



2019 CORPORATE
SOCIAL
RESPONSIBILITY
REPORT





2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

A matter of mindset

Betting on human intelligence to transform the world and to improve people's lives.
A matter of mindset is the phrase that affirms Engineering's approach to sustainability.

Because it takes the right mindset and a far-reaching vision to add value to our
commitment to the community.

Engineering has chosen to invest in ingenuity to design a better future for the economy,
society and the environment, through digital transformation.

With the awareness that this is the right way to achieve sustainable development.



INTRODUCTION

by Maria Patrizia Grieco

It is with great pleasure that I am writing this short presentation of Engineering's Corporate Social Responsibility Report. A company's Corporate Social Responsibility Report describes the contribution that a company is making to society as a whole. The health crisis in which we find ourselves has only made it more evident how essential it is to look at companies as an integral part of a social reality that must necessarily put people at the center. This year, more than ever before, it has become clear that a company's Corporate Social Responsibility Report is not just a simple appendix or a supplementary report. It is no coincidence that the new Corporate Governance Code speaks of the "sustainable success" of companies.

In this profoundly changing world, Engineering is doing its part by putting technological innovation at the service of sustainability and by fully supporting the transition to a more resilient society, ready to face the new present and the challenges of the future.

First of all, there is an urgent need for a Digital Transformation which is as democratic and widespread as possible and which involves, for example, the many applications that will lead to improvements in health care, a fundamental aspect for getting out of the emergency and planning the relaunch. This restart will also necessarily involve the speeding up of the decision-making processes of the Public Administration and the Judicial Administration, and the creation of the necessary infrastructures for allowing as many citizens as possible to work remotely. This new way of working will be an integral part of our lives and, if used properly, will also have important environmental impacts that can help mitigate the effects of climate change.

However, Engineering's commitment is also directed internally. Leafing through the report, it can be noted with satisfaction that, in 2019 alone, almost 1,500 people were hired throughout the Group, thus helping young and very young people to enter the world of work, the groups most affected by unemployment and who are paying the highest price in the current crisis due to the pandemic. This is a clear investment in the new generations and a management choice that focuses on the value of specialized growth within the company and on training as a fundamental tool for a company's sustainable success. For this reason, the Report still shows that more than 17,000 days of training were provided to employees during the past year. And, in the same context, specific resources are allocated each year to support and encourage school and university education through scholarships for the children of employees.

In this Report, you will also see a strong commitment to research, community initiatives and the many development projects that will certainly contribute to building a present and future that are increasingly attentive to impacts on society, the environment and governance.

Maria Patrizia Grieco

President of Banca Monte dei Paschi di Siena

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LETTER TO STAKEHOLDERS

GRI 102-14



Dear Stakeholders,

When Engineering was created 40 years ago, laying the foundations of what would become the largest Italian technology group, now also operating in several countries around the world, its founder, Michele Cinaglia clearly envisioned the need to put technology at the service of citizens and the community.

For us, information technology first, and then digitization, have always been a means to generate a positive impact on the environment around us and in people's lives. This is our Mission.

For the last seven years, we have also been committed to measuring and reporting in our Corporate Social Responsibility Report everything that is added to and interwoven into this Mission.

Engineering contributes to the economic development of the country and the creation of employment. In 2019, the company employed 11,500 people and generated a production value of 1,274 million euros. To guarantee customers and their users or consumers the most advanced solutions that have the greatest positive impact, we make Research and Development a pivotal component of our work, investing over 40 million euros in the last year and relying on a team of 450 people, including researchers and data scientists.

We believe that technology must be democratic and inclusive. We also spread our corporate values of inclusion and participation through social initiatives for the country, generating cultural and economic ties and connections.

In 2019, we supported projects to combat bullying and cyberbullying, to promote digital literacy and to protect the weakest among us. We have supported national and international projects and initiatives promoted by non-profit associations and European institutions. One such example is DISKOW, a placement project that uses Big Data and Artificial Intelligence to allow refugees to benefit from placement services and to provide new opportunities for those who have lost everything and want to get back into the game.

Because we believe in the importance of work, not only for the provision of economic livelihoods, but also for the dignity of women and men all over the world.

We believe that ethics is an indispensable priority, and our commitment has also been awarded ISO 37001 Certification for the system for managing the prevention of bribery, issued in late 2019 by DNV GL-Italia.

We are constantly confirming and renewing our commitment to minimize environmental impacts by making investments in the technological renewal of machinery and entering into 100% green energy contracts for the Pont-Saint-Martin and Assago Data Centers, which will result in a significant reduction of emissions in the coming years. We have also established our car policy which includes fuel consumption limits and has introduced dozens of hybrid cars.

At the time of publication of this Report, we are facing very different challenges than those which we have been accustomed to, and are working together to build the new normal in a post-COVID-19 world that has clearly revealed what is solid and resilient and has highlighted what is fragile and broken.

For this reason, we are presenting a somewhat different kind of Corporate Social Responsibility Report, which reports on 2019 but also addresses the urgency of the issues that the current situation has imposed on us, and we have therefore also reported on some of the initiatives implemented during the dramatic first half of 2020.

This period has shown that technology is the main enabling factor, allowing us to continue working while staying in touch with the world, with institutions and with our families.

Thanks to Digital Workplace, our Company has managed the emergency decisively and rapidly, maintaining its internal operations and contributing to the operations of its customers, going beyond the mere use of technological tools in order to influence the culture of corporate management.

The result of these efforts has demonstrated to those who considered it to be a secondary priority, that Digital Transformation is vitally important to the survival of any business or service. And this is even clearer when looking at what Engineering has done in 2019 with the implementation of services for the Digital Transformation of the world. It is also understandable why the Group has managed to remain solid during the COVID-19 challenge, supported by a strong internal identity, in tune with local communities, standing alongside and supporting its customers in highly strategic sectors, such as e-Government, Digital Healthcare, Industry 4.0 and Smart Cities.

It is precisely on the basis of the expertise gained in these sectors that, in just one month, our Group was able to develop an innovative proprietary platform in the effective Eng-DE4Bios biosurveillance system, for use in what was then positioned worldwide as the efficient "Veneto model" for pandemic tracking and management, later adopted by the Lombardy Region. Timeliness proved decisive in dealing with the emergency, and our Group was already in the position to provide adequate responses to the growing need for the digitization, innovation and sustainability of society, institutions and organizations.

All of these results were achieved because of the competence and quality of our people's work, for whom we continuously create loyalty policies and offer structured training paths through the "Enrico Della Valle" School of IT & Management aimed at continuous professional growth.

As a strategic component in the growth of the value of our human capital, the School has also continued to operate during the lockdown, making a catalog of 80 virtual classroom courses available to employees and continuing to contribute to enhancing management capabilities and raising the levels of ethical awareness required by the use of the most advanced technologies.

These are just a few of the topics covered in the 2019 Sustainability Report, which provides a comprehensive overview of Engineering's commitment to putting into practice our founding values and the corporate social responsibility that we believe are essential to ensure the future of our business and of the new generations.

Paolo Pandozy
Managing Director



A GROUP THAT INVESTS IN
INNOVATION AND SUSTAINABILITY



Highlights



Safeguarding the frontier of **innovation** means investing in **technological excellence** and **human capital**, transforming the organizational and business processes of companies to promote the fair and **sustainable growth** of the company.

Many companies, a shared vision

GRI 102-5

Company profile

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Engineering one of the major players in the digital transformation of public and private companies and organizations, offering innovative solutions for the main market segments. The Group and its subsidiaries are committed to forging new boundaries in the application of emerging technologies, working to implement and integrate systems and to redefine processes with the aim of generating innovation for companies and the Public Administration. With 12,000 professionals in 65 offices in Italy, Belgium, Germany, Norway, Serbia, Spain, Sweden, Switzerland, Argentina, Brazil and the United States, Engineering manages projects in over 20 countries, supporting clients in the business areas where digitization is generating the greatest changes. Its services cover all strategic segments, including Digital Finance, Smart Government and E-Health, Augmented Cities, Digital Industry, Smart Energy and Utilities, Digital Media and Communication.

The Group's goal is to help change the way the world lives and works, by combining technological infrastructures organized into a unique hybrid multcloud model, offering its ability to interpret new business models and using its specialized skills in all the latest technologies, such as Artificial Intelligence, Advanced Data Analytics, Cybersecurity, Robotics, Digital Twins, IoT and Blockchain.



The Engineering Group throughout the world



● USA, Brazil, Argentina, Spain, Belgium, Norway, Sweden, Switzerland, Germany, Republic of Serbia

● Italy

Through its significant investments in R&D, Engineering plays a leading role in research, coordinating national and international projects with its team of 450 researchers and data scientists and a network of scientific and university partners throughout Europe.

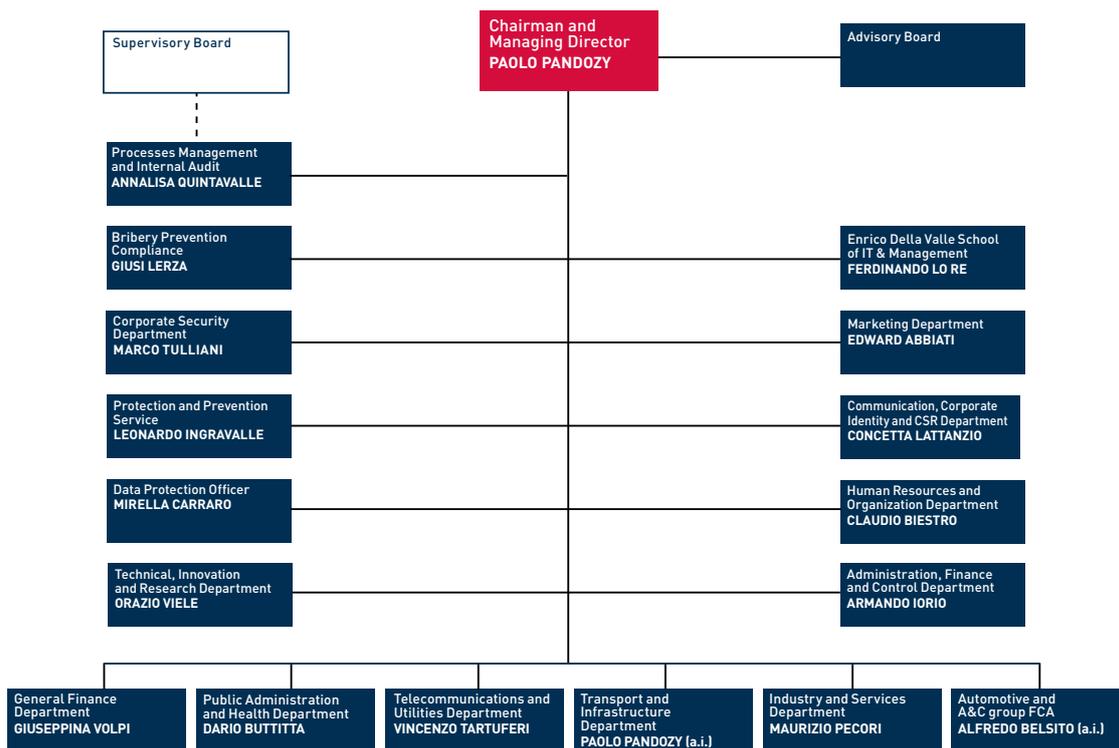
The Group’s most strategic asset is its careful staff training policy. In fact, since 1999, Engineering has had its own structure dedicated to multidisciplinary training activities, the “Enrico Della Valle” School of IT & Management, whose over 300 certified teachers and hundreds of courses have provided over 19,000 days of technical, methodological and process training in the last year.

The Parent Company

The parent company, Engineering Ingegneria Informatica S.p.A., whose headquarters are in Rome, is the strategic and managerial hub that serves its subsidiaries worldwide, provides support for the Group’s range of services and promotes the image of the company, which is known for its high-value innovative solutions. In order to govern its widespread international presence, the Group has equipped itself with an efficient coordination structure in all the centers of management responsibility. The organizational model of the Parent Company includes:

- Staff departments, which guarantee the efficiency and uniformity of rules and procedures through the offering of its services to the various companies of the Group
- Market departments, which oversee the vertical segments (Finance, Public Administration and Healthcare, Telco and Utilities, Transport and Infrastructure, Industry and Services, Automotive and the A&C FCA Group)
- The Technical, Innovation and Research Department that coordinates the execution of the software production process through Engineering Software Labs (ESL); research activities through Research Laboratories; the development of specialized skills, both technical and applicative, across the different markets, through the Centers of Expertise
- The Enrico Della Valle School of IT & Management which provides professional courses to enhance the managerial, technological and behavioral skills of employees and customers.

Organizational chart





Main subsidiaries in Italy

Cybertech: one of the most important European players in the field of information security, with its 300 specialists has been monitoring projects in more than 20 countries in the EMEA area for more than 10 years. Cybertech joined the Engineering Group in 2019 and has become the center of excellence for cybersecurity.

Deus Technology: a digital enabler for companies specializing in savings management, provides innovative Robo Advisory solutions and advanced portfolio analysis using a database of over 300,000 tools to calculate data-driven solutions. Deus Technology was acquired during 2019.

