



SUSTAINABILITY REPORT

30 April
2021

SUSTAINABILITY REPORT 2021

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LETTER TO THE STAKEHOLDERS

The year ended 30 April 2021 was strongly characterised by the Covid-19 pandemic and a profound evolution of organisational and socio-economic models, with a growing demand for digitisation.

Defence and protection of the environment and the wellbeing of human resources and stakeholder communities have become central goals for the sustainable and long-term success of every company.

The creation of sustainable value for its stakeholders has always been the Sesa Group's main strategic mission. Sustainability is a permeating element of our corporate vision, from the protection of natural resources to attention to the welfare of employees and the communities in which we operate. We are convinced that only by creating lasting value for all stakeholders can we maximise the long-term value of the shareholders, the welfare of people and communities, environmental protection and economic growth being integral parts of a single ecosystem.

The sustainability report is an important opportunity to show how the Sesa Group operates with its stakeholders, the medium/long-term strategic guidelines adopted by management and, more generally, to fully understand **the drivers of sustainable growth that inspire the management of the Group.**

The year ended 30 April 2021 closed with strong growth in skills and human resources, continuing the path of sustainable development in support of the digital transformation of the main Italian economic and European manufacturing districts.

At 30 April 2021, the Group distributed an economic value of Euro 208.0 million (+47.9% compared to 30 April 2020), Euro 163.0 million of which to human resources and Euro 26.4 million for the benefit of the Public Administration and the community, intensifying initiatives on sustainability-related issues, also including "ESG" (Environmental, Social and Governance) goals among those of a statutory nature and those of all the organisation's key people. In particular, the Shareholders' Meeting held in January 2021 unanimously approved the integration of Article 19 of the Articles of Association, aimed at steering the directors' commitment towards **pursuing success and sustainable growth to the benefit of all Stakeholders.** In the same month the Group began assessing and measuring its ESG impact, aimed at obtaining **B Corp Certification.**

The results of the year, together with the growth of skills, allow the Sesa Group to further consolidate its role as a reference operator in Italy in the field of technological innovation and digital transformation services for the business segment. We worked with a sustainable approach, consistent with the Group's strategic guidelines and a growing focus on the relevant areas of digital transformation, in order to meet the accelerated demand for digitisation. Actions and investments aimed at **strengthening the corporate culture and human capital were intensified,** enhancing diversity, skills and spirit of integration.

Thanks to hiring activities and the contribution of recent acquisitions, the Group reached the threshold of 3,500 resources (3,441 employees of the companies included in the scope of consolidation), an increase of over 37% compared to 30 April 2020. At 30 April 2021, there were more than 400 new hires (200 in the previous year), most of whom were young people from Italian specialisation schools and universities, recruited through **training plans to support the initiatives and business sectors with the greatest innovative content.**

At 30 April 2021, despite the situation caused by the pandemic, more than **26,000 hours of training were provided, with a focus on technological innovation and soft skills,** up 30% compared to 30 April 2020. Welfare initiatives aimed at improving the quality of working life and wellbeing of Group employees were also

further expanded, paying particular attention to issues such as **work life balance, organisational climate and environmental sustainability**.

The strong growth results at 30 April 2021 benefit from the strengthening of long-term investment programmes, which exceeded the Euro 90 million (+40% compared to 30 April 2020) in the year under review alone and focused on three main areas: (i) technological infrastructures and applications to support digital transformation; (ii) development of human capital skills also through corporate acquisitions; (iii) expansion and development of the reception areas of the Group's offices in order to encourage the adoption of **hybrid organisational models** and the return to the performance of activities in person, also in support of collaboration.

During the year, the Sesa group invested in **sustainability and environmental protection** through programmes for the responsible management of natural resources and the development of services and digital technologies enabling energy efficiency and production from renewable sources, in the belief that the future growth of businesses and organisations is increasingly based on digital transformation and orientation towards sustainability. The Sesa Group undertakes to promote, as part of its activities, the rational use of resources and the search for innovative solutions to ensure constant energy savings. In particular, the main goals achieved in the field of environmental protection include obtaining **ISO 14001 certification** for environmental responsibility, confirming **SA 8000 certification** and adherence to the **United Nations Global Compact**, and obtaining the **Corporate Social Responsibility rating issued by Ecovadis**.

Sustainable growth also means contributing to the **development of the social fabric and the communities around us**, in view of the Group's growing role of social responsibility.

We are aware of the importance of rooting in the territory for the benefit of which we have increased tangible support and investment actions, also in light of the emergencies resulting from the pandemic crisis, supporting the hospitals involved in the management of the health emergency and, more recently, in the national vaccination campaign.

The tangible results that we report in this document stem from our **daily commitment to the management of our activities** and are achieved thanks to the professionalism and dedication of the men and women of the Sesa Group, and the solidity of the value system that guides our work, through the Code of Ethics. We sincerely thank all our human resources and stakeholders for their amazing cooperation and fundamental contribution to the growth of the Sesa Group in a year characterised by a significant evolution of the organisation and cooperation models.

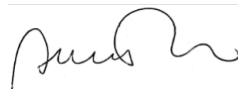
Following the suspension of the dividend last year, decided as a result of the global crisis, we have submitted a proposal to the Shareholders' Meeting to resume the distribution of the dividend, continuing to reinvest most of the profits generated by the Group in support of our future growth and to the benefit of all our stakeholders.



PAOLO CASTELLACCI
Chairman of the BoD




ALESSANDRO FABBRONI
The Chief Executive Officer



METHODOLOGICAL NOTE AND READING GUIDE

This document constitutes the fourth consolidated Non-Financial Statement (also referred to hereinafter as the “Non-Financial Statement” or “Statement”) of the Sesa Group (also referred to hereinafter as the “Group” or “Sesa”) for the financial year ended 30 April 2021. The Sesa Group prepares the Non-Financial Statement on an annual basis. The main aim of the document is to respond to the expectations of stakeholders by highlighting, in a transparent manner and according to internationally recognised guidelines, the work carried out to increase the sustainability of the Sesa Group. The Non-Financial Statement is to be considered as a supplement to and completion of the annual financial report. This document responds to the requirements of **Legislative Decree no. 254 of 30 December 2016** (“Implementation of Directive 2014/95/EU of the European Parliament and Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain undertakings and large groups”), which introduced the obligation for large public interest entities¹ to draw up and publish a “**Non-Financial Statement**”. To this end, the Sesa Group’s report informs its stakeholders of the principles and policies adopted on matters of sustainability, describing the most significant results achieved during the year in terms of social and environmental responsibility and long-term value creation.

It should be noted that the Group has chosen a “**GRI - Referenced**” approach for the preparation of this Statement with respect to the “**GRI Standards**” **international guidelines** issued by the Global Reporting Initiative, updated to the 2019 version. To date, these guidelines represent the most widespread standard recognised at European level for non-financial reporting.

The information was selected on the basis of a “materiality” principle (i.e.: of “relevance”) that identifies details which ensure an understanding of the company’s activities on the non-financial issues indicated in the Decree. The process led to the identification of the areas where the greatest risks and opportunities are concentrated in order to develop the company’s business in a long-term perspective and to create value for all stakeholders. In order to facilitate the reader’s understanding of the report, it contains a correlation table (Chapter 7, Paragraph 2) between the areas referred to in Decree 254/16, the material issues of the Sesa Group, the policies applied, the risks identified and the indicators reported within the NFS (non-financial statement), with notes on the alignment between what is reported and what is referred to in the GRI Guidelines and in the requirements of the Decree.

In order to provide information in line with the needs of its stakeholders, the Sesa Group indicates the main environmental performance ratios,

¹Public interest entities which, at consolidated level, have an average number of employees during the financial year of at least 500 and a balance sheet total greater than Euro 20 million or net revenues from sales and services greater than Euro 40 million.. The status of Public Interest Entity is also granted to companies that apply for admission to trading on the MTA (art. 16, paragraph 1, letter a) of Legislative Decree no. 39/2010.

mainly related to energy consumption and CO2 emissions, in the appropriate section of this document. The Group has also supplemented this information with an assessment of the impact generated with regard to Climate Change, also on the basis of the evolution of the regulations on the subject, with particular reference to the indications of the European Commission (Communication 2019/C 209/01 “*Guidelines on non-financial reporting: Supplement on reporting climate-related information*”). With reference to the company’s operating sector and type of client, the risk related to climate change is low.

² For a list of Group companies consolidated on a line-by-line basis, reference should be made to the Notes to the Consolidated Financial Statements of the Sesa Group.

With regard to the data contained therein, the reporting perimeter is the same as that of the Consolidated Financial Statements of the Sesa² Group (all details are provided in the Correlation Table Chapter 7 Paragraph 2). Any changes in this perimeter are appropriately reported in the document. The tables included in paragraph 4.5.1 Consumption of energy, water and natural gas in the relative tables show data relating to a broader area than in the previous year as a result of the progressive alignment in the reporting area between the Consolidated Financial Statements and the Consolidated Non-Financial Statement. The energy consumption indicator, for the part of energy self-generated by a photovoltaic system (GRI 302-1), includes data from PM Service (an investee at 30 April 2021 and a subsidiary since 1 May 2021); the inclusion of this year’s updated figures is useful to facilitate the comparability of performances in the next reporting period. During the 2021 reporting process, following internal investigations, the decision was made to integrate the figures relating to the amount of “Septic tank sludge” for 2020 and 2019; the updated figures are shown in section 4.5.2 in the table relating to Waste. With reference to the changes in the scope of consolidation during the reporting period considered, relating to corporate acquisitions, we would like to highlight: in the Software & System Integration Sector, Zero12 S.r.l., Infolog S.p.A., SPS S.r.l., Analytics Networks S.r.l., Endurance S.r.l., Nebula S.r.l., 47Deck S.r.l. e Alisei S.r.l., Di.Tech S.p.A., Beenear S.r.l., Skeeller S.r.l., WSS S.r.l., WSS Sagl, Var Next S.r.l., Sinapsi S.r.l., Pragma Progetti S.r.l., Weelgo S.r.l., Mersy S.r.l. and Palitalsoft S.r.l.; in the Value Added Distribution Sector, Clever Consulting S.r.l. and Service Technology S.r.l.; in the Business Services Sector, Elmas S.r.l., Teknikè S.r.l., IFM Infomaster S.p.A. and Digital Storm S.r.l..

The Sesa Group operates on the basis of an internal **Code of Ethics** formalised and adopted by all Group employees with the aim of acknowledging and respecting the personal dignity, privacy and personal rights of all individuals. Please see the document published on the company website in the Governance section (<https://www.sesa.it/governance/modello-231-e-codice-etico/>) for further details.

The document was prepared by the Sustainability Team created to coordinate the monitoring and improvement actions of the overall

sustainability profile of the Sesa Group and consisting of the team leader, some of the main Corporate Governance functions and the Human Resources department. To allow the comparability of data over time, a comparison was made for the financial years ended 30 April 2019, 30 April 2020 and 30 April 2021. The use of estimates has been limited, in order to ensure the reliability of the data, and any estimates are highlighted as such within the document.

This Sesa Group “2021 Sustainability Report” was approved by the Board of Directors of Sesa S.p.A. on 12 July 2021 and, in compliance with the provisions of Legislative Decree 254/2016, submitted for conformity assessment by the independent auditors PricewaterhouseCoopers S.p.A. (“limited assurance engagement” according to the criteria indicated by the ISAE 3000 Revised principle) and published on the institutional website of Sesa S.p.A. www.sesa.it.

Chronologically, the present document was:

- drawn up by Sesa and, specifically, by the relative team, which coordinated and involved the main corporate functions in the data collection, analysis and consolidation phase, with the task of checking and validating all the information contained in the Statement, each for its own area of competence;
- approved by the Board of Directors, convened to approve the draft financial statements. It is the responsibility of Sesa’s Directors to ensure that the Statement is drawn up and published in accordance with current legislation. Once approved by the Board of Directors, within the deadline for the presentation of the draft financial statements, the draft of the Statement was placed at the disposal of the Supervisory Bodies (Board of Statutory Auditors and Independent Auditors);
- audited by the independent auditors, PricewaterhouseCoopers S.p.A.;
- placed at the disposal of the Shareholders and to the public within the same time limits and in the ways envisaged for the presentation of the draft financial statements;
- published and downloadable from the corporate website.

REPORTING PRINCIPLES:

RELEVANCE	The document describes the main economic, social and environmental impacts directly connected with Sesa's activities which are of greater significance for the Group and for the internal and external stakeholders involved in the company's activities.
INCLUSIVENESS	Sesa takes into account the expectations and interests of all those who, for various reasons, contribute to or are influenced by the company's activities. The NFS provides a description of the Group's main stakeholders and the main documentary sources/channels of dialogue through which their interests and expectations are identified.
CONTEXT OF SUSTAINABILITY	The reporting of non-financial results was carried out taking into account the socio-economic context in which the Group operates and the most important issues for the Information and Communication Technology sector, also through the analysis of information on the sustainability of national and international groups in the reference sector or related industries.
COMPLETENESS	The choices made with regard to the issues reported and the perimeter of the Statement allow the stakeholders to formulate a complete opinion on the main economic, social and environmental impacts of the Group.
BALANCE OF POSITIVE AND NEGATIVE ASPECTS	The document presents the Group's main sustainability performances, reporting both aspects in which the Group shows positive results and positive trends, and areas in which margins for further improvement are identified.
COMPARABILITY	The indicators in the document have been chosen to guarantee analysis of the Group's performance over the years. In order to ensure the comparison or contextualisation of information, data referring to the years 2019 and 2020 has been included and appropriately indicated.
ACCURACY	In order to guarantee the homogeneity and accuracy of the information reported, data have been reported using direct surveys, limiting the use of estimates as much as possible. Where estimates have been necessary, they have been appropriately indicated in the text.
PROMPTNESS	Sesa's Non-financial Statement is prepared annually and published during the same presentation period as the Consolidated Financial Statements.
RELIABILITY	All the data and information reported have been validated by the heads of the relevant company departments and are processed on the basis of documentary evidence capable of proving their existence, completeness and accuracy.
CLARITY	Sesa's Non-Financial Statement contains information presented in a manner that is understandable by and accessible to all stakeholders.

01



THE SESA GROUP ESG IDENTITY

- 1.1 Initiatives implemented by the Sesa Group to tackle the pandemic: People first**
- 1.2 Values, Mission, Vision: sustainable growth**
- 1.3 Strategy, materiality and Sustainable Development Goals (SDGs)**
 - 1.3.1 Creating value by involving Stakeholders
 - 1.3.2 Material issues connected to the business activities
 - 1.3.3 Evolution of the sustainability profile
 - 1.3.4 Sustainable development goals

1.1 INITIATIVES IMPLEMENTED BY THE SESA GROUP TO TACKLE THE PANDEMIC: PEOPLE FIRST

2021 has still been significantly impacted by the SARS-Cov-2 pandemic. However, the Sesa Group promptly adopted measures to safeguard the health and safety of its employees and, in line with the provisions made on a case by case basis by the competent Authorities, to guarantee the operation of essential services for its stakeholders. In response to the (complete or partial) lockdown that have progressively affected the whole of Italy, mitigation actions were introduced, including changes in the methods applied to the organisation of work, management and the optimisation of offices and procedures, measures to protect employee health and safety, with the formation of a task force to constantly monitor and deal with the situation as it developed. The reaction implemented and continually refined by Group companies in the face of such a pervasive emergency has been extraordinary, both in terms of the immediate adoption of best practices aimed at ensuring the safety of employees, and of business actions which have mitigated the impact of lockdown measures. The pandemic has also further underlined the growing synergy between Group companies, which have succeeded in managing the emergency, with actions to protect employees or in favour of the community. They were significantly supported in their efforts by the Sesa Foundation, which took on a crucial role in supplying practical help to the territories most affected by the dramatic emergency. Clearly, the pandemic has increased the sense of urgency with regard to consolidating a sustainable strategy that is increasingly effective and aligned with global challenges.

Management and organisation of human resources: From the beginning of the emergency period related to the spread of the virus, the Sesa Group promptly activated a flow of information to its resources, with internal communications and notes relating to operating procedures and the rules of conduct to be observed, as well as specific communications on how to access company offices and the contents and mandatory requirements of the successive Government Decrees. In observance of government regulations, agile working methods were organised and activated during the lockdown, thanks to investments in digital technology and platforms that involved a significant part of the Group's human resources. The detailed communication and organisational activities ensured prompt alignment of the Group's Human Resources with the Covid-19 regulations, as well as the Sesa Group's decisions regarding pandemic containment strategies within its companies, maintaining an adequate level of customer support.

Occupational health and safety procedures: In order to correctly manage the health emergency and implement legal measures, a Sesa Task Force was set up to provide guidance and issue guidelines on health and safety in the workplace.

The Task Force, with the involvement of all the main corporate functions, including the Human Resources and Legal & Compliance Departments, the Medical Officer promptly adopted specific protocols for the correct prevention of contagion. In order to protect the Group's employees, hybrid work organisation measures have been implemented, maximising the safety of employees and providing specific benefits for employees with special needs. Specific information was also prepared for the management of access to company premises by external personnel, along with the mapping of prevention and security measures for customers of Group companies.

Hygiene and sanitary precautions were also strengthened at the branches and central offices; in compliance with the legal obligations on Covid-19 and in line with the safety measures set out in the Sesa Group's Covid-19 Protocol, all the offices of Group companies were equipped with suitable safety devices, such as

signs, differentiated entrances, personal protection equipment (including temperature scanners and thermometers). In compliance with pandemic prevention regulations, the Group's medical officers constantly assessed the clinical conditions of employees in order to identify situations of particular fragility and pathologies.

1.2. VALUES, MISSION, VISION: SUSTAINABLE GROWTH

The conduct of the Group's business and corporate activities is based on the principles of impartiality, integrity, fairness, professionalism, transparency, business continuity, attention to people, responsibility towards the community and environmental protection. These guiding values constitute the shared heritage of the Group's culture and its Code of Ethics, as well as the reference point for conducting business and corporate activities with complete respect for all Sesa stakeholders.

To be at the side of people, companies and communities, sharing their risks and opportunities is an aspiration that has guided the Group since its inception and which guides future choices. In no case may the pursuit of the Group's interest or the belief that one is acting to the advantage or in the interest of the Group justify conduct that is contrary to applicable law or the Code of Ethics or make acceptable.

Vision

The Sesa Group intends to offer technological innovation and digital transformation solutions and services to businesses and organisations, improving their efficiency and sustainability and establishing a relationship based on attention, transparency and generation of lasting value for all its stakeholders, from suppliers to customers, employees and collaborators, and the communities in which the Group operates.

Mission and Sustainability

Sesa also invests and believes in sustainability as a strategic approach to business and a way of collaborating with its stakeholders, as reflected in the Group's mission: "To create sustainable value for its stakeholders in order to support the digital transformation of businesses and organisations, fostering the adoption of sustainable socio-economic models and increasing the competitiveness of partners and business customers"

To concretise its Vision, the Sesa Group develops technological solutions and advanced digital services in partnership with the major international vendors in the sector, aimed at the main Italian economic and European manufacturing districts, supporting customers in the pursuit of technological innovation.

