, the TESSYA Group extends its commitment to the circular economy beyond its consolidation scope, promoting reuse and making refurbished machines and equipment available to customers through CYCLICA.

CYCLICA is an international digital platform of the TESSYA Group developed to provide a complete and transversal view on the wide range of refurbished and used machines and equipment of all companies part of the Group and third parties. CYCLICA promotes the reuse of used equipment, ensuring quality and customer trust. The ultimate goal of the platform is to reduce the use of raw materials, embracing the circular economy approach and aiming to become a leader in the refurbished equipment sector, thus supporting environmental sustainability and innovation in the second-hand industry.



Power Award - Finanzauto

In June 2023, Finanzauto received the award in the Sustainability category, for the work of rebuilding the equipment, where the customer is offered the opportunity to totally renew the machine, giving it a new useful life, following a strategy of promoting the circular economy.

3.2.2 Water management⁶

The TESSA Group pays particular attention to the use of water resources, committing itself to using water in the most responsible and controlled way possible. In the Group's business operations, the most significant withdrawals and, consequently, the most significant consumption of water are mainly recorded for cleaning and washing in workshops. A less relevant use is then found for sanitation purposes in offices.

In order to minimize water waste, the Group's main companies have equipped themselves with water purification systems deriving from washing and closed-circuit washing systems, which make it possible to reuse a large part of the water withdrawn and to clean the water from pollutants before it is introduced into the sewer system.

As far as **water withdrawal** is concerned, compared to the previous year, there is an increase of 29%, recording just under 90 megaliters of water in 2023. This increase is attributable to a greater capillarity and solidity in data collection (for about 10-15%), as well as to the increase in the consolidation scope and the overall level of activity (for about 10-15%). The main source of water supply is the aqueduct, and 52% is taken from water-stressed areas (mainly locations located in the Iberian Peninsula).

WATER RESOURCE UTILIZATION IN MEGALITERS (ML) - WATER WITHDRAWAL

	2023	2022	2021 ⁸
Direct water withdrawal by source	17.75	12.27	11.28
Surface water (drinking water)	1.95	1.29	0.93
Groundwater (drinking water)	15.79	10.98	10.35
Total third-party water withdrawal by withdrawal source	69.96	55.77	49.47
Surface water (drinking water)	32.02	50.76	46.36
Groundwater (drinking water)	37.94	5.01	3.11
TOTAL WATER WITHDRAWAL	87.70	68.04	60.75

In addition to the data on water withdrawal and in relation to the relevant issues identified, for 2023 the TESSA Group has expanded the collection of data to water discharges and, consequently, to the overall water consumption.

⁶For CGT and CLS, data on water withdrawals and/or discharges were partially or fully estimated. Furthermore, for about 50% of the companies, in the absence of meters for water discharges and given the characteristics of the business, it was assumed that the water withdrawn is entirely discharged.

In addition, the data on water withdrawals, discharges, and consumption for 2023 exclude, in addition to what was previously indicated, also the data of the companies XIBER Energy Solutions and ALAX Automation, given the difficulty in finding the data.

⁷Specifically, we refer to the companies CGT, CLS, CGTE, CGT Trucks, Finanzauto, STET and Teknoxgroup.

⁸Compared to what was communicated in the previous reporting period for the years 2022 and 2021, the data on water withdrawal have changed following a refinement in the calculation method.

For the 2023 financial year, the TESSA Group's water discharges amount to just over **85 megaliters**. It should be noted that, in 2023, no incidents of non-compliance were reported in relation to water discharges containing pollutants.

WATER RESOURCE UTILIZATION IN MEGALITERS (ML) - WATER DISCHARGE

2023

Water discharge by destination

Surface water	8.78
Groundwater	4.72
Third-party water	72.08
Total water discharge	85.58
Drinking water	57.21
Other water	28.37

WATER RESOURCE USAGE IN MEGALITERS (ML) - WATER CONSUMPTION

2023

Total water consumption	2.1
From water-stressed areas	0.4



Water management initiatives

STET has set limits on water use, especially in areas with the greatest water stress. Identifying the activity that had the greatest impact on water consumption, machine washing, it activated processes for the reuse of water from washing in the renovation projects of the Lisbon plants and in the construction of the Beja branch.

Finanzauto, as part of the ISO 14001 environmental management system, has set itself the goal of improving water recycling systems and increasing the actual consumption of reused water, especially for machine washing processes.

3.2.3 Waste management⁹

The TESYA Group's waste is divided into **municipal waste**, attributable to office activities, which mainly includes paper, obsolete equipment and furniture, and **industrial waste**, which is mainly generated during machinery repair and maintenance activities. Such activities generate waste such as waste oil, filters, worn components and packaging materials from spare parts. Packaging is also generated as a result of material handling operations and during the distribution and resale of products to customers. In addition, plastic and cardboard waste is also generated during this phase. Finally, plant maintenance activities can generate waste such as cleaning product packaging, single-use items and debris from renovation projects.

In 2023, the TESYA Group generated just over **6 thousand** tons of waste, a figure that appears substantially in line with 2021, while for 2022 correction and remediation operations of the data collected are still underway.

Non-hazardous waste accounts for about 41% of the total; the non-hazardous waste generated mostly includes iron and steel, mixed-material packaging, wooden packaging, paper and cardboard packaging and wood. On the other hand, the **hazardous waste** generated is mainly non-chlorinated mineral oils, sludge, engine oils, gears and lubrication.

WASTE GENERATED IN TONNES (t)	2023	2022	2021
Total hazardous waste generated	3,646.31	3,370.07	3,119.01
Total NON-hazardous waste generated	2,548.79	2,289.12	3,056.83
TOTAL waste generated	6,195.10	5,659.19	6,175.84

The waste generated by the Group is then divided into recovered (i.e. recycled) waste and disposed of waste. Waste management is outsourced to third parties, including recovery centres or certified companies that operate in accordance with waste management legislation and pre-established contractual obligations.

⁹For CGT Trucks and Caymo, the data on waste generated, recovered and disposed of has been partially or completely estimated.

In addition, the data on data on waste generated, recovered and disposed of for 2023 excludes, in addition to what was previously indicated, also the data of the companies XIBER Energy Solutions, Alfaproject.net, ALAX Automation, given the difficulty in finding the data.

The waste **recovered** amounts to 84% of that generated, i.e. just over 5 thousand tons, of which 53% is hazardous. Regarding the operations by which recovery takes place, the main ones are storage while waiting for the waste to be subjected to a recovery operation, oil refining or other reuse, and recycling or recovery of organic substances.

RECOVERY OF WASTE IN TONNES (t)

2023

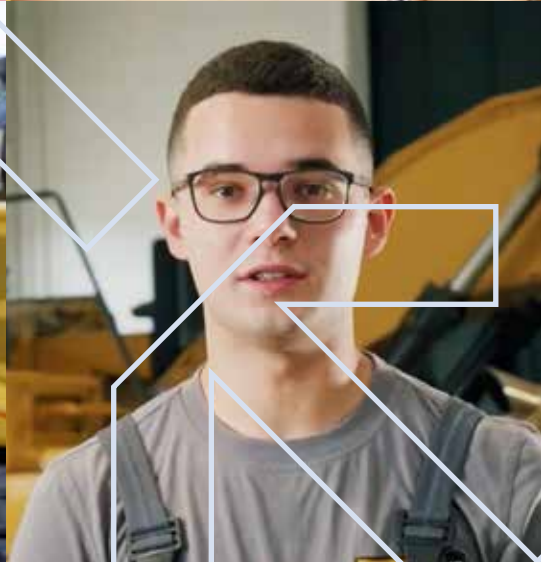
Total hazardous waste recovered	2,775.88
Total NON-hazardous waste recovered	2,456.98
TOTAL waste recovered	5,232.86

Finally, **962.25 tons of waste were disposed** of, 90% of which was hazardous. The operations that are most used for waste disposal are physio-chemical treatments and incineration with energy recovery.

DISPOSAL OF WASTE IN TONNES (t)

2023

Total hazardous waste disposed of	870.43
Total NON-hazardous waste disposed of	91.82
TOTAL waste disposed of	962.25





04

Social Responsibility

4.1	Attention to people	58
4.2	Training and talent development	67
4.3	Health, safety and well-being of people	74
4.4	Customer-centricity	80
4.5	Affected communities	81

The enhancement of human resources is a key element of the Group's medium-term strategies, as also well defined in the company's Code of Ethics. This commitment translates concretely through a structured approach to inclusive human resources management, focused on continuous improvement, the well-being of the people who are part of the Group, as well as the development of skills, ensuring fairness and transparency in the recruitment and promotion processes.

4.1 Attention to people

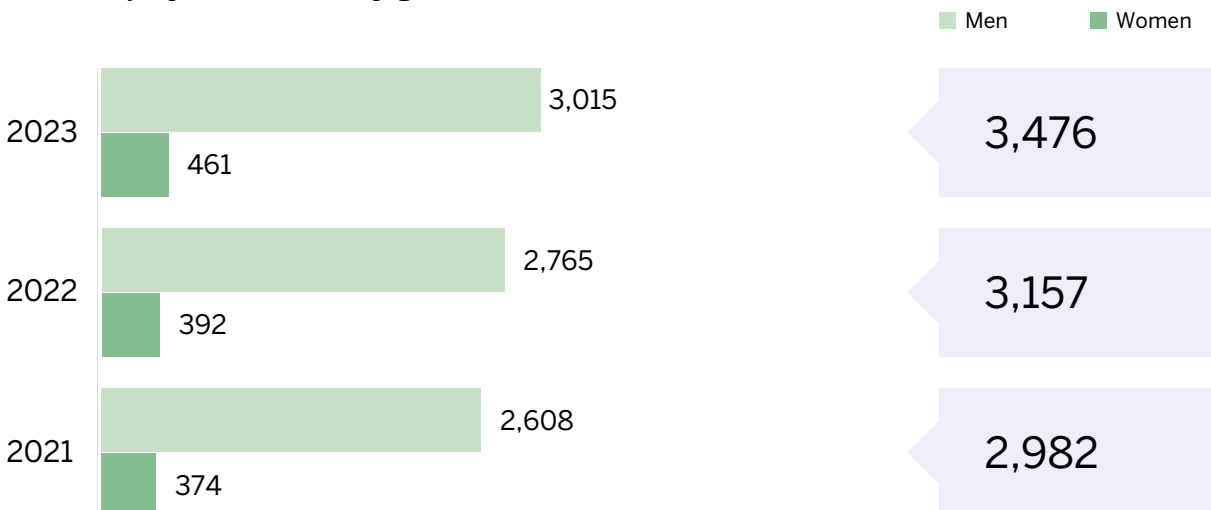
[GRI 2-7; GRI 2-8; GRI 2-30; GRI 401-1; GRI 405-1]

The people of the TESSYA Group

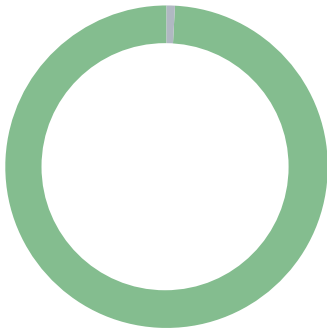
In recent years, the workforce has grown steadily, also as a result of the entrance of new companies into the Group's consolidation scope. In 2023, following new establishments or M&A transactions, the companies ALAX Automation, CAYMO, EMERENT and XIBER Energy Solutions were included in the reporting boundary.

As of December 31, 2023, the total number of people in the TESSYA Group is 3,476, an increase of 10% compared to 2022. At the contractual level, 99% are full-time, in line with the previous year, while there is a further increase in people with permanent contracts, from 95% in 2022 to 97%.

Total employees number by gender



% Employees by contract type

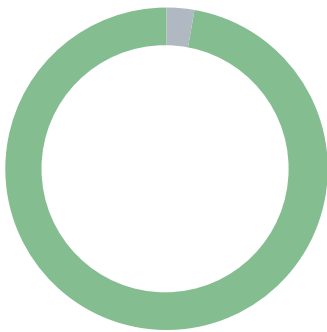


99%

1%

% Full-time employees

% Part-time employees



97%

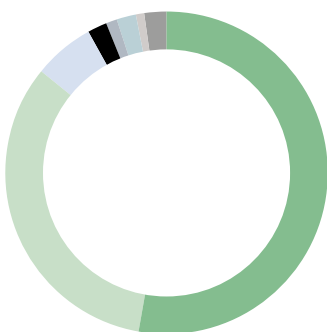
3%

% Permanent employees

% Temporary employees

Despite TESSA's historical presence in Italy, 47% of people work outside Italy – mainly in Spain, Portugal and, to a lesser extent, in the Balkans, Belgium and Switzerland.

% Employees by geographic area



53%

33%

6%

2%

Italy

Spain

Portugal

Croatia

1%

2%

1%

2%

Slovenia

Serbia

Bosnia

Other

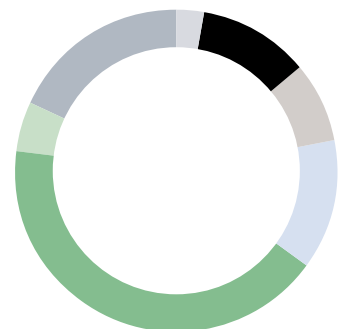
For the 2023 financial year, the TESSYA Group has redefined the professional categories by aligning them with the internal reporting system, to ensure greater comparability of data at Group level.