Digitelematica: specializes in the development of standard and custom web and mobile software applications, it joined Engineering Group in 2019. For some years now, Digitelematica has been a leader in the development of e-Commerce solutions for large and medium-scale retail.

Engineering D.HUB: a partner for Cloud services, Workplace Management, new generation Service Desk, IoT platforms, RPA and digital transformation support services.

Engineering 365: one of the reference companies in Italy in the ERP and CRM management systems sector and a Microsoft partner with Gold ERP competency, with a focus on Microsoft Dynamics solutions.

FDL Servizi: a historical IT company based in Breno, which joined the Group in 2019, with its suite of Energy Service System products, is a reference point in the market for the management of technological energy systems, including the integrated use of renewable energies.

Municipia: a partner for the digital transformation of cities of all sizes, providing innovative services through private investment and operational risk absorption. Municipia works alongside municipalities around the world, supporting local governments in the implementation of their urban strategies and in the transformation of the Administration through financial and environmental sustainability, safety, mobility, welfare and interactivity.

Nexen: focuses on consulting for financial and insurance institutions to support business, management and governance activities in the areas of Governance, Risk, Compliance, Customer, Offering, Payments, Wealth Management, Credit, Life and No-Life.

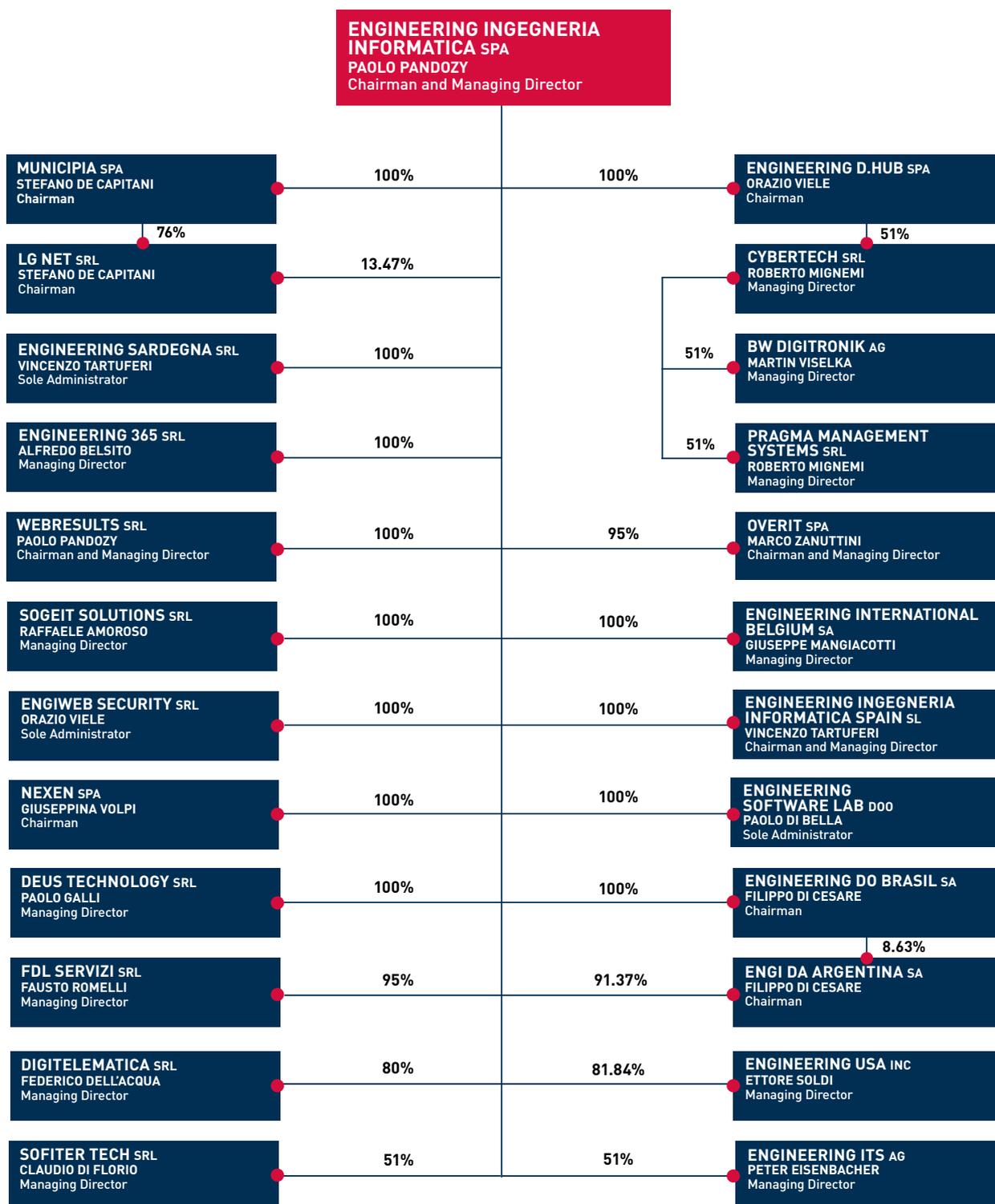
OverIT: specializes in the optimization of Field Service Management processes through Mobile Business, Workforce Management, Sales Force Automation and Geographic Information Systems (GIS) solutions, which it provides through Geocall and SPACE1 application platforms, one of the most advanced interaction systems based on Augmented Reality, Mixed and Virtual Reality techniques.

Sofiter Tech: offers consulting and services to companies in operational and functional areas ranging from analysis and organizational design to the implementation of integrated systems for the management of information and business processes with particular reference to the world of agricultural resources.

Sogeit Solutions: offers expertise, solutions and services for the digital media and broadcasting market.

WebResults: the reference point for the development of Cloud applications based on the Salesforce.com. platform.

Consolidation area



Main subsidiaries abroad

Engineering do Brasil: supports internationalization in markets with high growth and development potential in innovative areas. It has offices in Sao Paulo, Belo Horizonte, Rio de Janeiro, Santo André and Buenos Aires with the Engi da Argentina company.

Engineering Ingegneria Informatica Spain: our Spanish branch oversees the Water, Gas and Electricity sectors for Spanish customers and Italian companies seeking an IT and strategic partner in Spain and Latin America. The company is based in Madrid and has a Center of Expertise for the Energy and Utilities market.

Engineering International Belgium: technological partner of the European Union, is active in international organizations and in the public and private market in the Benelux area and, more generally, in the EMEA area.

Engineering ITS: based in Germany, with over 300 employees in 12 subsidiaries, it focuses on IT process consulting, on-site and nearshore software development, integration systems and managed operations. It operates through its three business units, Digital Services and Solutions, Business and Strategy Consulting, and Software Labs.

Engineering Software Lab: founded in 2012 as a subsidiary of MHT (now Engineering 365), based in Belgrade. It employs over 200 developers and specialists in consulting, project management, information systems development, technical support and SAP consulting.

Engineering USA: operates in the United States and is based in Chicago, specializes in the Manufacturing IT sector via PLM (Product Lifecycle Management), MOM (Manufacturing Operations Management) and S&OP (Sales and Operations Planning) solutions.

Centers of Expertise

Automation and Control: develops and implements Industry 4.0 compliant solutions for companies, networks and infrastructures, allowing the integration of processes and information and the supervision of distributed technology assets.

Change Management: working closely with customers and project teams, it offers support by adopting the innovative ways of working required by Digital Transformation and project implementation, and by applying its consolidated Change Management methodologies.

CRM - Customer Relationship Management: supports customer organizations in defining their strategies toward final consumers, operating on the leading market platforms and on the major Digital Marketing suites, creating proprietary application components to speed up implementation times and to contain project costs, as well as managing aspects related to Change Management.

Data and Analytics: its specialized team supports customers in the “Digital Age”, where information becomes an asset and a competitive advantage. Data Management, Data Governance, Data Visualization, Advanced Analytics with Machine Learning/DL, NLP and forecasting models are the techniques and tools it uses to offer complete and effective analytical solutions.



Digital Learning and Knowledge: combines learning methodologies and digital technologies to offer customized, flexible and immersive knowledge paths. It creates ecosystems and content for engaging and rewarding lifelong learning practices that stimulate the growth of people and the transformation of organizations.

ECM - Enterprise Content Management: a team of domain specialists with consulting skills who offer solutions and services to large organizations aimed at transforming information into business assets and smart content. ECM helps customers achieve great results through the use of appropriate technologies, such as the use of Blockchain in the information certification process, Artificial Intelligence for an informed use of data and IoT as a provider throughout the territory.

Engineering Interactive: offers consulting services to support digital evolution by designing products, services, and communication and training strategies consistent with new organizational and business models. Its team of professionals with multidisciplinary experience operates in areas such as service design, interactive learning, social listening and digital communication, and participatory and user-centered methodologies (Design Thinking, Design Sprint, LeanUX, and more).

EXC - Enterprise eXcellence Center: with more than 1,100 SAP specialists and more than 500 active projects worldwide, EXC is Engineering's global organization specializing in the design, implementation and maintenance of innovative SAP-based ERP and Extended ERP solutions.

GIS - Geographic Information System: specializes in the design and implementation of complex map information systems, integrating the geographical component to the main business decision-making processes.

Mobile Solutions: designs, implements and manages multichannel and multimedia solutions with a consulting approach. Its working methodology is based on the Customer Experience concept and involves the use of vertical and innovative technologies. Mobile Solutions has gained significant experience in the areas of mobile and consumer services.

Project Management Center of Excellence: works together with Project Managers in the startup and management of large projects and contracts, for customers it performs Project Management Office activities and supports the Flexible Transformation path, is responsible for the internal methodology for Project Management and is a contact, in collaboration with the Training School for Project Managers, PMO Specialists and Scrum Masters.

RPA - Robotic Process Automation: a team of certified professionals who guarantee structured governance with a methodological approach for the discovery of time-consuming processes suitable for RPA implementation, desktop assisted automation, the optimization of business applications, with robotic pool orchestration and demand management.

Innovation that creates value

GRI 103-2 GRI 103-3

Innovation is the tool that Engineering uses to give shape to technological solutions that help improve business processes, public policies and, as a result, the quality of people's lives. Economic growth, social welfare and environmental sustainability are the goals of a process that creates value from ideas.

For Engineering, innovation also means creating, collecting, analyzing and integrating data for companies, administrations, cities, and public and private organizations. The data is interpreted, anticipated and modeled. By leveraging this data, Engineering is ushering in a new digital era, designed through its enabling technologies in the areas of AI and Advanced Analytics, RPA, the Cloud, Digital Twins, Cybersecurity, IoT, Blockchain and AR-MR-VR.

Engineering invests in R&D in order to have the necessary tools to support and increase its competitive edge, to continuously and rapidly evolve according to the needs of the IT market, following the trends and priorities outlined by the innovation roadmaps, defined both at the EU and national levels.

Through its innovation, research and development activities, Engineering embraces challenges related to new production and organizational paradigms, including Cybersecurity and Homeland Security Governance, e-Health, Infrastructure, Software, Smart Energy, Industry 4.0, Mobility, Space, the Cloud, Data Analytics, Artificial Intelligence, Intelligent Transport System, the Internet of Things (IoT), Smart Cities, Tourism and Culture.

The **Research and Development Department**, which opened its first laboratory in 1987, works together with the most important European scientific institutions and with top-level industrial companies, maintaining its leadership in the software research industry through the coordination of numerous national and international projects by networking with scientific and university partners all over Europe. In 2019, Engineering invested approximately 40 million euros in research and development, employed 450 researchers and data scientists in seven laboratories and was involved in about 80 research projects. Certified for several years now as one of the most active Italian companies in European research, Engineering attracts funding from various research programs at the national and European levels, thus achieving constant growth and results.

A link has been created between the research world and the markets through a network of 250 Innovators. The role of these people, who are constantly involved in applying and studying the technologies of the future and working on innovation together with customers, is to communicate to the markets about new developments in Research and Innovation, while at the same time, making sure that this research responds to the needs of the markets. This is a crucial link that ensures an integrated approach to research that combines traditional and innovative technologies, while also being more closely aligned with the needs of our customers and partners. Linking research to the services we provide is a distinctive feature that highlights the practicality and relevance that the Engineering Group has always aimed to achieve.



A tangible example of this is the Digital Enabler solution, Engineering's platform for the Digital Transformation of cities based on FIWARE.

The platform, which began as a research and development project, has reached a very high level of technological maturity sufficient to enter the market with the implementation of various smart city solutions for a number of cities in various European countries including Germany, Belgium, Finland and Denmark and in some cities in Argentina and Uruguay, such as La Plata and Montevideo.

Engineering's R&D Department therefore plays a dual role in promoting software research at the international level and in transferring innovation to the production cycle of its business structures. The two keywords that clearly explain the laboratory's approach to research and innovation are: impact and sustainability.

To achieve these goals, the laboratory has a portfolio of activities involving:

- Research activities
- Open Innovation activities
- Activities involving fast-growing technologies ready to be marketed.

Every one of these activities delivers proof of concept (feasibility checks), pilot projects, new products or services, supporting the transfer of technologies and skills to the business units, in order to make the most of new market opportunities and to always propose innovative offers.