Sesa believes in the need to reconcile economic growth with a balanced generation of value to the benefit of all stakeholders and to protect the environment and social communities in which the Group operates, combining the three fundamental dimensions of sustainable development:



Environmental sustainability: the ability to enhance and defend the environment as a “distinctive element” of the territory, while ensuring the protection and renewal of natural resources and local heritage;



Economic sustainability: ability to progressively generate lasting growth in economic ratios, generating income and employment for the benefit of the community;



Social sustainability: ability to guarantee conditions of human wellbeing (safety, health, education) distributed in a balanced way to stakeholders by generating value for the social communities in which the Group companies operate.

1.3. STRATEGY, MATERIALITY AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In line with the previous Declaration, the Sesa Group has conducted a “**Materiality analysis**” process in order to identify the non-financial issues that are most relevant both from the point of view of the Group’s internal stakeholders and its external stakeholders; the aim is to identify the most important issues, on which attention should be focused, in compliance with GRI Sustainability Reporting Standards (GRI Standards). This activity has allowed us to define the **Materiality matrix**, which identifies the relevant issues considered to be those aspects that can generate significant economic, social and environmental impacts on the Group’s activities and which, by influencing the expectations, decisions and actions of the stakeholders, are perceived by them as relevant.




1.3.1. CREATING VALUE BY INVOLVING STAKEHOLDERS




The systematic involvement of key stakeholders on material issues (i.e.: elements that are significant for both the organisation and the stakeholders themselves) represents the main lever for monitoring and managing the quality of relations and is fundamental in the formulation of the Group’s organisational policies and strategies. It is also crucial to fully understand emerging trends (critical issues and opportunities) in the context in which the organisation exists and operates, and to identify the issues in which to invest as a priority, in response to the expectations of key stakeholders. In particular, the quality of the relationships (relational capital) established with the various stakeholders and the experience (present and past) observed by them, influences the alignment between promises (value proposition), expectations, actions and perceptions. The Group believes that the creation of value must be long-term, to the benefit of all stakeholders, including human resources, the communities in which the Group operates, customers and the environment (key elements for the “creation of shared value”).

To this end, the Group considers as stakeholders all those who have an interest - implicit or explicit - in that they are influenced by its activities. Below we have identified the main categories of stakeholders, internal and external to the Group, considering their degree of proximity, representativeness and authority.

PERSONNEL Collaborators Families Community	CUSTOMERS Business Partners Companies Organisations	COMMUNITY Institutions Media Local communities Associations
FINANCIAL COMMUNITY Shareholders Investors Analysts Proxy advisors	CONTRACTUAL PARTNERS Vendors Suppliers Strategic partners	ENVIRONMENT Ecosystem Working environment Territory

The identification of stakeholders with respect to non-financial issues is an activity that was carried out by Group management, as part of the more general process of sustainability undertaken by the Sesa Group. The table indicated below lists the stakeholders identified and the main listening and comparison channels set up by the Group:

STAKEHOLDER	METHOD OF DIALOGUE
Staff 	Group welfare programmes HR support platforms Work-life balance programmes Initiatives of involvement on ethical and organisational culture issues Skills development and career development programmes Organisational climate enhancement and improvement programmes
Financial Community 	Regular and transparent financial reporting Investor relations platform Best practices in drawing up and publishing reports Shareholders' Meetings Regular meetings with analysts and investors Dedicated bilingual section on the website
Contractual Partners 	Roadshows with sales networks and operators National and local meetings and conventions Workshops Dedicated communication channels (web, mailing, social networks) Qualification and assessment process

Customers	<p>Monitoring of the level of satisfaction</p> <p>Communication channels dedicated to customers (web, mailing)</p> <p>Social networks</p> <p>Newsletters</p>
	
Community	<p>Participation in multi-stakeholder tables</p> <p>Meetings with representatives of institutions and associations</p> <p>Corporate contact points dedicated to relations with the media and institutions (Head of Institutional Relations)</p> <p>Organisation of events</p> <p>Partnerships with local authorities for the organisation of sporting and philanthropic events</p>
	
Environment	<p>Carbon Disclosure Project (CDP)</p> <p>Organisation of events</p> <p>Dedicated communication channels (web, mailing)</p> <p>Workshops</p> <p>Engagement on environmental issues</p> <p>Meetings with stakeholders</p> <p>Sustainability teams</p> <p>ESG rating agencies</p>
	

In the sustainability process undertaken, the activities of involvement and comparison with stakeholders developed in this fourth year of reporting have not led to the identification of particular critical issues.

1.3.2. MATERIAL ISSUES CONNECTED TO THE BUSINESS ACTIVITIES

By analysing materiality, we have identified a number of important issues in relation to which we undertake to develop tangible actions and coherent initiatives. The starting point of the process was the identification of significant trends and issues. The main international sustainability guidelines (ISO 26000, GRI-Standards, Global Compact, the United Nations Sustainable Development Goals and ESG rating agencies) were taken into consideration and a sector and benchmark analysis was carried out, analysing the material issues identified by large groups operating in the IT sector and companies from other sectors with significant experience in IT consulting. This analysis took into account, on the one hand, the Group's strategy, mission and values (which we will highlight in the following chapters) and, on the other, the perception of the importance of the same issues by stakeholders. Significant issues for the Group were identified and validated by key figures in corporate management (corporate figures with guidance responsibilities and operational responsibilities regarding sustainability issues), who were asked to assess the degree of importance of each issue from the point of view of internal and external stakeholders. The result of the analysis process is reflected in the positioning of the issues for which further information will be provided in the rest of the document.

DEFINITION OF THE MATERIALITY MATRIX

DEFINITION OF SIGNIFICANT TRENDS AND TOPICS	
Analysis of significant topic for international standards, rating agencies and international organisations	Sector and benchmark analyses with reference to best practices/peers of the group



DEFINIZIONE DELLA RILEVANZA DEI TEMI IDENTIFICATI	
Analysis of: Code of Ethics; Code of Conduct and internal policies	Assessment of public and media opinions of the Group
Interviews with top management	Involvement of external Stakeholders



INTERNAL MATERIALITY



EXTERNAL MATERIALITY

The materiality analysis consisted of two **separate phases**:





- 1) identification of issues, aimed at identifying potentially relevant non-financial issues with reference to the five areas of Legislative Decree 254/2016 (environment, personnel, respect for human rights, social and the fight against active and passive corruption);
- 2) identification of material issues for Sesa following the analysis of the relevance for stakeholders (external relevance) and for the company (internal relevance).

In particular, the potentially relevant non-financial issues were defined by:

- analysing global sustainability trends: mapping of the main non-financial aspects considered by the main sustainability ratings (DJSI, MSCI, CDP, Ecovadis, ISS, Refinitiv, etc.) and by international organisations (GRI, World Economic Forum, etc.) and governments (EU policies, UN reports, etc.);
- mapping of the non-financial aspects highlighted as relevant for the Information Technology sector, considering publications by international organisations (Robecosam, SASB, etc.);
- an industry benchmark: sustainability reports published by the Group's main competitors were analysed.

To determine external relevance, i.e.: for the Group’s stakeholders, the results of the analyses carried out to identify the issues considered representative of the views of the Group’s main stakeholders were taken into account. In compliance with GRI Standards, the in classifying non-financial issues considered the relevance of their individual impact both within the reporting boundary and externally, i.e.: along Sesa’s value creation chain. Lastly, the relevance of the issues for the Group was intersected with the relevance for the stakeholders in order to identify the material non-financial issues for Sesa.

Below is a list of the material issues identified for the Sesa Group and the relative materiality matrix:

SCOPE OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	KPI
Environmental 	Energy consumptions <hr/> Emissions <hr/> Water consumption <hr/> Waste	Annual consumption in GJ and kWh <hr/> Annual consumption in CO2 <hr/> Annual consumption in litres <hr/> Details by type and weight (Kg)
Social 	Responsible supply chain <hr/> Customer relations <hr/> Relations with local communities	Supplier ratings <hr/> Number of complaints <hr/> Specific communications/initiatives
Personnel Management and Human Rights 	Occupation <hr/> Corporate welfare <hr/> Development of skills and staff training <hr/> Equal opportunities and diversity <hr/> Staff health and safety <hr/> Defence of human rights	Type of contract <hr/> Services offered <hr/> Number and type of training hours <hr/> Gender representation and diversity <hr/> Number and type of incidents <hr/> Sanctions, Whistleblowing
Fight against active and passive corruption 	Ethics, compliance and anti-corruption	Sanctions, Whistleblowing, number of training sessions/hours

EXTERNAL RELEVANCE	HIGH		<ul style="list-style-type: none"> • Staff health and safety • Creation of value for the community • Corporate welfare and occupation • Defence of human rights • Environmental sustainability
		<ul style="list-style-type: none"> • Energy consumption • Responsible supply chain • Transparent relations with customers 	<ul style="list-style-type: none"> • Ethics & Compliance • Development of skills and staff training • Diversity and equal opportunities • Attraction and retention of talents • Data protection and Privacy
	MEDIUM-HIGH	<ul style="list-style-type: none"> • Water consumption • Waste and circular economy 	<ul style="list-style-type: none"> • Anticorruption
		EXTERNAL RELEVANCE	
		MEDIUM-HIGH	HIGH

The following results should be noted in particular:

- among the issues most relevant for both stakeholders and the company we find “Corporate Welfare and Occupation” and “Employee Health and Safety”, consistently with the sector in which Sesa operates and with the importance of know-how and human capital for the business;
- “Ethics & Compliance” and “Data protection and privacy” are among the most relevant issues for Sesa, particularly because of the activity carried out and the importance that these issues have for its long-term success;
- topics related to “Energy consumption”, “Waste” and “Diversity and equal opportunities” are relevant for stakeholders and reflect the growing sensitivity towards these issues at global level.

1.3.3 EVOLUTION OF THE SUSTAINABILITY PROFILE

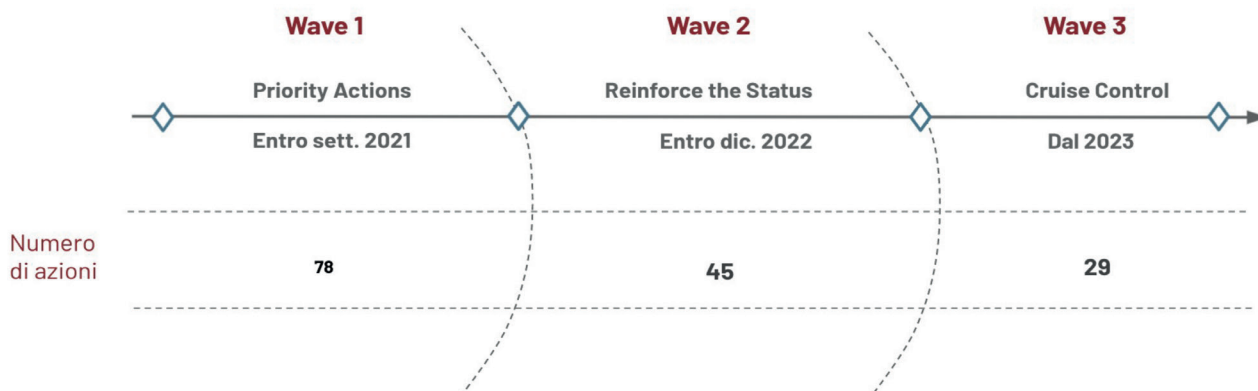
One of the main goals achieved by Sesa during the year was to measure its environmental and social impacts using the **B Impact Assessment (BIA)**. The BIA is an online tool available all over the world, developed by the non-profit organisation B Lab (based in Wayne, Pennsylvania, which created and promotes B Corporation certification). This tool is recognised as the most solid and robust in the world for measuring the value generated by a company, considering not only economic but also environmental and social aspects. If a given company, measuring all its economic, environmental and social impacts using the BIA protocol, exceeds a threshold of excellence of 80 points (on a scale of 0 to 200) verified by the B Lab Standards Trust, then it is entitled to B Corp certification and can consider itself a regenerative company. Five macro-areas are assessed within each organisation by the B Impact Assessment.



In December 2020, Sesa set up a **Sustainability Team** to take care of sustainability aspects by monitoring and coordinating proposals for actions to reduce the environmental and social impacts related to the activities carried out by the Group. Among the main activities carried out by the Sustainability Team, those related to the following areas can be identified:

- Monitoring and improving the environmental management system: identification, assessment and management of environmental aspects with a view to risk assessment and management;
- Monitoring governance and transparency in supply chain management;
- Communication to ESG rating companies and to the internal organisation to raise awareness of sustainability issues;
- Drafting of sustainability reports, management of web pages and social channels dedicated to sustainability.

The measurement of environmental and social impact is a starting point for the gradual improvement of corporate sustainability performance, divided into actions to be carried out in the short, medium and long term with the aim of exceeding the eligibility threshold required to obtain B Corp certification. The plan envisages economic investments and in terms of the commitment of human resources to the various aspects covered by the B Impact assessment in the various areas of reference.



Sustainability programme goals for 30 April 2022³

- **Production and use of low-impact renewable energy and possible offsetting of emissions** through carbon credits by 31 December 2021;
- Establishment of a **Sustainability Committee** responsible for supporting the Board of Directors in its assessments and decisions related to the growth of the sustainability profile of the Sesa Group. The Sustainability Committee will be established with the new three-year term of office of the Board of Directors of Sesa, for the years ending 30 April 2022-2024, and will include at least one external member with expertise in Corporate Social Responsibility;
- **Attain ISO 14001 Certification**, a goal already achieved by Sesa in May 2021;
- Attain the main **Quality and CSR Certifications** (ISO14001, ISO 9001, SA800, etc.) for the group companies, allowing coverage of at least 80% of the Group metrics on **30 April 2022**;
- Include **sustainability programmes in the training** of key figures and the majority of employees **by 30 April 2022**;
- Include **sustainability goals in the directors' mandate** (achieved in January 2021 with the Extraordinary Shareholders' Meeting of Sesa) and in the goals of the Group's key people (set to be achieved by 30 April 2022);
- Establish **performance targets with respect to materiality assessments**, with assessment by the Sustainability Committee, and create processes for the regular review of the materiality assessment;
- Launch **monitoring processes for the Group's supply chain** based on quality certification and qualification criteria;
- **Define quantitative targets** at Group level for reducing energy and water consumption, waste generation and greenhouse gas emissions, and publish annual progress in the Group Sustainability Report.

1.3.4. SUSTAINABLE DEVELOPMENT GOALS

Sustainability is an essential reference value in Sesa's strategy. Consequently, the Group's activities are reported in this Non-Financial Statement referring also to the sustainability goals indicated in the UN "2030 Agenda". This section describes the Group's main key issues, which are discussed in greater detail later on in this document, in their respective chapters. Furthermore, in determining its sustainability strategy, Sesa considers the targets identified with respect to the achievement of the 17 SDGs (Sustainable Development Goals) of the UN 2030 Agenda, to define the company's strategic priorities, on which to develop policies, goals and actions to create value.

³ Illustrative and non-comprehensive list

The UN 2030 Agenda:

In 2015, the United Nations approved the Global Agenda for Sustainable Development, containing 17 goals (**Sustainable Development Goals - SDGs**) to be achieved by 2030.



WE SUPPORT

Aware of its social role, Sesa has embarked on a path aimed at guiding the organisation and its business activities in the direction outlined by the 17 SDGs (United Nations Sustainable Development Goals), while contributing to the affirmation of the 10 principles of the **Global Compact**, of which it has become a *Participant*.

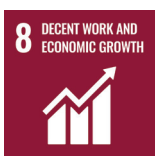


In support of its adhesion to the UN Global Compact, a specific study was carried out on the interrelation between material aspects and Sustainable Development Goals (SDGs). The Group’s sustainable strategy focuses on the following five goals.



Achieve gender equality and empower all women and girls

This is the Goal of operational and social efficiency through equal opportunities, female empowerment and inclusiveness for social and economic development. **What Sesa intends to do:** strengthen its Group procedures and structures to contribute to an organisational climate in which women and men have equal opportunities to be successful and can contribute equally to the economic and social growth of Sesa. The main goals are to prevent any form of gender-based violence, to close the gender gap in the labour market, to achieve full equality in participation in the different sectors of activity, to address and mitigate the pay gap where it exists, to close the gap and achieve gender balance in decision-making.



Encourage lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all

This is the Goal that sums up the meaning of sustainable business. Economic productivity through diversification, technological upgrading and innovation. Efficiency of financial, human and natural resources. Human and labour rights, decent, safe and secure working environments, social and professional growth. **What Sesa intends to do:** support economic growth by creating jobs with fair remuneration that allow the employees of the Sesa Group to live in a satisfactory way and in compliance with work-life balance criteria. Improve the well-being of people, businesses and organisations through technological innovation and digital transformation. Promote development-oriented policies that support productive activities. Protect the right to work and promote a healthy working environment with maximum security for all employees.



Take urgent measures to combat climate change and its consequences

This is the Goal of combating climate change, the primary global emergency. Monitoring, mitigation and adaptation for resilient value chains. **What Sesa intends to do:** incorporate climate change measures into policies, strategies and planning. Make stakeholders aware of climate change issues. Promote technologies to increase the effective capacity to plan and manage interventions related to climate change and environmental management, encouraging the conservation of natural resources and the use of green energy sources.



Promote peaceful and more inclusive societies for sustainable development; provide access to justice for all and create effective, accountable and inclusive bodies at all levels

This is the Goal of business integrity and sustainable governance. Promoting and respecting laws, standards and governance principles, both external and internal, and adopting virtuous practices in internal relations and with all stakeholders, business or non-business. **What Sesa intends to do:** support initiatives aimed at combating abuse and exploitation, guarantee public access to information, in compliance with national legislation and international agreements, promote and enforce non-discriminatory laws.



Strengthen the means of implementation and renew the global partnership for sustainable development

This is the Goal of sharing efforts towards sustainability through partnerships and investments aimed at creating shared value. **What Sesa intends to do:** define and strengthen partnerships and alliances for sustainable development with companies, trade associations and universities.

Sustainability as a value and as a strategic driver: Sustainability is a value for Sesa as well as a strategic driver. A value because, based on the principles of corporate social responsibility, the company intends to contribute to environmental protection and social progress. But also a strategic choice, because innovating business models, improving efficiency in the use of resources and reducing environmental impacts, is crucial to economic competitiveness and productivity. Sesa has progressively focused its energies and commitment to improve its sustainability profile. Thanks to a process of continuous and proactive involvement of management, employees, the sustainability team and also analysts and institutional stakeholders, Sesa has explored ESG issues and identified the priorities for the years to come.

In order for them to be an important strategic and operational lever, Sesa has decided to link the remuneration of management and the disbursement of related variable compensation to their achievement. Launched in compliance with the amendments to the Articles of Association resolved at the Shareholders' Meeting held on 27 January 2021, aimed at guiding the Directors' commitment to pursuing success and sustainable growth, this important path of promotion and focus on sustainability-related issues aims to include the key drivers of the factors for the variable components of remuneration, with an incidence of non-financial parameters to an extent of at least 50% (until today no correlation between ESG key drivers and remuneration was envisaged).