Most of the employees in force during the reporting period belong to the professional categories of **Technicians** (42%), made up of people who deal with the maintenance or testing of machines at customers or companies, and **Operation support** (18%) which includes technicians, warehouse workers, counter workers, and administrative staff of the branches in support of the services/operations department, who generally have contact with customers and technicians. The remaining part of the workforce belongs to the following professional categories, listed in descending order of employees belonging to each of them:

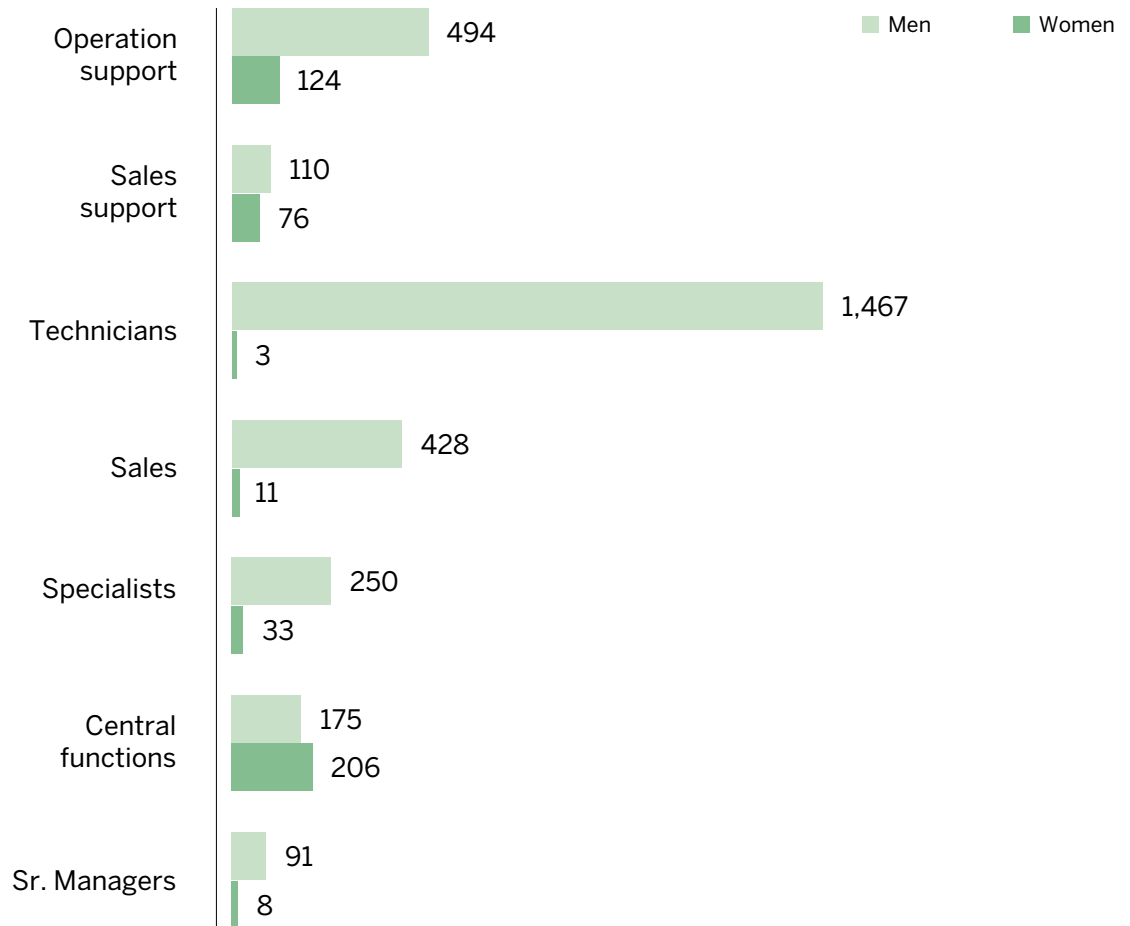
- **Sales**, made up of those who have direct interactions with customers and whose task is to induce the latter to buy the products and services of the companies.
- **Central functions**, which includes those who work for internal customers and/or staff functions (e.g. Finance, Human Resources, IT, Marketing, Planning, Communications, General Services, Facilities Management, Health & Safety and Secretarial Department).
- **Specialists**, highly skilled professionals specifically qualified to directly support operations, sales, and customer services, including in the field. This category includes engineers, product specialists, and technical communicators.
- **Sales Support**, people who primarily support the sales department to work more productively, efficiently, and effectively. Professionals in indirect support of sales activities who have contact with customers and sellers.
- **Sr. Managers**, a category that includes business leaders, senior managers.

% Employees by category

3%	11%	8%	13%
Sr. Managers	Central functions	Specialists	Sales
42%	5%	18%	
Technicians	Sales support	Operation support	



Number of employees by gender and category



With reference to the age of employees, the majority are between 30-50 years old, for a share of 54%. This is followed by the above 50 and below 30 brackets respectively (for more details, please refer to the tables in the Appendix).

The TESYA Group also includes 101 **non-employee workers**, of which 75 are men and 26 are women. 41% of non-employee workers are interns, followed by temporary/temporary workers with 40%. The self-employed account for 16% and posted workers for 2%. The remaining 2% corresponds to a residual category which includes, for example, student employment contracts.

Non-employee workers are generally employed to meet specific operational needs dictated by possible work peaks and include technical staff in workshops and warehouses and administrative support in business activities. Also noteworthy is the employment of interns in curricular and professional internships, constantly guided by company tutors through structured training activities.

% Employees by age

15%

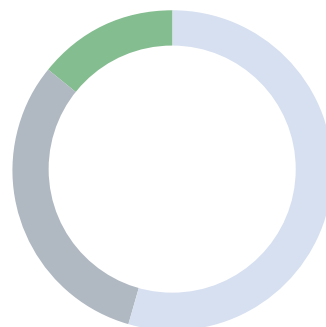
54%

31%

< 30 years

between
30-50 years

> 50 years



Valuing diversity and equal treatment

The Group is committed to ensuring a fair working environment, where discrimination based on, but not limited to, differences in gender, nationality, age or religion is not practiced or tolerated. This principle of fairness is clearly reflected in the Code of Ethics, in the selection and recruitment policies and in the remuneration policies.

The majority of the Group’s workforce is male: as of December 31, 2023, the Group had 461 female employees, representing 13% of employees. This composition is due to the characteristics of the sectors in which the Group operates, which have historically been more attractive to men. The Group constantly aims to ensure equal opportunities for the recruitment, training, and professional development of women, particularly those with scientific, technological, engineering and mathematical skills, as well as to improve the attractiveness of the sector and encourage the dissemination of these subjects also among the female population.

The Group considers any type of diversity to be an aspect to be valued rather than a limitation. As evidence of this, in 2023 the TESSA Group has 58 employees with disabilities. With reference to the age group of disabled employees, 50% are over 50 years old.

The transformation of the human resource management model

Human resource management is an important aspect for TESSA, and this has led to the design of a **transformation process** (so-called “Human Resource Management”). HR Vision, part of the TESSA EVOLUTION 2025 development plan, aimed at ensuring a strategic vision, direction and coordination of Group and local HR activities.

This process is based on several guidelines, including:

- A strengthening of the organizational model towards a concept of HR Function as a Business Partner to ensure a direct link with line managers.
- The adoption of an HR language common to the entire Group to improve communication and the efficiency of HR processes, also through the formalization of policies and guidelines.
- The adoption of a people-centered development perspective that increases accountability and fosters innovation and initiative.
- The integration of Group systems and models to enable human resources to make rapid data-driven decisions, promptly grasping internal needs and market changes.

The latter translates into the need to adopt a data-driven approach as an enabler of the entire ongoing transformation process. To this end, a project has been launched involving the Group's Human Resources Department and local HR departments, for the activation of a Human Capital Management (HCM) software. HCM, the first software designed, and implemented from a Group perspective, will allow the integrated, automated, and digitized management of all HR processes, from employee selection to performance evaluation. The adoption of HCM was launched in 2023 with an analysis of the main HR processes, the design of the to-be model aimed at defining a Target Operating Model.

To ensure adequate progress of the projects of the medium-term HR objectives, the **Human Resources Board** has been established, which includes all the HR directors of the operating companies together with the Group Human Resources Department. The Human Resources Board provides for a structured system of meetings organized in person or with the help of videoconferencing systems (in 2023 the HR Board met 2 times in person - in Milan and Belgrade - and 4 times by videoconference). During the meetings, relevant topics and information regarding specific projects and activities developed at central or local level are discussed. The meetings are also used for training and team-building purposes, relating to issues such as corporate culture and the introduction of new tools to support projects.

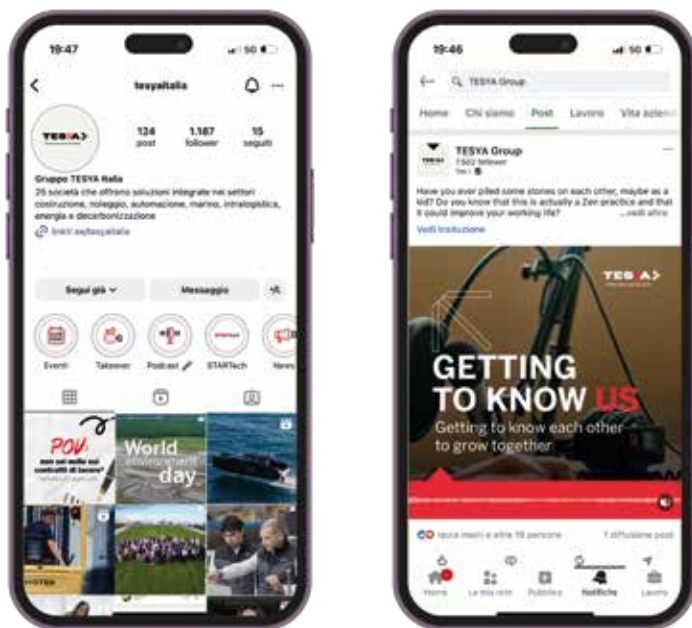
The process of mapping the **grading** of resources is also part of the initiatives promoted in the Group's Human Resources Management. The process was launched in 2022 with reference to Top and Senior Management, and then extended in 2023 to include all Middle Management positions, also including specialist roles with responsibility for managing economic, technological, and human resources.

The goal of this initiative is to enable more effective and efficient structuring of professional development, training and succession plans.

People Engagement

Since team building activities and sharing events are fundamental to strengthen the sense of belonging and to define a coherent and uniform corporate identity, the TESSA Group is investing in various **Employer Branding** initiatives to involve all the people of the Group, in line with the TESSA EVOLUTION 2025 development plan. This includes the sponsorship campaigns of the TESSA Group and, in addition to the digital editorial plan on the internal platform (Conecta), the preparation and sharing of a paper magazine (BEYOND), published twice a year, to spread the Group's strategic vision and values among a greater number of users.

To increase its notoriety and attractiveness on the job market, in line with Employer Branding initiatives, the presence on social media channels, in particular Instagram and LinkedIn, has also been strengthened.



The Group's commitment to people is also reflected in its commitment to maintaining an **open and transparent dialogue** with all the people who are part of it, in order to understand their opinions and actively listen to their feedback. The following are the main methods of dialogue promoted within the TESSA Group.

These exchange modalities aim to ensure an open and transparent dialogue, fostering an inclusive and motivating work environment.

Ordinary Communication



Regular exchange of information (announcements, requests, news) through daily office meetings, the Conecta platform, and company Intranet, email communication.

Climate Surveys



Climate surveys were conducted to collect opinions and feedback on corporate values.

Performance Reviews



Annual performance reviews with each employee.

Feedback for New Hires



A six-month interview is scheduled to collect feedback from new hires on their onboarding experience.

Exit Interview



Interviews to understand the reasons for resignation and identify areas for improvement in human resource management processes.

One-to-One Meetings



Regular individual meetings are organized between employees and management to discuss expectations, needs, and business objectives.

From selection to termination of relationships with staff: turnover

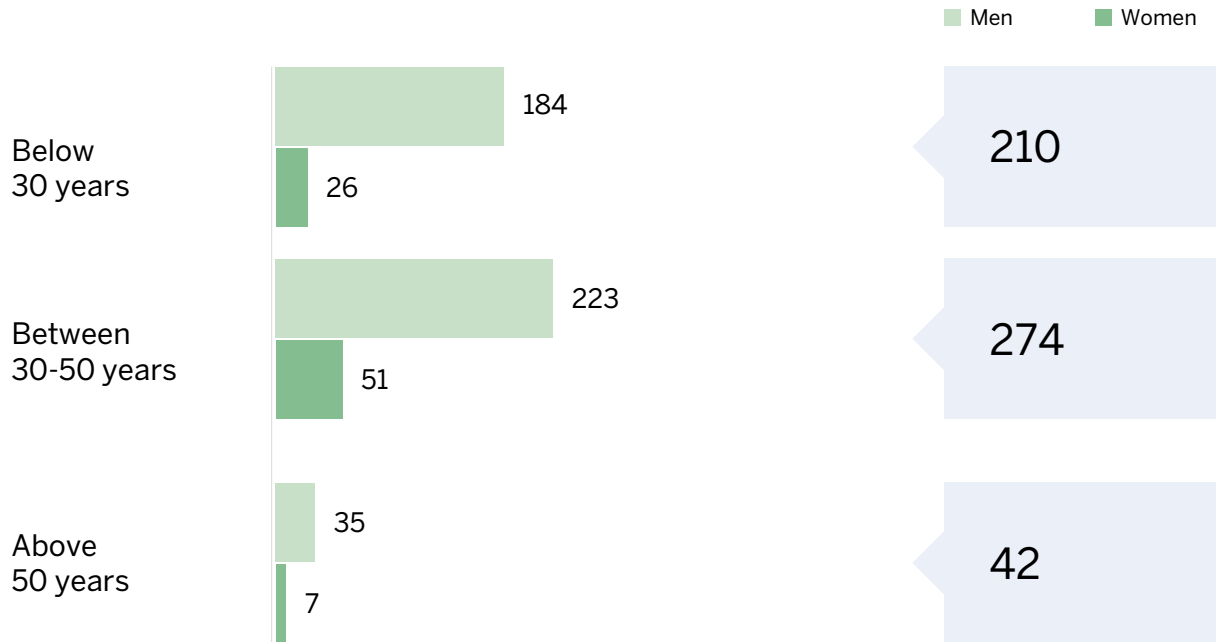
Proper HR management starts with **the selection and hiring process**, which is usually planned during the annual budgeting, taking into account the specific onboarding needs of staff. For recruitment, the main portals for the search and selection of candidates are used, and several collaborations with technical institutes and universities are also active. In addition, TESSYA collaborates with external agencies for the search and selection of candidates. The process involves an initial selection and evaluation of curricula by HR figures, followed by the evaluation of candidates by the heads of the departments, depending on the profile and the specific search.