Technologies and social and service innovation

From a technical and functional point of view, Engineering's research and innovation activities are based on the development of new technologies and on social and service innovation:

- **Augmented Cities:** enhancing the way our cities and citizens use time and space, improving the quality of life of all key actors in the city and offering projects characterized by solid economic and financial sustainability
- **Digital Defense, Aerospace and Homeland Security:** enabling the secure acquisition, management and distribution of data related to military and national security operations, as well as logistical support related to the maritime, land, air, space and cybernetic domains
- **Digital Finance:** transforming the way organizations manage data and processes, improving relationships with Stakeholders and guiding them towards new digital ecosystems
- **Digital Industry:** making the future of manufacturing possible through Digital Transformation
- **Digital Media and Communication:** leveraging deep knowledge of digital technologies to create value, building new integrated business models and improving core processes
- **Digital Retail and Fashion:** helping retail and fashion companies to revolutionize the customer shopping experience and to simplify operations, reduce costs and increase revenue
- **Digital Workplace:** redefining the time and space of work with new digital tools, enhancing communication and collaboration in total security
- **E-Health:** redefining healthcare through the digitization of processes and the use of innovative technologies to improve patient care, the quality of work of professionals and the overall sustainability of healthcare systems
- **Smart Agriculture:** helping industry players reap the benefits of Digital Transformation through an integrated ecosystem of technologies and data systems along the entire supply chain, from field to farm, to government organizations
- **Smart Energy and Utilities:** transforming business models by digitizing processes along the entire energy supply chain, through strong knowledge of core processes, and promoting the creation of new and reliable business paradigms
- **Smart Government:** transforming the public administration to make it more effective and sustainable, starting from core processes and focusing on experiences gained from the use of people to achieve a new and mature form of digital citizenship
- **Smart Transportation:** ensuring the reliability and security of data-based mobility services dedicated to people, goods and infrastructure.

Research programs and networks

The strategic role played by Engineering within the software research community in Europe is also demonstrated by its involvement in international initiatives, which stimulate and promote innovation in various fields. Engineering participates in various initiatives and research programs, both in Italy and in Europe, through public and private networks and partnerships and also collaborates with numerous organizations to define strategies for the growth and competitiveness of companies and digital economies in the main emerging ICT sectors.

- **5G PPP:** Engineering is the coordinator of two 5G PPP projects (5G-MEDIA and NRG-5), a public/private partnership co-funded by the European Commission as part of Horizon 2020. 5G PPP brings together representatives from industry, SMEs and research and aims to strengthen European leadership in the field of advanced 5G networks.
- **AIOTI:** Engineering is a founding member of the Alliance for Internet of Things Innovation, launched by the European Commission and aimed at creating a sustainable ecosystem through IoT technology and the implementation of applications to accelerate sustainable economic development and growth in the global digital marketplace.
- **BDVA:** Engineering is a founding member of the international non-profit organization Big Data Value Association and coordinator of the Smart Manufacturing Industry and Smart Cities groups. The Association, which has more than 200 members throughout Europe, including large small and medium-sized enterprises, universities and research centers, is the European Commission's private counterpart in the implementation of the Big Data Value PPP (Private Public Partnership) program.
- **ECSO:** Engineering is one of the promoters and active supporters of the European Cyber Security Organization, a public/private partnership for Cybersecurity which has been active since 2018 and has more than 200 active members. The aim of the initiative is to make Europe and the security industry more innovative and competitive through the collaboration and support of the Public Administration, Universities, research centers and companies.
- **EIT Digital:** Engineering is the core partner of the European Institute of Innovation and Technology initiative dedicated to digital technologies and solutions. EIT Digital is the European Commission's main tool for supporting companies and entrepreneurs in the process of digital innovation, providing them with new technologies and talents to support their economic growth and to improve their quality of life.
- **EIT ClimateKic:** In 2019, Engineering joined the EIT initiative dedicated to the development of technologies and solutions to reduce the effects of climate change. This is proof of Engineering's commitment to continuously searching for new areas where it can test solutions capable of expanding its target market.
- **EIT Manufacturing:** In 2019, Engineering joined the EIT initiative dedicated to digital innovation in manufacturing production processes (and more generally, industrial processes: industry 4.0). The opportunity to also involve customers will promote innovation and technologies that can improve production processes and industrial logistics.
- **EOS:** Engineering is a founding member of the European Organization for Security and coordinates the organization's working group on Cybersecurity. The EOS brings together the main European industrial and academic actors in the security sector (50 members located in 15 different European countries) and offers solutions and services related to security and the monitoring of maritime and land borders, transport security, cybersecurity, critical infrastructure protection and crisis management. The EOS has contributed significantly to the creation of ESCO, a Public/Private initiative dedicated to Cybersecurity.



FIWARE

Engineering, together with other large European ICT industry players, is a founding partner of the FIWARE Foundation, aimed at promoting and developing the FIWARE platform and expanding its community in order to support developers and users, from both industry and the public sector, large organizations, SMEs and start-ups.

Through the path it has undertaken with FIWARE, the Company supports the creation of an open source community, which promotes and supports the development of open solutions for Smart Cities, Industry 4.0, Smart Energy and precision agriculture, by integrating the Internet of Things, the Cloud and Big Data technologies with Open Data policies, in order to create the conditions and to accelerate the development of the digital economy. In 2019, the FIWARE Summit was held for the first time in Italy in Genoa, where Engineering was involved in promoting the development of smart applications for Public Administrations, industry and utilities using Open Source technologies and open standards capable of ensuring full interoperability and independence from technologies and vendors.

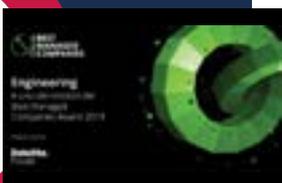
- **IDSA:** Engineering is a member of the International Data Space Association, where business and research play an active role in defining a reliable architecture for the data economy. The primary goal is to create an open, standardized and vendor-independent solution that allows the secure sharing of data (data sovereignty), i.e. the ability to control and regulate the sharing of private data. International Data Space wants to create a standard that allows individual contributors to share data without losing the competitive capacity associated with sharing, but which instead offers monetization in terms of value return and competitive and productive capacity. The standard applies to any social and productive ecosystem where data exchange can generate value without the loss of competitive advantage.
- **NESSI:** Engineering is partner of the Networked European Technology Platform European Software and Service Initiative, which aims to develop a strategy for the implementation of software and services guided by a common European research agenda. The initiative, now considered an independent Think Tank, has about 400 members, including major IT companies, universities and the most advanced research centers in Europe.
- **WssTP:** Engineering is a member and contributor of the ICT working group of the Water Supply and Sanitation Technology Platform, a European platform that aims to promote the integrated development of the research and technology sector at the European level, to ensure Europe's competitiveness and growth in the water sector, to provide answers to global challenges for the next generations, and to address the integrated and sustainable management of water resources.

Recognitions and awards



🎯 The Biblioteca Bilancio Sociale 2019 Special Stakeholders Award

Engineering has been awarded the Biblioteca Bilancio Sociale (BBS) 2019 Special Stakeholders Award for “Significant and consistent investment in human capital strongly characterized by a long-term vision and organized on multiple fronts, including outside of work”, as stated in the explanatory notes. This recognition follows the special mention in the social sphere received in the last edition of the BBS award. BBS is the collection point that enhances and makes it possible to view social, environmental and sustainability reports at the national level. Each year, BBS selects and enhances the contents of sustainability reports published by Italian companies that have chosen to operate according to a responsible development model, with the aim of sharing visions and best practices by comparing their experiences.



🎯 The Deloitte Best Managed Companies Award 2019

Engineering was one of the companies awarded the Deloitte Best Managed Companies (BMC) award, which is awarded to companies that have distinguished themselves for their organizational ability, strategy, skills and innovation, commitment and corporate culture, governance and performance, and internationalization and sustainability. The companies received their awards at the headquarters of Borsa Italiana as part of the Deloitte initiative supported by ALTIS Università Cattolica, Confindustria and ELITE - the London Stock Exchange Group’s program that supports the development and growth of high-potential companies.



🎯 The HR Innovation Practice Observatory of the Polytechnic University of Milan 2019 HR Innovation Award

Engineering received the HR Innovation award in the Talent Attraction category, awarded as part of the presentation of the HR Innovation Practice Observatory of the Polytechnic University of Milan. The award reflects the important work done to transfer the research, selection and placement process for new recruits to a single digital platform, the Cornerstone suite, which has generated immediate results in terms of efficiency and environmental sustainability.



🎯 The 2019 and 2020 Felix Industry Award

Among the roster of companies awarded in Rome with the 2019 edition of the Felix Industry Award, the Parent Company received the award for the Best Large Enterprise in the Innovative Services Sector of the Lazio region of Italy and a High Balance Sheet Performance Award. In the edition dedicated to the Piedmont, Liguria and Valle d'Aosta regions, Engineering D.HUB was one of the companies that received the award granted to the seven most competitive companies and balance sheet performance leaders. And in 2020, in the Lazio and Tuscany edition, Engineering was among the best 38 companies for management performance and financial reliability.



🎯 The Financial Times 2020 Diversity Leaders Award

Engineering has been included in the Financial Times 2020 Diversity Leaders Award ranking as a result of the commitment that the Company places on the management of its employees with the awareness that the human and professional qualities of its people are fundamental to the growth of the business. In addition to the numerous awards the Group has received in its forty years of history, the 2020 Diversity Leaders Award included Engineering among only eight Italian companies out of the 700 which were reviewed, distinguishing the company for its awareness-raising actions and policies regarding diversity in the broadest sense, including age, gender, ethnicity, disability and sexual orientation (LGBTQ).



🎯 The 2020 Great Place To Work (GPTW) Award

Engineering do Brasil received the prestigious Great Place To Work Award in June 2020. Based on the results of the weekly climate analysis (85% employee satisfaction level), the resulting action plans identified and suggested by the employees and the actual improvements made, the Company distinguished itself in four of the five categories of research analysis on which the award is based, namely Respect, Credibility, Pride and Team Spirit.



Effective governance and shared values

The numbers

GRI 103-1 GRI 103-2 GRI 203-1 GRI 203-2

Engineering’s revenue and profitability also recorded strong growth in 2019. These significant results were obtained because of the ability to combine a consolidated knowledge of business processes with the opportunities offered by the latest developments in technology.

1,274	MILLION EUROS OF REVENUE
1,149.2	MILLION EUROS IN ECONOMIC VALUE DISTRIBUTED TO STAKEHOLDERS
43.8	MILLION EUROS IN NET PROFIT
ISO 37001	THE CERTIFICATION PROCESS FOR THE PARENT COMPANY’S SYSTEM FOR THE MANAGEMENT OF THE PREVENTION OF BRIBERY WAS SUCCESSFULLY COMPLETED
5,000	COST CENTERS MONITORED BY MANAGEMENT CONTROL SYSTEM

The Group’s Consolidated Financial Statements as at 31 December 2019 show the value of production at approximately 1,274 million euros, an increase of more than 8% compared to the previous year. This increase is due to a change in the scope of consolidation and growth in business volumes.

Adjusted EBITDA amounts to 180 million euros, an increase of approximately 22.3% compared to the previous year, while EBIT is 61.2 million euros, with a decrease of 21.6% due to provisions and write-downs in excess of 2018, and a profitability percentage of 4.9%. Net profit amounted to 43.8 million euros, down 24.0% compared to 2018. In relation to the net financial position, the Group recorded a pro-forma net financial indebtedness of -113.7 million euros compared to -69.9 million euros as at 31 December 2018, essentially due to the disbursements of dividends to minority shareholders and new shareholding acquisitions of subsidiaries during the year.

Contribution to Italy’s economy

GRI 103-2 GRI 103-3 GRI 201-1

The goal of a healthy business is to create wealth for its shareholders, employees and suppliers, while also generating well-being for the community and new wealth for the country. As of December 31, 2019, the Group generated a direct economic value of 1,286.5 million euros, 89.3% of which was distributed. The share contributed to the State was 33.7 million euros (2.6%).

SUMMARY OF ECONOMIC RESULTS FOR THE THREE-YEAR PERIOD 2017-2019

(amounts in millions of euros)

Description	2019	2018	2017
	31.12	31.12	31.12
PRODUCTION VALUE	1,274.0	1,180.3	1,028.8
Net Revenues	1,250.9	1,154.9	1,000.2
Adjusted EBITDA*	180.0	147.2	122.9
% on net revenues	14.4	12.7	12.3
Reported EBITDA	160.9	137.3	113.5
% on net revenues	12.9	11.9	11.3
EBIT	61.2	78.0	64.8
% on net revenues	4.9	6.8	6.5
Net profit	43.8	57.7	52.3
% on net revenues	3.5	5.0	5.2
Net assets	611.0	615.8	587
Net financial position	-113.7	-69.9	-138.1

* Adjusted EBITDA refers to results of EBITDA before Stock Option costs and Extraordinary Expenses.