In line with this generation of shared value, Sesa continues to promote responsible business practices at all levels and in all business processes. Examples include the renewal for 2021 of Sesa's participation in the **United Nations Global Compact**, in which the company has taken on the role of *Participant*. By joining the UNGC, Sesa confirms the formal and substantial commitment to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in the integrity of the business, in all its aspects.

02



ESG GOVERNANCE

- 2.1 Overview and governance of sustainability
- 2.2 Group Certifications
- 2.3 Business lines in support of sustainability
- 2.4 The Group's fiscal strategy
- 2.5 Data protection and Cyber Security

2.1. OVERVIEW AND GOVERNANCE OF SUSTAINABILITY

Sesa S.p.A., based in Empoli (FI), operating throughout Italy and present in some foreign countries including Germany, Switzerland, Austria, France, Spain, Romania and China, is at the head of a Group that is the reference operator in Italy in the field of technological innovation and digital services for the business segment, with consolidated revenues of approximately Euro 2,035 million and 3,500 employees at 30 April 2021. The Sesa Group's mission is to offer technology solutions and digital transformation services to companies and organisations, supporting them in their pursuit of innovation. Thanks to the skills and specialisation of its human resources, the Sesa Group operates in value-added segments of Information Technology, such as Collaboration, Cloud, Digital manufacturing, ERP & Vertical Solutions, Business Services, Digital Security, Customer Experience.

The Sesa Group operates through four main business sectors.



Through its **Corporate division**, the Sesa Group performs activities related to the strategic governance and management of the Group's operating machinery and financial platform, centralised within the parent company Sesa S.p.A.. For the main operating companies of the group in particular, the Administration, Finance and Audit, Human Resources, Organisation, Information Technology, Investor Relations, Corporate Affairs and Governance, Legal and Internal Audit functions are managed by the parent company, Sesa S.p.A.. The supply of logistics services applied to ICT is managed for the main operating companies by the wholly owned subsidiary ICT Logistica S.r.l.. Marketing services in support of the ICT Channel are supplied by Idea Point S.r.l..

Through the **Value Added Distribution (VAD) Sector** Sesa is leader in Italy includes activities related to the Value Added Distribution of technological innovation solutions, with focus on the Data Centre, Enterprise Software, Networking and Collaboration, Security and Cloud Computing segments. Computer Gross S.p.A., which coordinates the VAD Sector, is the reference operator in Italy in offering technological innovation solutions to a customer set of over 15,000 business partners active throughout the country. Thanks to strategic partnerships with leading vendors in the industry, the focus on value-added business lines (Data

Center, Software, Networking, Device, Cloud, Security) and the territorial coverage guaranteed by 15 B2B stores in major Italian cities, Computer Gross has a unique competitive position thanks to which it is able to constantly outperform the market and grow in terms of turnover year after year.

The Sesa Group offers Technological Innovation solutions and Digital Transformation services for the SME and Enterprise segments through the Software & System Integration Sector (SSI). Var Group S.p.A., a wholly owned subsidiary of Sesa, is a reference operator in the digitalisation offer for SME and Enterprise segments with an integrated offer in the following areas: Managed infrastructure services, Digital Security, Digital Cloud, Digital Engineering, Customer Experience, ERP & Industry Solutions and Data Science.

The **Business Services Sector (BS)** supplies business process outsourcing, security and digital transformation services for the Finance and Large Account segments, through Base Digitale S.p.A..

As Parent Company, Sesa requires all the Group companies to observe the principles of ethics, integrity and transparency; the main Group companies adopt the Parent Company's Code of Ethics, aligning their behaviour with it in compliance with the law and all applicable regulations.

Until the approval of the financial statements at 30 April 2021, Sesa adopts the **traditional governance** model, which provides for the appointment of a Board of Directors and a Board of Statutory Auditors by the Shareholders' Meeting.

- The **Shareholders' Meeting** is the body that forms and expresses the company's will, subsequently implemented by the Board of Directors. It is made up of Sesa's shareholders, who periodically meet to pass resolutions in the manner and on matters defined by the law and the Company's Articles of Association. The most important tasks of the Shareholders' Meeting include the choice of the members of the Board of Directors and the Board of Statutory Auditors, as well as the approval of the Financial Statements.
- The Board of Directors carries out the strategic supervision of the Group and verifies its implementation. Chaired by Paolo Castellacci, it is made up of eight members (whose number is determined by the Shareholders' Meeting on the basis of the provisions of the Articles of Association): four directors are executive and four directors, two of whom independent, are non-executive. The Board of Directors is also responsible for defining the Code of Ethics, the values and the preparation of this Non-Financial Statement, which illustrates the policies, risks and performance relating to environmental, personnel, social, human rights and anti-corruption issues. The composition of the Board of Directors complies with the regulations in force at any given time concerning the balance between genders (out of a total of eight members there are three women, two of whom are independent), and the average age of the members of the Board is 54. In line with best practice, the role of Chairman of the Board of Directors is separate from that of Managing Director;
- The Managing Director, in the person of Alessandro Fabbroni, is in charge, together with the Executive Deputy Chairmen, of corporate management and the implementation of strategic policies.
- Lastly, the Board of Statutory Auditors monitors compliance with the provisions of law, regulations and the articles of association, compliance with the principles of correct administration, the adequacy of the organisational and accounting structures, and the functionality of the overall system of internal audits. The Board of Statutory Auditors is made up of three standing and two alternate auditors, all of whom are independent.
- The Independent Auditor, an external entity responsible for the statutory audit of the accounts, is se-

lected by the Shareholders' Meeting. For the financial years 2014 to 2022, this role has been assigned to the independent auditor PricewaterhouseCoopers S.p.A..

Within the board, Sesa has also set up three **internal committees**: Remuneration, Audit and Risks, Strategic Affairs. The three committees within the Board of Directors are set up in compliance with the recommendations of the Corporate Governance Code and the Bank of Italy's Corporate Governance Measures.

The Remuneration Committee is a proactive advisory body with the main task of making proposals to the Board of Directors for the definition of the remuneration policy for Directors and executives with strategic responsibilities. In addition to the that envisaged by the Remuneration Policy, the Remuneration Committee is entrusted with the tasks pursuant to the principles and to recommendation no. 25 of the Corporate Governance Code and, in particular:

- helping the Board of Directors define the remuneration policy;
- regularly assessing the adequacy and overall consistency of the policy for the remuneration of directors and executives with strategic responsibilities;
- presenting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular offices, as well as on the setting of performance targets related to the variable component of such remuneration;
- monitoring the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance targets.

The **Audit and Risks Committee** is a body with consultative and propositional functions which has the task of supporting, with an adequate preliminary activity, the assessments and decisions of the Board of Directors relating to the internal audit and risk management system, as well as those relating to the approval of the periodic financial reports.

The **Strategic Committee** is a consultative body that supplies non-binding opinions to the Board of Directors concerning: (i) market analyses and strategic scenarios for the development of the Group's business; (ii) the preparation of the Group's industrial plans; and (iii) transactions/initiatives with significant strategic content for the Group, such as assessments for entering new markets, both at geographical and business level, and high-profile joint ventures with industrial groups.

The composition of the management and audit bodies of Sesa S.p.A. is in compliance with the applicable laws, with specific reference to the appropriate division between genders.

For information and in-depth analysis of the structure and functioning of the corporate bodies, the governance practices applied, and the activities of the internal committees, reference should be made to the "Report on corporate governance and ownership structures" pursuant to art. 123-bis of the Consolidated Law on Finance.. The above-mentioned Report is published together with the Financial Statements and the Consolidated Sustainability Report on the same date on the website www.sesa.it, in the Corporate Governance section.

2.2. GROUP CERTIFICATIONS

Sesa operates in compliance with the following international reference standards:

- UNI EN ISO 9001:2015 for quality;
- UNI EN ISO 14001:2015 for the environment;
- ISO 27001:2017 for the security of information;
- ISO 45001:2018 for occupational health and safety (formerly OHSAS 18001:2007);
- SA8000:2014 for social responsibility.



QUALITY CERTIFICATION: ISO 9001

ISO 9001 is the internationally recognised reference standard for quality management. The primary aim of ISO 9001 is the continuous improvement of company performance, guaranteeing the quality of goods and services to customers. **Certified companies:** Computer Gross S.p.A., Var Group S.p.A., Base Digitale S.p.A., ABS Technology S.p.A., Elmas S.r.l., 47Deck S.r.l., Apra S.p.A., East Services S.r.l., ICT Logistica S.r.l., MF Services S.r.l., Sirio Nord S.r.l., Var Bms S.p.A., Var Engineering S.r.l., Var Service S.r.l., WSS Italia S.r.l., Yarix S.r.l.



ENVIRONMENTAL CERTIFICATION: ISO 14001

ISO 14001 specifies the requirements for a correct and effective environmental management system. It guarantees the company's commitment to comply with environmental legislation, reducing environmental impact and improving environmental performance. Certified companies: Sesa S.p.A., Elmas S.r.l.



CERTIFICATION OF THE SECURITY OF INFORMATION: ISO 27001

ISO 27001 is the international standard that describes the best practices for an Information Security Management System. The standard's main goal is to guarantee the protection of data and information from threats of all kinds, in order to ensure its integrity, confidentiality and availability, and to provide the requirements for implementing an Information Security Management System suitable for the proper management of business-critical data. Certified companies: Computer Gross S.p.A., Var Group S.p.A., ABS Technology S.p.A., Elmas S.r.l., Kleis S.r.l., WSS Italia S.r.l., Yarix S.r.l.



SOCIAL RESPONSIBILITY: SA8000

SA 8000 is a management model that aims to empower and protect employees working within the organisation that adopts it. The standard aims to: improve staff conditions; promote ethical and fair treatment of staff; incorporate international human rights conventions. It defines the voluntary requirements that employers must comply with in the workplace, including employees' rights, workplace conditions and management systems. Certified companies: Sesa S.p.A, which centralises the management of human resources for all the main companies in the Group.



OCCUPATIONAL HEALTH AND SAFETY CERTIFICATION ISO 45001 (formerly OHSAS 18001)

ISO 45001 (which replaces OHSAS 18001) establishes a framework for improving safety, reducing occupational risks and boosting employee health and well-being, enabling every organisation that chooses to certify its management system under accreditation to increase its health and safety performance. **Certified companies:** ABS Technology S.p.A., Elmas S.r.l., ICT Logistica S.r.l.



ADHESION TO THE UNITED NATIONS GLOBAL COMPACT

Adhesion to the UN Global Compact offers a number of opportunities: adoption of a stable and globally recognised working framework for the development, implementation and reporting of environmental, social and governance policies and practices; sharing of best practices to develop tangible strategies and solutions to address common challenges; promotion of sustainability solutions in partnership with a broad representation of stakeholders; acquisition of specific know-how; improvement of corporate reputation and increased confidence in the company; networking with other organisations. **Certified companies:** Sesa S.p.A., Var Group S.p.A.

The Group has also prepared the plan of activities to obtain the following certifications by 2022: extension of ISO 14001:2015 certification to Computer Gross, Var Group and Base Digitale; adhesion of Computer Gross S.p.A. to the United Nations Global Compact.

Corporate Responsibility Awards:



**INTEGRATED
GOVERNANCE
INDEX 2021**

Integrated Governance Index (IGI):

the results of the 2020 Integrated Governance Index (IGI) developed by **ETica-News** were published at the ESG Business Conference⁴. Sesa was included in the list of the best companies of the panel, made up of the top 100 listed companies and the top 50 unlisted and industrial companies. The IGI is a quantitative index that concisely expresses the positioning of companies in relation to key aspects of sustainability.

This result represents an important recognition of Sesa's constant commitment to sustainability, achieved thanks to an integrated perspective adopted by the whole Group.

Leader of Sustainability 2021:

growing attention to a more efficient use of resources and to the energy transition towards less polluting sources prompted Sole 24 Ore and Statista, an international leader in the analysis of market data and trends, to launch the Leader of Sustainability 2021 initiative⁵. The survey examined 1,200 large companies based in Italy on the basis of their published sustainability reports and financial statements, and analysed the economic, environmental and social dimensions of Corporate Social Responsibility. The survey ended with the selection of the 150 companies considered most sustainable, which included Sesa.

⁴ <https://www.esgbusiness.it/>

⁵ <https://lab24.ilsole24ore.com/leader-della-sostenibilita-2021/>

2.3. BUSINESS LINES IN SUPPORT OF SUSTAINABILITY

With particular reference to the VAD and SSI sectors, the Sesa Group has recently launched lines of business dedicated to offering technologies and services in support of environmental sustainability, with an expected turnover of more than Euro 50 million and a set of about 1,000 customers at April 30, 2022, with prospects for further growth. Sesa intends to further expand the scope of activities to sectors where digital technologies converge with those of energy efficiency and sustainability, also through corporate acquisitions. Details of some of the main Group companies operating in technologies for environmental sustainability and energy efficiency, making a proactive contribution to the protection of the environment, are shown below.

- **VAD sector through the subsidiary Service Technology S.r.l.**

Computer Gross operates in the Green IT sector through its subsidiary Service Technology S.r.l. (which joined the Sesa Group in June 2020), offering management and reconditioning services for IT products, carrying out regeneration and refurbishment activities for technology parks that have reached the end of their life cycle, thereby pursuing the sustainability of the infrastructure supply chain. In an IT market characterised by rapid product obsolescence, the proper management of the life cycle of technological infrastructures, extending their lifespan, is an excellent example of circular economy. In 2021, the company **treated and reconditioned 30,000 personal computers representing approximately 60 tonnes of hardware, with a CO2 saving of 3.2 tonnes, equivalent to 116 trees.**

- **VAD sector through the investee PM Service S.r.l.**

In 2020, Computer Gross entered into a partnership agreement, through its investee PM Service S.r.l., to launch the business of innovative technologies for environmental sustainability and energy efficiency. PM Service S.r.l., PM Service S.r.l., which became a Group company in May 2021, has been operating for over 20 years, offering technological solutions for energy saving, e-mobility and sustainability, through partnerships with leading international vendors. PM Service's range of digital services and solutions will enable it to support businesses and organisations in their efforts to improve overall eco-sustainability, creating an Italian centre of excellence in the Digital Green sector. PM Service also has its own photovoltaic plants with a total rated power of about 2 MW. Since the date of incorporation, **the company has supplied: 3.5 GW of inverters** (120 MW of which in May 2020-April 2021); **850 MW of photovoltaic modules** (50 MW of which in May 2020-April 2021); **5 MWh of storage systems** (2.5 MWh of which in May 2020-April 2021).

⁶ In August 2020, Sesa acquired a 19% stake in PM Service. In May 2021, Sesa acquired control of the company (inclusion within the scope of reporting from 1 May 2021).

- **SSI sector through the subsidiary Var Industries S.r.l.**

During the year, Var Group strengthened its orientation towards sustainability through its subsidiary Var Industries dedicated to the digitisation of Industry 4.0 and the IoT, promoting the optimisation of production processes through advanced eco-digital solutions to support Italian manufacturing. It is important to note the recent acquisition of a stake in Amaeco S.r.l., a company active in consultancy and IoT solutions for energy efficiency management (the services offered include the creation of energy communities and carbon footprint measurement and energy monitoring services). The stake in Amaeco further enhances the Group's green heart. In the last year, Amaeco's customers have achieved significant results in terms of efficiency, reducing consumption and environmental impact. The average saving without the need for structural investment is between 10 and 25%. Detail of the benefits produced: **Emissions saved: 17,140 tonnes of CO₂** equivalent to 832,000 trees; **10.6 GWh of energy saved** equivalent to 7600 Tons of Oil Equivalent (TOE).

2.4. THE GROUP'S FISCAL STRATEGY

Sesa adopts the respect of the principle of legality and of the legislation in force in Italy and in the international contexts in which it operates as an essential value of its activities. Moreover, the Organisational, Management and Audit Model incorporates details of tax offences, subject to the control of the Supervisory Body. The updated risk assessment did not reveal any significant aspects in this area. Nevertheless, given the geography of the Group, 98% of taxes are paid to Italian national institutions. Confirming the overall effectiveness of the integrity and compliance measures adopted by Sesa and its subsidiaries, at 30 April 2021 **there had been no episodes of corruption, conduct in breach of the law on competition or other applicable socio-economic and environmental regulations, nor had the Supervisory Body of Sesa received reports of alleged unlawful conduct or conduct contrary to the provisions of the Code of Ethics.**

Sesa observes, in form and substance, all the provisions contained in laws, regulations and best practices, both at domestic and international level, through mechanisms of cooperation and transparency with the tax authorities of the countries in which it operates. In this sense, Sesa's goal evolves in two directions: (i) payment of all taxes due as well as the prompt and complete fulfilment of all obligations required by tax regulations; (ii) respect of international treaties on double taxation and application of any beneficial tax provisions in full compliance with all regulations in the jurisdictions concerned. We would like to point out that the risk of double taxation is marginal and, with a residual percentage of foreign taxes (2%), does not represent a significant aspect of the contribution.

In view of the goals described above, the Group's tax strategy is based on the following principles:

- **Compliance** – observance of tax laws, regulations and circulars issued by the Tax Authorities;
- **Legality** – compliance by all Group companies with tax obligations and payment of taxes;
- **Sustainability** – efficient, effective and sustainable management of the tax variable in order to support Sesa's business and the other aspects of the company's operations;
- **Fairness** – diligent exercise of professional judgement in order to ensure that decisions made on tax matters are in line with national and international best practices, properly analysed and adequately documented;

- **Trust and Transparency** – a positive and transparent approach to the tax authorities in order to develop and sustain fair and honest relationships.

Tax reporting: At 30 April 2021, Sesa recognised taxes of **Euro 20,040 thousand. 100% of the taxes recognised are located in the EMEA** (Europe, the Middle East and Africa) area, as follows: Euro 23,651 thousand in Italy (98.4%), Euro 295 thousand in Germany (1.22%), Euro 48 thousand in Switzerland (0.2%) and Euro 46 thousand in Romania (0.18%).

2.5. DATA PROTECTION AND CYBER SECURITY

Creating value for stakeholders also means protecting the information of all stakeholders and adopting operating methods that preserve and enhance the value of information. In a rapidly evolving world where information is increasingly valuable and there is a growing connection between networks, systems and applications, it is increasingly complex to manage and protect information while ensuring regulatory compliance. This increased complexity - combined with the growth and evolution of cyber threats - exposes companies to new types of risk, the damaging effects of which can have serious repercussions in terms of economic, legal, reputation, compliance or competitive advantage due to loss of information, intellectual property or disruption of business.