Through these processes, during 2023, 526 employees were hired at Group level (84% men and 16% women), with a **hiring rate**¹⁰ of 18.3% for women and 14.6% for men.

With reference to the age group, the 30-50 age group is the one most affected by new entries, while, in proportion to the number of employees for the specific age group, the highest hiring rate, equal to 41.8%, is recorded for the under 30 age group, demonstrating the importance that TESSYA gives to the recruitment of young talents also through the promotion of various activities aimed at attracting talent and offering career paths, training for their development.

¹⁰The hiring rate by gender is derived from the ratio of the number of hires by gender to the total number of employees of the gender considered, while the hiring rate by age group is derived from the ratio of the number of hires in the age group to the total number of employees in the age group considered.

Hiring by gender and age group



Regarding terminations, as of December 31, 2023, there were 295 terminations (89% men and 11% women). As far as the reasons for the terminations are concerned, most of them are attributable to voluntary resignation and the termination of contractual relationships. Terminations due to layoffs and retirements constitute a minority.

Finally, the **turnover rate**¹¹ is 8.5% and the age group under 30 is most involved, with a rate of 13.1%. This is followed by the 30-50 age group, with a rate of 8.3% and lastly the over 50 age group which records a turnover rate of 6.6%. Considering gender, there is no significant difference between the turnover rate recorded for men, equal to 8.7%, and that recorded for women, equal to 7.2% (for more details, please refer to the tables in the Appendix).

Collective bargaining agreements

In 2023, employees covered by collective bargaining agreements correspond to 93% of workers. It should be noted that workers who are not covered by collective bargaining¹² are subject to strictly defined contractual conditions that comply with labor laws and local regulations, as outlined in company manuals that define rules regarding taxation, benefits, and other labor aspects.

¹¹The turnover rate by age group is derived from the ratio between the number of terminations by age group and the total number of employees as at 31.12 for that age group. The same methodology is applied for the turnover rate by gender.

¹²The remaining 7% of employees refer to Teknoxgroup companies, excluding employees of Teknoxgroup Slovenija d.o.o.

4.2 Training and talent development

[GRI 404-1]

The TESSYA Group recognizes the importance of being able to count on competent, motivated, and experienced people, capable of proposing innovative solutions for customer satisfaction and, consequently, business success. By committing with resources, time, and creativity, TESSYA offers solid and continuous training to all the people who are part of the Group, promoting a team spirit and a positive, cohesive, open to innovation and inclusive work environment. This context makes it possible to encourage individual growth, the full development of potential and the enhancement of each member. Together, we build relationships of trust, embrace change, and grow, enhancing everyone's potential.

To define aligned and coherent training programs across the different Op.Co. TESSYA YOUiversity was born, which allows the organic definition of programs dedicated to the different roles within the TESSYA Group.

TESSYA YOUiversity is structured around four faculties, characterized by training programs (i.e. Leadership School, Tech School, Sales School and Talent School) aligned at Group level and specific to the role.



TESSYA YOUiversity

Leadership
School

Tech
School

Sales
School

Talent
School

Training programmes

- Executive Leadership
- Advanced Business Management
- Transition to Business Leadership
- Strategic Business Development
- Project Management
- Business Communication
- Advanced English, Italian and Spanish courses
- Individual and Group Coaching
- Development Plan for Young Graduates
- Technical/Professional Training and Updating

The training organized through TESSA YOUiversity aims to develop technical and behavioral skills (soft skills), also including on-the-job training, coaching, and mentoring for continuous development, also creating personal development plans based on the specificities of each person and their role.

The **technical/specialist training** includes specific teaching on technical topics, maintenance, and in-depth knowledge of the company's products. Targeted courses are offered to both technicians and salespeople to develop skills in the search for business opportunities, essential for identifying and acquiring new market opportunities. This includes the STARTech training program for young technicians.

STARTech training programme for young technicians

The Group strongly believes in the importance of training for young people, intended as a tool to contribute to personal and professional development as a prerequisite for preparing young people for the world of work. To this end, TESSA has launched the **STARTech training program** in collaboration with the network of Salesian Societies in Europe. It is a theoretical-practical training course, which provides an alternation between classroom training and work in the company, aimed at reducing the mismatch between supply and demand of specialized technicians in the industry. The program was launched in October in Italy at the ITS Mechatronics Salesians in Sesto San Giovanni, with the involvement of the National Federation CNOS-FAP, CNOS FAP Lombardy, ITS Meccatronica and Gi Group.

In Spain, Finanzauto has signed a similar agreement with the Salesians to offer **specialized training** to Vocational Training students at its facilities.

In 2022, before the launch of the initiative, a survey was conducted among about 2,000 young people in which they were asked to assess their perception of the figure of the technician. The survey was used to address the objectives of the training course and to build the program.

The goal of the TESSA Group through the STARTech initiative is to **promote the growth of people and businesses**, through a path that includes **860 hours of training**, divided between classroom and company, to introduce **young people** to the **profession of Industrial Mechatronics Technician or Marine Technician** and obtain a certificate of technical-vocational specialization (corresponding to level IV of the European Framework).

In 2023, the project involved the Salesian Schools and the Group's companies in several European cities, including **Milan and Madrid**, confirming the Group's commitment to supporting the training of young people and the development of specialized technical skills in an international context. The initiative is also scheduled to be launched in Lisbon in October 2024.

Also, during 2023, an additional step was taken to align the different technical schools of the Op.Co. and harmonize the educational programs and development paths for the technicians of the TESSA Group, also in consideration of the Group's international footprint and the need to define common training programs at Group level. In addition to the objective of looking for a standard path, the Italian and Spanish Technical Schools have therefore supported Balkan companies in the creation of a similar Technical School, which will be inaugurated during 2024.

The **management training**, also developed through executive coaching, advanced managerial training and project management, it is aimed at enhancing management and leadership skills, as well as interpersonal skills. Senior managers are offered advanced training programs and middle managers are offered skills development paths.

Middle Management Assessment

Similarly to what happened in 2022 for Senior Management and as part of the Leadership Journey framework provided for by the HR Vision, a systematic assessment of Middle Management was launched in May 2023, with the threefold objective of:

- Develop the leadership model into specific skills.
- Obtain a “map” of Middle Managers' skills.
- Facilitate self-training courses.

During the first phase, 140 middle managers were involved and followed a structured process, which began with a 1-day group evaluation in online mode, followed by 2 hours of feedback and ended with the delivery of a personalized report and a summary report shared with the HR department.

Executive Leadership Program (ELP)

In addition to internal training, training programs have been activated aimed at obtaining professional qualifications, such as a master's degree with the Politecnico di Milano, and managerial courses with the main Italian and Spanish universities (ELP).

TESYA's ELP program is central to the professional development of TESYA's Senior Managers. Designed in line with the Group's strategy, values, and leadership model, it was co-designed jointly with the Instituto de Empresa in Madrid and Bocconi University in Milan, university institutes among the world leaders in management education, and GSO, a leading consulting firm specialising in skills development. The course consists of a theoretical part and a practical part and involved 75 Senior Managers from all Op.Co. of the Group, divided into 3 groups. Each group followed four modules of three days each, divided according to the different themes. Specifically:

Care Module: Positive Leadership, Communicative Cascading, Assertive Communication.

Change Module: Driving Innovation, Change Processes, Adapting to the V.U.C.A. Environment.

Trust Module: Inclusive leadership, providing equal access to opportunities and resources, managing diversity, and interacting with different cultures.

Growth Module: Growth in multinational contexts, how to balance different strategic options and develop a global managerial mindset.

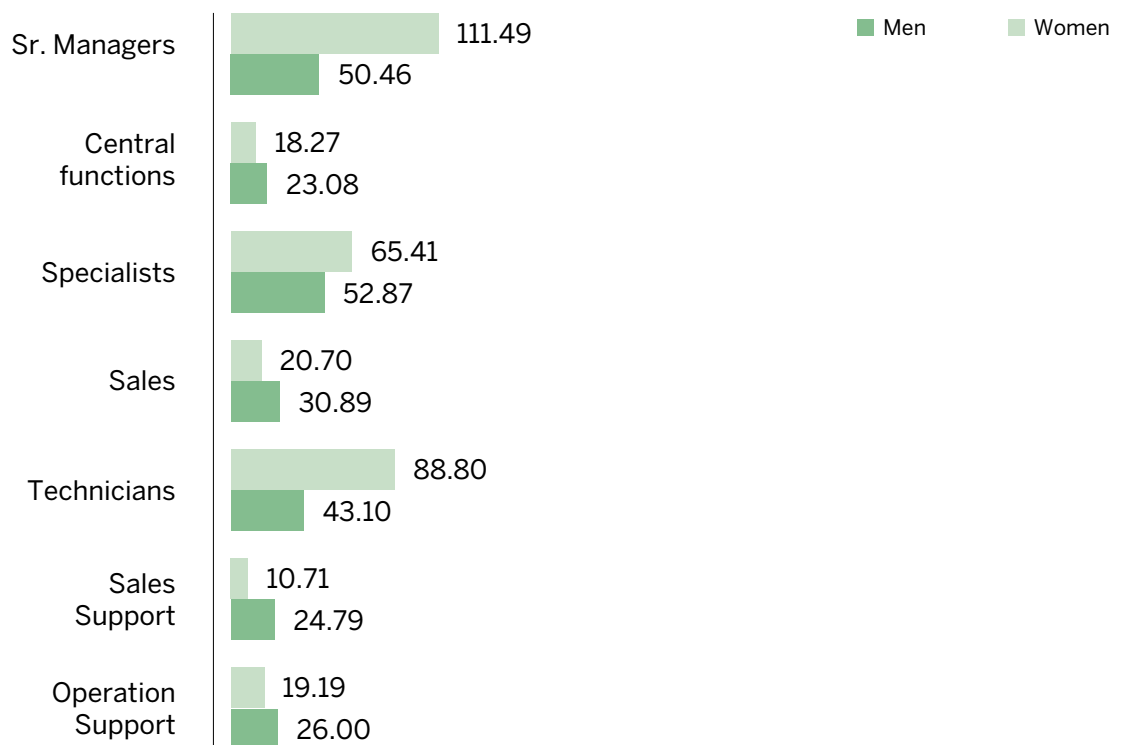
Another area on which a lot of attention is paid is the improvement of **communication and interpersonal skills**, especially with customers. These training programs are designed to hone communication skills within the Group and with customers, ensuring high-quality service and effective communication.

Occupational **health and safety** is another priority. The Group organizes mandatory courses according to Legislative Decree 81/08, focused on occupational safety and accident prevention, to ensure a safe working environment that complies with current regulations.

In order to ensure that employees are up to date on regulations and best practices, courses on **compliance and company policies** are also offered.

In 2023, the hours of training provided amounted to a total of 124,371 hours, an increase of about 10% compared to the previous year. The data on the average hours of training per employee testify to the constant commitment of the TESSA Group to invest in the professional growth of the people who are part of it. With an average of almost 36 hours of training per person, the Group increased its training hours per capita by 5% compared to the previous year, signaling a clear desire to improve staff skills. Analyzing the professional categories, the “Specialists” and the “Sr. Managers” are the most involved in the training, with an average of about 54 and 55 hours each. This is indicative of the importance placed on developing advanced skills for roles that require a high level of specialization and leadership. “Technicians” also benefit from substantial training with an average of about 43 hours, which reflects the importance of constantly updating technical skills in a rapidly changing environment. The categories “Sales”, “Operation Support”, “Central Functions” and “Sales Support” received a number of training hours ranging from approximately 30 to 19 hours, depending on the role.