ECONOMIC VALUE GENERATED AND DISTRIBUTED IN THE THREE-YEAR PERIOD 2019-2017

(amounts in millions of euros)

Description	2019		2018		2017	
	V. Absolute	%	V. Absolute	%	V. Absolute	%
DIRECT ECONOMIC VALUE GENERATED*	1,286.5	100	1,196.1	100	1,039.2	100
DIRECT ECONOMIC VALUE DISTRIBUTED	1,149.2	89.3	1,076.1	90.0	945.8	91.0
Suppliers (operating costs)	463.9	36.1	445.8	37.3	388.1	37.3
Employees	639.9	49.7	589.0	49.2	518.9	49.9
Lenders	10.9	0.8	12.0	1.0	15.8	1.5
State	33.7	2.6	28.5	2.4	22.2	2.1
Community**	0.8	0.1	0.8	0.1	0.8	0.1
DIRECT ECONOMIC VALUE WITHHELD	137.3	10.7	120.0	10.0	93.3	9.0

(*) Production value plus financial income.

(**) Includes charitable contributions and sponsorships with a social impact.

Fundamental business ethics and principles

GRI 102-12 GRI 102-16 GRI 102-18 GRI 103-2 GRI 103-3

Engineering has adopted a Code of Ethics, revised in early 2019 in order to improve its use and understandability, with a clarification of its importance for all Group companies.

The Code of Ethics brings together the values the Company considers essential for operating transparently in the markets and aligns the Company's behavior with standards based on maximum fairness toward all Stakeholders. It defines the behaviors that Engineering's employees, managers, directors, members of the Board of Statutory Auditors, members of the Supervisory Board, temporary or permanent external contributors, partners, suppliers and customers must comply with. All company departments, each in their own areas of competence, share responsibility for ensuring the correct application of the Code of Ethics.

Top Management, with the support of the corporate departments involved, is responsible for updating and disseminating the Code of Ethics, and for promoting its continuous improvement.

The Code of Ethics is an integral and substantial part of the Organization and Management Model ("Model 231") adopted by the Parent Company, Engineering Ingegneria Informatica (as well as by Engineering D.HUB and Municipial) in compliance with the provisions of Legislative Decree 231/2001 which regulates the administrative liability of legal persons and according to which entities are responsible, in the manner and terms indicated, for offences committed in the interest or to the advantage of the Company. The Supervisory Body oversees the observance, functioning and periodic verification of Model 231 in accordance with the law. The Supervisory Body also receives and analyzes reports of possible violations through special channels.

Engineering's Model 231 is continuously updated and improved, in accordance with the regulatory development of the Decree, the evolution of jurisprudence and legal doctrine, the experience gained and organizational changes in the company. The Model, together with the Code of Ethics, was last updated in January 2019. The main elements of the updates were:

- The implementation of the new organizational structure of the company
- The adoption of the management system for the prevention of bribery in accordance with ISO 37001:2016
- The implementation of regulations concerning Whistleblowing (Law 179 of 11/30/17), under which the Company has implemented a system for reporting irregularities and potential offenses by employees by setting up an ad hoc procedure made available on the Company's Intranet and an IT platform, in addition to the channels already in place for reporting to the Supervisory Body.

In order to maintain a high level of awareness and constant compliance with the Code of Ethics and Model 231, thus ensuring their effective application, the following are constantly guaranteed:

- The publication of the Code of Ethics and Model 231 on the company website (Internet and Intranet)
- The dissemination and presentation of the contents of the Code of Ethics to all newly hired employees
- The acknowledgement of the Code of Ethics and Model 231 by 100% of qualified suppliers through the Supplier Register (PAGE).

The annual audit plan includes information initiatives on anti-bribery issues. Specific training sessions on Model 231 and anti-bribery will also be offered in e-learning mode, with a provision aimed at progressively reaching all employees in the 2020-2021 program.

Fraud and bribery: zero tolerance

In the conduct of its activities, Engineering prohibits any action, toward or by third parties, aimed at promoting or favoring its interests, taking advantage of third parties, or capable of undermining the impartiality and autonomy of judgment of third parties. In addition to being an issue of business ethics, bribery is an intolerable obstacle to business efficiency and fair competition.

In December 2019, the Parent Company obtained the ISO 37001 Anti-Bribery Management System Certification, issued by the DNV GL - Italy certification body, upon completion of a process started in 2018.

The international management standard, which applies to any type of public or private organization, describes the requirements for the implementation of a management system for the prevention of bribery aimed at continuous improvement and the adoption of measures to avoid the risks of bribery in a reasonable manner and in proportion to the sector of activity, and the size and complexity of the organization.

The international ISO 37001 standard contributes toward optimizing the coordination and integration between the control and risk prevention systems that Engineering has already adopted (bribery prevention plans provided for by Law 190 and the Organization and Management Model pursuant to Legislative Decree 231).

In this context, in January 2019, Engineering approved and published its Anti-Bribery Policy on the company's Intranet. This policy is an organic and consistent system of rules aimed at countering the risks of illegal practices in the conduct of business and company activities, which is valid for the Parent Company and will be extended to other Group companies in the near future. The process of extending the ISO 37001 certification to the subsidiary Municipia has already begun.

Moreover, in compliance with the standard, in October 2019, the "Compliance Department for the Prevention of Bribery" was established, reporting directly to the Managing Director.

The attainment of the anti-bribery certification on a voluntary basis, including the goals in terms of coverage of the entire company perimeter, testify to the Group's ongoing commitment to uphold the principles of legality, integrity and transparency.

Management control: information and transparency

A company that operates worldwide must focus on precision and analytical skills as its primary tools as a way to always keep its finger on the pulse in every situation. This is why Engineering has invested for several years now in the continuous improvement of its management control system.

Currently, the Group's management control is able to:

- Monitor the performance of the Departments and the efficiency of all operational activities
- Measure the degree of achievement of its goals
- Quickly analyze any deviations in order to learn their causes
- Identify the actions necessary to ensure the achievement of its business objectives.

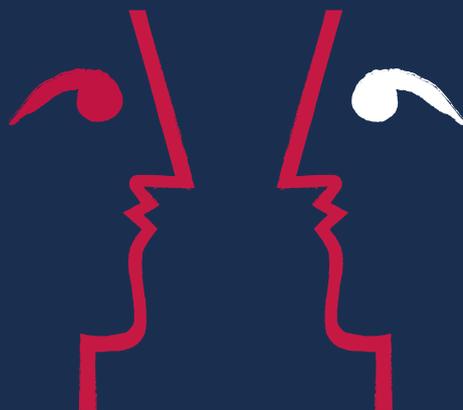
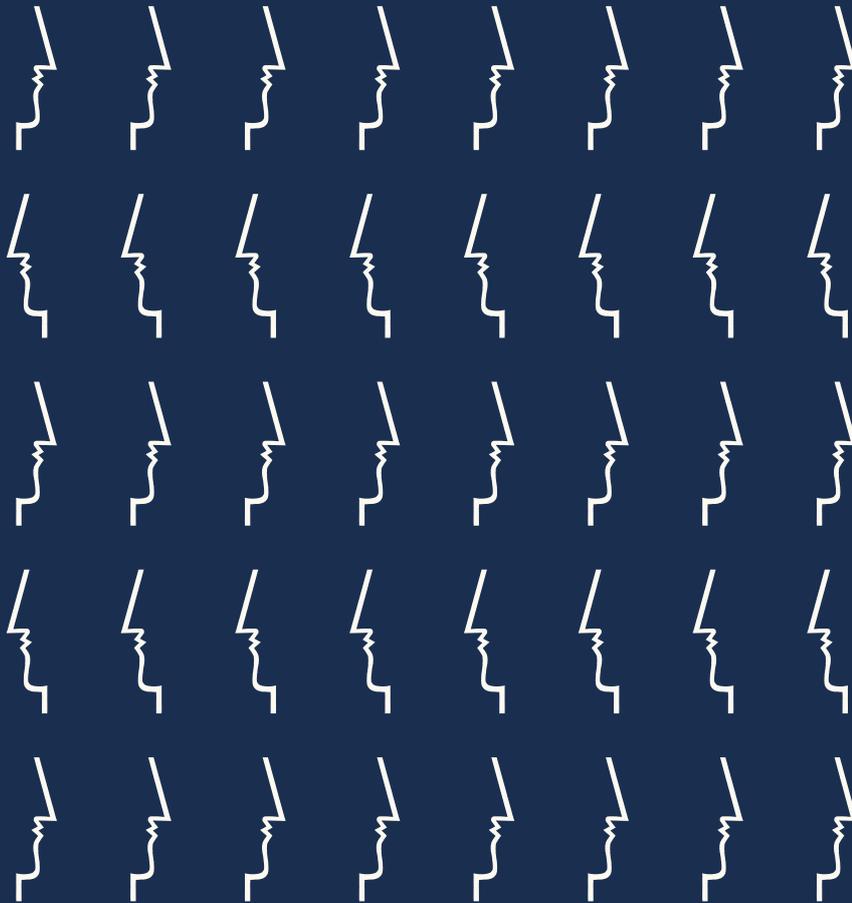
At the close of each financial year, in order to guarantee the alignment of the two accounts (general and analytical) at the net result level, the system has been set up to integrate accounting information, which is fed into the statutory financial statements, with information of an extra-accounting nature, intended for the preparation of the management budget. Following this approach, and also because of their constant updating, the analyses and information produced by the system are extremely reliable. In order to provide management with uniform and transparent information on overall industrial performance, Group companies have been progressively incorporated into the system.

Engineering's management control system allows it to quickly share information with management, ensuring the ability to make adjustments in real time and offering maximum flexibility in the development and adaptation of reporting, according to the needs of the company and according to changes in national and international regulations. The management control has been operationally structured by integrating the SAP accounting system with the proprietary analytical order accounting system (SIAL - Integrated Work Progress Reporting System).

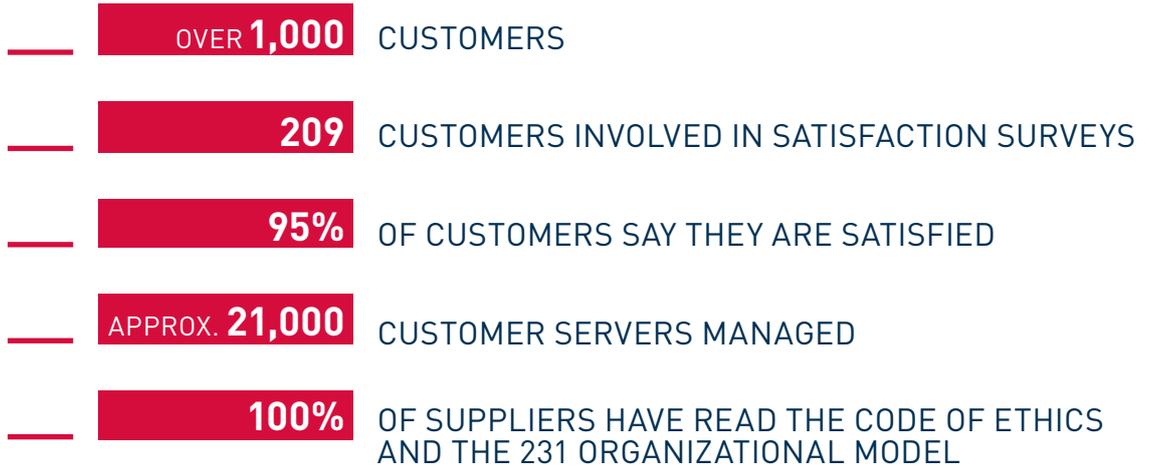
The reports are produced and made available to management in six progressive closures during a financial year, with different levels of aggregation according to the level of responsibility.

Currently, Engineering's management control allows the fragmentation and monitoring of costs and revenues of about 40,000 orders aggregated in turn in over 5,000 cost centers, ensuring the correctness of the data flow from both an operational and accounting point of view. The orders and the cost centers are under the direct responsibility of a manager, who ensures the quality and reliability of the data entered into the system. Moreover, the Management Reporting Engineering (MA.R.E.) Business Intelligence system is in operation and integrates the information coming from the different management systems into a single data warehouse, allowing further improvement of the processing and analysis capacity of the overall results.

CUSTOMERS AND SUPPLIERS, PARTNERS IN THE SEARCH FOR EXCELLENCE



Highlights



We help customers and suppliers to achieve increasingly challenging goals in a path of sharing **expertise, values** and **ethical principles** for a **responsible future**.

Quality goal: a path of continuous improvement

GRI 103-2 GRI 103-3

Engineering is a company that focuses on excellence in products and services aimed at satisfying the needs of the market. Engineering supports its customers in the implementation of new business models and strategies.

In order to follow this vision, the Company pursues best practices and the highest standards in order to apply the concept of Quality in processes and in internal organizational models.

For this reason, the Internal Audit and Processes Department is accountable to the Board of Directors and reports to the Managing Director. The Company has adopted a Quality Management System certified according to the ISO9001:2015 standard, which is an organizational and procedural support system for employees involved in the production process and which expresses the Company's policy on quality and attention to customer satisfaction. The key document for the entire process is the Project or Service Plan, which is drawn up at the beginning of the work by the Project Manager or Service Manager and contains all the necessary components for proper quality planning, integrated with the aspects of Project/Service Management.