That said, the Sesa Group, operating in the field of value-added technology solutions for the business segment, has identified the protection of personal data and information security as a primary field of its interest both in terms of business development and as a condition of proper internal management. Sesa S.p.A. supplies administrative and consulting services to Group companies, centralising the main processes in the fields of accounting, finance, corporate, legal, compliance and human resources, with positive returns in terms of efficiency and consistency of approach and process. The Group operates on the basis of consolidated data security management procedures, founded on industry best practices and in line with the international standard ISO 27001 on information security.

Sesa has adopted and maintains a specific procedure for the proper and adequate management of incidents and data breaches, and has established and developed its own operational strategy to restore business continuity in the case of disruptive events, relating to both IT systems and corporate activities as a whole. The implementation of specific Business Continuity and Disaster Recovery plans ensures safe and effective data management even in the case of accidents or other extraordinary events that may directly affect the security of data and information, in full compliance with the requirements of General Data Protection Regulation no. 2016/679 (GDPR) and the Italian Data Protection Authority, as well as the commitments undertaken with Data Controllers, and generally in observance of stakeholders' rights.

The Group also pays particular attention to staff training in the processing of personal data, using e-learning methods. At 30 April 2021, 1,811 hours of **specific training had been provided on the topics in question** (Privacy, GDPR and Cyber Security).

In order to comply with regulatory provisions on privacy and the security of sensitive data, the Group has defined its own personal data protection model. Thanks to this model, the Group aims to ensure respect for the rights of those affected by the processing, fulfil obligations, prevent possible violations by monitoring and controlling all obligations and implementing appropriate security measures. At 30 April 2021, **the Group companies had not received any complaints or reports of breaches of customer privacy, nor had they suffered any loss or leakage of data.**

03

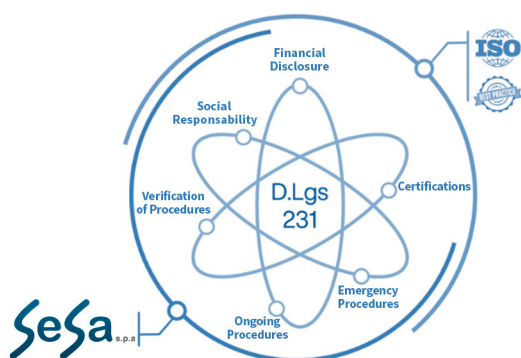


RESPONSIBLE BUSINESS MANAGEMENT ETHICS, COMPLIANCE AND RISK MANAGEMENT

- 3.1 Corporate organisation, management and audit model pursuant to Legislative Decree 231/01**
- 3.2 Compliance and the fight against corruption**
- 3.3 The Internal Audit and Risk Management System**
 - 3.3.1 Mitigation matrix
 - 3.3.2 Risk Management

3.1. CORPORATE ORGANISATION, MANAGEMENT AND AUDIT MODEL PURSUANT TO LEGISLATIVE DECREE 231/01

The evolution of the Sesa Group’s business and governance dynamics has required a progressive strengthening and greater integration of the components of its internal audit system; this evolution has also regarded the mechanisms for implementing Legislative Decree 231 of 8 June 2001 (hereinafter “Legislative Decree 231\2001”). Legislative Decree 231/2001 envisages that the Company may adopt an organisational, management and audit model suitable for preventing the offences envisaged by the above legislation (referred to hereinafter as “Model 231”). In implementation of the provisions of Legislative Decree 231/2001 and in compliance with the provisions of the Articles of Association, the Board of Directors has appointed a **Supervisory Board** (“SB”), entrusted with the task of supervising the implementation of and compliance with Model 231 and ensuring that it is updated. The SB supervises the implementation of and compliance with Model 231 and monitors and assesses the state of implementation of the preventive measures, reporting regularly to the Board of Directors and the Board of Statutory Auditors.



In compliance with the principles of Legislative Decree 231/2001, the Group’s Model 231 envisages a channel for reporting breaches, also in anonymous form (**Whistleblowing**), protecting the authors of reports from any form of retaliation, discrimination or penalisation or any consequence thereof, ensuring the confidentiality of their identity.

The adoption of the Model, besides representing a deterrent to the carrying out of any illegal activities, intends to support a culture oriented towards correctness and transparency in the conduct of business.

An integral part of Model 231 is the Group’s **Code of Ethics**, which describes a set of values and principles of conduct which the Directors, Statutory Auditors, Management and human resources of Sesa and its subsidiaries, as well as all those who work for it, are inspired by and conform to in the pursuit of corporate goals. To date, all major Group companies have adopted their own Model 231 and implemented the Group’s Code of Ethics.

The Model also represents the connection between the various areas of the **Internal Audit and Risk Management System** (IARMS) adopted by the main Group companies. The IARMS is defined as the set of rules, procedures and organisational mechanisms implemented by top management for the identification, measurement, management and monitoring of the company’s main risks.

3.2. COMPLIANCE AND THE FIGHT AGAINST CORRUPTION

Code of Ethics

In 2012, Sesa adopted its own Code of Ethics for the first time. This has now been extended to and implemented by all the Group companies. The **Group Code of Ethics** sets out the following values and principles, respect for which represents an essential and indispensable element for guiding the company’s activities:

- **Unbiasedness:** repudiation of any discrimination in decisions affecting relations with stakeholders (choice of customers, relations with shareholders, personnel management and work organisation, selection and management of suppliers and partners in general, relations with the local community and the institutions representing it);
- **Integrity:** consistency of conduct and rejection of all forms of corruption in the management of relations with all Group stakeholders;
- **Correctness:** honesty and loyalty, compliance with company regulations and legal provisions, clarity and transparency; In no case may the pursuit of Sesa's interest justify conduct in breach of the law and the Principles;
- **Professionalism:** expertise, application and quality in the performance of business activities, a fundamental element to compete and operate effectively and efficiently on the market;
- **Transparency:** Sesa's collaborators are required to provide complete, transparent, comprehensible and accurate information, so that, when establishing relations with the company, Stakeholders are able to make independent decisions, aware of the interests involved, the alternatives and the relevant consequences;
- **Business continuity:** the ability to behave in the interest of the Group with a view to long-term sustainable business continuity. This includes the far-sighted company policy of re-investing part of the profits generated by operations in the company;
- **Attention to people:** attention to the Group's Human Resources and those that make up the community in which it operates are considered a primary and founding value of the Group. In particular, the Group protects and promotes the value of its Human Resources without any discrimination, promotes their professional growth and undertakes to ensure equal opportunities for employees to grow;
- **Fair competition:** protection of the value of fair competition, refraining from collusive, predatory behaviour and abuse of a dominant position;
- **Responsibility towards the community:** awareness of the influence, even indirect, that its activities may have on the conditions, economic and social development and general welfare of the community, as well as the importance of social acceptance of the communities in which it operates;
- **Environmental protection:** the environment is a primary asset that Sesa undertakes to protect; to this end, its activities seek a balance between economic initiatives and essential environmental needs, in consideration of the rights of future generations.

Please see the document published on the company website in the Governance section (<https://www.sesa.it/governance/modello-231-e-codice-etico/>) for further details.






Code of Conduct



The Group has also adopted its own **Code of Conduct** containing guidelines on legal and professional obligations, relations with customers and other companies, organisational and administrative provisions, as well as

personal conduct. It is based on the values and principles of professional and personal conduct generally required by our organisation. The Code of Conduct adopted by the Group defines, together with and in support of this Code, the fundamental principles underlying the reputation of the Group and the values that inspire its daily operations, also describing the standard of conduct required of all employees and collaborators of Sesa.

Compliance and risk monitoring

The Group also undertakes to constantly ensure maximum compliance with all the regulations to which it is subject, with the activation and monitoring of specific control measures. The main reference standards and control measures in force are listed below:

SPHERE	REFERENCE LEGISLATION	INTEGRATED CONTROL MEASURES
Occupational safety 	Legislative Decree 81/2008 consolidated law on occupational safety.	<ul style="list-style-type: none"> • Activation of the measures envisaged by law. • Regular reporting by the prevention and protection service manager.
Data security 	Legislative Decree 196/2003, code on the protection of personal data - European Regulation no. 679/2016 ("GDPR") on the protection of personal data.	<ul style="list-style-type: none"> • Adaptation of existing controls to the new European GDPR regulation. • Regular reporting by the DPO. • Adoption of a certified management system in compliance with ISO 27001.
Financial reporting 	Law 262\2005 regulation for the protection of savings and financial markets.	<ul style="list-style-type: none"> • Adoption of specific controls on administrative procedures of the statutory and consolidated financial statements, as well as other communications of a financial nature. • Periodic exchange of information between the corporate audit bodies and functions and the Independent Auditors.
Social responsibility 	Law 300/1970 employees' statute + labour regulations.	<ul style="list-style-type: none"> • Adoption of a certified management system in compliance with SA 8000. • Regular flow of information from the Occupational Health and Safety Committee to corporate bodies and audit departments. • Adoption of Group policies.
Administrative Responsibility 	Legislative Decree 231/2001 - Criminal administrative liability of legal persons.	<ul style="list-style-type: none"> • Adoption of the Group's Code of Ethics and Model 231. • Exchange of information between the corporate bodies and audit departments.

Quality management system	ISO 9001	<ul style="list-style-type: none"> • Adoption of managerial procedures; • Adoption of a certified management system in compliance with ISO 9001:2015.
		
Environmental Responsibility	ISO 14001	<ul style="list-style-type: none"> • Adoption of managerial procedures; • Adoption of a certified environmental management system in compliance with ISO 14001:2015
		

Fight against corruption

The Group is active in the fight against corruption: active (offer), passive (acceptance), corruption involving a public individual or perpetrated in relations between private individuals, corruption aimed at inducing a person to perform an act in conflict with their official duties, corruption for the purpose of performing an official act, corruption “before” or “after” the performance of official acts. This matter is managed by a large body of internal legislation which includes references in the following documents, described below: The Sesa Group’s Code of Ethics, the Organisation, Management and Audit Model adopted by each Group Company pursuant to Legislative Decree 231/2016 **Whistleblowing** - Internal system of the Sesa Group for reporting breaches of regulations, policies and internal procedures, as well as any fraud perpetrated and careful management of Human Resources. During the period covered by this Statement, all transactions were monitored for the risk of corruption. As in the previous year, no cases of corruption, unfair competition, monopolistic practices or antitrust involvement were reported. At 30 April 2021 (as in the previous year) **no sanctions were imposed for non-compliance with laws and regulations in the social and economic fields.**

3.3. THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

For each topic required by Legislative Decree 254/2016, following a brief introduction to the **Internal Audit and Risk Management System (IARMS)**, we will provide information: on the business model for the management and organisation of the company and the policies applied; on the main risks generated and incurred and on the consequent performance ratios and results identified by the Group. Effective risk management is a key factor in maintaining the Group’s value with a view to sustainability over time. In order to deal with the risks to which it is exposed, the Group has adopted suitable corporate governance procedures and adequate management and control mechanisms; specifically, the System of Internal Audit and Management of Corporate Risks consists of a set of **rules, procedures and organisational structures** aimed at identifying, measuring, managing and monitoring the main corporate risks. Specifically, the organisational structure aimed at managing corporate risks is structured as follows:

- the **Audit and Risks Committee**: which has the task of supporting the assessments and decisions of the Board of Directors relating to the internal audit and risk management system;
- the **Board of Directors** which, as a collegiate body, performs a role of guidance and assessment of the adequacy of the IARMS; in particular, in relation to the non-financial issues covered by this Statement, it

should be noted that the Board has the primary task of defining the guidelines of the IARS, in line with the strategic objectives and risk profile of the same, with a view to medium/long-term sustainability;


- the **Compliance Officer**, as level two supervisory body, carries out regular checks on the companies' compliance with regulations, verifying, in accordance with industry best practices, the compliance of the activities carried out with the provisions of the law, the provisions of the Supervisory Authorities, the self-governance rules and the contractual commitments undertaken with customers;
- **Internal Audit**: which systematically verifies the effectiveness and efficiency of the Internal Audit and Risk Management System (level three supervisory body) as a whole, reporting the results of its activities to company management and liaising with the company's other supervisory bodies;
- the **Board of Statutory Auditors**: which, by virtue of its activity of monitoring the adequacy of the organisational, administrative and accounting structure adopted by the company, supervises the effectiveness of the IARMS as the "top management" of the Company's supervisory system;
- the **Supervisory Body pursuant to Legislative Decree 231\2001**: which verifies the adequacy of Model 231, focusing particularly on its effectiveness in preventing unlawful conduct, and constantly monitors the application and observance of Model 231 (for further details, see Paragraph 1 of this Chapter).



In addition to the risk factors reported in the "Main risks and uncertainties to which the Group and Sesa S.p.A. are exposed" in the Report on Operations, the main **Relevant Areas** resulting from the company's activities are shown below:



- **Fight against active and passive corruption**: dealt with within the framework of Organisational Model 231/01 adopted by the Parent Company and its subsidiaries;
- **Social and personnel-related issues**: covered primarily by the Group's Code of Conduct;
- **Human rights**: covered by the Code of Ethics;
- **Environment**: covered by consumption monitoring processes aimed at reducing consumption.

3.3.1 MITIGATION MATRIX

The following table shows the main potential risks, with reference to the non-financial issues identified in the materiality matrix (see Chapter 1, Paragraph 3.2), as well as the management methods or tool for their mitigation.

SPHERE OF LEG. DECREE 254/2016	DESCRIPTION OF THE RISK	MITIGATION ACTIONS
<p>Personnel management</p> 	<p>Sector The market in which Sesa operates is characterised by a high level of specialisation and expertise. Maintenance of the competitive position achieved in the markets in which it operates will depend on Sesa’s ability to offer quality solutions, to update the products and services offered and the know-how possessed, by hiring and retaining qualified resources. The inability to attract resources and set up adequate training programmes could have negative effects on the Group’s future prospects.</p> <p>Dependence on key persons Sesa’s future development depends significantly on some key management figures. The possible loss of these figures, should it not be possible to replace them adequately and promptly with persons of equal experience and expertise, could lead to a reduction in the Group’s competitive ability.</p> <p>Respect for Diversity The Group is constantly committed to ensuring respect for diversity and equal opportunities for its employees. The Group’s Code of Ethics contains express provisions on the subject. However, the group monitors regulatory developments so that it is prepared to respond to any changes in legislation.</p> <p>Working environment Although the activities carried out by the Group do not involve a high risk for the safety of employees and external collaborators, it is important to guarantee a healthy and safe working environment. Failure to comply with applicable legislation on health and safety in the workplace could damage human resources, with negative effects on the Group.</p>	<p>Recruitment policy, Policies for the training, development and loyalty of Human Capital.</p> <p>Retention and loyalty plans for key personnel within the Group.</p> <p>Disclosure of the Code of Ethics to the Group’s human resources. Risk Assessment Document for each Group company. Verification and monitoring by the Group’s Supervisory Bodies.</p> <p>Direct management of employee health and safety through practices and procedures in observance of the legislation in force.</p>

SPHERE OF LEG. DECREE 254/2016	DESCRIPTION OF THE RISK	MITIGATION ACTIONS
<p>Environment</p> 	<p>Emissions management The absence of an emissions management programme and the lack of energy efficiency measures could expose the Group to potential environmental and reputational risk.</p> <p>Waste management In the performance of its business activities, the Sesa Group produces waste, including special waste (e.g.: Toner and WEEE), the disposal of which is subject to specific legal requirements. In the absence of a programme to monitor the way in which waste is disposed of, the Group may not be in compliance with current legislation.</p>	<p>CSR and NFS policy. Use of renewable energy and employee awareness. ISO 14001 certification for environmental management.</p> <p>Handing over of all its electrical and electronic waste to external companies specialised and authorised for proper disposal. ISO 14001 certification for environmental management.</p>
<p>Human rights</p> 	<p>External collaborators In the performance of its activities, the Sesa Group may integrate its teams with external collaborators. The absence of an ethical assessment process for external collaborators during the selection phase could have negative effects on the Group in the long term.</p> <p>Defence of human rights In conducting its business, the Group undertakes to promote the protection of human rights, avoiding any form of discrimination. The absence of a dedicated corporate policy could increase the likelihood that episodes that are not in line with internal and external regulations will occur.</p>	<p>Procedure for the selection and authorisation of major service providers.</p> <p>Internal whistleblowing system.</p>

SPHERE OF LEG. DECREE 254/2016	DESCRIPTION OF THE RISK	MITIGATION ACTIONS
<p>Social</p> 	<p>Data protection In providing business-to-business services, the Sesa Group, comes into contact with information regarding which it has an obligation of confidentiality. The inadequacy of systems and procedures to ensure the protection of such data leakage and may result in negative effects for the Group.</p> <p>Unfair competition The Sesa Group operates in a highly competitive market and could, therefore, be damaged by competitors who adopt unfair competition practices. Moreover, in the event that one or more Group companies adopt commercial/competitive practices that do not comply with the company's ethical values or with the applicable regulations, this could potentially damage the entire Group.</p> <p>Shared ethical values Potential risks related to personnel management stem from normal employee management issues. The absence of ethical values shared by all Group employees could lead to the occurrence of episodes not in line with current regulations, generating negative effects for the Group.</p>	<p>Adoption of policies and procedures to ensure the correct use of customer data by employees and collaborators.</p> <p>Disclosure and request for acceptance of the Group's Code of Ethics to all employees and collaborators.</p> <p>Promotion of a corporate culture based on ethical principles established by top management.</p>
<p>Fight against corruption</p> 	<p>Corruption Risk⁷ In pursuing its business activities, the Sesa Group has commercial relationships with other companies, therefore its employees are potentially subject to episodes of active and passive corruption.</p>	<p>Adoption, in Sesa S.p.A. and in the main Group companies, of an Organisation, Management and Audit Model pursuant to Legislative Decree 231/2001.</p>

⁷ As regards relations with the Public Administration, examples of activities at risk are the submission of untruthful declarations to national or local public institutions in order to obtain public grants or the assignment of orders, or the use of public funds for purposes other than those for which they were granted. With regard to relations with the Public Administration, the risk of occurrence of episodes of corruption is also linked to participation in calls for tenders for the allocation of direct or indirect funding for Research and Development activities. These loans are currently not of a significant amount compared to the Group's business volume.

3.3.2. RISK MANAGEMENT

The Group is aware of the importance of identifying, assessing, preventing and reducing potential risks of a non-financial nature and social and environmental risks, as described below:

- **Environmental risk:** related to the use of energy resources, greenhouse gas emissions, waste production and disposal. The Group companies operate in the service sector, so there are no significant environmental risks associated with the business as a whole;
- **Social risk:** linked to relational aspects with customers and, more generally, with the community, with particular regard to the economic and social development of local communities;
- **Personnel-related risk:** related to the management of collaborators and persons in a similar position, including the actions implemented to protect health and safety in the workplace, to guarantee gender equality and a proactive dialogue with social partners;
- **Risk of failure to respect human rights:** related to the failure to respect human rights, including employee rights, and/or related to attitudes and actions that are in any way discriminatory;
- **Risk in the fight against active and passive corruption:** related to the possible occurrence of events and/or circumstances linked to the fight against active and passive corruption.