Per capita training hours per professional category

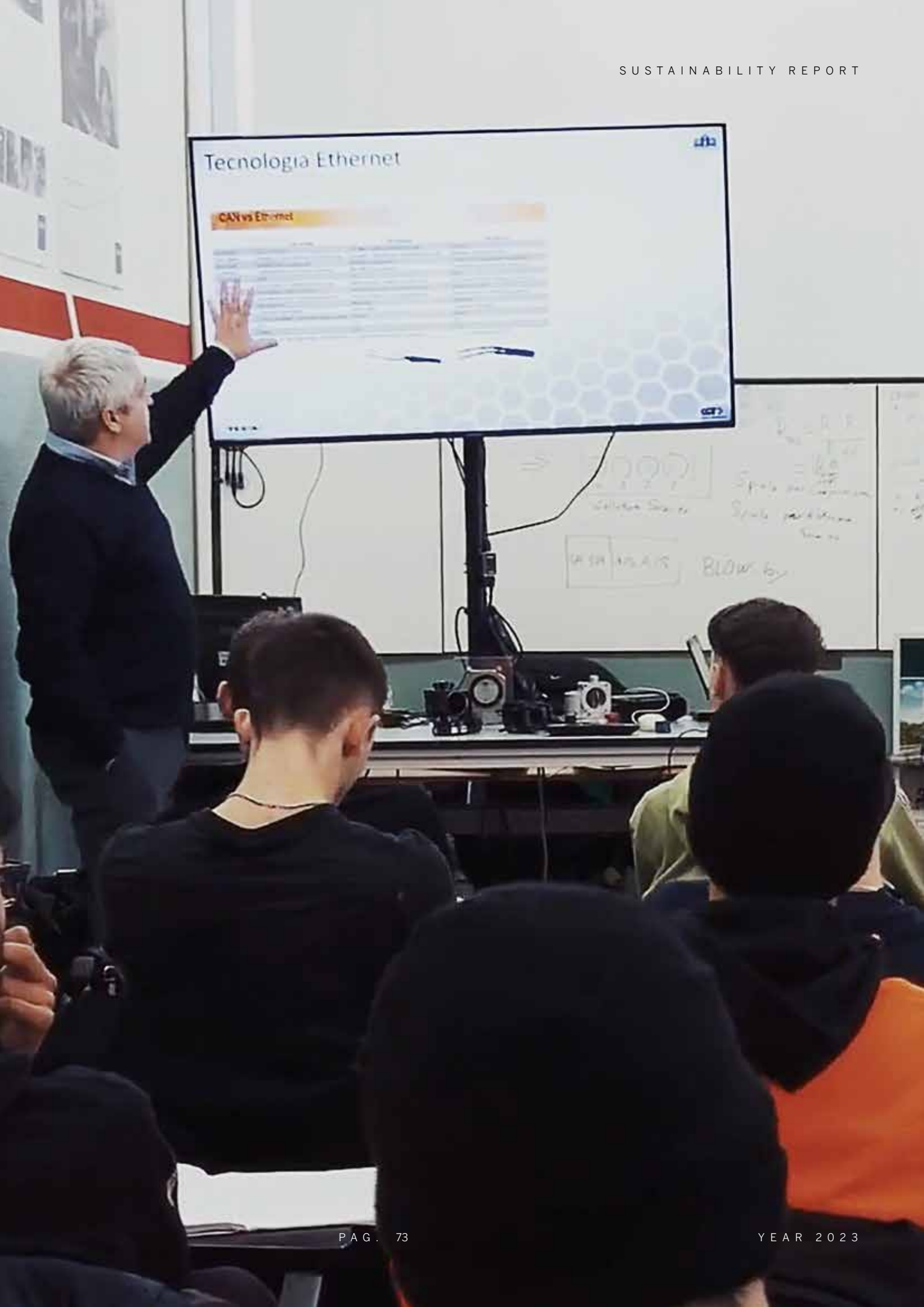


Performance Evaluation

As part of the performance evaluation, although a structured process has not yet been activated for the entire Group, individual meetings are planned for each person in the Group and the reference manager, in order to evaluate performance, establish performance improvement actions and any annual objectives.

The performance appraisal program required approximately 1,000 appraisal sessions between 2022 and 2023, testifying to TESSA Group's commitment to the continuous improvement of its people. During 2023, the evaluations covered all categories of employees of the TESSA Group with a greater focus on the positions of "Sales Support", "Sr. Managers" and "Sales".

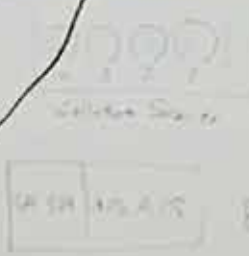
The "Future Leaders" project, launched in June 2023, **is also part of this context**, with the aim of identifying a pool of talent who can take on leadership roles within the Group over time. The project includes both phases of continuous evaluations and specific training moments. In this regard, in collaboration with the Top Management, the criteria that define a talent for the TESSA Group have been identified, outlining its areas and evaluation factors.



Tecnologia Ethernet

CAN vs Ethernet

Parameter	CAN	Ethernet
Speed	1-10 Mbps	10-100 Gbps
Distance	10 km	100 m
Topology	Bus	Star
Cost	Low	High
Reliability	High	Medium
Security	Low	High
Flexibility	Low	High
Scalability	Low	High
Power Consumption	Low	High
Latency	Low	High
Interference	Low	High
Installation	Easy	Complex
Maintenance	Easy	Complex
Compatibility	High	Low
Standardization	High	Low
Industry Adoption	High	Low
Future Prospects	Stable	Growing



Spots per Connection
Spots per Allocation
Time to

4.3 Health, safety and well-being of people

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

Occupational Health and Safety Management System

The management of health and safety at work is a rigorous process, based on compliance with current regulations and related technical standards and certifications. The Group operates in different jurisdictions with different occupational health and safety regulations. Therefore, each Group company independently manages compliance with safety laws. In any case, regardless of the geographical location, TESSA is committed to ensuring a working environment that complies with current regulations, taking all the necessary measures to prevent accidents and occupational diseases. To support this, the Group provides information to its people on the potential risks associated with their duties and, at the same time, everyone is required to actively contribute to maintaining a safe working environment while carrying out their work activities.

In general, the occupational health and safety system is defined in collaboration with a specialized external partner, in order to ensure an approach that complies with both current regulations, such as Legislative Decree 81/08 in Italy and Law 31/1995 in Spain, and with the best practices in the sector. The system includes a detailed manual, guidelines for the Group's people and related companies, and provides for periodic activities such as inspections, upgrades, and replacement of equipment. Considering the specific activities of each company, the health and safety system is developed to best meet the specific needs in terms of creating a safe working environment.

Some Group companies have obtained ISO 45001 or OHSAS 18001 certifications (in the case of Teknoxgroup Srbija). CGT Trucks has embarked on the process of obtaining ISO 45001 certification by the end of 2024.



With regard to companies that have not currently adopted an occupational health and safety management system, the Group has begun to lay the foundations for the activation of the system, with the aim of completing it in 2024. The system will be implemented by including aspects such as risk assessment, worker training, appointment of safety officers, health surveillance and emergency management. In addition, in the Italian companies in question, some specific elements are already active in compliance with Legislative Decree 81/08, including the preparation of the "Risk Assessment Document (DVR)". This ensures that all work activities are included in the occupational health and safety management system, ensuring comprehensive coverage that complies with legislative provisions.

Prevention and control

In the Italian context, in accordance with Interministerial Decree 81/08 (Consolidated Law on Safety at Work), the Risk Assessment Document is regularly updated according to the deadlines of the various occupational health and safety risk assessments specific to each Group site. The **Head of the Prevention and Protection Service**, with the support of the company management, is responsible for drafting or updating risk assessments and responds to significant changes within the organization, ensuring that every aspect of the work is managed adequately, with any changes to equipment and the adoption of personal protective equipment. Anomalies are communicated through the direct involvement of the manager and the person in charge, following procedures to report near-misses, accidents, and injuries, through a computerized system that allows an effective collection of information, essential for the analysis and continuous improvement of working conditions. In this regard, accidents are also investigated through internal audits, to identify the root causes and implement the necessary corrective measures, demonstrating a constant commitment to improving working conditions and people's safety.

On the other hand, with reference to foreign branches, Finanzauto S.A. adopts a risk assessment process that complies with the legal requirements (Law 31/1995 and its secondary regulations) based on the following components:

- A risk assessment procedure that outlines the steps necessary to conduct the risk assessment related to health and safety at work.
- Evaluation teams composed of multidisciplinary teams (e.g. H&S technicians, managers, union representatives and workers).
- Assessment report that highlights areas that comply with safety regulations or present risks for which it is necessary to define the relevant management actions.
- An action plan containing corrective and preventive measures classified according to risk priority. These measures are documented in a detailed implementation plan. The plan specifies actions, assigns responsibilities, and sets deadlines for implementation.

Similar preventive measures have been adopted in Portugal and the Balkans in line with national legislation.

With reference to the **occupational health service**, although outsourced, it is closely integrated into the daily operations of some Group companies¹³ in Italy, the Iberian Peninsula and Belgium, with doctors carrying out periodic inspections and actively participating in safety meetings. Competent physicians play a crucial role in identifying, assessing, and reducing occupational risks, promoting workplace health in line with current legislation. The medical examinations, which include specific analyses and screenings, are carried out at specialized laboratories, also selected on the basis of geographical proximity to the workplace to minimize the inconvenience imposed by travel.

¹³Applicable to ALAX Automation, Alfaproject.net, CGT, CLS, CGTE, CGT Trucks, Finanzauto, XIBER Energy Solutions, Sitech, STET and TESYA S.p.A.

Worker involvement in health and safety programs

Communication and information to workers on health and safety at work is carried out through various tools that ensure the participation and awareness of those concerned. Annually, all workers attend a meeting where safety news, relevant issues, accidents and near misses are discussed, and documentation relating to occupational health and safety issues is shared digitally with the managers in charge. Any anomalies are reported to the Head of the Prevention and Protection Service (RSPP) or, where applicable, to the heads of the technical areas. The latter are also involved in decisions regarding the content of health and safety training courses, ensuring that they are relevant to the risks and activities specific to their functions¹⁴.

“Consultation and Participation Procedure”

To underline the importance of worker involvement in health and safety, Finanzauto has activated the “Consultation and Participation Procedure”. This procedure aims to build a collaborative decision-making process on health and safety through the involvement of workers, managers/executives and professionals.

Health & Safety Training

Good training not only reduces the risk of accidents at work, but also contributes to creating a corporate culture geared towards the safety and well-being of the Group’s people.

Training on health and safety at work is managed with rigor and precision in the company context, with general and specific courses required by law. People who work in high-risk roles receive periodic certifications, and training is verified annually through exams and practical assessments.

The Head of the Prevention and Protection Service (RSPP) adapts the training content to the risks identified in the risk assessment document and ensures that the courses provided are regularly updated to reflect the latest regulations and technologies, with a focus on accident prevention and the correct use of equipment. Courses for emergency teams also include specific firefighting and first aid modules, which are regularly updated to meet current regulations.

¹⁴The companies that involve workers in relation to occupational health and safety issues are: CGT, CGTE, CLS, CGT Trucks, Finanzauto, XIBER Energy Solutions, Sitech, STET and TESYA S.p.A. In the case of Alayan Rental and Emerent, staff are informed of each proposal implemented and approved by the Human Resources Director. In Alfaproject.net, any questions regarding occupational health and safety are directed to the RLS. Caymo and the Teknoxgroup companies do not provide for specific methods of involvement.



Health and safety training course contents

- General and Specific Training
- Special and Additional Training for Supervisors
- Safety Manager Training
- Annual safety update meeting
- First Aid and AED course with related refresher courses
- Fire-fighting course with related refresher courses

Work-related injuries

To reduce the incidence of work-related injuries, it is essential to monitor them in order to activate appropriate preventive measures and improve safety conditions. Below are the numbers and the injury rate for the three-year period.

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

¹⁶High-consequence work-related injuries are those injuries that result in an absence from work for a number of days equal to or greater than 180.

¹⁷The hours worked by employees were estimated using a methodology that considered the workable hours (excluding overtime) on an annual basis and the total number of employees in force as of 31.12.23.

WORK-RELATED INJURIES ¹⁵ EMPLOYEES		2023		2022		2021	
		UoM	n.	Rate	n.	Rate	n.
Recordable work-related injuries	No.	71	10.13	90	19.99	86	22.14
fatalities	No.	-	-	-	-	-	-
high-consequence work-related injuries (excluding fatalities) ¹⁶	No.	3	0.43	2	0.35	-	-
work-related injuries that resulted in at least one lost workday	No.	68	9.70	86	19.29	84	21.77
Hours worked by employees	h.	7,007,616¹⁷		6,124,649		5,869,423	

During the 2023 financial year, there were 71 work-related injuries for an overall rate of 10.13% compared to the number of hours worked, a lower number than in the previous two years, despite the increase in the number of employees. The recorded episodes mainly concern collision with falling objects, muscle overload and injuries from hand tools. The employees involved are in most cases technicians and warehouse workers.

With reference to non-employee workers, there were no work-related injuries in 2023 (*for more details, please refer to the Appendix*).

Workers' well-being

In addition to the provisions in terms of occupational health and safety, the TESSA Group considers it crucial to promote the **well-being of its workers**. Although in many countries where the Group operates access to medical services is part of the national health system, many companies supplement this coverage with additional services, such as private health insurance or company funds, to support medical expenses and facilitate access to medical services through prescriptions, consultations, and vaccination programs.

Internal meetings and workshops are also organized to address health-related issues that are not necessarily related to work tasks, such as smoking, balanced nutrition, physical activity, and road safety. In some cases, in-house medical services, physiotherapy support, and wellness programs are offered.

The **support of its collaborators** also takes place through tangible initiatives as a result of moments of general difficulty deriving from non-work contexts. An example is the Energy Bonus, paid in 2022 to all TESSA Group workers to mitigate the effects of the energy crisis resulting from the Russian-Ukrainian conflict.

4.4 Customer-centricity

[GRI 416-2]

The key to TESSA Group's success lies in its ability to work closely with each customer to fully understand their specific needs. Through this close collaboration, all the Group's companies are able to offer innovative solutions that include sales, rental and service options, all designed to fuel customer growth and productivity in a variety of applications and markets, facilitating the integration of cutting-edge technologies. TESSA's integration into its customers' business also allows it to gain a deep understanding of their strategic planning and long-term goals.

The Group is therefore able to assume a role as a reliable partner for companies looking for sophisticated solutions that can improve their activities and gain a competitive advantage in the market. In order to demonstrate the ability to consistently deliver products and services that meet customer requirements and applicable regulations, some TESSA Group companies are also **ISO 9001 certified**, an international standard that specifies the requirements for a quality management system (QMS).



In the 2023 financial year, there were no incidents of non-compliance with regulations and/or voluntary codes relating to the health and safety impact of products and services for customers or their employees.

Re-Evolution Technologies Initiative

As evidence of the close collaboration between customers and the TESSYA Group, we report the “Re-Evolution Technologies” initiative, a communication project carried out by CGT that illustrates the most advanced technologies and solutions that generate value and sustainability in the construction sector. Through six episodes, CGT tells the concrete experience of its customers and the results obtained thanks to the TESSYA Group’s solutions, which revolutionize and improve the productivity, safety, and efficiency of construction sites, making them more sustainable. The “Re-Evolution Technologies” project bears witness to the stories of companies that have embarked on the path towards reducing environmental impact, raising awareness in the sector on the importance of acting together for sustainable development through the use of cutting-edge technologies, productivity monitoring, consulting and proactive services.