The effective application of the Quality Management System and, more generally, the level of compliance with the relevant standards and company procedures, and are audited through activities focused on:

- Orders produced for customers with monitoring of the status and progress of projects and/or services
- Production centers, i.e. uniform organizational units that manage the orders produced for customers or for other company departments
- Service centers, i.e. facilities that provide centralized services to customers and to all other corporate structures
- Processes, with particular reference to those defined in the ISO/IEC 27001 and ISO/IEC 20000 standards
- Departments and internal service centers, such as purchasing, administration, information systems, personnel and organization, and others.

The Group audits and analyzes data and information about interventions and processes, allowing it to better understand the strengths and weaknesses of its production system. Possible improvement measures are identified and presented to top management during an annual meeting, where elements and indications for the next year's activity plan are defined. In order to guarantee their autonomy, the persons assigned to carry out auditing activities are hierarchically and operationally answerable to the Head of the Internal Audit and Processes Department, whose position in the organization is independent of the departments being audited.



Customer satisfaction

With the aim of always maintaining a high level of customer satisfaction in a highly competitive market, Engineering has activated a process of continuous improvement across all company departments. Customer satisfaction surveys, based on systematic listening and continuous customer involvement, are a highly important tool for measuring the excellence of the services offered and the strength of customer relationships with the company. The goal is to achieve maximum customer satisfaction, and for this reason, the Company monitors satisfaction via customer interviews conducted by the Internal Audit and Processes Management Department. The evaluations thus obtained are examined and the results are communicated to the production, commercial and technical departments for corrective action and improvement.

In 2019, the number of customers who said that they were satisfied was about 95%, in line with the 2018 results. In addition, 93 direct interviews were conducted through meetings held at the customers' premises, in addition to the 116 interviews conducted via online questionnaires (38 in 2017 and 106 in 2018).

Protecting data to protect customers

GRI 103-2 GRI 103-3 GRI 418-1

Technological innovation enables improvements in the efficiency and pervasiveness of IT solutions that are constantly being applied in new ways and are increasing the number of areas exposed to the risk of increasingly complex cyber-attacks. Engineering addresses this risk on a daily basis by using sophisticated technological solutions capable of guaranteeing the best levels of security and processes aligned to the highest international standards. The acquisition of an expert cybersecurity company such as Cybertech has significantly increased the Group's expertise and has allowed an optimal management of new market challenges, thanks also to the efficiency and widening of the perimeters of the Security Operation Center's (SOC) infrastructure. This solution provides customers with advanced IT infrastructure security services, including real-time monitoring and incident management. On behalf of its customers, who are active in every production sector in the country, Engineering stores and manages in its Data Centers a large amount of highly sensitive data used for extremely critical business processes. Engineering's integrated network of Data Centers includes high value-added Information Technology services, outsourcing services and innovative Cloud Computing model services. More generally, the overall scope of services offered includes the management of about 21,000 servers, desktop management services for 250,000 workstations, a network of 18,000 devices, disk space of over 10 petabytes, three different hybrid Cloud offerings, more than 1,200 lines of Wide Area Network and more than two million tickets per year (service requests from users).

With the most modern infrastructure and the most advanced technologies, Engineering's integrated network of four Data Centers ensures the highest standards of security, reliability and efficiency for the over 400 customers whose data we manage. All Data Centers are fiber interconnected and have Business Continuity solutions between Pont-Saint-Martin and Turin, as well as the Tri Data Center - a combination of Business Continuity and Disaster Recovery with Vicenza and Milan. Data protection and service availability can only be achieved by implementing an efficient control system supported by an integrated organizational model at the Group level. To guarantee this primary goal, Engineering has set up the Corporate Security Department which is specifically entrusted with the task of guaranteeing an adequate level of protection by directing cybersecurity activities and supervising operational flows. The initiatives undertaken to strengthen the control system include automatic procedures for the detection and elimination of vulnerabilities and for the management of incidents.



The assessment activity started in 2019 to define the Group's "Service Catalog" is still in progress in order to include all services and infrastructures in a single repository. The Service Catalog will become the reference point for monitoring and planning Risk Assessment and Risk Analysis activities and for directing the appropriate improvement plans. The managers of the various Group security perimeters have the specific task of readjusting and improving services and infrastructures in accordance with the results of the Risk Assessment and Risk Analysis.

At the same time, a test campaign is underway to simulate attacks on infrastructure assets and applications in order to test their vulnerabilities. Remediation plans and progress monitoring are defined on the basis of the test results. The results of this activity will be used to support the Group's risk analysis and the definition of a plan for continuous technological and organizational adaptation to further increase the security level of Engineering's IT systems.

Meetings of the Information Security Committee were held in 2020, based on a federated model of competence and on security managers who oversee specified perimeters and/or customers, and who are responsible for implementing the Group's policies. The main IT Security improvement goals and initiatives were also shared during the 2020 Security Committee meetings.

Engineering has adopted an externally certified data security management system in accordance with the international ISO 27001:2013 certification standard (Information Security Management Systems). Since February 2005, the company has also had CMMI (Capability Maturity Model Integration) certification for processes, procedures and internal software production controls. Since October 2007, the level achieved corresponded to the Maturity 3 standard of the CMMI-SE/SW model version 1.2, which was updated to CMMI-DEV version 1.3 in 2010.

Engineering D.HUB is in possession of the ISO 20000:2011 certification for the provision of ICT services in outsourcing mode. Moreover, during 2019, Engineering D.HUB integrated the ISO 27017 and ISO 27018 guidelines into the ISO 27001 certification. More specifically, these guidelines allow companies that provide services in SaaS, IaaS and PaaS, or are Cloud Service Providers, to guarantee their customers greater protection of the data processed. In particular, during 2019 as well, Engineering D.HUB was certified by AgID as a CSP-Cloud Service Provider and as an IaaS and PaaS service provider, in addition to the qualification received by Municipia for the provision of SaaS services.

Because of the considerable attention that the Group pays to the issue of cybersecurity and protecting the data of its customers, there were no Data Breach episodes or litigations for data loss in 2019.

Suppliers, partners in the search for quality

GRI 102-9 GRI 103-2 GRI 103-3 GRI 414-1

Today, the success of a company is closely linked to its supply chain management strategy and the efficiency of its communication with suppliers, who are genuine partners for achieving and maintaining high standards of quality in the services provided to customers. Taking this into consideration, Engineering has set up a supplier qualification procedure, which provides for continuous evaluation aimed at ensuring the effectiveness and reliability of supplier relationships over time. The company's purchasing policy requires each supplier to register on a dedicated portal, where suppliers must enter their technical, economic and financial information, relating to mandatory aspects required by law, as well as information related to Corporate Social Responsibility, especially regarding the proper management of personnel, such as the:

- Certificate of Social Security Compliance (DURC)
- Interference Risk Assessment Document (DUVRI)

- Tax Regularity Document (DURT), i.e. a certification that the company has fulfilled its legislative and contractual obligations toward the National Social Security Institute (INPS), the National Disability Insurance Institute (INAIL) and the Construction Workers' Fund (Cassa Edile)
- INPS and INAIL status: the taxpayer status of the company or individual freelancer
- RCT and RCO insurance policy: Civil Liability Insurance for Third Parties and for Service Providers.

Engineering has developed a vendor rating system that assigns a score to suppliers on technical and quality aspects with regard to the documents that each of them chooses to upload to the system, in addition to the other information required during qualification. Each time a contract is activated, Engineering asks the business partner to review the Group's Code of Ethics and the Organization and Management Model, and to sign a specific clause. In addition, as part of all work contracts, contractors are required to provide all the documents necessary for the preliminary verification of technical and professional compliance with the Company's internal procedures and legislative compliance regarding health and safety, according to the requirements of the Italian Consolidated Safety Act (Legislative Decree 81/08).

Engineering's business does not include any manufacturing processes, but only the provision of IT consulting services and services related to the management and storage of customer data at the Group's four Data Centers. The Group purchases:

- Capital goods (mainly basic hardware and software and middleware for internal use, resale or for the provision of outsourcing services to customers)
- A vehicle fleet of approx. 1,500 company cars
- Mobile and fixed telecommunications
- Travel
- Property management and maintenance
- Professional IT services
- Other consulting services.

Engineering has drawn up and implemented a list of suppliers for the purchase of hardware products (servers, clients and networks) and basic software to make procurement easier and better managed. All suppliers of hardware components, mostly intended for Engineering's customers and partly for the Group's Data Centers, have a written policy, procedures, field verification activities and specific reporting, to guarantee that conflict minerals from the Democratic Republic of Congo and neighboring countries are not used.

Faster payments with Reverse Factoring

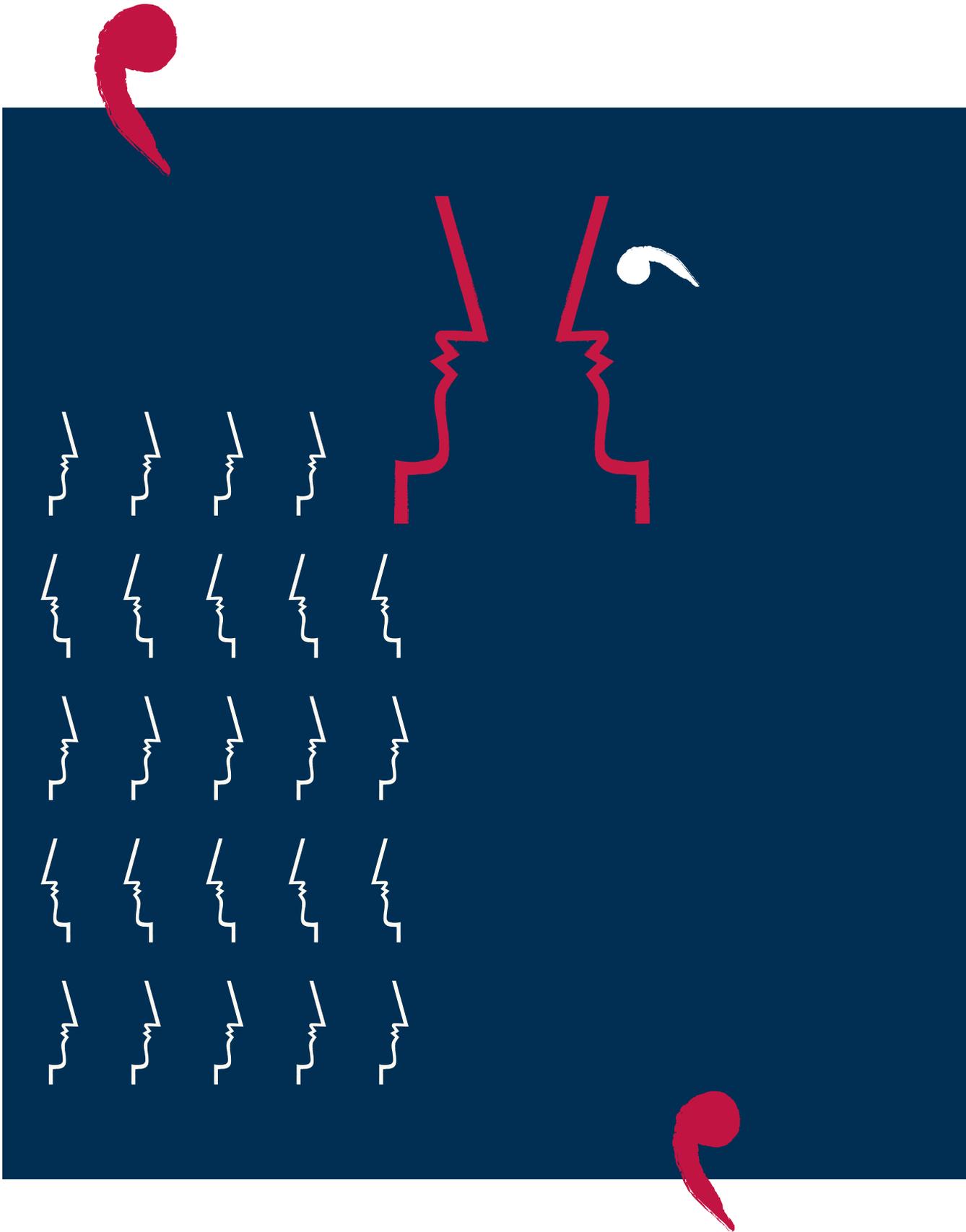
Engineering has used the practice of Reverse Factoring for some years now in order to offer greater economic protection to its suppliers and to enable them to reduce their financial risks. Instead of concluding the contract with the creditor, the procedure requires the specialist company to conclude the contract with the debtor, which in this case is Engineering. In this way, Engineering can ask its suppliers (who have receivables due from it) to become assignors, thus allowing suppliers to obtain a loan on favorable terms by borrowing Engineering's creditworthiness. The Company has entered into an agreement with the three major Italian banks (Intesa Sanpaolo, UniCredit and BNL) under which the payment of receivables claimed by suppliers and transferred by them to the Factor is regulated under agreed conditions. By signing the factoring contract and complying with the aforementioned agreement, in return for the payment of commissions that are among the lowest on the market, suppliers acquire immediate access to total payment of receivables due from Engineering. A system has also been implemented to alert suppliers when payments are being settled and if there are any problems or delays.