Lastly, as regards the management of relations between related parties, it should be noted that Sesa's Board of Directors adopts a "Procedure for transactions with related parties" in accordance with Consob Regulation no. 17221 of 12 March 2010, which can be found on the company website⁸.

The Group undertakes to systematically update its socio-environmental policies and regularly monitors risks. At 30 April 2021 (as in the previous year) **no sanctions were imposed for breaches of human rights or cases of discrimination.**

⁸<https://www.sesa.it/governance/procedura-con-parti-correlate/>

04



THE SESA GROUP AND THE ENVIRONMENT

- 4.1 Sesa's Environmental Policy**
- 4.2 Enhancement of natural capital and responsible use of resources**
- 4.3 Impact on the environment**
- 4.4 Low-carbon transition: Empoli urban innovation project**
- 4.5 Performance ratios**
 - 4.5.1 Consumption of energy, water and natural gas
 - 4.5.2 Waste

Aware of the climate changes affecting our planet, the Group is sensitive to the issue of protecting the environment as a resource for the well-being of mankind, undertaking to operate with respect for the environment, in accordance with the principles of sustainable development (ref. Chapter 1, Paragraph 3.4).

4.1. THE SESA GROUP AND THE ENVIRONMENT

Sesa promotes the environmentally sustainable conduct of its activities, encouraging the preservation of biodiversity and the sustainable management of natural resources. The Group's operational management refers to environmental protection and energy efficiency criteria, pursuing the continuous improvement of occupational health and safety and environmental protection. In order to achieve and implement this commitment, Sesa has drawn up a **Group Environmental Policy** and obtained the environmental certification of the activities carried out, introducing an **Environmental Management System**, in accordance with the provisions of UNI ISO 14001:2015.

In order to exploit all possible synergies, the definition of the Environmental Policy and its implementation are managed in a unified way and are consistent with the Group's strategic goals. This management:

- defines the environmental and sustainable industrial development policies;
- draws up guidelines for the implementation of the environmental policy to be adopted as reference by the subsidiaries;
- identifies the indicators and guarantees the monitoring and control of the trend of corporate actions in terms of environmental impact;
- follows the evolution of national and European Union environmental legislation and prepares application guidelines for subsidiaries;
- handles relations with organisations, institutes and agencies in the environmental field; promotes, implements and coordinates understandings and programme agreements with these entities as well as with the authorities.

Principles of the Environmental Policy:

The principles governing the Group's environmental procedures are as follows:

- Observance of applicable environmental laws and regulations and any other pertinent obligations;
- Environmental protection and implementation of measures for continuous improvement in the reduction of direct and indirect greenhouse gas emissions, reduction of the consumption of natural resources and implementation of its environmental management system in its entirety;
- Planning and implementation of its own activities and those of its business partners, manufacturers and suppliers, encouraging environmental awareness.

Environmental Policy strategies and tools:

Sesa's Environmental Policy, developed in compliance with the **international standard UNI ISO 14001:2015**, is also supported by the awareness that the environment represents a competitive advantage in an ever wider and more demanding market in terms of quality and behaviour. Sesa's strategy is based on investments and activities that respond to the principles of sustainable development (see Chapter 1, Paragraph 3.4).

Sesa promotes the following environmental policy instruments:

- voluntary agreements with institutions and environmental and trade associations;
- environmental management systems, certified in compliance with the international standard ISO 14001, aimed at the continuous improvement of environmental performance and organisation;
- a regular system for reporting environmental data, which ensures that the performance of the various industrial activities is monitored;
- environmental awareness and training activities for employees, aimed at disseminating initiatives internally and increasing employees' skills and professionalism;
- dissemination of environmental "culture" and the promotion of Sesa's local initiatives.

Environmental risks and opportunities:

Climate change is increasingly perceived as a challenge to be addressed immediately and - where possible - to be turned into an opportunity. As a result of climate change, companies are faced with a number of significant challenges: increased operating costs, asset impairment and reduced demand for goods and services. When assessing risks, therefore, it is necessary to analyse the geopolitical and market context in detail, with a thorough, organic and prompt risk assessment.

In June 2019, the "European Commission's new guidelines on reporting climate change related information"⁹ were published, with a list of risks for companies caused by climate change, divided into physical and transition risks.

Sesa can gain a competitive advantage by looking at the development of new technologies, and the development of energy efficient products and services. Lastly, to combat the threat of climate change, Sesa acts in parallel to: mitigate the effects of climate change (actions aimed at the reduction of climate-changing gases) and adapt to the consequent impact (protection of its assets against the impacts of climate change).

4.2. ENHANCEMENT OF NATURAL CAPITAL AND RESPONSIBLE USE OF RESOURCES

Thanks to the principles of protection and preservation mentioned above, Sesa undertakes a series of initiatives aimed at reducing and preventing possible negative impacts on the environment resulting from the exercise of its activity. They include, for example, the choice of energy supply starting from renewable energy. Sesa monitors its energy consumption and related emissions even though, given the nature of its business, this aspect does not represent a particularly significant source of environmental impact.





⁹ https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

Below are some “good management” activities undertaken by Sesa aimed at reducing the impact of its activities on economic and social development and on the quality of life of the territory:

- Monitoring and efficiency of the waste produced and development of recovery activities (separate collection): **Improvements:** Extension of ISO 14001 environmental certification to Group companies (see details of certifications in Chapter 2, Paragraph 2) and dissemination of the Environmental Policy;
- Improvement of levels of awareness among personnel working in the Group or on its behalf, by implementing information and training programmes: **Improvements:** HR training;
- Raising awareness of environmental management principles among suppliers and contractors: **Improvements:** Awareness-raising activities among employees and suppliers on the issues and sharing of appropriate awareness-raising moments;
- Commitment to actions aimed at maximising energy savings in its offices or premises, in the management of its vehicle fleet, favouring more efficient and less polluting technologies: **Improvements:** Efficient lighting (LED), controlled processes and energy-efficient materials, green building projects and certifications (Leed);
- Reduction in the use of energy resources per unit of gas injected into the grid: **Improvements:** maintenance and improvement of facilities;
- Optimisation of the use of transport fuels: **Improvements:** renewal of the fleet and innovative mobility management systems (electric and hybrid vehicles).

4.3. IMPACT ON THE ENVIRONMENT

The environmental impacts of the Sesa Group are mainly attributable to:

-  **Energy consumption** of the Group companies’ premises and warehouses. The electrical system installed on the premises of the companies is connected to the public medium voltage energy distribution network;
-  **Natural gas consumption** that feeds the two power generators serving the building complex for heating the rooms and the production of domestic hot water;
-  **Fuel consumption** due to the fuel for the generators and the vehicle fleet;
-  **Waste** generated in administrative offices and warehouses.

4.4. LOW-CARBON TRANSITION: EMPOLI URBAN INNOVATION PROJECT

In June 2020, an agreement was signed between the Municipality of Empoli and Sesa for the development of the technology centre that will implement a dedicated Urban Plan. Besides allowing the consolidation, development and expansion of the present activities, the Project will allow the reorganisation of the area

in terms of road functionality, public parking, public green areas and services for employees and citizens. The cost of the primary urbanisation works is approximately Euro 3,300,000. The new public road system to be constructed will significantly reduce traffic congestion in the area and improve the environmental quality of the nearby residential areas. The project also reduces pollutant emissions caused by traffic, by implementing sustainable mobility measures: free public parking spaces in connection with a bike-sharing station, a bus stop connecting the neighbourhood to the city centre and the construction of new cycle paths to increase the municipal network.

The project is divided into three distinct stages of progress and involves the construction of infrastructures and buildings using eco-sustainable and energy-saving materials, techniques and technologies (green building and related certifications). The aim of the project is to enhance the Technology Centre by regenerating community relations, protecting the wellbeing and health of citizens, improving the quality of the environment and mobility, enhancing social and cultural activities, and giving the area a new centrality.

The innovative proposals being assessed include:

- **Tech-library:** creation of a public space intended to expand the offer of the library system, focusing on the use of multimedia and digital resources, and helping to increase the offer of cultural services, spaces for learning, study, leisure and contact between cultures;
- **Recreation ground and bike station:** area for public green spaces and spaces for collective sports and motor activities;
- **Tech grid and green building:** creation of buildings for co-working, technical and systems solutions to guarantee high energy performance, based on the principles of sustainable building, allowing reduced consumption during operation;
- **Coworking and technology square:** creation of a co-working space and a new public space to characterise the centre for the establishment of new functions based on innovation, creativity and integration;
- **Equipped cycle-pedestrian path:** creation of a pedestrian path, used as a cycle path and running track.

Transition to Carbon neutrality: The Group continues determinedly to pursue the integration of ESG criteria into its business, implementing an environmental sustainability strategy focused on carbon neutrality, in line with the UN 2030 Agenda. There are several areas of intervention that will lead the Group to the **complete neutralisation of its carbon footprint by 2030**, thanks to a plan that envisages three lines of action: monitoring and quantification of emissions; continuous processes of efficiency improvement and impact reduction; offsetting of residual and non-reducible emissions.

The management of personnel movements and vehicle fleet: Sesa's commitment to reduce CO2 emissions also involves careful management of staff travel. The Group supports and encourages work-related travel by public transport also by implementing welfare initiatives.

The conscious use of resources and waste management: Separate collection of hazardous and non-hazardous waste, including battery disposal, is active at all sites. Waste disposal is managed in compliance with current legislation.

Self-production of energy: Sesa directly produces part of the electricity used by means of photovoltaic systems (see details in Section 5.1 of this Chapter). Thanks to the contribution of PM Service, a subsidiary company consolidated since 1 May 2021, the volume of electricity self-produced from renewable sources will increase significantly, as will the savings in CO2 emissions related to it. From 2022, the Group's electricity needs will be covered, by company policy, by certified green energy.

Energy efficiency: Every year, the Group promotes important investments for the modernisation of its plants, steering choices towards cutting-edge technologies, capable of optimising yields and reducing energy consumption. For some time now, Sesa has been using LED lighting, with controlled processes and high energy efficiency materials, in compliance with the EC "Ecodesign" directive 2009/125/EC for energy saving. Moreover, all the air-conditioning systems have been replaced with more energy-efficient systems, using refrigerant gases with a low environmental and lower acoustic impact.

4.5. PERFORMANCE RATIOS

Although the Sesa Group is not an industrial transformation company, it considers it important to provide information that is ever closer to the needs of its stakeholders, by presenting some of the environmental performance indicators shown below.

ENVIRONMENTAL PERFORMANCE RATIOS ¹⁰	30 April 2021	30 April 2020	30 April 2019
Energy consumptions (GJ)	35,500	32,154	29,168
Electricity (GJ)	28,443	25,948	23,353
Natural gas (GJ)	7,057	6,566	5,853
Emissions of GHG (tCO₂)	5,963	6,656	5,640
Indirect emissions of GHG - Scope 1 (tCO ₂)	3,392	4,068	3,207
Indirect emissions of GHG - Scope 2 (tCO ₂)	2,570	2,588	2,433
Electricity (tCO₂)	2,570	2,588	2,433
Energy purchased (kWh)	7,900,912	7,207,807	6,487,090
Tot. energy self-produced from adjustable renewables (kWh)	847,085 ¹¹	-	-
of which self-produced by consolidated companies (kWh)	250,773	273,187	242,208
of which self-produced by investee companies (kWh)	596,312	-	-

¹⁰ Compared to the previous year, the group's HR perimeter at 30 April 2021 has increased by 37.4% and revenues have grown by 15%.

¹¹ This figure includes the energy self-produced by the consolidated companies Sesa and Base Digitale (250,773 kWh) and the investee company PM Service (596,312 kWh).

ENVIRONMENTAL PERFORMANCE RATIOS¹⁰	30 April 2021	30 April 2020	30 April 2019
Natural Gas (tCO₂)	397	367	327
smc	200,011	185,982	166,042
Diesel for generators (tCO₂)	9	8	9
litres	3,280	2,800	3,200
GJ	119	102	117
Water (Megalitres¹²)	28.70	32.38	23.65
of which from areas subject to hydric stress	21.53	-	-
smc	28,696	32,380	23,652
Fuel consumption (tCO₂)	2,987	3,694	2,872
Petrol	130	142	101
Diesel	2,849	3,541	2,766
Methane	3	2	2
LPG	5	9	3
Fuel consumption (GJ)	40,617	50,224	39,180
Petrol	1,776	1,929	1,372
Diesel	38,722	48,128	37,727
Methane	49	28	37
LPG	70	139	43
Total waste (t)	326	364¹³	310¹⁴
Paper and cardboard	68	68	66
Wood and pallets	27	50	46
Plastic	10	13	14
Renovation works	61	52	-
WEEE	42	44	51
Septic tank sludge	119	139	133

¹² 1 Megalitre equals 1000 cubic metres

¹³ Figure subject to restatement following internal investigations.

¹⁴ Figure subject to restatement following internal investigations.

4.5.1 CONSUMPTION OF ENERGY, WATER AND NATURAL GAS

In the financial year ended 30 April 2021, in which the Sesa Group increased its human resources by 37.4% and its revenues by approximately 15% compared to the previous year, with a considerable expansion of its offices both at national and European level, energy consumption amounted to 35,500 GJ with an increase of just 9.2%, a significant reduction in fossil fuel consumption (-20% Y/Y) and a strong growth in self-production of energy from renewable sources (+210% Y/Y¹⁵).

The Group's greenhouse gas emissions are those of an office-based organisation and are attributable to the use of fossil fuels for heating and the purchase of electricity produced by third parties. Emissions from Sesa's activities are therefore very limited and linked to traditional assets, such as electrical and thermal plants. Most energy is consumed exclusively by electricity for offices and the Data Centre and technological and IT equipment, the heating of buildings and the consumption of fuel for company cars. The Group considers it important to monitor greenhouse gas and other emissions in order to assess possible virtuous choices for a reduction of its carbon footprint.

For the preparation of the following ratios, the calculation of indirect GHG emissions from energy consumption (scope 2) was carried out using an emission coefficient for electricity taken from the "International comparisons" document prepared by Terna, equal to 0.336 kg CO₂/kWh. For the emissions of greenhouse gas scope 1, deriving from the consumption of natural gas, diesel for power generators and fuel for the vehicle fleet (methane, diesel, petrol and LPG) were used emission coefficients in the table of national standard parameters of the Ministry of the Environment, updated to 2020.

Electricity consumed and self-produced

ELECTRICITY	30 April 2021	30 April 2020	30 April 2019
tCO ₂	2,570	2,588	2,433
kWh	7,900,912	7,207,807	6,487,090
GJ	28,443	25,948	25,948
of which: Self-production of electricity			
tCO ₂ avoided	85	102	91
Adjusted total (kWh)	847,085 ¹⁶	-	-
consolidated companies	250,773	273,187	242,208
investee companies ¹⁷	596,312	-	-
Adjusted total (GJ)	3,050	983	872
consolidated companies	903	983	872
investee companies	2,147	-	-

¹⁵ Energy self-produced by the consolidated companies Sesa and Base Digitale (250,773 kWh) and the investee company PM Service (596,312 kWh).

¹⁶ This figure includes the energy self-produced by the consolidated companies Sesa and Base Digitale (250,773 kWh) and the investee company PM Service (596,312 kWh).

¹⁷ This figure refers to the self-production of electricity by PM Service (19% owned). In May 2021, Sesa acquired control of the company (inclusion within the scope of reporting from 1 May 2021)

As regards electricity consumption, as at 30 April 2021, a total of 7.9 million kWh had been consumed, up 9.61% on the previous reporting year. The increase in the consumption of electricity compared to the previous year is a consequence of the increase in the number of employees, the expansion of the premises used for office purposes and of the companies included in the scope of consolidation (see Methodological Note). At the Technology Centre in Empoli and at the plants of the investee PM Service, in particular, there are photovoltaic systems for the self-production of electricity, which reduces environmental impact. From 1 May 2021, with the consolidation of the company PM Service, the Group will have plants with a total nominal power of about 2 Mwpp and an adjusted production in 2021 of 847,085 kWh.

Natural Gas: As regards the consumption of natural gas, used only in heating systems, a total of 397 tonnes of CO₂ were produced at 30 April 2021, compared to 367 tonnes in the previous year and 327 tonnes at 30 April 2019. The higher consumption of natural gas recorded in the year ended 30 April 2021 is related to the increase in human resources housed in the operating sites as well as the considerable increase in the companies included in the scope of consolidation (see Methodological Note).

Diesel for generators: The consumption of diesel for generators increased by approximately 17%, from 2,800 litres at 30 April 2020 to 3,280 litres at 30 April 2021. The increase in question, +1.28 tCO₂ and +480 litres compared to the previous year, is due to the expansion of the square metres dedicated to Data Centres and technological and IT equipment required by the increase in the number of customers.

DIESEL FOR GENERATORS	30 April 2021	30 April 2020	30 April 2019
tCO ₂	8.79	7.51	8.55
Litres	3,280	2,800	3,200
GJ	119.54	102.05	116.63

Group fleet fuel consumption: The rationalisation and modernisation of the Group's fleet has been going on for a few years with "green" criteria. In order to reduce travel, all Group companies are committed to increasing the use of collaboration tools, which are available at the Group's various offices throughout the country. The installation of spaces for recharging electric cars at the Group's offices was also planned in 2020. To date, the fleet consists of around 500 vehicles, 200 of which (36% of the total) meet the new European Euro 6.2 D standard, with an increasing percentage of electric or hybrid car models (4% of the total vehicles). The tons of CO₂ emissions relating to the vehicle fleet of all Group companies were reported for the period from 1 May 2020 to 30 April 2021. In the year ended 30 April 2021, the Sesa Group consumed approximately 40,617 GJ of fuel, a decrease of almost 10 thousand GJ compared to the previous year, mainly due to the modernisation and replacement of new vehicles with less pollutant engines and the upgrading of collaboration and videoconferencing tools.

FUEL CONSUMPTION BY TYPE (GJ)		30 April 2021	30 April 2020	30 April 2020
PETROL	Total	1,776.03	1,928.81	1,372.01
	Empoli Centre	1,040.84	1,109.93	994.34
	Other Local Units	735.19	818.88	377.67
DIESEL	Total	38,722.12	48,128.33	37,726.99
	Empoli Centre	22,675.82	26,945.36	26,791.82
	Other Local Units	16,046.30	21,182.97	10,935.17
METHANE	Total	48.54	27.93	37.37
	Empoli Centre	24.48	12.69	22.98
	Other Local Units	24.06	15.24	14.39
LPG	Total	69.98	138.86	43.33
	Empoli Centre	40.97	48.48	22.78
	Other Local Units	29.02	90.38	20.56

FUEL CONSUMPTION BY TYPE (TCO₂)		30 April 2021	30 April 2020	30 April 2020
PETROL	Total	130.25	141.45	100.62
	Empoli Centre	76.33	81.40	72.92
	Other Local Units	53.92	60.05	27.70
DIESEL	Total	2,849.27	3,541.41	2,766.37
	Empoli Centre	1,668.54	1,982.71	1,964.54
	Other Local Units	1,180.73	1,558.70	801.83
METHANE	Total	2.73	1.56	2.09
	Empoli Centre	1.38	0.71	0.80
	Other Local Units	1.35	0.85	0.80
LPG	Total	4.59	9.11	2.84
	Empoli Centre	2.69	3.18	1.49
	Other Local Units	1.90	5.93	1.35

Water Consumption: Consumption is in line with that of previous years, with a total that follows the increase in the Group's human resources. Regarding the type of water withdrawn (100% of water withdrawals come from aqueducts), all water consumption falls into the freshwater category with $\leq 1,000$ mg/l total dissolved solids.