4.5 Affected communities

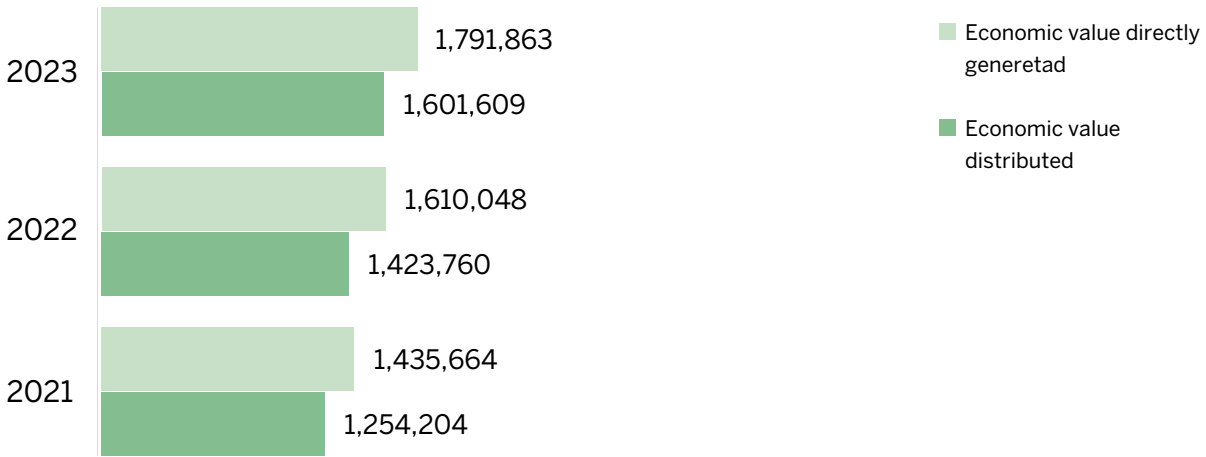
[GRI 201-1, GRI 2-28]

Economic value generated and distributed

The economic value generated and distributed provides a complete overview of how the TESSYA Group creates wealth and how it is distributed among the various stakeholders involved in the Group’s activities, including employees, suppliers, the Public Administration, and the community.

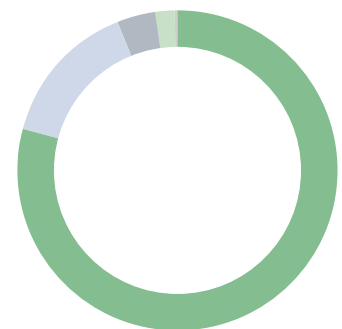
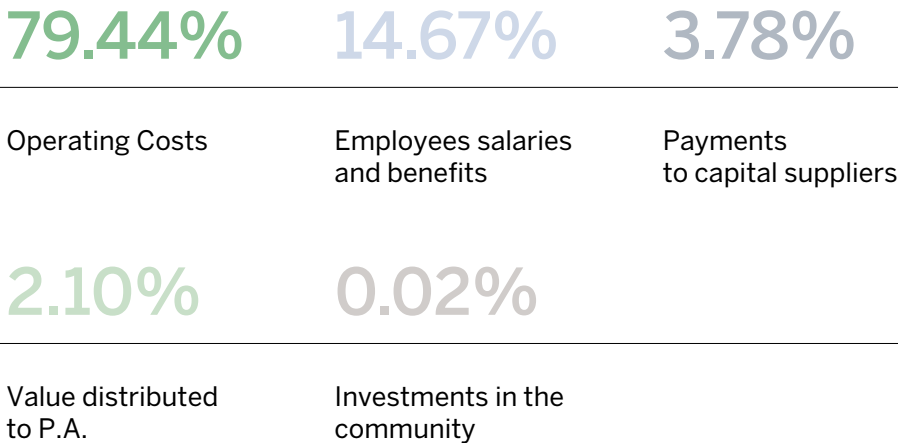
In 2023, the **economic value generated** by the TESSYA Group amounts to approximately € 1.8 billion, of which 89% (corresponding to approximately € 1.6 billion) is distributed among the various categories of stakeholders. As can be seen from the graph, in 2023, there was an 11% growth in economic value generated compared to 2022.

Economic value generated and distributed (K€)



With reference to the **economic value distributed** in 2023, up 12.5% compared to 2022, the majority, 79%, is allocated to operating costs, including the purchase of raw materials, production costs and other expenses necessary for the operation of the companies. 14.7% of the economic value distributed is allocated to the salaries and benefits of the Group’s people. Payments to capital providers, which include interest and dividends, account for 3.8% and 2.1% is the economic value that is paid to the government in the form of taxes and duties. Finally, the remainder is earmarked for investment in communities.

Distributed economic value



Finally, approximately 11% of the **economic value** generated is **retained** by the TESSYA Group in order to be able to support any future investments, maintain financial stability and have the ability to improve its business operations (*for more details on the data and methodology for calculating the economic value generated and distributed, please refer to the Appendix*).

Affected Communities

The TESSYA Group is aware of how crucial it is to consider the interests of the communities in the context of the company's activities. The involvement and respect of local communities favours the creation of relationships of mutual trust, promoting the long-term sustainability of the Group's companies. In addition, understanding and responding to the needs of communities can help identify opportunities for growth and innovation, allowing for responsible and harmonious development in relation to the surrounding environment in a climate of cooperation and collaboration. In this regard, the TESSYA Group, as also specified in its Code of Ethics, engages constructively and responsibly in the community in which it operates, ensuring stability, job creation and development, as well as contributing to the generation of wealth and the improvement of the quality of life.

In 2023, **investments in communities** amounted to a total of 241 thousand euros. These investments refer to voluntary contributions made to the community in which the Group carries out its activities and therefore represent a form of non-commercial support, as well as voluntary contributions from the parent company and the Group's individuals aimed at providing concrete assistance in particularly serious personal cases that have occurred to Group members or their family members.

241€ thousand

invested in communities

Contributions include donations, such as the aerial platform for the Carrara Fire Brigade, a generator for the Italian Red Cross, free loans of equipment, various donations, and sponsorships in favor of children, schools, universities, and sporting events.

Community initiatives

In addition to financial contributions, the TESSA Group actively collaborates in philanthropic initiatives or projects.

Supporting those most in need

In the Iberian Peninsula, Finanzauto is actively engaged in **social responsibility** by partnering with different organizations to support particularly vulnerable groups of people. Through agreements and periodic donations to the **Red Cross**, the **Spanish Federation of Food Banks** and the **Mensajeros de la Paz**, the company promotes initiatives such as the collection of children's products, food, and resources to support those living in precarious situations. It also participates in campaigns to raise awareness among people and promotes educational assistance, nutritional support, and support and assistance to women survivors of gender-based violence. In addition, Finanzauto collaborates with the **SURESTEA Association** as a demonstration of the company's commitment to supporting communities and families affected by autism spectrum disorders.

Membership of associations

TESSA and some Group companies participate in various associations, both in significant roles – thus assuming a real responsibility, for example through participation in governing bodies, membership in projects or committees, or financial support – and as ordinary members.

Specifically, TESSA is a member of the “Italian Association of Family Businesses (AIDAF)” of which the Vice Chairperson, Sara Tedeschi, is an active member. CGT also counts the presence of the company's representatives in the governing bodies of the association “Unione Italiana Macchine per Costruzioni (UNACEA)” and Finanzauto plays a significant role in the associations “Asociación de Empresarios del Metal de Madrid (AECIM)” and “Mutua de Accidentes de Trabajo y enfermedades profesionales de la seguridad social (FREMAP)”.

The following are the associations to which the other Group companies belong:

List of associations in which Group companies participate

TESYA	
CGT	
CLS	  
CGTE	 
CGT Trucks	
XIBER Energy Solutions	
Teknoxgroup Slovenija	
Teknoxgroup BH	  
Teknoxgroup Hrvatska	 
Tecnoxgroup Crna Gora	
Teknoxgroup Srbija	  
Teknoxgroup d.o.o.	
Teknoxgroup Kosovo	
Teknoxgroup Shiqperi	
Finanzauto	                     
STET	





05

Business Responsibility

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The role of the Governance of the entire TESSYA Group is fundamental to promote transparency, decision-making efficiency, risk management and regulatory compliance, for the benefit of all stakeholders involved in its activities. Good governance helps to ensure responsible management of the Group with a view to promoting shared culture and values.

5.1 The governance of the TESSYA Group

[GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14, 2-17, GRI 2-19, GRI 2-20]

TESSYA's governance system reflects the so-called traditional model and provides for the presence of a **Board of Directors** (BoD) both in the parent company and in its subsidiaries. The Board of Directors of the parent company is composed of 9 directors, 4 of whom are independent and 1 executive, with 56% male and 44% female representation, mainly over the age of 50 (78%, between men and women).

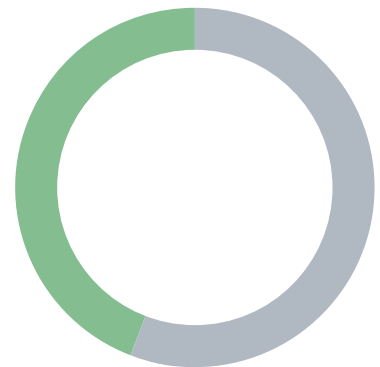
Board members by gender

44%

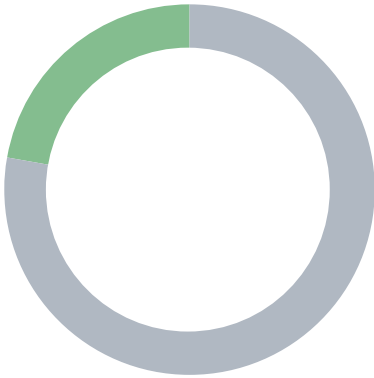
4 out of 9 directors are female

56%

5 out of 9 directors are male



Board members by age group



22%

78%

7 out of 9 directors aged > 50 years

2 out of 9 directors aged between 30 and 50

Years in office of Board members



2 years

6 directors out of 9



3 years

1 director out of 9



15 years

1 out of 9 directors



Over
25 years

1 director out of 9

The Board of Directors of TESSA is responsible for the ordinary and extraordinary management of the Company, assigning the powers of operational and functional powers to the Chief Executive Officers. Among its functions, there is also strategic supervision that encompasses activities related to social management. For example, the Board of Directors approves the business plans, budget and/or forecasts for each financial year, as well as periodically monitoring the results achieved against the established objectives - generally 3-4 times a year.

The members of the Board of Directors are appointed following the rules established by the Articles of Association, with a process based on the lists filed by the shareholders at the Company's registered office before the shareholders' meeting is convened to discuss and resolve on this matter. During the nomination process, the shareholders appoint both the members of the Board of Directors, as representatives of the interests of the shareholders, and the independent members. At the time of appointment, the term of office of each director is also established, which will not exceed three financial years. Specifically, the directors end their mandate when the shareholders' meeting meets to examine and approve the final financial statements for the period in which they were in office.

The composition of the Board of Directors of the parent company TESSA S.p.A. as at 31.12.2023 is shown below.

TESSA Group Board of Directors

LINO TEDESCHI
Chairman and CEO

SARA TEDESCHI
Vice Chairperson

CARLOTTA TEDESCHI
Director

SILVIA BÖHM
Director

STEFANO SEGRE
Director

RICCARDO MONTI
Director

FENNEMIEK GOMMER
Director

GUIDO TESTA
Director

DANILO VILLA
Director

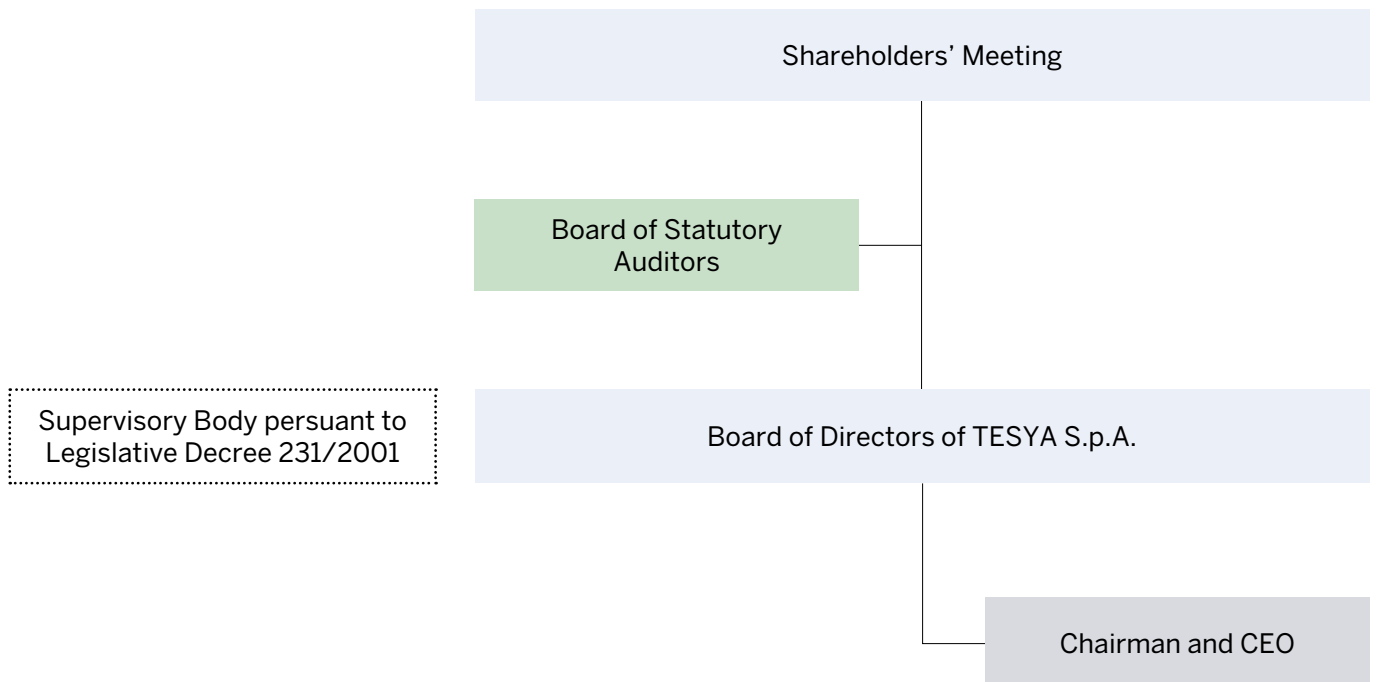
Executive

Independent

Overall, the Directors have solid experience and expertise in sustainability and decarbonization, legal, communication, strategic consulting, and human resources management.