Reverse Factoring agreements support the Italian production chain and benefit both parties involved. With this tool, Engineering can prevent the financial cost of any delays in payment or litigation, be more attractive to potential new suppliers, reduce the purchase price of goods and services, and support its production chain. The Company can also simplify administrative procedures related to supplier accounting, thus optimizing treasury and financial flow planning. For their part, suppliers have the opportunity to make use of new complementary financial resources, regularize cash flows and obtain certainty about collection times, thus reducing credit management costs and financial charges.

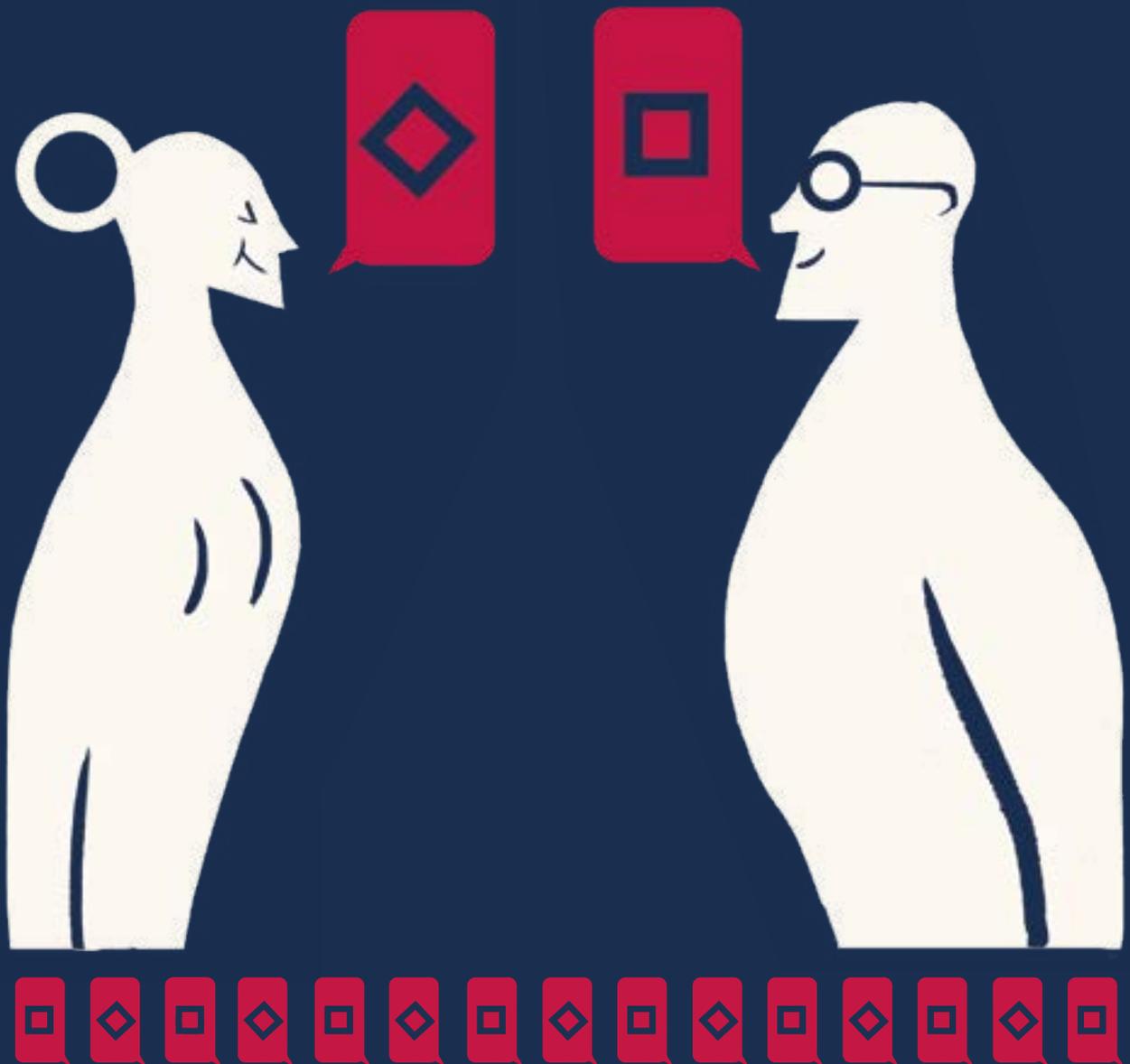
The added value of external professional services

In order to better support its customers, Engineering also employs highly specialized external staff who, from time to time, collaborate on the Group's projects. In 2019, 4,135 external specialists collaborated with the Group (expressed in Full-Time Equivalent).

The Information Consultancy Purchasing Department (ICPD), directly reporting to the General Administration, Finance and Control Department, centralizes the purchase of professional services. This strategic choice has modified the system of relationships with Engineering's numerous suppliers, reducing fragmentation and concentrating the number of external parties, thus simplifying administrative processes. This centralization has also improved the Group's bargaining capacity. The goals of this strategy also involve optimizing the use of internal professional staff and ensuring uniform conditions of treatment and application of the rules throughout the country. The Group is committed to verifying that the contractual process adopted by its suppliers of professional services and by external personnel comply with Italian labor regulations.



OUR RESPONSIBILITY TOWARDS OUR PEOPLE



Highlights



Talent is the basis of all forms of **progress and innovation**, which is why we invest in **human capital** and strive to create favorable conditions that allow **everyone to express their potential**.

The centrality of human capital

GRI 103-2 GRI 103-3

People represent the heart of the company's growth and are the driver for the evolution of business development processes. For this reason, the Company places its employees at the center of its strategy and constantly strives to ensure a motivating, peaceful and meritocratic working environment, characterized by collaboration, solidarity, dialog, the dissemination of skills, shared goals, autonomous choices and a horizontal principle of delegation.

Our team

As of 2019, the Engineering team has 11,445 employees (an increase of about 7% compared to 10,730 in 2018), to which are added 4,135 external IT service collaborators, throughout Italy and in the various European (Belgium, Germany, Norway, Republic of Serbia, Spain, Sweden and Switzerland) and non-European locations (the United States, Brazil and Argentina). Of the 715 more employees, compared to December 2018, 584 are in Italy and 131 are abroad.

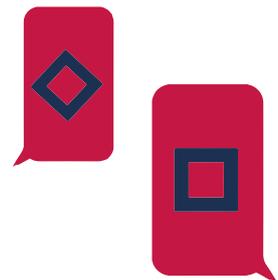
Also in 2019, the policy of integration of young graduates and recent graduates continued: more than a third of new employees are young people.

Women represent 31% of employees, a significant percentage however, considering that most of the workforce is composed of computer technicians and IT graduates, which are historically male professions.

Staff loyalty is high and the outgoing turnover was 10%, a normal level in line with previous years.

By putting people at the center, the Group also constantly encourages the inclusion of workers belonging to protected categories, through multi-year hiring and placement programs.

Engineering focuses its corporate strategy on the country-wide presence of the Human Resources and Organization Department, which has a physical presence in all of the Group's main offices: five in northern Italy (Pont-Saint-Martin, Turin, Milan, Brescia and Padua) and five in central-southern Italy (Florence, Ancona, Rome, Naples and Palermo). Even where there is no dedicated office, the HRO Department guarantees at least a weekly presence, which ensures a direct relationship between the Company and its employees in all its offices in Italy.



Talent search and selection: a growing commitment

GRI 103-2 GRI 103-3

Engineering considers it essential to know how to identify and attract potential talent with the skills to support Digital Transformation, taking into consideration the lack of human resources in the sector, and at the same time, the considerable years. Recruitment, selection and placement are therefore crucial activities, which

the Company manages by using digital technology, developing a series of new processes based on the Cornerstone Recruitment suite that have generated significant and immediate results.

This important work is carried out to fully transfer the process of research, selection and support for new employees to a single digital platform directly on the Company's website, through which it is possible to:

- Receive and select CVs in coordination with the various managers responsible for the open positions
- Organize interviews by sharing calendars from which appointment emails are automatically sent
- Share managers' evaluations with HRO Department evaluations, generate and forward recruitment letters for acceptance by job candidates
- Create new company email addresses and assign new employees the necessary equipment to perform their work
- Create job candidate activity reports.

In 2019, Engineering used this new recruiting process to evaluate the more than 30,000 CVs received during the year and to conduct more than 6,000 interviews that led to the hiring of about 400 recent graduates. These results were also possible due to Engineering's strengthening its relationships with universities and secondary schools. The continuous inclusion of new talents, also through the activation of structured apprenticeship paths aimed at increasing skills and training young people, demonstrates Engineering's ongoing commitment to investing in its workforce while increasing its competitiveness in the market in the most innovative sectors of Digital Transformation. The Group maintains and strengthens numerous collaborations with technical institutes and universities.

In particular, in the last two years, we have wanted to raise awareness among children during their last three years of secondary school and to involve entire classes in work-study projects to be carried out directly in the schools rather than at the company, in line with the desire to promote digital culture and to prepare future generations by means of these programs.

We have also intensified and specialized our historical relationship with universities, both in Italy and Europe: Career Days, events and job meetings are supported by the direct participation of teachers and business experts offering lectures and speaking about their working experience at the universities.

All of these initiatives are certainly raising awareness about the Company among young people, who are the target of the job recruitment activity.

Another way to get in touch with potential future job candidates is by organizing training courses, in collaboration with local authorities and agencies, which in 2019 included the participation of various institutes in Genoa, Bari and Milan on the issues of digitization for industrial automation and programming languages based on Java and Timco systems. At the end of the course, almost all the participants will be hired.

Hackathons are also important tools for promoting and attracting the talents that Engineering employs. Hackathons are challenges that can last several days, where participants divided into groups work continuously to find a solution to the problem which is the subject of the meeting. For example, in May 2019, the Hackathon was held at the Global FIWARE Summit in Genoa.

In addition to the traditional communication tools used to identify and recruit new talent, the Group has also been using social media channels in recent years, further enhanced in 2019 with the #WorkWithUs hashtag that accompanies all posts on this topic.

In particular, the new corporate Instagram @LifeAtEngineering channel was created, which focuses on stories about life and events in the company. Forty-six percent of followers are between 18 and



34 years old and 38% are between 25 and 34. In 2019, the internal “Present a Friend” recruiting campaign was also launched, during which colleagues submitted over 2,000 CVs of friends, relatives and acquaintances. This initiative resulted in about 200 interviews and 40 hires.

Diversity and inclusion

In recent years, Engineering has put initiatives in place aimed at enhancing diversity and promoting inclusion. In particular, we have tried to act in compliance with ethical and social policies that, in parallel with our core activities, could be transferred both to the organization and to Stakeholders, in a historical period in which these issues have finally been addressed in Human Resources policies in our country. Many of the personnel management measures, described within this chapter and addressed to all employees (smart working, part-time work, time banks, family benefits and support for the study of employees’ children and measures for protected categories), have had a positive effect in enabling equal opportunities for women, disabled workers and different age groups. In 2020, we intend to launch a structured diversity management path aimed at networking the experiences of people at the various Group offices, including those abroad, to monitor and improve the life of everyone in the company and to identify dedicated projects, shared strategies and goals to be achieved.

In the Group’s offices located in Italy, women represent about one third of the total number of employees; in 2019, they also represented 22% of the total number of medium-high positions (executives and middle managers) and only 15% of executive positions (in Engineering USA, 33% of upper managers are women). In the last three years, the number of women under the age of 30 in the company has also increased and the overall number of young people in the company, which today represents 13%, has also increased.

Multi-annual hiring programs are also being defined for workers belonging to protected categories, by means of special agreements with the competent Italian Labor Inspectorates. There is also a lot of attention given to the quality of integration and the participation of workers in working groups and in training processes capable of enhancing and successfully accomplishing these integration paths.

Investing in the development of human capital and evaluating performance

GRI 404-3

Engineering has set up a structured, uniform and transparent process for defining and evolving career paths, and for the development and continuous growth of human resources skills. The elements of this process include:

- The precise definition of the professional qualifications of employees (skill mapping). In particular, the company’s information system for requesting training modules also supports the evolution of professional qualifications through training, by filtering access to these modules according to professional requirements and the characteristics of the courses offered.
- Training courses aimed at all employees, which aim to develop specific professional and soft skills
- The organization of events where management meets employees at all levels
- MeM (Master Engineering in Management) for high-potential employees, in whom the Group chooses to make a targeted investment.

The new performance evaluation system

In 2019, a performance evaluation system (operational from 2020) was developed, a completely renewed model in terms of method, timing, merit and tools, compared to the previous competency evaluation model. The drive to proceed in this direction was a result of the company’s February 2018 climate analysis, which revealed employee expectations for clear evidence about the logic of growth

paths and about the ways in which reward systems impact individual professional development. The new evaluation system focuses on identifying, monitoring and achieving performance and development goals, as well as on evaluating organizational behavior, as defined for each employee and agreed with the manager at the beginning of the year.