WATER CONSUMPTION	30 April 2021	30 April 2020	30 April 2019
Total (CM)	28,696	32,380	23,652
Empoli Centre	8,138	9,484	8,328
Other Local Units	20,560	22,896	15,324
Total (Mega Litres)	28.70	32.38	23.65
Empoli Centre	8.13	9.48	8.32
Other Local Units	20.56	22.90	15.32
Taken from areas subject to hydric stress (ML)	21.53	-	-
% of total taken	75%	-	-

Water stress: Water stress refers to the ability or inability to meet the demand for water, either by humans or by ecosystems as a whole. Water stress may refer to the availability, quality or accessibility of water. As a tool for assessing water stress areas, reference was made to the World Resources Institute’s Aqueduct Water Risk Atlas (<https://www.wri.org/aqueduct>) which identifies the water stress level of the Sesa reference area.

4.5.2 WASTE

Municipal solid waste is managed by the public collection service and its quantity and method of disposal cannot be determined. Unlike the rest of the KPIs provided, the data reported is supplied annually (on 31 December every year). The following wastes are considered “special” and therefore managed differently: paper and cardboard packaging, discarded electronic equipment, toner. A number of drinking water dispensers were installed in 2020, resulting in a 20% reduction in plastic consumption.

WASTE (TONNES)	30 April 2021	30 April 2020	30 April 2019
Total	326	364¹⁸	310¹⁹
Paper and cardboard	67.70	67.90	65.92
Wood and pallets	26.86	49.92	46.30
Plastic	9.99	12.55	14.00
Renovation works	61.31	52.0	-
Other types:			
WEEE	41.63	43.65	50.60
Septic tank sludge	118.80	138.50	133.42

At 30 April 2021, the waste produced by the Group amounted to 326 tonnes, a reduction compared to the previous reporting period. This reduction is due to the improved waste management policy and the new procedures required by Sesa’s ISO14001 environmental certification. More than 40% of Sesa’s waste is related to septic tank maintenance activities.

¹⁸ Figure subject to restatement following internal investigations.

¹⁹ Figure subject to restatement following internal investigations.

05



THE SESA GROUP AND THE PEOPLE

- 5.1 A Group that grows with talented people
- 5.2 Occupational health and safety programmes
- 5.3 Composition and diversity of human capital
- 5.4 Remuneration policies
- 5.5 Hiring programmes
- 5.6 Training and retention of human resources
- 5.7 Corporate welfare as a means of sustainability

BREAKDOWN OF HUMAN CAPITAL	30 April 2021	30 April 2020	30 April 2019
Total employees	3,441	2,547	1,900
Men	2,374	1,725	1,308
Women	1,067	822	592
Total new hires	402	322	245
Total terminations	218	113	104
Incoming turnover	11.7%	12.6%	12.9%
Outgoing turnover	6.3%	4.4%	5.5%
Health and safety			
Absenteeism			
Total hours of absence	107,539	122,668	91,050
Absenteeism rate	2.3%	2.6%	2.4%
Accidents			
Frequency index	1.38	1.24	1.90
Severity rating	0.03	0.04	0.01
Training			
Total hours of training	26,302	20,017	18,089
Number of trained resources	2,758	1,106	1,222
Other Ratios			
Parental leave (no. of resources)	139	101	83
Protected categories (no. of resources)	100	78	54

5.1. A GROUP THAT GROWS WITH TALENTED PEOPLE

Human resources represent the main asset of the Sesa Group: the skills and specialisations of human capital are the basis of the Group's ability to offer innovative technological and digital solutions to support businesses and organisations.

The SeSa Group promotes programmes and activities to develop professionalism and diversity and improve the well-being and quality of working life of its human resources, applying distinctive values such as integrity, fairness, attention to people, inclusion and sustainability, which guide the Group's strategy in the management of human capital.

At 30 April 2021, the number of employees of the Group reached a total of 3,441 (employees of the companies included in the scope of consolidation, excluding trainees), with an increase of 894 employees (+35.7% Y/Y) compared to the previous year. This confirms the long-term growth and development trend that has characterised the Sesa Group since its establishment. If we include trainees and employees of subsidiaries recognised at cost (not consolidated on a line-by-line basis) the number of human resources at 30 April 2021 is 3,561.

TOTAL EMPLOYEES	30 April 2021		30 April 2021		30 April 2021	
Total	3,441		1,900		1,986	
Employees by job classification and gender	Men	Women	Men	Women	Men	Women
Executives	32	3	20	2	19	1
Managers	263	68	202	50	142	26
White collars	1,986	988	1,445	764	1,081	615
Blue collars	93	8	58	6	16	0
Total	2,374	1,067	1,725	822	1,258	642
Employees by contract and gender						
Permanent full-time contracts	2,291	844	1,664	641	1,266	468
Permanent part-time contracts	50	205	37	168	25	100
Temporary contracts	41	10	26	11	28	13
Total	2,382	1,059	1,727	820	1,319	581

Human capital, as the primary value of the Group, is a strategic resource that must be fostered and developed through long-term professional growth. The Sesa Group therefore pursues a policy of permanent employment of its resources which, at 30 April 2021, accounted for 99% of total resources, implemented through targeted plans for the recruitment of young graduates, consisting of a mix of strategic governance and development tools (training, career plans, work-life balance initiatives, team building and corporate welfare) by the parent company Sesa S.p.A.. During the year ended 30 April 2021, there was a low turnover rate of 6.34%, which drops to 5.71% if we consider the Group companies located in Italy. This percentage is very low compared to the average for the Information Technology sector, which has a structural lack of professionalism and a higher mobility of human resources than the national average.

OUTGOING TURNOVER RATE	30 April 2021	30 April 2020	30 April 2019
Total terminations	218	113	104
Total employees	3,441	2,547	1,900
% Outgoing Turnover Rate	6.3%	4.4%	5.5%
% men	6.4%	5.3%	5.7%
% women	6.2%	2.7%	4.9%
Age Group (%)			
< 21-30 >	10.7%	10.4%	10.0%
< 31-50 <	6.6%	4.0%	5.1%
> 51	3.0%	2.3%	3.6%
Geographic Area (%)			
Northern Italy	7.0%	6.1%	6.9%
Central Italy	4.8%	3.6%	4.7%
Southern Italy	8.3%	0.0%	0.0%
Abroad	16.4%	6.1%	0.0%

The incoming turnover, on the other hand, is 11.68%, thanks to hiring policies and programmes that have led to over 400 new hires, about 50% of which are under 30, in support of the development of the human capital needed to support business growth.

INCOMING TURNOVER RATE	30 April 2021	30 April 2020	30 April 2019
Total new hires	402	322	245
Total employees	3,441	2,547	1,900
% Incoming Turnover Rate	11.7%	12.6%	12.9%
% men	13.4%	14.5%	13.0%
% women	7.9%	88.8%	12.5%
Age Group (%)			
< 21-30 >	32.6%	34.4%	37.5%
< 31-50 <	8.4%	10.9%	9.4%
> 51	4.9%	5.4%	6.6%
Geographic Area (%)			
Northern Italy	13.8%	13.6%	12.4%
Central Italy	9.2%	12.2%	13.6%
Southern Italy	16.7%	0.0%	0.0%
Abroad	21.3%	16.3%	2.3%

The absenteeism rate²⁰ was 2.34% (calculated on the basis of hours of absence excluding holidays and leaves of absence), a further reduction compared to 2.62% at 30 April 2020.

ABSENTEEISM	30 April 2021		30 April 2020		30 April 2019	
	Total hours of absence	Absenteeism rate	Total hours of absence	Absenteeism rate	Total hours of absence	Absenteeism rate
Men	107,539	2.34%	122,668	2.62%	91,050	2.35%
Women	56,648	1.23%	60,907	1.30%	42,566	1.10%
Total	50,891	1.11%	61,761	1.32%	48,484	1.25%

5.2. OCCUPATIONAL HEALTH AND SAFETY PROGRAMMES

One of the top priorities of the Sesa Group is to ensure maximum health and safety for its human resources. A team of specialised resources (Human Resources Management, Prevention and Protection Service Manager, Medical Officer, ESR) is responsible for ensuring a safe working environment and in compliance with current regulations, defining guidelines, coordinating monitoring activities and, where necessary, programmes to improve safety conditions. In this context, every employee plays a fundamental role: the dissemination of a safety culture, together with the creation of risk awareness on the part of the worker, are central factors in providing a safe working environment. The identification and assessment of the risks present in the company, which represents the pre-eminent activity of prevention action, is guaranteed by constantly monitoring company processes.

Regular analyses are carried out to detect the presence of any hazards at work and to identify and assess risks. The control measures applied to eliminate or contain risks include: numerous health and safety training programmes, differentiated according to the risks and professional profiles present in the company; individual and collective protection equipment and devices; any organisational provisions necessary to ensure maximum safety of employees in the workplace.

The most significant performance ratios for measuring the effectiveness of actions taken on occupational health and safety include the results of accident analysis and monitoring. Only eight accidents have been recorded In 2021, all of which minor and five of which while commuting; **no fatal or significant accidents** were recorded at 30 April 2021, just as in previous years (including consultants, contractors, collaborators and others).

²⁰ The absenteeism rate was calculated excluding the Group's externally managed companies. Coverage of the perimeter for reporting the figure is 75.5%.

OCCUPATIONAL SAFETY - ACCIDENTS²¹	30 April 2021	30 April 2020	30 April 2019
Total	8	4	5
Men	4	2	3
Women	4	2	2
Geographic Area			
Northern Italy	3	-	1
Central Italy	5	4	4
Southern Italy	-	-	-
Abroad	-	-	-
Rate of accidents at work*	1.38	1.24	1.90
Severity index**	0.03	0.04	0.01

* The Rate of accidents at work is calculated as follows: (no. accidents/no. work hours) x 1,000,000. The number of hours worked includes only internally managed companies. Coverage of the perimeter for reporting the figure is 75.5%.

** The severity index is calculated as follows: (no. days lost due to accident/no. work hours) x 1,000. The total number of accidents does not include commuting accidents. The number of days lost due to accidents is calculated considering calendar days. The number of hours worked includes only companies with internal personnel management²².

²¹In accordance with the new GRI provisions, the number of accidents reported at 30 April 2021 takes into account both accidents at work and those that occurred while commuting, which was not the case in previous years

²²Companies with external personnel management are the following: Apra S.p.A., Centro 3Cad S.r.l., Evotre S.r.l., Apra Computer System S.r.l., Palitalsoft S.r.l., PBU CAD-SYSTEME GmbH, Sinapsi S.r.l., Beeneer S.r.l., Digital Storm S.r.l., Zero12 S.r.l., IFM S.r.l., Teknikè S.r.l., Di.Tech S.r.l., Pragma Progetti S.r.l., Weelgo S.r.l., Wss S.r.l., Wss Sagl, Icos GmbH. The frequency and severity indices are overestimated, as they compare the accidents of the entire Group with the hours worked only by companies with internal personnel management.

5.3. COMPOSITION AND DIVERSITY OF HUMAN CAPITAL

Being close to people means being able to listen to the needs of human resources and to experience the path of growth and innovation on a daily basis, together with the numerous ecosystems with which the Group interacts.

The Group's strategy is based on a distributed national presence of its companies, with physical presences in major Italian cities and a strong presence and coverage in the technological centre in Empoli, via Piovola and via del Pino, the main operational headquarters of the Sesa Group. There are also foreign branches operating in Germany, China, Spain, France, Switzerland, Austria and Romania, with a total active staff of about 200 resources.

EMPLOYEES	30 April 2021		30 April 2020		30 April 2019	
Total Employees	3,441		2,547		1,900	
Gender	n	%	n	%	n	%
Men (%)	2,374	69%	1,725	68%	1,308	69%
Women (%)	1,067	31%	822	32%	592	31%
Geographic area	n	%	n	%	n	%
Northern Italy	1,294	38%	889	35%	735	37%
Central Italy	1,909	55%	1,577	62%	1,132	59%
Southern Italy	36	1%	32	1%	33	2%
Abroad	202	6%	49	2%	44	2%
Age	n	%	n	%	n	%
< 21-30 >	605	18%	357	14%	283	15%
< 31-50 >	1,890	55%	1,454	57%	1,147	60%
> 51	946	27%	736	29%	470	25%

Over the years, we have realised that working for the well-being of people helps us to attract and retain young talent and encourages senior employees to continue to improve and progress. The Group encourages the integration of different age groups, giving young people a voice and enhancing the skills of seniors. At 30 April 2021, the average age of personnel is about 44, while personnel under the age of 50 accounts for 72% of the total.

Female employment constitutes a qualified component of the business, representing 31% at 30 April 2021, which reflects the intrinsic characteristics of the business in which the Group operates, strongly oriented towards hiring resources with technical and scientific skills. For years, the Group has been implementing programmes aimed at fully realising gender equality, which, also in light of the progressive evolution of the training orientation of young resources, will lead to the progressive and further growth of the gender quota. It should be noted that the Group companies with the most recent date of incorporation have an average gender quota of over 40% of total employees.

Sesa has always been committed to supporting colleagues who face the experience of parenthood, ensuring the use of parental leave in compliance with current regulations and local legislation. At 30 April 2021, 139 Group employees, 5.72% of women and 2.57% of men had taken parental leave. The percentage of employees who have returned to work after the end of their leave is 95% for women and 100% for men. The retention rate 12 months after returning from parental leave is 93% for women and 97% for men.

MATERNITY AND PATERNITY LEAVE	30 April 2021		30 April 2020		30 April 2019	
	Men	Women	Men	Women	Men	Women
Parental leave	78	61	59	42	56	27
Returns after parental leave	78	58	56	42	56	27
Return rate	100%	95%	95%	100%	100%	100%
Retention rate²³	97%	93%	100%	100%	100%	100%

The Sesa Group considers the protection of diversity to be essential and is committed to offering equal opportunities for the development and growth of its human capital. This commitment is strongly highlighted during the selection of personnel, with explicit references, within the many job offers published in the various recruitment channels, to the policies of social inclusion, protection of diversity and equity that guide the Group's activities. In addition, with the aim of making workers even more aware of the aforementioned socially relevant issues, specific training courses on diversity and social inclusion have been scheduled for all employees. The Group has also invested in welcoming disabled staff into its work structures, mainly with permanent contracts. Multi-year recruitment and integration programmes have been defined for the integration of workers belonging to protected categories, with ongoing collaboration with the institutional bodies in charge of targeted employment. At 30 April 2021, the number of protected categories employed by Group companies is 100.

PROTECTED CATEGORIES	30 April 2021	30 April 2020	30 April 2019
Total	100	78	54
Men	60	44	31
Women	40	34	23
Total %	2.91%	3.06%	2.84%

5.4. REMUNERATION POLICIES

The Group's remuneration system is defined in such a way as to attract, motivate and retain people with the professional qualities required by the Company's business growth prospects. It is based on the principles of ethics, equal opportunities, meritocracy and competitiveness with respect to the market. The definition of remuneration considers specific criteria, including comparison with the external market, the characteristics of the role and the responsibilities assigned, as well as the distinctive skills of the people. The remuneration policy consists of four macro-groups: fixed remuneration, variable remuneration, benefits and welfare. The fixed component takes into account the scope and strategic nature of the role held and is modulated on the basis of the trend of the reference markets, with regular reviews aimed at ensuring the competitiveness of remuneration and staff retention. In this sense, multi-year career plans are also launched for young people with high potential, with growth targets correlated to the progressive development of professional skills. Variable remuneration is linked to pre-established qualitative and quantitative

²³ The retention rate refers to the number of employees who continue to work for the company 12 months after taking parental leave.

performance targets, which are measurable and consistent with the Group’s strategic goals, aimed at promoting sustainable growth with the inclusion of organisational climate, human capital satisfaction and sustainability goals in the MBOs of the Group’s key personnel from 2021. A detailed corporate welfare plan that includes services, initiatives and benefits to benefit the Group’s human resources and their families is also envisaged.

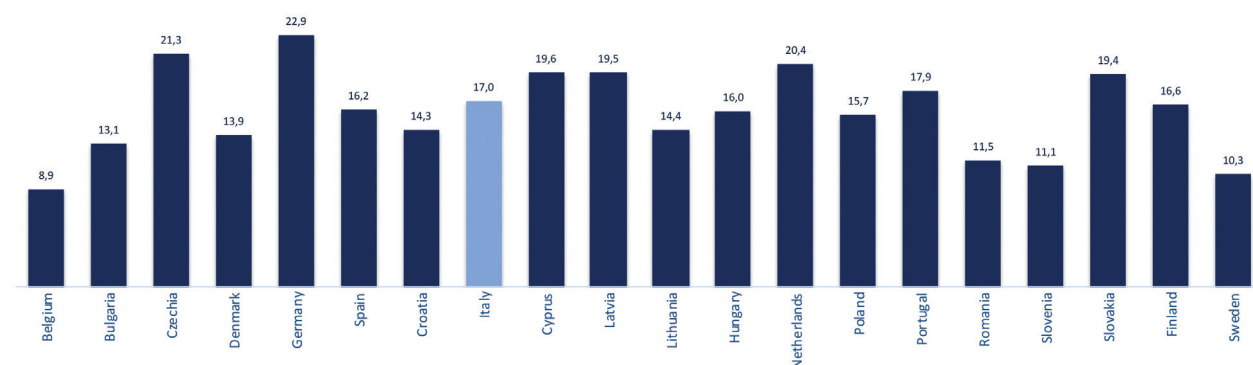
The Group is strongly committed to balanced remuneration policies, with the aim of also guaranteeing equal opportunities for men and women, with continuous actions aimed at reducing the pay gap between men and women, generated mainly by the business segment in which the Group operates, characterised by a clear prevalence of specialised technical figures in the IT sector, most of whom are men. The Gender Pay Gap i.e.: the difference in pay between men and women expressed in percentage points for the same qualifications, reported at 30 April 2021 shows positive statistics for the Group. 86% of the working population in the professional category of white-collar workers has a gender pay gap of 6.7%. As mentioned above, the figure is extremely positive considering the business segment in which the Group operates.

²⁴ The figure was calculated as a weighted average based on the total number of employees by professional figure. The category of Executives is excluded from the sample as it is not representative. The index was calculated including the Italian companies belonging to the Group (the following foreign companies are excluded: Beenear S.r.l., Icos GmbH, Wss Sagl, PBU CAD-SYSTEME GmbH. Coverage of the perimeter for reporting the figure is 94%.