In Italian companies, the law also requires the presence of a **Board of Statutory Auditors**, composed of 5 Statutory Auditors, 3 of whom are standing (one of whom acts as Chairman) and 2 alternates. The Statutory Auditors are elected every three financial years by the shareholders and have the task of supervising compliance with the principles of proper administration of the company and the adequacy of the organizational, administrative, and accounting structure, as well as compliance with the law and the principles of the Articles of Association.

Group Governance



Remuneration policies

The remuneration of the members of the Boards of Directors of Group companies is established by the Shareholders' Meeting at the time of their appointment and remains valid for the entire duration of their mandate. For Directors with specific responsibilities, the Boards annually define the remuneration, consisting of a fixed part and a variable part linked to the achievement of the financial statement targets, verified by February of the following year. Some CEOs also receive long-term incentives, agreed with the parent company, to direct the Group's key resources towards achieving medium- to long-term objectives and align interests with those of shareholders and investors.

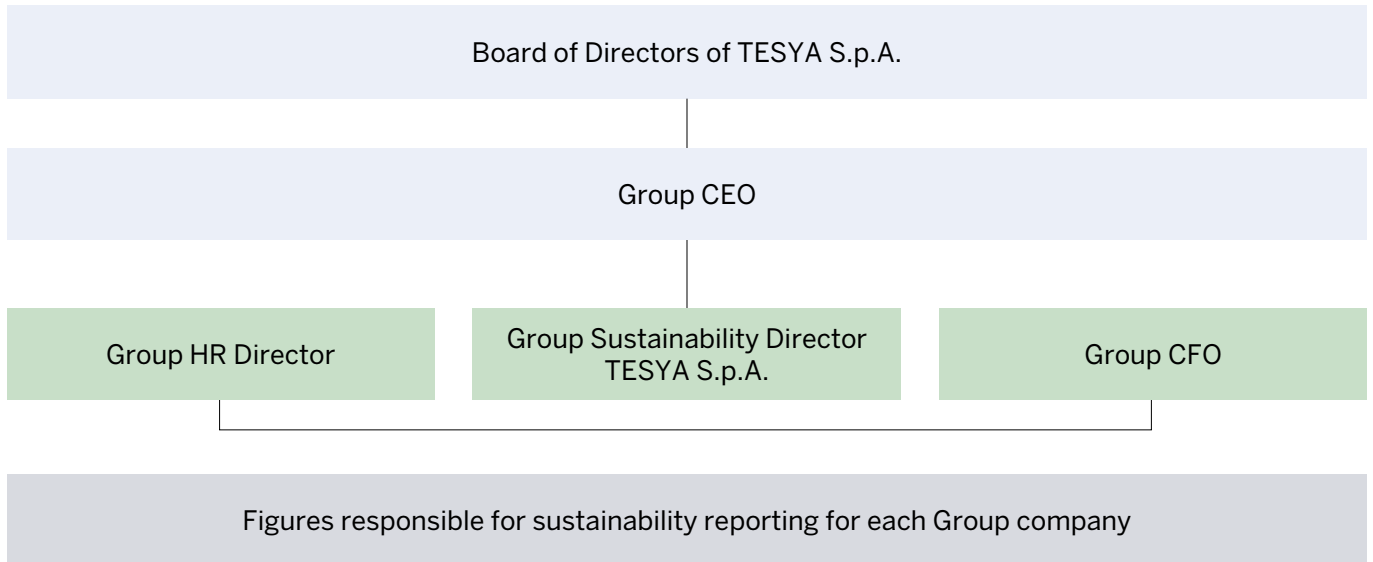
All Group executives have a fixed remuneration quota and a variable remuneration quota. The variable component is managed through short-term incentive plans and long-term incentive plans, the latter reserved for some senior managers. These plans, in line with the annual budget or three-year strategic plan, include both internal sustainability objectives, such as the reduction of GHG emissions, and related to business expansion, for example through evolutionary projects and initiatives of internal growth or through new acquisitions.

In 2022, a grading system and related remuneration benchmarks for all managers was introduced at Group level, which highlighted how the compensation of managers of the various Group companies is mostly aligned with the median of the general market. Currently, the architectures of the *Short Term Incentive Plans* (STIs) are still differentiated between individual companies, but harmonization is planned at Group level starting from the 2025 financial year, in line with the introduction of a Group *Long Term Incentive Plan* (LTI) of a part of the management aligned with the objectives of the TESSA EVOLUTION 2025 Business Plan.

Sustainability governance

The **Board of Directors** is also responsible for supervising corporate strategies and objectives related to sustainability issues and reviews the Group's Sustainability Report. As part of the progressive integration of sustainability issues into the corporate strategy, the process of defining the decarbonization strategy for the reduction of emissions by 2030 saw the direct involvement of the Chairman and Chief Executive Officer and was presented to the Board of Directors.

Group Sustainability Governance



To ensure adequate supervision and management of ESG-related issues, the governing body has also delegated responsibility for managing the Group's impacts to figures such as the "**Group Sustainability Director**", responsible for the ESG program as a whole, who collaborates with the "**Group Human Resources Director**", for social aspects, and with the "**Group Chief Financial Officer**" for governance issues.

The same jointly:

- Agree with the CEOs of the companies of the TESSA Group on the development guidelines and report on their progress.
- Periodically inform the **Executive Committee** about the progress of the activities, the necessary investments and the results achieved.

As part of sustainability reporting and the resulting operational processes, a structure has been defined consisting of **figures responsible for sustainability reporting** designated for each Group company, with responsibility, each for its own area, for the data and information necessary for the preparation of the TESSA Sustainability Report. This organizational model helps to raise awareness of ESG impacts and ensure alignment and consistency in data and information collection processes across the various Group companies.

5.2 Transparency and ethics

[GRI 205-3, GRI 2-15, GRI 2-16, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27]

The Code of Ethics

The core values of the TESSA Group are based on the Group's deep-rooted culture consistent with the principles of ethical and responsible conduct in its business relationships, as well as the firm will to act in compliance with the laws and regulations in the countries in which the Group carries out its activities.

These values are reflected in the **Code of Ethics**, which is inspired by compliance with current regulations applicable to the Group and national and international best practices in the field of human rights, social responsibility, and corporate management. The document establishes the ethical principles that guide the Group and the conduct that all Group employees and other parties involved must follow, especially with regard to the prevention of corruption crimes and ethical and legal risks in relations with the Public Administration, customers and suppliers.

The Code of Ethics was approved by the Board of Directors of the parent company TESSA S.p.A. on 5 June 2007 and subsequently updated and adopted by all Group companies. The Alfaproject.net, ALAX Automation and XIBER Energy Solutions companies, will formally adopt the Code of Ethics starting from 2024.

In order to convey the guiding principles and raise awareness on the issues of ethical, transparent and responsible conduct, all the companies of the TESSA Group are committed to **communicating the contents** of the Code of Ethics to their employees. They read the Code and countersign it for acceptance during the recruitment phase. In addition, the Code of Ethics is published on the web pages of the operating companies, thus making the document accessible to interested parties.

The Code of Ethics also includes guidelines to manage any **conflicts of interest**, establishing that the decisions and actions of the recipients must aim at the pursuit of social development, avoiding any conflict of interest. Recipients may not participate in or collaborate in transactions, financial operations or investments that could provide them with personal benefits not contractually provided, unless they have explicit authorization. In addition, they may not engage in business or other professional activities that go against the interests and objectives of the Group and, in the event that they are aware of a potential conflict of interest situation, they are required to give timely notice.

The **business partners** of the TESSA Group are also required to behave correctly and in compliance with the provisions of the law, with particular attention to compliance with procedures and good practices in the field of ethics, protection of health and safety in the workplace and respect for the environment. Group companies generally include references to the Code of Ethics and the consequences of conduct that does not

comply with this document in their contractual clauses. In addition, when possible, specific clauses are included to govern the consequences due to non-compliance with the principles of ethical conduct, such as termination clauses or withdrawal rights.

Compliance 231

In order to regulate and activate preventive measures against unlawful acts, the **Organizational, Management and Control Model** defined by Legislative Decree 231/2001 (the “Model”) to which the Code of Ethics is related is adopted in Italy. The parent company and its Italian subsidiaries have adopted this Model and analyses and activities are underway to activate it for newly established or recently acquired companies, with the aim of raising awareness among the Group’s people of appropriate behavior, preventing crimes and violations, strengthening Corporate Governance and ensuring compliance with current regulations. The Model regulates every aspect of the company’s business, establishing controls, outlining responsibilities, and ensuring the separation of duties. A continuous monitoring system is active through the **Supervisory Body** provided for by the Model itself and composed of two independent executive members, one of whom assumes the position of Chairman. The Supervisory Body also carries out its supervisory tasks through the activities of the Group’s Internal Audit function.

Also in the Iberian Peninsula, Finanzauto has implemented an Organizational Model that substantially follows the Italian Model. There is also an executive body, the TESSA Iberia Supervisory Authority, whose responsibilities include the definition, dissemination and implementation of risk management methodologies in accordance with those established at Group level, the definition of policies, the dissemination and implementation of operational control systems, the improvement of processes to comply with national and international regulations, as well as monitoring and managing the reporting channel.

In companies operating in the Balkans, since there is no provision for the adoption of an Organizational, Management and Control Model in accordance with the regulatory requirements of the various countries, the responsibility for the implementation of the Code of Ethics is assigned to the Human Resources department. This responsibility includes training, dissemination, and control activities, and is shared with the general managers of the companies belonging to the Group.

Finally, with the aim of increasing staff awareness and preventing illegal behavior, **training** initiatives are also carried out for employees on the contents of the Code of Ethics and the Model, where applicable.

As evidence of the TESSA Group’s active commitment in terms of ethical and transparent conduct, in continuity with 2021 and 2022, also for the 2023 fiscal year, no confirmed episodes of corruption and public lawsuits related to this issue were recorded.

Cases of non-compliance with laws and regulations

With regard to incidents of non-compliance with laws and regulations, in 2023 there were 8¹⁸ cases of non-compliance, a significantly lower number than in previous years, also in view of the fact that a materiality threshold has been established.

CASES OF NON-COMPLIANCE

	UoM	2023 ¹⁹	2022	2021
Cases of non-compliance in which monetary penalties notified during the year were incurred	No.	8	27	34
Cases of non-compliance in which NON-monetary penalties notified during the year were incurred	No.	-	-	-
TOTAL	No.	8	27	34
Amounts paid in the reporting period for monetary penalties disbursed during the year	€	16,241	44,560	1,097,000
Amounts paid in the reporting period for monetary penalties paid in previous years	€	-	-	-

¹⁸The cases of non-compliance relate to several issues, including errors or delays in customs item declarations, non-compliance with health and safety obligations in a case of a work-related injury in 2021, and an audit by the Guardia di Finanza. With regard to the amount of the penalties, the value recorded in 2021 is significantly higher than in the 2022 and 2023 financial years as there had been an active correction inherent in the research and development tax credit pursuant to Article 3 of Legislative Decree no. 145/2013, carried out in order to avoid exhausting and expensive litigation.

¹⁹For the 2023 fiscal year, it should be noted that a materiality threshold has been defined in order to report significant cases for the Group, i.e. cases of non-compliance in which monetary penalties equal to or greater than € 5,000 per single event and/or cumulatively per individual company have been incurred.

Whistleblowing procedure

The parent company TESSA S.p.A. has established an internal reporting system, the **Whistleblowing Procedure**, in accordance with Legislative Decree no. 24/2023²⁰, in order to regulate the system for managing reports of any critical issues and violations of the Code of Ethics, the Organizational, Management and Control Model and the areas provided for by the aforementioned decree. All the main subsidiaries of the parent company, with the exception of those recently established or smaller²¹, adopt this reporting system which ensures the confidentiality of the identity of the persons involved, the content of the reports and the documentation associated with them. The management of this channel is entrusted to the Supervisory Body, which is authorized to process the personal data contained in the reports. Reports can be made through a dedicated web platform or orally, with the possibility of requesting a direct meeting with the Supervisory Body, by the company's staff, suppliers, and by all those who operate in the interest or to the advantage of the company. The mandatory periodic training for all employees also includes knowledge of the reporting mechanisms, in accordance with Legislative Decree 231/2001 and the Model.

The Group's Iberian companies also adopt adequate reporting tools that comply with the provisions in Italy regarding the reporting of any wrongdoing and guarantees of anonymity. In Spain and Portugal, the Whistleblowing channel is operated by an independent third party and is made available to Group individuals, customers, suppliers and other interested parties. The TESSA Supervisory Authority in Iberia has set up and constantly monitors this reporting system, ensuring that investigations into reported irregularities are conducted appropriately and that corrective and preventive measures are taken.

In the Balkans, although a formal Whistleblowing Procedure has not been adopted in the event that situations or actions that violate the Code of Ethics, company policies or the law in force are detected, it is expected that the supervisor or the local/functional management must be informed immediately.

It is crucial to underline that the reporting process adopted by the TESSA Group is managed by ensuring that there is no form of retaliation against whistleblowers or punitive or discriminatory action, such as role changes, dismissals, or transfers, which cannot have legal validity unless the employer proves that such actions were taken for reasons not related to the report.