This process, however, is completely digitalized and managed in the Cloud on the Cornerstone platform, thus also enabling analysis and in-depth study of the results over time, while the previous system was based on excel sheets that did not allow comparative, diachronic and in-depth analysis.

The new evaluation cycle follows the calendar year, and is divided into three distinct and related phases:

- The **definition and assignment of performance and development goals** at the beginning of the year; particular emphasis is placed on the “culture of goal-setting”: the more clearly and more correctly goals are defined, the greater the measurability of their achievement, in order to ensure the objective and transparent evaluation of goals
- The **mid-year review**, which provides an update on the progress of the goals and communication between manager and employee about how the activities are progressing, in order to agree, if necessary, on any support measures
- The **final evaluation**, which is based on the level of achievement in the development and performance of the goals set at the beginning of the year, on organizational behavior (use of the skills that the company considers important for everyone to focus on).

As a key element for the growth of people, the new evaluation process affects all employees of the Company and the outcomes will determine how reward systems are applied.

Job Rotation and Job Posting for the rotation of skills

An important component of Engineering’s strategy for career development and the growth of skills is job rotation, which was also implemented based on the findings of the 2018 Climate Survey. Employees are offered an opportunity to work in different areas of the company as a way to become familiar with other business departments and staff, and to gain experience in different processes, phases and business activities, thus encouraging dialog and comparison between various organizational levels. Engineering promotes rotation through an internal Job Posting system, which demonstrated its usefulness in 2019, when 95 open job positions needed to be filled and candidates were first sought within the Group, before turning to the external job market. Of these open positions, 40 were successfully filled with the transfer of employees after viewing more than 600 applications (in 2018: 67 open positions, 400 applications, 20 filled positions).

Life-balance, benefits and welfare

Engineering pursues the goal of attracting talent and retaining its workforce, not only by providing an environment for its employees that encourages performance, but also by promoting a policy of incentives and welfare. In 2019, the Second-level Supplementary Agreement was concluded, which brought with it several benefits, including the provision of performance bonuses for people with commission plans, an increase in the value of meal vouchers to €5.90 and the Solidarity Hours Bank, a previously tested tool now made permanent under the new agreement, which allows employees to donate holidays or leave to colleagues who need more free time, for example, to take care of their minor children or disabled relatives.

With the aim of ensuring that its employees have the necessary flexibility in cases where frequent

interaction with customers or project requirements lead them to perform their duties away from headquarters, the Company has introduced flexible forms of work, even before the COVID emergency made this indispensable:

- Teleworking, i.e. the option to work five days a week from home, offered to employees with disabilities or with serious family situations
- Flexible work, i.e. the opportunity to do part of one's work in a different location, in order to improve work-life balance. Introduced on an experimental basis in 2018 in the cities of Milan, Rome and Genoa, flexible work has been fully operational since 2019 and has been extended to all Group offices, giving employees an opportunity to use the tool for up to two days a week. In 2019, over 60,000 days of flexible work were performed by about 5,000 employees in smart working, compared to 2,700 days the previous year.

This also demonstrates the Company's ability to adapt immediately to a flexible work system since the beginning of the 2020 pandemic.

Particular attention should be paid to the opportunity to request part-time work in cases of need, a benefit that in 2019 involved a higher percentage of employees than that provided for in the collective agreement (5% maximum).

Other company initiatives to promote employee work-life balance include the following:

- Agreements with public transport companies in various cities (Rome, Florence, Milan, Naples) to allow employees to purchase tickets and monthly passes at reduced prices or to pay for them in installments
- An agreement with Intesa Sanpaolo for the promotion of a supplementary pension fund
- Scholarships and contributions to purchase school books, a benefit that, in compliance with union agreements, has been extended to junior high school students.

Engineering has also supported several investments in infrastructure, such as the cafeteria and the refreshment area in the new headquarters in Rome.

The remuneration policy includes a variable component linked to individual performance and a performance bonus that evaluates employees on the basis of the overall results achieved by the Group.

The renewal of the CCNL Metalworking and Mechanical Engineering Industry Collective Agreement in 2018 provided Engineering with the opportunity to implement new measures relating to the Group's welfare plan, which now involves about 10,000 people. Following the latest renewal, the agreement provides that for 2019, companies will make available to workers a package worth 200 euros (150 euros in 2018) that can be used for a variety of welfare goods and services such as training courses, recreational goods, sports activities, home care services, health services, fuel vouchers, shopping vouchers and collective transport services. The project planned by Engineering had already significantly expanded the scope of the CCNL agreement in 2018, offering its employees the opportunity to request the conversion of their performance bonuses into welfare goods and services, thus giving the final push for the introduction of a permanent plan.

Taking advantage of the regulatory incentive, Engineering has created a project that has involved even more people, encouraging them to be more productive. With the decision to offer the conversion of performance bonuses into welfare, the Company has guaranteed its employees considerable flexibility, since there is no minimum entry fee and the convertible amount can reach the full value of the balance. In order to take advantage of the services offered by the plan, employees can use a platform, chosen as a result of a call for tenders in which the Edenred Group was awarded the management of the digital tool, through which it is also possible to propose agreements with new businesses and to bring them to the attention of the provider.

In 2020, 43% of employees converted the company performance bonus into benefits (almost double compared to 2018). In fact, 3,600 employees, out of an audience of about 8,300 entitled to the bonus, asked to use the new method. Of these, 2,361 people converted 100% of the amount into welfare services. Despite the many steps forward, at Engineering, the company welfare program is still considered to be “a project” by those who are promoting it. The goal is to communicate the availability of alternative forms of pay in addition to the traditional forms of payroll, as part of a win-win project: the total conversion of the bonus allows employees and the company to benefit from lower taxes.

Support for education

Education is a fundamental value for Engineering, a value so important that it must be shared with the entire community of employees. With this philosophy in mind, the Company focuses on the social and cultural advancement of its employees and their families, allocating specific resources to support and encourage secondary schooling and university education for the most deserving, according to the principles of solidarity and with respect to the family’s earnings.

Engineering established 75 scholarships for the children of its employees for the 2018/2019 school year through a special call for tenders. In particular, the following scholarships were awarded:

- 21 scholarships worth 500 euros each for earning a high school diploma
- 21 scholarships worth 500 euros each for earning a high school diploma
- 23 scholarships worth 1,500 euros each for earning a college degree
- 14 scholarships worth 2,000 euros each for earning a Master’s degree.

Step by step toward simplification

For some years now, Engineering has been promoting the S.T.E.P. (Simplification and Transformation of Engineering Processes) program whose goal is to transform the Group’s Corporate Management System with a view to simplifying and optimizing its processes.

The mission includes a “step by step” approach toward simplifying business procedures, thus ensuring continuous change.

The process, which is ongoing, at the moment envisions:

- The use of the TraM platform for booking trains and hotels for business trips from PCs or smartphones. The cost of tickets and accommodations is automatically reported in the end-of-month report, without the need for employees to submit invoices or tickets and without the need to reimburse advance payments, because the expenses are prepaid and current travel expenses can be processed directly on the platform, thereby eliminating the use of printed receipts
- Integration with online taxi booking platforms that allow employees to book a ride in mobile mode without advance payment and with automatic debiting of the cost in the end-of-month report, also eliminating the use of printed receipts
- The Corporate Car Sharing app to book company cars for business travel
- The use of the FARE Cloud platform to support Recruiting and OnBoarding and Staff Performance Evaluation processes, which has streamlined and better structured the selection of personnel and the path of professional growth in the Group.

PROMOTING SUSTAINABLE MOBILITY AMONG EMPLOYEES

Since 2019, a mobility manager has been active in the Company's largest sites, one of whose tasks is to promote sustainability in employee travel between home and work, an area with a potentially high environmental impact. An employee mobility survey, conducted in 2016 on a sample of 5,000 employees, had already suggested the need for the Company to promote initiatives to support environmentally friendly choices, such as digitized management and monthly passes for public transport. On the basis of a new 2019 online survey of employees at the Rome office, the pilot phases for car sharing and car pooling platforms were also launched.

The new Rome office: innovative and green

In June 2019, Engineering inaugurated the Group's new headquarters in Piazzale dell'Agricoltura in the EUR district of Rome, with the attendance of the 2,000 employees who work there.

The Rome headquarters is a modern four-floor technological building with a total of 22,000 square meters of barrier-free spaces to encourage interaction and collaboration between the many teams. The facility has LEED certification, developed by the US Green Building Council (USGBC) and awarded to buildings with excellent performance in energy and water savings, the reduction of CO₂ emissions and improvements in the environmental quality of the interiors, materials and resources used in its construction. This concept was designed with a view to a new organization of work that promotes openness, synergy and an interdisciplinary approach. The goal is to promote the transfer and sharing of the strong skills and deep knowledge that the Group has in the various sectors in which it operates and in the numerous technologies in which it has a high level of expertise. The Company's move into its new headquarters also coincided with the launch of new smart working policies, which allow all employees to work remotely and to have the necessary tools to access information and share documents with the same efficiency and speed as they do when working in the office.

The new headquarters also has classrooms space for courses taught by the Enrico Della Valle IT & Management School, the flagship of the Group's highly important training program. A company that aims to design a sustainable future cannot fail to be environmentally conscious when planning and constructing its new building. The building, in fact, is completely managed by a sophisticated control system, which drastically reduces energy consumption and CO₂ emissions.

Sharing culture, information and leisure

Engineering promotes the involvement and participation of its employees in cultural and sporting events. It also provides them with information about the Company's projects and daily news about the world of Information Technology.

Daily information

All Group employees receive two daily press reviews, one containing articles in which Engineering and Group companies are specifically mentioned, the other containing scenario and business articles, divided into technological and market areas, competitors and the foreign press. Information support is also provided through EngZine, a video press review with news about the world of technology. The video-newspaper is broadcast daily on the display monitors in Engineering's offices.

The IN.SIDE Blog - on the innovation side

A place of exchange and belonging, the IN.SIDE corporate blog presents projects, case studies, events and corporate initiatives with a continuous focus on innovation issues and promotes the exchange of opinions, insights and comments on the articles published on the blog. The editorial staff of IN.SIDE is composed of a group of colleagues from various Departments, but all employees can participate by contributing content on topics of common interest.

SkiChallenge

For several years, the company has organized the Ski Challenge, the company ski tournament for Group employees, relatives and friends. The eleventh edition of the competition, which was held in 2019, featured forty experts and amateurs of all ages competing in an exciting race on the slopes of the Pila ski resort in Valle d'Aosta.

Children's Christmas celebration and the company's "Befana" (Epiphany witch)

In 2019, the company also decided to involve the children and grandchildren of employees in the "Christmas Campaign". This year's theme was "an imaginary friend" that children could represent by using any medium and technique, such as drawing, painting, paper collage, clay and plaster. Participation in the Christmas initiative has grown exponentially over the years, in this edition increasing to 3,200 children and young people (2,300 in 2018).

The images of the "imaginary friends" were displayed in a gallery on the company Intranet, and a number of them were used to decorate the Christmas tree in the Rome office.

All participants received a gift from the company's Befana.

Go Fluent for employees and family

In early 2019, the Go Fluent e-learning platform for studying and keeping up to date with foreign languages was made available free of charge to all employees and family members of the Group.

Developed in collaboration with the Enrico Della Valle School of IT & Management and aligned with the activities carried out by the Joint Training Committee, the initiative aims to promote the basic knowledge of English and other foreign languages, which is increasingly important for the Company's activities. Through the Go Fluent remote learning platform, it is possible to access over 5,000 multimedia training activities including videos, articles, business expertise and web classrooms, offered according to one's knowledge of the language. Access to the platform lasts one year and each employee can also assign user access to a family member of their choice.

Protecting employee privacy

With the same attention it pays to protecting customer data, Engineering is constantly committed to protecting the personal data of its employees through a corporate department that monitors the correct application of compliance procedures with the European General Data Protection Regulation (GDPR).

In addition to training courses on the main aspects of GDPR regulations, in 2019, a survey was submitted to all Group employees in Italy to analyze needs and to set up activities to strengthen the knowledge necessary to safeguard the personal data of employees and to support customers in the evaluation of privacy issues for the projects on which these employees are working.

The company also periodically conducts evaluations and audits in order to update the 231 Organizational and Management Model, to identify individuals who play decisive roles, areas at risk and critical privacy protection issues. GDPR compliance procedures are included in the ISO 9001 certification scheme.

Ensuring occupational safety

GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9

Engineering places an absolute priority on occupational health and safety. Minimizing the possibility of injuries in the performance of office work in the Group's Data Centers is of primary importance. The Company has adopted a series of measures aimed at achieving this goal:

- The continuous updating of the types of health and safety risks and dangers associated with employee activities
- The proper management, updating and communication of internal policies and procedures, published on the Intranet and distributed to all employees for the proper performance of work activities with regard to the prevention of injuries
- The provision of specific training in the classroom and in the field for the prevention of risks at work
- Conducting periodic internal audits on the proper implementation of procedures.