²⁵ The statistical process for the private sector is based on the Annual Register on Wages, Hours and Labour Costs for Individuals and Firms (Registro annuale su retribuzioni, ore e costo del lavoro per individui e imprese (RACLI), a thematic statistical register on the labour market within the Istat Registry System.

GENDER PAY GAP		30 April 2021
Managers		12.9%
White collars		6.7%
Blue Collars		5.2%
Weighted average		7.2%²⁴

According to ISTAT’s “Structure of wages in Italy in 2018” report, the Gender Pay Gap in the Italian private sector is 17.7%. At European level, the gender pay gap in the private sector varies from 8.9% in Belgium to 22.9% in Germany (source: Eurostat index, 2019). In this framework, Italy ranks eighth in the European ranking, with a rate of 17%.



Source: Eurostat https://ec.europa.eu/eurostat/databrowser/view/earn_gr_gpgr2ct/default/table?lang=en

5.5. HIRING PROGRAMMES

The Sesa Group has always been strongly committed to attracting and identifying talented people, who stand out not only for their high level of technical and professional expertise, but also for their personal qualities, passion, dynamism, flexibility, vision, willingness to innovate, harmony with the values of the Group and, last but not least, a positive and profitable collaboration style, combined with the ability to efficiently organise the work and adapt to a constantly changing environment. The working environment, the opportunity to work on stimulating and innovative projects, in which diversity is valued and each individual is able to express his or her abilities and potential, together with the Group's great commitment to sustainable development, are key elements in the process of attracting talent, especially among the younger generations.

The strategic governance of human capital envisages the retention of permanent resources (99% of the total) and the hiring of Young high school and university graduates undergoing training in the areas with the greatest potential for the development of Information Technology (Digital Services, Security, Cognitive, Analytics, Collaboration). The percentage of high school and university graduates is 97% of the total workforce. Employer branding therefore becomes a tool for conveying the Group's identity, image and values in order to attract the best external candidates and retain the most talented internal resources. The Group's strong ability to attract talented people is also reflected in the growth of the workforce recorded during the last financial year, with a positive balance of 402 new hires. 50% of these are young people under 30, 40% are between 30 and 50 years of age and 10% are over 50.

RECRUITMENT BY AREA AND AGE BRACKET	30 April 2021
Total new hires	402
Men	318
Women	84
Age group (n)	
<21-30>	197
<31-50<	159
>51	46
Geographic Area (n)	
Northern Italy	178
Central Italy	175
Southern Italy	6
Abroad	43

The geographical areas of hiring mainly involved Northern and Central Italy, with more than 350 recruitments. Around 40 new resources were hired at Group companies located in Germany and Romania. 43% of new hires had a university degree. 54% of these were in technical-scientific areas (mainly engineering and IT), 25% in economic areas (economics, finance and audit and business management) and the remaining 21% in legal-linguistic areas.

The percentage of new recruits with a high school diploma is 57%, 51% of which are in technical-scientific areas (technical institutes specialising in information technology, electronics and electrical engineering), 32% in economic areas (technical institutes specialising in business administration) and the remaining 17% in other professional technical institutes.

The personnel recruitment and selection programme is implemented through:

- Collaborations with the best Professional Schools, Universities and Business Schools, with which the Group has well-established relationships, which include internships for students or recent graduates, development of projects and degree theses;
- Participation in Career Days and University events;
- Social communication plans using the main recruiting tools, including LinkedIn and primary job sites for recruitment. Initiatives were implemented to increase interest and social visibility: in particular, through LinkedIn the editorial and recruiting activities carried out by the Human Resources department, it was possible to strengthen the job offer promoted by the Group, with a positive response in terms of quality and quantity of the professional figures contacted;
- Hiring events at the Group's main offices, aimed at presenting job and professional growth opportunities for young graduates. During 2020, despite the continuing Covid-19 emergency, the Group continued to organise meetings with students from partner schools, making greater use of digital channels.

Every year, the Group offers numerous internship opportunities, giving young people with strong potential the chance to get to know the company and take part in a training experience. At 30 April 2021, 79 internships are active, including curricular and extra-curricular internships designed to feed the interns into the company. The total number of apprentices on training and professional development courses is also growing, reaching 272 at 30 April 2021.

Once again in the new year, maximum attention will be paid to partnerships with universities, post-diploma training schools and local training agencies, further strengthening the relationship between school teaching, the labour market and the local area, with the aim of making an important contribution to the growth of young people in the area. Some of the main highly specialised vocational training courses (ITS) launched during the year are listed below:

- **BYTE 18 course:** Two-year training course for the development of business information systems with a total duration of 2,000 hours (800 hours of internship);
- **BYTE 20 course:** Two-year training course for the acquisition of technical skills in the development of software applications and administration of corporate information systems. Total duration of 2,000 hours (800 hours of internship).

5.6. TRAINING AND RETENTION OF HUMAN RESOURCES

TRAINING (NUMBER OF EMPLOYEES TRAINED)	30 April 2021	30 April 2020	30 April 2019
Total	2,758	1,106	1,222
Compulsory training	2,022	527	544
Training in basic and transversal skills	233	224	220
Technical training	503	355	458

TRAINING (TRAINING HOURS)	30 April 2021	30 April 2020	30 April 2019
Total	26,302	20,017	18,089
Compulsory training	11,539	4,631	4,355
Training in basic and transversal skills	2,409	6,891	4,835
Technical training	12,354	8,495	8,899

TRAINING BY GENDER	30 April 2021		30 April 2020		30 April 2019	
Total	Men	Women	Men	Women	Men	Women
Compulsory training	7,204	2,529	2,902	1,729	2,825	1,530
Training in basic and transversal skills	2,252	2,470	5,138	1,753	3,952	883
Technical training	9,638	2,214	6,025	2,468	7,399	1,500
Total	19,093	7,213	14,065	5,950	14,176	3,913

Training plays a key role in the process of enhancing the value of people. It is an important tool for developing and consolidating individual skills and, at the same time, for disseminating the Group's values and strategy, supporting its sustainable growth and cultural and organisational evolution.

Despite the Covid-19 emergency period, staff training activities were further intensified, with more than 26,300 hours provided (around 30% more than in the last financial year) at 30 April 2021. In particular, the e-learning training platform was implemented, allowing an increasing number of employees to be involved in training activities (over 2,700 workers trained in 2021 compared to 1,106 at 30 April 2020). Employees also benefited from a particular focus on technical and professional skills (hard skills with over 45% growth in hours provided Y/Y) and on compulsory training required by current legislation, up by around 150% compared to 30 April 2020.

Lastly, training programmes on personal data protection (GDPR-General Data Protection Regulation) and cyber security were planned and launched.

5.7. CORPORATE WELFARE AS A MEANS OF SUSTAINABILITY

The wellbeing of people is essential to ensure the sustainability of operations and the success of the company. The Group is increasingly committed to identifying tangible initiatives aimed at promoting and increasing the individual and family wellbeing of workers through an articulated Welfare Plan that has been active for about 10 years. The 2021 Welfare Plan aims to combine the Group’s mission, principles and key values, enabling the use of services and initiatives to improve the quality of life and wellbeing of employees, their families and the communities in which they work, as well as to further improve the work-life balance. This policy confirms the centrality of human resources in the Group’s strategic and development plans. Family, health and wellbeing are the cornerstones of a programme tailored to the Group’s resources, which develops in:

- **Benefits for workers and their children:** crèche subsidy, reimbursement for summer camps, scholarships for the purchase of schoolbooks and study abroad, contribution for sustainable mobility, contribution for housing autonomy for employees under 35, university or master’s scholarships, digital voucher for the purchase of computer equipment for employees’ children;
- **Flexible Benefit:** contributions to food shopping, leisure, education, employee wellness;
- **Servizi continuativi al personale, iniziative di Work-Life Balance e di People Caring:** company canteen, psychological support desk, solidarity holidays and leave, social volunteering leave, company microcredit programmes.

All of the above tools are directly available to resources through access to a dedicated Welfare portal that can be consulted digitally by all Group employees. The focus on human resources was confirmed with the new 2021-2022 Welfare Plan, which envisages the further strengthening of programmes to support human resources, including the introduction of a digital voucher for the purchase of computer equipment for the children of employees attending all levels of education up to university, as well as a contribution to housing autonomy for resources under 35, and the contribution for sustainable mobility to travel to work (public transport, Bike Sharing and E-Car Sharing), which is strategically aligned with the environmental sustainability policies launched by the Group.

Work-Life Balance and human capital enhancement programmes were expanded, with the introduction of a new “Corporate Solidarity Microcredit” service for access to loans with favourable conditions and an advantageous interest rate, as well as the gradual activation of a “Digital Psychological Support Desk” aimed at promoting personal wellbeing and improving the organisational climate. Programmes for the enhancement of human capital, such as scholarships for participation in degree courses or university masters, were also confirmed.

SESA GROUP WELFARE PLAN (NUMBER OF INTERVENTIONS)	30 April 2021	30 April 2020	30 April 2019
Total	6,313	5,062	3,944
Benefits	1,553	1,405	828
Flexible Benefits	4,700	3,584	3,055
Crèche	59	73	61

Fundamental support for the welfare programmes comes from the Sesa Foundation, set up in July 2014 by the Group's founding partners to create a fully independent structure dedicated to social solidarity and philanthropic activities in the area.

The Group protects maternity and the return to work after the birth of children thanks to an important company initiative, the Sesa BaBy nursery in Empoli. The service allows parents to leave their children in the care of specialised educators during working hours and benefit from reduced fees. The following section of this report provides a detailed illustration of some of the main initiatives promoted by the Sesa Foundation in the year ended 30 April 2021.

06



THE SESA GROUP AND THE SOCIAL COMMUNITY

- 6.1. Social responsibility
- 6.2. The Sesa Foundation
- 6.3. Relations with suppliers and customers
 - 6.3.1. The supply chain
 - 6.3.2. Customer relations

6.1. SOCIAL RESPONSIBILITY

The Sesa Group, partly through the Foundation that bears its name, has always promoted social initiatives and projects. For Sesa it is important to be perceived as present and close, attentive not only to the economic needs but also to the social needs of the communities in which it operates.

The development of activities with social aims is a common heritage of the entire Group and is particularly expressed by the Sesa Foundation (whose projects we will discuss in greater detail in the next paragraph), which acts as an incubator for new ideas and initiatives.

Sesa contributes to the promotion and dissemination of skills, particularly in the economic sphere, through constant collaboration with local institutions: training institutes, universities and economic organisations. Sesa participates with secondary schools in the “Alternanza Scuola-Lavoro” work experience programmes, helping students gain a better understanding of the working world. The Group also encourages employees to carry out paid volunteering and is in the process of implementing a system to monitor volunteer hours.

6.2. THE SESA FOUNDATION

Attention to employees and their families, to young people, to the territory and to those in need of help, has always been a priority of company management and this is why, in July 2014, the Sesa Foundation (hereinafter “the Foundation”), a completely autonomous structure dedicated to social solidarity, was created at the request of the Group’s founding shareholders. The Foundation is a non-profit organisation based in Empoli whose purpose is to carry out social solidarity activities pursuant to article 10, paragraph 1, letter a) of Legislative Decree 460/97, mainly education, scientific research, training, social and health care within the Tuscany Region. The Foundation is funded internally by the Group Companies and through the 5‰ contribution scheme. Within the scope of its institutional purposes, the Foundation:

- promotes and organises seminars, training courses, events, conferences, study meetings, round tables and, more generally, scientific and educational initiatives;
- promotes and encourages education, especially the education of young people, in the area of reference, partly through the establishment of scholarships and/or grants;
- carries out charitable activities in favour of economically disadvantaged social categories, including but not limited to the territory of reference;
- promotes welfare initiatives and activities, including those relating to health care, aimed at contributing particularly to the well-being of Sesa Group employees.

Activities to engage local communities, impact assessments and development programmes: Numerous initiatives and activities were carried out in 2020 (reporting year January - December 2020), in line with the Group’s institutional aims. The activities performed were delivered in three ways: (i) the Foundation’s own projects; (ii) projects implemented on the basis of proposals from local organisations or bodies; (iii) projects in response to requests from local bodies and organisations received by the Foundation.

The Foundation’s interventions in the 2020 calendar year reached a total value of approximately Euro 100

thousand, with a further growth target in 2021, also in light of the Covid-19 Vaccine Hub initiative at the Empoli site.

The most relevant sectors of intervention were the following:



Social Solidarity and Philanthropy: The Foundation has always supported projects dedicated to the weakest sections of the population or to facilities for young people in the area who are not self-sufficient. Following the dramatic contingency that arose in the early months of 2020, the resources allocated to philanthropy and social solidarity projects have been increased in order to cope with all the urgent initiatives that have emerged due to the COVID pandemic. The most significant donations made by the Sesa Foundation are briefly described below:

“Andrà tutto bene” project in favour of the San Giuseppe Hospital in Empoli: donation to the San Giuseppe Hospital in Empoli of six tablets destined for the Covid-19 reanimation department;

“Andrà tutto bene” project in favour of the Sacco Hospital in Milan: donation to the Sacco Hospital in Milan of seven tablets, one PC and one printer to facilitate communication between patients and healthcare staff, educators and psychologists;

“Emergenza Covid-19” project, donation favour of the Misericordia/San Giuseppe Hospital in Empoli: participation in the fundraising event organised by the Misericordia of Empoli to support the San Giuseppe Hospital in Empoli for the purchase of equipment to enhance intensive care, such as nine ventilators and two video laryngoscopes. The donation amounted to € 20,000;

“Comune di Empoli – Emergenza Covid” project”: donation in favour of the “Sostegno Alimentare” project to support economically disadvantaged people;

“I Colori della Luce”: organisation of a seminar on the theme of the use of art images in clinics, mediation and counselling;

“Assistenza domiciliare oncologica”: donation to the ANT Foundation to support the home care project for cancer patients;

“Le Vie in Rosa”: organisation and support of the run organised in favour of the Women’s Centre of the San Giuseppe Hospital in Empoli, an innovative structure that deals with health activities for women for the prevention, diagnosis and treatment of breast cancer;

“Fondazione Kennedy”: donation of IT equipment (six Notebooks, two Personal Computers and six Computer Screens) to the R. Kennedy Human Rights Foundation - Italia to support initiatives and projects for the inclusion of migrants, refugees, community projects and projects aimed at schools.

“Sindrome Ehlers Danlos”: donation of computer equipment to the AISED Association (Italian Association for Ehlers Danlos Syndrome) created to support people affected by EDS in the daily management of the disease;

“Fondazione per la ricerca nelle Malattie Muscolari”: donation to the Foundation for Research in Muscular Diseases “Un Passo per te”;

“PC4AU”: donation of PCs and computer equipment to help needy families in the area for the activation of remote learning;

“L’abilità”: donation of IT equipment to the non-profit organisation “L’abilità”, which develops and manages innovative services and projects for children with disabilities and their families;

Fundraising for employees who have died: fundraising in favour of the families of employees who have died prematurely or of associations chosen by their families.



Art, cultural initiatives and initiatives for the territory: Fondazione Sesa continued to support bodies and associations recognised in the territory during 2020. Thanks to the support of these projects, the link with the territory has been considerably strengthened, with the aim of transmitting value to the local community and of protecting and enhancing the rich and varied cultural heritage of the territory.

The main projects supported by the Foundation are the following:

“Concerti di Sant’Andrea”: donation to the Mons. Giovanni Cavini Association for the organisation of the 46th edition of the “I Concerti di Santa Andrea”, held at the Collegiate Church of Sant’Andrea in Empoli;

“Il giorno di Leonardo”: donation to the Pro Loco of Vinci (FI) for the organisation of the “Celebrations of Leonardo” to mark the anniversary of his birth on 15 April 1452;

“Aiuole Piazza della Vittoria di Empoli: “adoption” of a green area, contributing to its construction and maintenance.



University, Education and Training: In 2020, the Foundation strengthened its collaboration with the University Institutes of the Region of Tuscany, in particular with the Universities of Florence, Pisa and Siena, for the activation of internships and apprenticeships and to encourage meetings with the companies of the Sesa Group on research and innovation. In particular, it participated in orientation activities through meetings with graduates and undergraduates and organised company visits for university students.



Education and Training, School and Work Alternation Project: In 2020, the attention of the Sesa Foundation to collaboration with the schools of the territory, was confirmed once again, in particular to Technical Institutes specialising in IT, with the support of projects alternating school, work and apprenticeships (now “Paths for transversal skills and orientation”). In 2020, 13 young students from the Istituto di Istruzione Superiore Il Pontorno in Empoli were hosted.



Corporate Welfare: The Foundation’s activities are integrated with the Group’s Welfare Plan, aimed at improving the quality of life of Group company employees by optimising the balance between work and family life. In this context, support is given to the “Sesa Baby” company crèche for the children of Group company employees, with promotion and payment of a contribution to the running costs of the facility. The Sesa Foundation also contributes to the organisation of a series of services aimed at satisfying the primary and secondary needs of company employees, improving their quality of life and well-being with the help of a system of agreements with private bodies in the area.

Development Programmes for 2021: The Sesa Foundation has presented an activity plan for 2021, following on from the work carried out last year in terms of projects and sectors of intervention. Therefore, the Foundation’s operational goals are confirmed for 2021:

- **Philanthropy and Charity:** support of the most active associations in the sector and in the area which are increasingly turning to the Foundation, with particular attention to the social inclusion of disadvantaged categories such as the disabled and the elderly. Philanthropic activities in favour of the community, with a special focus on non-profit organisations and associations dedicated to protecting the most vulnerable, welfare activities and support for projects developed by scientific research institutes;
- **Art and cultural initiatives for the territory:** support for cultural activities and events in the territory and protection and enhancement of historical, artistic and environmental heritage;
- **University, Education and Training:** collaboration with local schools will be intensified for the “Alternanza Scuola Lavoro” project, to which more and more resources will be dedicated. Payment of particular attention to the intensification of collaboration with universities;
- **Corporate Welfare:** : confirmation of support for all initiatives aimed at improving the quality of life and the psycho-physical well-being of the Group’s employees, and in particular support for Sesa Baby for the children of employees.

Given the difficult economic situation that has led to situations of poverty, fragility and marginalisation, the Foundation will also pay particular attention to initiatives aimed at families in difficulty and social inclusion, with activities designed to create a favourable environment for the reception and integration of those most disadvantaged. To this end, the decision has already been made to donate computer equipment to families or parents’ associations that turn to the Foundation because they are unable to take part in remote learning due to a lack of equipment for their children.

Economic and electronic equipment support for the **Fisioterapia e Idrokinesiterapia per persone affette da SLA” (Physiotherapy and Hydrokinesiotherapy for people affected by ALS) project”** in favour of the Florence section of AISLA (Associazione Italiana Sclerosi Laterale Amiotrofica) has been confirmed for 2021. Furthermore, the Foundation’s commitment to the Empoli Local Health Authority for the COVID - 19 health emergency was confirmed. To this end, the Foundation has granted a 500-metre space at the via Giuntini site in Empoli on free loan for the **activation of a new Vaccine Hub**, which was requested by the Union of Municipalities of Empolese Valdelsa and the ASL. The structure allows an increase in the daily administration of the COVID-19 vaccine to the public.