²⁰Legislative Decree implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law and national legislation.

²¹The reporting mechanism is adopted by TESSA S.p.A. and the other Italian companies and their subsidiaries with the exception of XIBER Energy Solutions (adopted at the beginning of 2024), Alfaproject.net and Alax Automation.

5.3 Digitalization and protection of privacy

[GRI 418-1]

The integration of Article 13 of the European Union Regulation 2016/679, known as GDPR (General Data Protection Regulation), represents a crucial element in the current regulatory environment relating to the **protection of personal data**. The TESSA Group, aware of the relevance that the correct processing of data and the protection of privacy assume in the digital age, undertakes to communicate in a transparent manner the methods of management of personal data through its website and those of the Group companies, from which it is possible to consult the relevant Privacy Policies.

The main purpose of the processing of data subjects is the management of purchases of products and services solicited by customers, as well as the sending of non-commercial notifications, aimed at the optimal management of the contractual relationship, including the verification of any cases of accidents or complaints relating to the products purchased or ordered. In addition, subject to consent, the data provided may be used for marketing purposes such as sending newsletters and promotional advertising on the products and services offered by the Group companies.

The data is stored for the duration of the business relationship or for the time necessary to comply with legal obligations and manage any related responsibilities arising from the contractual relationship. Of course, the rights granted to the interested party are guaranteed, such as the right to be informed about the purposes of the processing and the retention period, the right to request rectification, integration, updating, cancellation, transformation into anonymous form or blocking of data processed in violation of the law.

To conclude, the processed data are managed with automated tools by adopting specific security measures to avoid loss, improper or incorrect use and unauthorized access.

With regard to complaints received about customer privacy violations, two incidents involving CGT were recorded in 2023. One of these involved a theft of a CGT employee’s credentials, which led to unauthorized access to his work webmail, gaining access to a customer’s email for fraudulent purposes. The second case involved the development of a counterfeit website by a fraudulent company, in order to deceive any customers interested in purchasing machinery marketed by the company, by misleadingly presenting themselves as a legitimate representative of CGT.

SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

	UoM	2023
Total number of substantiated complaints received concerning breaches of customer privacy, categorized by complaints received from outside parties and substantiated by the organization and complaints from regulatory bodies.	No.	0
Total number of identified con leaks, thefts, or losses of customer data.	No.	2



Methodological note

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

Reporting Principles Applied

The TESSYA Group's 2023 Sustainability Report has been prepared in accordance with the disclosures of the *2021 Global Reporting Initiative Sustainability Reporting Standards* (GRI Standard 2021). These standards, published by the Global Reporting Initiative, are international guidelines for reporting on sustainability issues, which help organizations transparently communicate their environmental, social and economic performance. The reference information reported is indicated in the "GRI Content Index" of this document, which allows you to consult the GRI indicators associated with each relevant topic.

In order to identify the material topics, in accordance with the GRI Standard 2021 requirements, a materiality analysis was carried out involving various stakeholders, both internal and external, of the Group and which made it possible to define the list of material topics according to the positive and/or negative impacts that the Group may generate on the environment, people and economy. In addition, the material topics were also associated with the United Nations Sustainable Development Goals (SDGs) pursued and supported by the TESSYA Group.

During the preparation of the Sustainability Report, the reporting principles prescribed by section 4 of GRI 1: Foundation 2021 were taken into account: accuracy, balance, clarity, comparability, sustainability context, timeliness, verifiability, and completeness.

The information and data presented in the 2023 Sustainability Report cover the period from 1 January 2023 to 31 December 2023. Where possible, the data for the financial years 2021 and 2022 are also reported in order to ensure greater completeness and comparability of the information.

Reporting boundary

The reporting boundary of this document refers to the Parent Company TESSYA S.p.A., with registered office in Vimodrone (MI), via Padana Superiore, 19 – 20055, and to the following companies:

COMPANY NAME	HEADQUARTER
Alayan Rental S.L.U.	Arganda del Rey, Spain
Alfaproject.net S.r.l.	Milan, Italy
ALAX Automation B.V.	Herentals, Belgium
CAYMO Maintenance S.L.	El Astillero, Spain
CGT S.p.A.	Vercelli, Italy
CGTE S.p.A.	Varedo, Italy
CGT Trucks S.p.A.	San Giuliano Milanese, Italy
CLS S.p.A.	Segrate, Italy
Exclusivas De Maquinaria y Equipos S.L.	Riaño Langreo, Spain
Finanzauto S.A.	Arganda del Rey, Spain
STET S.A.	Prior Velho, Portugal
Tecnologias de Guiado de Maquinaria de Obra Pública S.L.U.	Arganda del Rey, Spain
Teknoxgroup S.A.	Mendrisio, Switzerland
Teknoxgroup Srbija d.o.o.	Vrčin, Serbia
Teknoxgroup Hrvatska d.o.o.	Zagreb, Croatia
Teknoxgroup Slovenija d.o.o.	Grosuplje, Slovenia
Teknoxgroup d.o.o.	Grosuplje, Slovenia
Teknoxgroup B.H. d.o.o.	Sarajevo, Bosnia and Herzegovina
Teknoxgroup Shqiperi Sh.p.k.	Tirana, Albania
Teknoxgroup Kosovo l.l.c.	Fuschë Kosovë, Kosovo
Teknoxgroup Macedonia d.o.o.e.l.	Skopje, North Macedonia
Teknoxgroup Crna Gora d.o.o.	Podgorica, Montenegro
XIBER Energy Solutions S.r.l.	Vimodrone, Italy

With respect to the reporting boundary of the 2022 Sustainability Report, the companies Caymo Maintenance S.L. and Exclusivas de Maquinaria y Equipos S.L., which entered the Group's consolidation scope in the second half of 2022, XIBER Energy Solutions S.r.l., established in 2023, and Alax Automation B.V., whose acquisition was finalized in 2023, were included in 2023.

Any further limitations or changes to this reporting boundary have been indicated within the Document as notes to the data, where necessary.

Reporting methods

The preparation of the TESSYA Group's 2023 Sustainability Report involved a process of data collection and qualitative information conducted through special forms for the collection of information required by the GRI indicators. In this regard, the company's sustainability reporting managers identified for each relevant area (environmental, social and governance) were directly involved, under the direct supervision of the Group's Sustainability, Human Resources and Financial Directors.

The Board of Directors of TESSYA S.p.A. reads the Document during the Board meeting, expresses its opinion on the matter and, if necessary, suggests any additions or amendments.

Reprocessing of information

In this Sustainability Report, any reworking of the information compared to the previous year has been clearly indicated. In general, the modification of certain data within the document has become necessary as a result of a refinement of the calculation methodologies.

In addition, for the 2023 financial year, the TESSYA Group has redefined the professional categories by aligning them with the consolidated Financial Statements, in order to ensure greater comparability of data and to create uniformity at Group level. For the data referring to the years 2021 and 2022, the categorization used in the previous reporting period has been maintained.

Baseline resetting

In order to renew its commitment to decarbonization with the aim of playing a leading role in the energy transition, the Group has deemed it necessary to refine the methodology for calculating Scope 1&2 emissions for both the current year and previous years. In addition, the increase in business volumes and the change in the reporting boundary made it necessary to define a new baseline to 2023.

Calculation methodology Scope 1, 2, 3

Scope 1

For the calculation of direct emissions (Scope 1), the conversion factors indicated by the Department of Environment, Food and Rural Affairs (DEFRA) of the UK Government, 2023, were used.

Scope 2

For the calculation of indirect emissions from electricity (Scope 2) we apply the reporting standard of the GHG Protocol, using the methods provided: *market-based* and *location-based*.

The first method, *market-based*, requires determining the GHG emissions deriving from the purchase of electricity, considering the specific emission factors communicated by the suppliers; therefore, the emission factors published by the Association of Issuing Bodies (AIB) “European Residual Mixes” were used, as well as the relative share of N₂O and CH₄ published by the International Energy Agency (IEA). The emission factors were multiplied by the residual mix of the various sources of production of the electricity purchased, net of the portion certified by the Guarantee of Origin.

The second method, *location-based*, involves accounting for emissions from electricity consumption, applying emission factors calculated based on a national energy mix with respect to the country in which the company operates; in fact, the emission factors published by the International Energy Agency (IEA) have been used for individual sites.

Scope 3

For the calculation of Scope 3, the methodologies and the evaluation of the required data are based on the GHG Protocol’s report “Technical Guidance for Calculating Scope 3 Emissions”. The GHG Protocol recommends adopting the Scope 3 GHG emissions calculation methodology that ensures the highest possible accuracy, consistent with the level of detail of the data available. As a result, the following methodological approaches were used for the calculation of scope 3 of the categories:

- “Spend-based” for the calculation of Cat.1, Cat.2 and Cat.6 categories.
- “Direct Use Phase Emission” for the calculation of Cat.11 and Cat.13 categories.

If you have any feedback or questions regarding this Report, please contact the TESYA Group’s communication department: inembro@tesya.com.

GRI Table of Contents

Statement of Use

The TESSA Group reported *in accordance with the GRI Standards* for the period from 01-01-2023 to 31-12-2023

GRI STANDARD 2021	DISCLOSURE	NOTES/OMISSIONS	PAGE NUMBER
GENERAL INFORMATION			
2-1	Organizational details		8-21, 100-101
2-2	Entities included in the organization's sustainability reporting		100-101
2-3	Reporting period, frequency and contact point		100-103
2-4	Restatement of information		102
2-5	External assurance	Since TESSA Group does not have to fulfill any obligations by law, for the current year it has not submitted the document to external assurance.	-
2-6	Activities, value chain and other business relationships		13-21
2-7	Employees		58-66, 110-112
2-8	Workers who are not employees		61
2-9	Governance structure and composition		88-93
2-10	Nomination and selection of the highest governance body		88-93
2-11	Chair of the highest governance body	The Chair of the highest governing body is not also an executive.	90
2-12	Role of the highest governance body in overseeing the management of impacts	With reference to the identification of the current and potential ESG impacts of the TESSA Group, the Group's top executives were involved in the materiality analysis process in order to identify and assess the most significant impacts. Other methods used to assess and manage the Group's impacts include the establishment of reporting mechanisms, as well as the direct involvement of specific stakeholders, both internal and external, in the materiality analysis process. Finally, with a view to continuous improvement, the TESSA Group is committed to identifying and reviewing, on an annual basis, the significant impacts identified.	88-93
2-13	Delegation of responsibility for managing impacts		92-93
2-14	Role of the highest governance body in sustainability reporting		88-93
2-15	Conflicts of interest		94-95

GRI STANDARD 2021	DISCLOSURE	NOTES/OMISSIONS	PAGE NUMBER
2-16	Communication of critical concerns	In addition to what is reported in the reference section, it should be noted that in 2023, no critical issues were communicated to the Highest Governing Body.	97
2-17	Collective knowledge of the highest governance body		88-93
2-18	Evaluation of the performance of the highest governance body	With regard to the evaluation of performance in the control of the management of ESG impacts, there are currently no formal procedures in the Group's Board of Directors. There are self-assessment procedures that result in decisions and/or mandates to the Group's Sustainability Department and/or to the operational managers of the various Group companies.	-
2-19	Remuneration policies		92
2-20	Process to determine remuneration		92
2-21	Annual total compensation ratio	The GRI disclosure is not reported due to confidentiality constraints. Since the Group does not have to fulfil any legal obligations, it has decided not to publish the required information for the current year.	-
2-22	Statement on sustainable development strategy		7
2-23	Policy commitments		22-23, 94-97
2-24	Embedding policy commitments		22-23, 94-97
2-25	Processes to remediate negative impacts		25-33, 94-97
2-26	Mechanisms for seeking advice and raising concerns		94-97
2-27	Compliance with laws and regulations		96
2-28	Membership associations		84-85
2-29	Approach to stakeholder engagement		29
2-30	Collective bargaining agreements		66, 115
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3-1	Process to determine material topics		30-33
3-2	List of material topics		32; 108-109

GRI STANDARD 2021	DISCLOSURE	NOTES/OMISSIONS	PAGE NUMBER
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3-3	Management of material topics		36-49
302-1	Energy consumption within the organization		37-40
302-3	Energy intensity		37
302-4	Reduction of energy consumption		37-40
305-1	Direct (Scope 1) GHG emissions		41-43
305-2	Energy indirect (Scope 2) GHG emissions		41-43
305-3	Other indirect (Scope 3) GHG emissions		43-49
CIRCULAR ECONOMY			
3-3	Management of material topics		50-51
301-1	Materials used by weight or volume		50
POLLUTION			
3-3	Management of material topics		50, 52-55
303-4	Water discharge		52-53
306-5	Waste directed to disposal		54-55
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3-3	Management of material topics		50, 54-55
306-1	Waste generation and significant waste-related impacts		54-55
306-2	Management of significant waste-related impacts		54-55
306-3	Waste generated		54-55
306-4	Waste diverted from disposal		54-55
WATER MANAGEMENT			
3-3	Management of material topics		50, 52-53
303-1	Interactions with water as a shared resource		52-53
303-2	Management of water discharge-related impacts		52-53
303-3	Water withdrawal		52-53
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3-3	Management of material topics		58-66
401-1	New employee hires and employee turnover		65-66, 113-115
405-1	Diversity of governance bodies and employees		60-61, 88, 110-112














GRI STANDARD 2021	DISCLOSURE	NOTES/OMISSIONS	PAGE NUMBER
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201-1	Direct economic value generated and distributed		81-83, 118
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3-3	Management of material topics		67-72
404-1	Average hours of training per year per employee		71, 116-117
EMPLOYEE HEALTH, SAFETY AND WELL-BEING			
3-3	Management of material topics		74-79
403-1	Occupational health and safety management system		74-75
403-2	Hazard identification, risk assessment, and incident investigation		76
403-3	Occupational health services		74-79
403-4	Worker participation, consultation, and communication on occupational health and safety		77
403-5	Worker training on occupational health and safety		77-78
403-6	Promotion of worker health		74-79
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		76
403-9	Work-related injuries		78-79, 117
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3-3	Management of material topics		80-81
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3-3	Management of material topics		94-97
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3-3	Management of material topics		98-99
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		98