6.3. RELATIONS WITH SUPPLIERS AND CUSTOMERS

The Sesa Group intends to establish a relationship of trust with its customers and suppliers, based on fairness and transparency.

The creation of sustainable value by the Sesa Group is expressed in the relationships with customers and suppliers, based on continuous processes of collaborative dialogue. Supply chain risks are carefully monitored and mitigated through preliminary analyses and documentary requests that enable the thorough assessment of customers and suppliers in observance of the rules of compliance

6.3.1. THE SUPPLY CHAIN

In its relationship with its suppliers, the Sesa Group applies the principles of fairness and transparency, adopting selection procedures carried out without bias and according to rules that include the verification of quality, technical and professional suitability, ethical-behavioural aspects, compliance with applicable

regulatory standards and the cost-effectiveness of the supply of goods, services and works. The contractual standards in force in the Group's strategic supplies require suppliers to comply with the rules established in Decree 231/01 and with the Group's ethical principles.

The Group's Code of Ethics contains a specific section dedicated to relations with Suppliers (Section 2, point 4), which must be managed in accordance with the principles of maximum collaboration, willingness and professionalism, as well as respect for the principles of transparency, equality, loyalty, fairness and competition. The respect, by each Supplier, of the principles set forth in the Group's Code of Ethics is decisive for the establishment of the contractual relationship.

The selection of new Suppliers must be based on criteria of transparency and fairness and aimed at identifying counterparties capable of reconciling the company's needs in the best possible way, from a cost/performance point of view, limiting, as far as possible, the company's potential exposure to any risks. As part of the process of selecting reference Suppliers, the companies of the Sesa Group shall appropriately assess, on the basis of their business relationships, the characteristics of honourability (also through specific self-certification by the supplier), economic-financial soundness and reliability of the counterparty, by querying public and/or system databases or by using specific certified information services. Supplier selection activities must also mandatorily take into account the supplier's commitment to comply with the Organisational Model pursuant to Legislative Decree 231/2001, adopted by the Group or, that it has its own Code of Ethics with principles consistent with those of the Sesa Group.

Selection of new suppliers based on ethical, social and environmental criteria: The prevailing risks in the supply chain with regard to social and environmental aspects are mitigated, in addition to the verification of requirements and the definition of specifications/capitals in the qualification and selection phase, above all by careful management of the contractual agreements between the parties, the definition of high supply/performance standards (so-called standard levels) and continuous monitoring of the supplies/performances rendered by the supplier.

The selection of collaborators and the construction of virtuous and lasting relationships are aspects of fundamental importance for the Group, being involved in activities at Sesa's offices or at customers' premises, which is why they are carefully assessed and managed.

To this end, the aforementioned structured selection, assessment and qualification process makes it possible to constantly monitor their level of risk, with a view to efficient management functional to the Group's activities. Social and ethical aspects, such as health and safety, regularity of payments, social security contributions and compliance with employee protection are included in the terms and conditions that employees accept and sign. To date, some Group companies (Var Group and Computer Gross) carry out assessments on environmental and social aspects; the company has set itself the goal of extending this practice to most companies. The goals also include the implementation of training activities on health and safety and ESG issues in the supply chain, in order to improve existing conditions, both internally and in external structures.

6.3.2. CUSTOMER RELATIONS

The change in the competitive environment, which IT companies must face in order to support the digital transformation and the consequent changes in customer behaviours and expectations, is of increasing strategic importance.

The creation of sustainable value by the Sesa Group finds its first and immediate expression in the pursuit

of maximum customer/user satisfaction, also formalised in the policy of quality management systems. The Group's main aim is still the constant improvement of the quality and safety standards envisaged, with periodic monitoring of the quality of the service provided, together with appropriate and prompt communication of information relating to any changes and variations in the service provided.

Sesa encourages interaction with customers through the management and rapid resolution of any claims through appropriate communication systems, preferring dialogue based on the utmost professionalism and quality, which sees respect and full cooperation as its key values, to litigation. The achievement of ISO 9001 certification for most of the Group companies (see Chapter 2, Paragraph 2) has allowed the adoption of a management system focusing on customer satisfaction, through dedicated surveys. **At 30 April 2021, there were no significant customer complaints.**

07



INFORMATION – NFS

- 7.1. Value distributed to Stakeholders
- 7.2. Correlation table in compliance with Legislative Decree 254/2016
- 7.3. Global Compact Reconciliation Table

7.1. VALUE DISTRIBUTED TO STAKEHOLDERS

The Sesa Group pursues the sustainable generation of value for its stakeholders, with whom it intends to develop long-term transparent relationships. The economic value generated by the Group at 30 April 2021 amounted to Euro 2.04 billion, redistributed to stakeholders for a share of 83.2%, a significant increase.

As shown in the table below, at 30 April 2021, out of a net added value of approximately Euro 250 million, the net economic value distributed was Euro 208 million, an increase of 49.7% compared to the previous year. The net economic value retained by the Group remains stable, going from Euro 42.2 million at 30 April 2020 to Euro 42.1 million at 30 April 2021.

<i>Euro/thousands</i>	30 April 2021	30 April 2020	30 April 2019
Net added value	250,180	181,126	150,488
Net economic value distributed	208,042	138,938	127,941
Net economic value retained	42,138	42,188	22,547

The following statement of income represents a reclassification of the consolidated income statement which represents the wealth produced and distributed by the Group to stakeholders in the year ended 30 April 2021.

In particular, this reclassification indicates the “quantitative capacity of the organisation to create value for its stakeholders”.

Economic Value generated and distributed	30 April 2021	%	30 April 2020	%	Change 21/20
Net revenues	2,022,454	99.2%	1,762,641	99.2%	14.7%
Other Income	14,769	0.7%	13,384	0.8%	10.3%
Company profit evaluated at equity	2,345	0.1%	1,698	0.1%	38.1%
Economic value generated	2,039,568	100.0%	1,777,723	100.0%	14.7%
Reclassified operating costs (purchases, services, etc.)	(1,747,385)	-85.7%	(1,566,004)	-88.1%	11.6%
Amortisation, depreciation and other non-monetary costs	(42,003)	-2.1%	(30,593)	-1.7%	37.3%
Net added value	250,180	12.3%	181,126	10.2%	38.1%
Remuneration of employees	162,972	65.1%	114,763	63.4%	42.0%
Remuneration of financiers*	5,521	2.2%	5,404	3.0%	2.2%
Remuneration of shareholders**	13,171	5.3%	0	-	100%
Remuneration of the Public Administration	26,378	10.5%	18,771	10.4%	40.5%
Net economic value distributed	208,042	83.2%	138,938	76.7%	49.7%
Self-financing	42,138	16.8%	42,188	23.3%	-0.1%
Economic value retained	42,138	16.8%	42,188	23.3%	-0.1%

* Equal to the balance of net financial income and expense before profits and losses of companies carried at equity

** Determined on the basis of the proposal made by the Board of Directors on 14 July 2021 (data as at 30 April 2021) and by the Shareholders' Meeting held on 28 August 2020 (data as at 30 April 2021)

The net added value of the Sesa Group as at 30 April 2021 was Euro 250 million, distributed as follows:

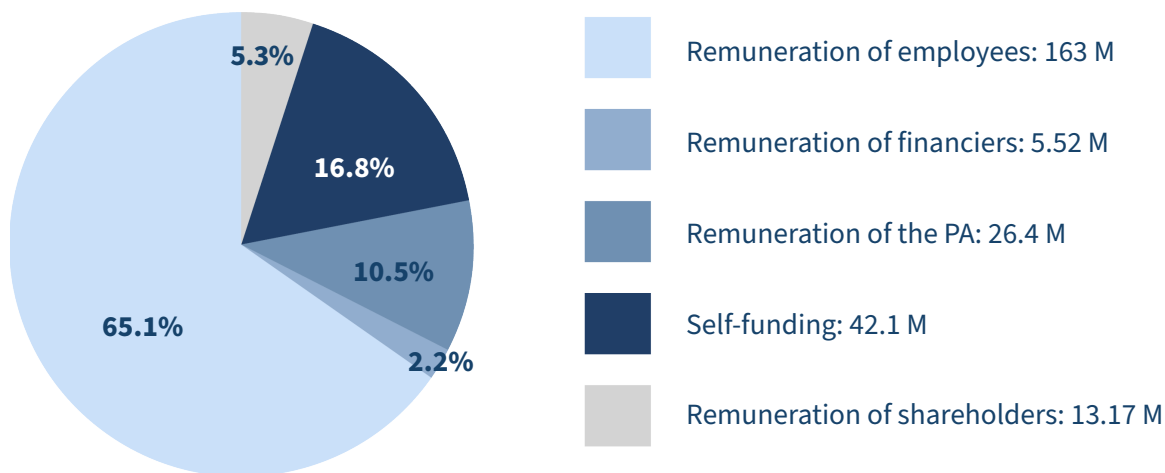
- The remuneration of employees was Euro 163 million (+43% Y/Y), following the increase in the workforce, as a result of corporate acquisitions and the plan to recruit new Group resources, as well as the increased specialisation and average qualification of the human capital;
- remuneration of the public administration amounted to Euro 26.3 million (+40.5% compared to the previous year) and is related mainly to current taxes, which increased due to the expansion of the scope of the Group.;
- the remuneration of shareholders, with the distribution of dividends for the financial year ended 30 April 2021, is determined as approximately Euro 13.2 million (Euro 0.85 per share).

With regard to the percentage of distribution of net Added Value, it should be noted that Human Resources are the Stakeholder that continues to benefit most from the creation of wealth by the Group, accounting for 65% of the total (compared to 63% at 30 April 2020).

Despite the return to dividend distribution, the economic value retained remains constant and equal to approximately Euro 42 million, representing the fundamental lever of investments for the benefit of the Group's growth.

The following graph shows the distribution of the Sesa Group's **Added Value for 2021** of approximately Euro 250.2 million, of which Euro 42.1 million of retained economic value (self-financing) and Euro 208.0 million of distributed economic value.

Distribution of generated net value



For further information on the economic and financial situation of the Sesa Group, please refer to the "Annual Financial Report", available in the Investor Relations section of the website www.sesa.it. Information about the Company's ownership structure is provided in the "Report on Corporate Governance and Ownership Structure", available in the Corporate Governance section of the website www.sesa.it, to which reference should be made.

7.2. CORRELATION TABLE IN COMPLIANCE WITH LEGISLATIVE DECREE 254/2016


Topic Legislative Decree 254/2016	Material topic	Identified risks	Policies practiced	Topic specific standard/disclosure	Chap./Par. of reference	Reporting Perimeter	Notes
Transversal	Transversal	Par. 3.3	Par. 7.1	201-1: Economic value directly generated and distributed	Par. 7.1	Consolidated companies at 30.04.2021	
			Par. 2.4	207-1 Approach to taxation 207-2 Tax governance, control and risk management 207-3 Involvement of stakeholder and management of tax concerns 207-4: Reporting country by country	Par. 2.4	"	
Environmental	Energy consumptions	-	Chap. 4	302-1: Energy consumed	Chap. 4	"	Policies: Environmental Policy and ISO 14001 Certification. Weelgo company data could not be reported for this reporting year.
	Emissions	-	Chap. 4	305-1: Direct emissions of GHG (Scope 1) 305-2: Indirect emissions of GHG (Scope 2)	Chap. 4	"	Policies: the Group manages these issues according to a practice aimed at improving environmental impacts.
	Waste	-	Chap. 4	306-2: Waste by type and method of disposal	Chap. 4	"	Policies: Environmental Policy and ISO 14001 Certification Ratios: With reference to the waste ratio indicator, it was not possible to report the tonnes of municipal solid waste as it is managed by the public collection service. The GRI 306-2 indicator is partially reported as only the waste produced is reported and not the type and method of disposal.
	Water consumption	-	Not present	303-3: water withdrawals	Chap. 2	"	Risks and Policies: water is used solely for sanitary purposes, there is no need to formalise policies and risks. Weelgo company data could not be reported for this reporting year.
Social	Responsible supply chain	-	Par. 6.3.1	Dealt with from a qualitative point of view only	Par. 6.3.1	"	Risks and Policies: the implementation of risk monitoring systems and management policies related to socio-environmental aspects is being assessed.
	Relations with local communities	-	Par. 6.2	Other (non GRI): - Total amount allocated to socially motivated projects; - Number of projects and students involved	Par. 6.2	"	The Group reports on the activities carried out by the Sesa Foundation.
	Customer relations	-	Par. 6.3.2	Dealt with from a qualitative point of view only	Par. 6.3.2	"	
Concerning personnel and respect for human rights	Occupation	-	Chap. 5	102-8: Information on employees and other workers 401-1: New recruitments and turnover	Chap. 5	"	
	Staff health and safety	-	Chap. 5	403-5: Employee training on occupational health and safety 403-9: Accidents in the workplace	Chap. 5	"	Ratios: calculated on the hours worked only by companies whose human resources are centrally managed by the Parent Company. For more details on the companies managed externally, see note no. 14.
	Training and retention of human resources	-	Chap. 5	404-1: Average hours of training per year and per employee	Chap. 5	"	The Group reports training hours by gender and course type but does not report the average annual training per employee by gender and professional category.
	Corporate welfare	-	Chap. 5	401-3: Parental leave	Chap. 5	"	
	Equal opportunities and diversity	-	Chap. 5	405-1: Diversity in governing bodies and employees	Chap. 5	"	Ratio: the company reports the gender pay gap ratio considering the total remuneration of its employees divided by professional category. The ratio includes data from Italian companies only.
		-	Chap. 5	405-2: Ratio of basic salary and wages of women to men	Chap. 5	"	
Defence of human rights	-	Chap. 3	406-1: Discriminatory incidents and corrective measures implemented	Chap. 3	"		
Fight against active and passive corruption	Compliance and the fight against corruption	-	Chap. 3	419-1: Non-compliance with social and economic laws and regulations 205-3: Corruption incidents ascertained and actions taken	Chap. 3		

7.3. GLOBAL COMPACT RECONCILIATION TABLE

THE PRINCIPLES	SESA NON-FINANCIAL STATEMENT 2021	PAGES
<p>Principles 1, 2 - Businesses are required to promote and respect universally recognised human rights within their sphere of influence and to ensure that they are not complicit in abuses of human rights, even indirectly.</p>	<p>Human rights</p> <p>Commitment to ensure and promote respect for human rights, a priority for the Group, in all business areas and among all stakeholders, whether they are Group employees or suppliers. Activities are carried out in compliance with the fundamental standards of human rights.</p> <p>The Group’s policies and practices are aligned with the International Bill of Human Rights, including the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organisation (ILO) Core Conventions, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Global Compact Ten Principles.</p> <p>Sesa promotes sustainability and business ethics in the supply chain, carrying out supplier audits on matters of human rights, the environment, occupational health and safety. Sesa protects occupational health and safety by means of training, awareness and information.</p>	<p>38-43</p>
<p>Principles 3, 4, 5, 6 - Businesses are required to uphold the freedom of association of employees and recognise the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of all forms of discrimination in relation to employment and occupation.</p>	<p>Work</p> <p>Sesa undertakes to respect the four fundamental labour standards of the ILO, as set out in the Declaration on Fundamental Principles and Rights at Work: freedom of association and the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of all forms of discrimination in relation to employment and occupation.</p> <p>Sesa rejects all forms of discrimination and undertakes to maintain a working environment free from all forms of violence and harassment. Sesa regulates relations with political organisations and trade unions exclusively on the basis of laws, regulations and agreements/contracts in force, ensuring the highest principles of transparency and fairness. Sesa undertakes initiatives to reconcile life and work. Sesa ensures the provision of training and professional development to its employees.</p>	<p>35-38 55-68</p>
<p>Principles 7, 8, 9 - Businesses are required to support a precautionary approach to environmental challenges, to engage in initiatives that promote greater environmental responsibility, and to encourage the development and dissemination of environmentally friendly technologies.</p>	<p>Environment</p> <p>Sesa undertakes to:</p> <ul style="list-style-type: none"> • reduce its direct impacts by reducing consumption and the waste produced, and choosing to favour the use of eco-sustainable resources, such as energy from certified renewable sources; • protect the environment and identify environmental management systems as the tool for implementing and monitoring the actions taken to fulfil the commitments made; • follow all international best practices to minimise environmental impact and develop new technologies to save energy, reduce emissions and increase the performance and quality of the vehicles used; • raise awareness of environmental aspects among its suppliers. 	<p>44-54</p>

THE PRINCIPLES	SESA NON-FINANCIAL STATEMENT 2021	PAGES
Principle 10 - Businesses undertake to fight corruption in all its forms, including extortion and bribery.	Fight against corruption Sesa disseminates ethical principles and corporate values and provides training activities on legality and anti-corruption. Sesa conducts reputational audits among suppliers and third parties. No cases of corruption were reported in 2021.	35-43
Support of Sustainable Development Goals.	Sesa also undertakes to contribute to the achievement of the Sustainable Development Goals defined by the United Nations. The Company is particularly active in relation to goals 5, 8, 13, 16, 17.	21-23

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Sesa S.p.A.

Registered Office in Via Piovola, 138 – 50053 Empoli (Fi)
Share Capital Euro 37,126,927
Tax Code, Registration Number
in the Firenze Business Register
and VAT number 07116910964



SESA SPA

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED
NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND
ART. 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018**

YEAR ENDED 30 APRIL 2021

Independent Auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of SESA SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement – Sustainability Report of SESA SpA and its subsidiaries (hereafter "SESA" or the "Group") for the year ended 30 April 2021, in accordance with article 4 of the Decree, included in specific section of Management report and approved by the Board of Directors on 12 July 2021 (hereafter the "NFS").

Responsibility of Management and those charged with Governance for the NFS

The Directors of SESA SpA are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016 and updated to 2019, by the GRI – Global Reporting Initiative (hereinafter, the "GRI Standards"), with reference to a selection of GRI Standards, as described in the paragraph "Methodological note and reading guide" of the NFS, identified by them as the reporting standards.

The Directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFS is free from material misstatement, whether due to fraud or unintentional errors.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1 of the Decree, considering the activities and characteristics of SESA and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organizational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

Those charged with governance of SESA SpA are responsible for overseeing, in the terms prescribed by law, the compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereafter “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with those reported in the Group's Consolidated Financial Statements;
4. understanding of the following matters:
 - business and organisational model of the Group, with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - main risks generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below.



5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of SESA SpA, and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

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

- at a group level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for Technological pole located in Empoli (FI), which was selected on the basis of its activities and its contribution to the performance indicators at a consolidated level, we carried out site visits and walk through procedures during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of SESA Group as of 30 April 2021 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards, with reference to a selection of GRI Standards therein contained.

Firenze, 23 July 2021

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers. We have not performed any verification procedures on the English translation of the NFS of SESA Group as of 30 April 2021.