Appendix

TESYA Group's 2023 material topics and related impacts

 Positive

 Negative

MATERIAL TOPICS FOR TESYA GROUP	SDG	IMPACT DESCRIPTION	IMPACT
Ethical business conduct, anti-corruption, and regulatory compliance	16 Peace, justice, and strong institutions	<ul style="list-style-type: none"> Inadequate business conduct (e.g., episodes of corruption, illicit conduct) caused by improper application of anti-corruption, ethical, and regulatory compliance principles. Development of a corporate culture based on principles of ethics and integrity. Inadequate whistleblower protection due to improper management of whistleblower reports or issues by stakeholders. Impacts on the economic development of the countries in which the Group operates through transparency and tax integrity. 	<ul style="list-style-type: none">    
	8 Decent work and economic growth	<ul style="list-style-type: none"> Increasing employees' technical/professional skills and improving career opportunities through continuous training, including support from Business Schools and consulting and training companies. 	
	4 Quality education		
	Customer safety and satisfaction	12 Responsible consumption and production	<ul style="list-style-type: none"> Exposure of customers/users to safety risks due to malfunctions of the products offered by the Group. Customer satisfaction through high quality standards of products and services offered as well as continuous engagement and dialogue, incorporating improvement suggestions from customers.
16 Peace, justice, and strong institutions			
Circular economy	12 Responsible consumption and production	<ul style="list-style-type: none"> Support for the circular economy through the promotion of more sustainable business models, such as rental and resale of used items to ensure reuse/higher use of high-carbon footprint assets. Consumption of natural resources due to the lack or partial implementation of recovery, recycling, and/or reuse practices for consumables (e.g., paper), packaging, and spare parts for repairs/maintenance (e.g., filters, pipes, tires). 	<ul style="list-style-type: none">  
Affected communities	1 No poverty	<ul style="list-style-type: none"> Contribution to the economic, social, and cultural development of the community in which the Group operates through collaborations with value chain actors such as academic institutions and industry associations. Creation and distribution of economic value through employees (salaries and benefits for employees) and its value chain (e.g., payments to suppliers, investments in communities, value distributed to public administration). Contribution to the development of local communities in the territories where the company carries out its activities, through sponsorship, volunteering, donations or other forms of charity. 	
	3 Good health and well-being		
	5 Gender equality		
	8 Decent work and economic growth		
Employee recruitment, retention, and engagement	5 Gender equality	<ul style="list-style-type: none"> Lack of competitiveness in talent attraction, resulting in difficulty finding key specialized resources for business development (e.g., STEM, mechanics, technicians). Rigidity and aging of the corporate population due to low turnover, which can translate into low attractiveness to young talents. Creating a stimulating work environment that attracts talent, fosters professional growth, and promotes skills development, including reskilling and upskilling. 	
	8 Decent work and economic growth		
	10 Reduced inequalities		

L E G E N D

■ Social

■ Governance

■ Environmental

MATERIAL TOPICS FOR TESYA GROUP	SDG	IMPACT DESCRIPTION	IMPACT
Employee health, safety, and well-being	3 Good health and well-being	<ul style="list-style-type: none"> Workplace accidents, injuries, and/or the development of work-related ill health. 	⊖
	8 Decent work and economic growth	<ul style="list-style-type: none"> Development of adequate welfare and well-being plans to promote employee well-being, including work-life balance. 	⊕
Climate change	7 Affordable and clean energy	<ul style="list-style-type: none"> Generation of greenhouse gas emissions in the course of the Group's activities (e.g., gas consumption, fuel consumption) and in the value chain. 	⊖
	13 Climate action	<ul style="list-style-type: none"> Failure or reduced purchase/self-production of energy from certified renewable sources and/or delays in energy efficiency projects (e.g., relamping, etc.). 	⊖
		<ul style="list-style-type: none"> Absorption of climate-altering emissions in greater quantities than those generated by the Group's activities and supply chain. Support for the energy transition of the value chain through services such as the design and/or installation of low environmental impact technologies. 	⊕ ⊕
Digitalization and data protection / cybersecurity	16 Peace, justice, and strong institutions	<ul style="list-style-type: none"> Loss of corporate data or sensitive personal information (of employees, customers, suppliers, etc.) resulting from unauthorized or accidental disclosure. 	⊖
Pollution	3 Good health and well-being	<ul style="list-style-type: none"> Release of concerning and/or extremely concerning substances into the air, water, and/or soil connected to business process inefficiencies. 	⊖
	6 Clean water and sanitation		
	12 Responsible consumption and production		
Waste management	12 Responsible consumption and production	<ul style="list-style-type: none"> Inadequate disposal of hazardous waste generated by the Group (e.g., oils, oil filters, etc.). 	⊖
Water management	6 Clean water and sanitation	<ul style="list-style-type: none"> Water withdrawals in water-stressed areas connected to business activities (e.g., washing of machinery), contributing to the depletion of water resources. 	⊖

4.1 Attention to the Group's people

EMPLOYEES BY GENDER AND TYPE OF CONTRACT	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent contract	2,920	446	3,366	2,627	376	3,003	2,452	362	2,814
Fixed-term contract	95	15	110	137	16	153	155	12	167
Contract with non-guaranteed hours	-	-	-	1	-	1	1	-	1
Total	3,015	461	3,476	2,765	392	3,157	2,608	374	2,982
Full-time contract	3,007	443	3,450	2,755	381	3,136	2,598	361	2,959
Part-time contract	8	18	26	10	11	21	10	13	23
Total	3,015	461	3,476	2,765	392	3,157	2,608	374	2,982

EMPLOYEES BY GENDER AND JOB
TITLE (2023 CATEGORIZATION)

2023

	Men	Women	Total
Sr. Managers	91	8	99
Central functions	175	206	381
Specialists	250	33	283
Sales	428	11	439
Technicians	1,467	3	1,470
Sales support	110	76	186
Operation support	494	124	618
Total	3,015	461	3,476
Non-employee workers²²	75	26	101

²² The main categories of non-employee workers are interns, temporary workers, and external consultants.

EMPLOYEES BY GENDER AND JOB TITLE (2022 CATEGORIZATION)

	2022			2021		
	Men	Women	Total	Men	Women	Total
Executives	87	8	95	76	7	83
Managers	192	37	229	186	36	222
Employees	1,045	342	1,387	988	327	1,315
Manual & Technical Operators	1,441	5	1,446	1,358	4	1,362
Total	2,765	392	3,157	2,608	374	2,982
Non-employee workers	38	12	50	26	2	28

EMPLOYEES BY AGE GROUP AND QUALIFICATION (2023 CATEGORIZATION)

	2023			Total
	< 30 years	30-50 years	> 50 years old	
Sr. Managers	-	30	69	99
Central functions	41	234	106	381
Specialists	63	148	72	283
Sales	23	246	170	439
Technicians	305	765	400	1,470
Sales support	19	94	73	186
Operation support	51	365	202	618
Total	502	1,882	1,092	3,476

EMPLOYEES BY AGE GROUP AND QUALIFICATION (2022 CATEGORIZATION)

2022

2021

	< 30 years	30-50 years	> 50 years old	Total	< 30 years	30-50 years	> 50 years old	Total
Executives	1	32	62	95	-	33	50	83
Managers	3	130	96	229	2	138	82	222
Employees	146	836	405	1,387	123	803	389	1,315
Manual and Technical Workers	257	784	405	1,446	201	770	391	1,362
Total	407	1,780	970	3,157	326	1,745	911	2,982

EMPLOYEES WITH DISABILITIES BY AGE

2023

2022

	Number	%	Number	%
under 30 years of age	7	0.2%	4	0.1%
30-50 years	22	0.6%	14	0.4%
over 50 years old	29	0.8%	34	1.1%
Total	58	1.7%	52	1.7%

EMPLOYEES WITH DISABILITIES BY GENDER

2023

2022

	Number	%	Number	%
Men	37	1.1%	37	1.2%
Women	21	0.6%	15	0.5%
Total	58	1.7%	52	1.7%

HIRINGS BY GENDER
AND AGE GROUP

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
under 30 years of age	184	26	210	176	17	193	136	16	152
30-50 years	223	51	274	189	35	224	151	20	171
over 50 years old	35	7	42	31	1	32	39	3	42
Total	442	84	526	396	53	449	326	39	365

TERMINATIONS BY GENDER
AND AGE GROUP

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
under 30 years of age	58	8	66	58	4	62	41	8	49
30-50 years	140	17	157	111	14	125	70	14	84
over 50 years old	64	8	72	78	9	87	57	6	63
Total	262	33	295	247	27	274	168	28	196

TERMINATIONS BY GENDER
AND REASON OF TERMINATION

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Resignation	159	16	175	117	17	134	67	12	79
Retirements	12	1	13	28	5	33	25	5	30
Layoffs	31	5	36	31	2	33	22	4	26
End of contract	60	11	71	71	3	74	54	7	61
Total	262	33	295	247	27	274	168	28	196

HIRING RATE BY AGE GROUP²³ (%)	2023	2022	2021
under 30 years of age	41.8%	6.11%	5.10%
30-50 years	14.6%	7.10%	5.73%
over 50 years old	3.8%	1.01%	1.41%
Total	15.1%	14.22%	12.24%

²³ The hiring rate is derived from the ratio between the number of hires by age group and the total number of employees as at 31.12 for the specific age group.

HIRING RATE BY GENDER²⁴	2023	2022	2021
Men	14.7%	14.32%	12.50%
Women	18.2%	13.52%	10.43%
Total	15.1%	14.22%	12.24%

²⁴ The hiring rate is derived from the ratio between the number of hires by gender and the total number of employees as at 31.12 by gender.

TURNOVER RATE BY AGE GROUP²⁵ (%)	2023	2022	2021
under 30 years of age	13.1%	1.96%	1.64%
30-50 years	8.3%	3.96%	2.82%
over 50 years old	6.6%	2.76%	2.11%
Total	8.5%	8.68%	6.57%

²⁵ The turnover rate is derived from the ratio between the number of terminations by age group and the total number of employees as at 31.12 for the specific age group.

TURNOVER RATE BY GENDER²⁶	2023	2022	2021
Men	8.7%	8.93%	6.44%
Women	7.2%	6.89%	7.49%
Total	8.5%	8.68%	6.57%

²⁶The turnover rate is derived from the ratio between the number of terminations by gender and the total number of employees as at 31.12 by gender.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS	2023	2022
Total number of employees	3,476	3,157
Number of employees covered by collective bargaining agreements	3,216	2,910
Percentage of employees covered by collective bargaining agreements	93%	92%

4.2 Training and talent development

TOTAL HOURS OF TRAINING BY GENDER AND QUALIFICATION (H)

2023

	Men	Women	Total
Sr. Managers	4,592	892	5,484
Central functions	4,038	3,763	7,801
Specialists	13,216	2,159	15,375
Sales	13,221	228	13,449
Technicians	63,233	266	63,499
Sales support	2,727	814	3,541
Operation support	12,842	2,380	15,222
Total	113,869	10,502	124,371

TOTAL HOURS OF TRAINING BY GENDER AND QUALIFICATION (H)

2022

2021

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

AVERAGE HOURS OF TRAINING BY GENDER AND QUALIFICATION (H)

2023

	Men	Women	Total
Sr. Managers	50.46	111.49	55.39
Central functions	23.08	18.27	20.48
Specialists	52.87	65.41	54.33
Sales	30.89	20.70	30.64
Technicians	43.10	88.80	43.20
Sales support	24.79	10.71	19.04
Operation support	26.00	19.19	24.63
Total	37.77	22.78	35.78

**AVERAGE HOURS OF TRAINING BY
GENDER AND QUALIFICATION (H)**

2022

2021

	Men	Women	Average by Qualification	Men	Women	Average by Qualification
Executives	19.56	8.69	18.65	17.49	6.71	16.58
Managers	34.57	54.41	37.78	32.91	31.84	32.74
Employees	28.07	29.56	28.25	24.73	20.63	23.71
Manual and Technical Operators	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

4.3 Employee health, safety and well-being
**WORK-RELATED INJURIES -
NON-EMPLOYEE WORKERS**

2023

	UoM	n.	Rate
Recordable work-related injuries	No.	-	-
Fatalities	No.	-	-
High-consequence work-related injuries (excluding fatalities)	No.	-	-
Work-related injuries that resulted in at least one lost workday	No.	-	-
Hours worked by non-employees	h		148,611

4.4 Affected communities

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED IN THOUSANDS OF EUROS (K€)	2023	2022	2021
Directly generated economic value	1,791,863	1,610,048	1,435,664
Distributed economic value	1,601,609	1,423,760	1,254,204
Operating costs	1,272,305	1,146,650	1,030,016
Employee wages & benefits	234,886	209,802	191,345
Payments to capital providers	60,469	36,964	6,554
Value distributed to public administrations	33,708	30,237	26,115
Investing in communities	241	107	174
Retained economic value	190,254	186,288	181,460

As per GRI 201-1, we specify that the above table includes the following items of the consolidated financial statements of the TESSA Group, prepared in accordance with the regulations of the Italian Civil Code, interpreted and supplemented by the accounting principles and policies developed by the Italian Accounting Body (O.I.C.):

“Directly generated economic value”:

- Production revenues
- C.15) Income from equity investments
- C.16) Other financial income
- C.17.bis) Foreign exchange gains
- D.18) Write-backs to financial assets

“Distributed economic value”

It is determined by adding the underlying items in the table, specifying that the value “Payments to capital suppliers” includes, in addition to item C.17) “interest and other financial charges”, also the amount of dividends distributed to the Parent Company’s shareholders during the period.

“Retained economic value”

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

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