In 2019, Engineering decided to implement and certify an occupational health and safety management system in compliance with the requirements of the UNI ISO 45001:2018 standard based on an Occupational Health and Safety Policy accessible to all external parties who, for whatever reason, have a relationship with the Company. The system was published on the company Intranet to communicate and distribute to all staff the goals to be pursued in the area of injury prevention and control, for the protection of workers and the environment.

In November 2019, Engineering D.HUB obtained UNI ISO 45001:2018 certification for its Vicenza headquarters from an accredited external body, as the first company of the Group, paving the way for the extension of the certification to Engineering Ingegneria Informatica and the main companies of the Group, which was obtained in May 2020. In Italy, all of Engineering's employees are involved in a permanent general information, training and education program that is mandatory, dimensioned and defined according to 8.88 9.12 11.89 Legislative Decree 81/08 and the State-Regions Agreement of 07/07/2016.

During the year, in agreement with the Trade Unions and in collaboration with the Ferentino School, the Company implemented the new Safety Plan, which involved more than 650 participants in 48 course editions, held in all of the Group's main locations. The Safety Plan includes innovative as well as traditional courses, with a pilot project of 10 sessions involving about 250 people, consisting of two main courses: "Creating Healthy People", on food awareness, and "The Prevention of Musculoskeletal Disorders", on comfort in the workplace. The goal is to expand these courses in 2020 to include about 400 employees. Also launched in 2019 was the "Communication in Emergencies" course, with a first pilot session involving about 25 participants who belong to the company's emergency organization (HR, PPS, office managers and supervisors).

The Prevention and Protection Service (PPS) is in charge of carrying out all the appropriate checks for the detection of any failure of the safety management system in the areas of programming, training, insufficient operational instructions, inadequate controls in work procedures, tools, machines or equipment that are inadequate and unsafe. The data collected during these checks has confirmed that the most frequent accidents are commuting accidents. To minimize this risk, the Company has published a special guide with specific operating instructions and also provides courses on safe driving.

For 2020, Engineering has set a goal to design refresher courses on safe driving and environmentally sustainable driving that will involve an audience of 1,000 people with the aim of reducing traffic accidents.

In order to guarantee the maximum protection of its people, Engineering has also begun a process of installing automated defibrillators which has led to the introduction of nine AEDs for heart protection in Rome, Pont-Saint-Martin, Orvieto, Ferentino and Turin. This activity was preceded by training of the teams in the use of AEDs, involving 118 workers (90 in the first two months of 2020). The installation process will continue during 2020 with the aim of covering an increasing number of locations.

ACCIDENTS BY GENDER*

	2019	2018	2017
Women	48	20	30
Men	45	43	65
Total number of accidents	93	63	95
<i>Of which while commuting</i>	85	57	82

ACCIDENT RATES**

	2019	2018	2017
Frequency Index	4.97	4.61	5.97
Severity index	0.12	0.09	0.11
Occurrence index	8.88	9.12	11.89
Average duration	25.02	21.55	17.92

HOURS OF PROFESSIONAL TRAINING ON HEALTH AND SAFETY AT WORK BY PROFESSIONAL CATEGORY

	Italy 2019	Italy 2018	Italy 2017
Directors	336	192	112
Managers	3,040	1,648	421
Employees	9,115	10,334	10,554
Total Italy	12,491	12,184	11,087
<i>of which: Men</i>	<i>8,369</i>	<i>8,529</i>	<i>7,568</i>
<i>of which: Women</i>	<i>4,122</i>	<i>3,655</i>	<i>3,519</i>

EMPLOYEES TRAINED BY COURSE TYPE

	2019	2018	2017
General Worker training and updates	1,253	1,565	1,309
Worker Training on specific risks	735	942	707
Safety Officer training	380	206	707
Safety Manager training	21	12	127
Emergency Personnel training: First Aid	123	157	90
Emergency Personnel training: Use of AEDs	28	0	0
Emergency Personnel training: Medium-Risk Fire Prevention	170	130	135
Emergency Personnel training: High-Risk Fire Prevention	35	0	0
Prevention and Protection Service Manager and Officer training (PPSM, PPSO)	6	6	6
Worker Safety Representative (WSR) training	44	38	34

* The majority of accidents, about 88% in the last three years, occurred while commuting by car or motorcycle. The perimeter refers to Group employees.

** INAIL frequency index: ratio between the number of accidents and a measure of the duration of exposure to risk, both of which are uniformly delimited in time and space (territory, factory, department, work area, etc.). Formula = total number of accidents x 1,000,000 / number of hours worked. INAIL Severity Index: the ratio between a measure of the disabling consequences of accidents and a measure of the duration of exposure to risk, both uniformly delimited in time and space (territory, factory, department, work area, etc.). Formula = [days of absence (excluding the day on which the accident occurred) + days of permanent disability by agreement / number of hours worked] x 1,000.

THE COVID-19 EMERGENCY: THE COMPANY'S RESPONSE FOR EMPLOYEES

11,000	EMPLOYEES IN FLEXIBLE WORK
35	COORDINATION MEETINGS WITH HEALTH FACILITIES/HOSPITALS AND LOCAL HEALTH AUTHORITIES (ASLS) TO MANAGE THE SAFE RETURN OF WORKERS IN MAY AND JUNE 2020
80	TRAINING COURSES IN VIRTUAL CLASSROOM MODE, IN THE FIRST MONTH OF LOCKDOWN
2,000	EMPLOYEES TRAINED IN THE FIRST WEEKS
→	BUSINESS CONTINUITY ASSURED 24/7 & BY DESIGN

Just after the COVID-19 emergency began, the Company took extraordinary measures to ensure the safety of its employees and its Digital Workplace tools, processes and policies, and in just a few days, went from 2,000 employees working remotely to over 11,000.

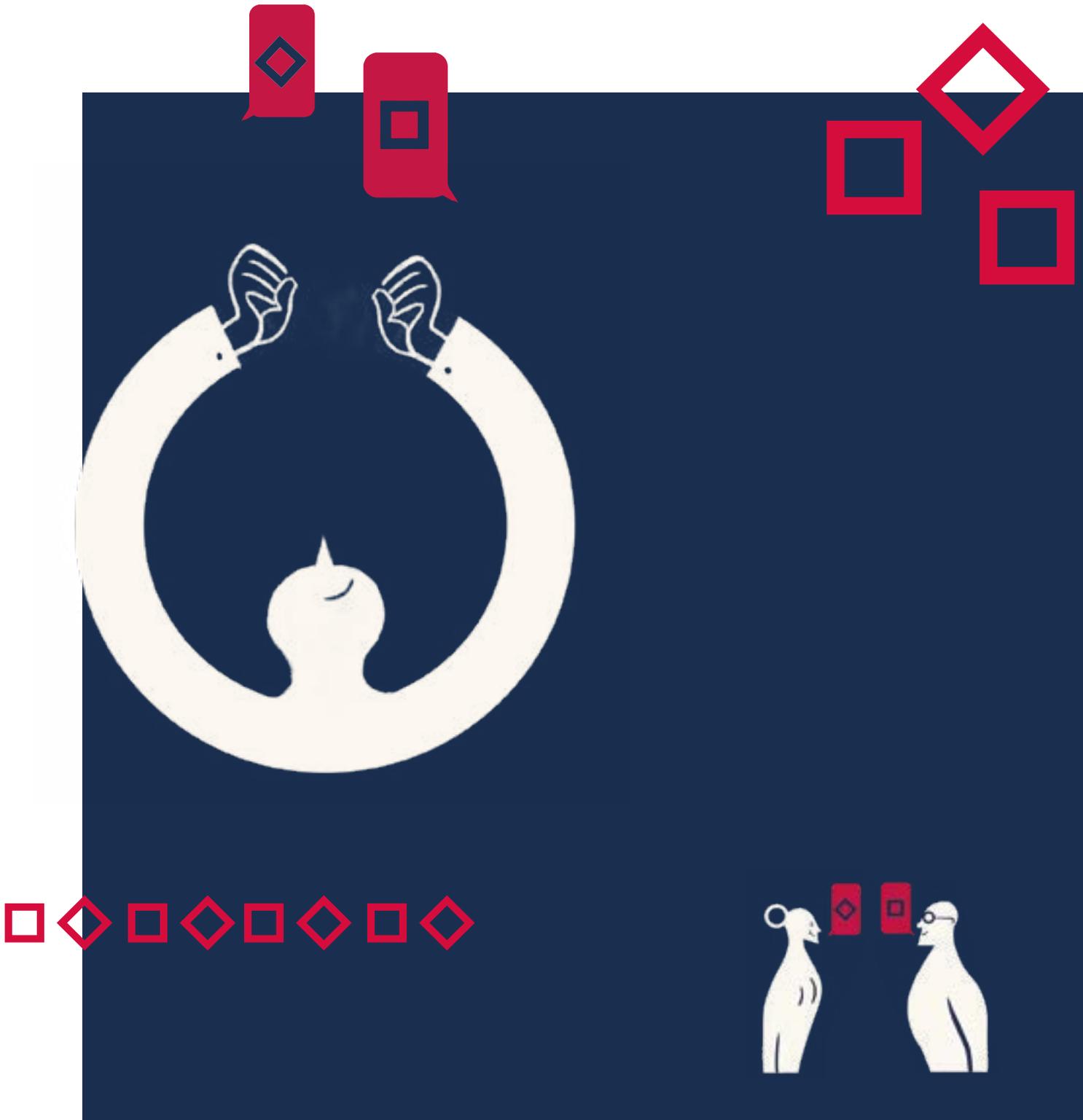
First of all, the Company has taken steps to protect the health of its employees, adopting all the measures suggested by the competent bodies in the territories in which it operates.

A series of increasingly stringent provisions have been put in place, such as limiting travel and access to offices, including for consultants and suppliers. All Italian offices have been closed with the exception of the Data Centers in Pont-Saint-Martin, Turin, Assago, Vicenza and Fiumicino and the EUR district of Rome. Assago and EUR have also taken on the role of logistics hub for the storage and sorting of personal protective equipment. For on-location work, Engineering has implemented all preventive safety measures, such as: body temperature detection with remote thermometers and the provision of personal protective equipment. In order to maximize sharing about infection containment measures, Group and Headquarters Committees have been set up, composed of employers or their delegates, HROs, Prevention and Protection Service Officers, as well as Worker Safety and Trade Union representatives. The following measures have also been put in place:

- An agreement to provide appropriate insurance coverage for employees who have tested positive for COVID-19. The policy, valid from March 22, 2020, covers employee care both during hospitalization and post-hospitalization care.
- A mailbox, to which the attending physician also has access, as a point of contact with workers for all matters related to the pandemic, including personal matters
- Periodic notifications to all employees, with joint signature, HRO and Protection and Prevention Service, shared with the 231 Supervisory Body
- The April 2020 launch of the "Pandemic Emergency Update Briefing Program", focused on Smart Work Ability and Technostress and emotional intelligence in security management. The first sessions involved more than 300 workers
- More than 35 coordination meetings, in the months of May and June alone, with health facilities/hospitals and local health authorities (ASLs) to manage the safe return of Engineering Group workers in contracts.

The emergency was a test of the performance of corporate security. Engineering was already prepared, and only needed to raise its level of performance to allow almost all employees to connect to the Intranet remotely, to verify the security of the workstations, to increase the control capacity and to identify problems. The verification system was already in place, and only the number of controls was increased.

The IT & Management School immediately converted all activities to e-learning mode, and within a month, a catalog of 80 training courses was made available to employees in virtual classroom mode.



THE "ENRICO DELLA VALLE"
SCHOOL OF IT & MANAGEMENT



Highlights



In order to drive **Digital Transformation, new knowledge** is needed in order to combine innovation and sustainability, integrating **technical and managerial skills** with the **ability to envision the future.**

Knowing, knowing how to do, knowing how to be

GRI 404-2

To respond to the challenges of an increasingly globalized market, companies that intend to follow the Digital Transformation path must focus on quality, innovation and skills. Over the years, Engineering has devised effective plans for the professional growth of its staff and has provided specific training programs aimed both at the development of technical and managerial skills and the acquisition of soft skills, which are becoming increasingly relevant.

Continuous training to compete in Digital Transformation

On June 9, 2020, the Enrico Della Valle School of IT & Management celebrated 20 years of activity. Since 2000, Engineering has equipped itself with its own internal training organization, based in Ferentino, near Rome, and recently expanded to accommodate the constant constant increase in course attendance by Group employees. The School, which provides all course participants with an integrated logistics and residential system, is equipped with 16 computerized classrooms, a lecture hall seating 140 people, a library, the Pearson Vue Testing Center for professional certification examinations, the largest in Italy with eight examination stations in operation at the same time.

Significant renovation and enhancement work in the rooms was completed in July 2019. The School has been equipped with a new company restaurant, a recreational area, also used for receptions, meetings and moments of sharing and exchanging knowledge and experiences. Now one of the main Corporate Schools for Information Technology in Italy, the School has also opened its doors to share with the Group's customers the experience and expertise gained over many years of operation.

As part of the Digital Transformation, Engineering has developed an increasingly targeted offer to disseminate its skills and excellence to its customers, organized by its managers and professionals, who provide the modules at the offices of our customers.

Technologies, methodologies, management, personal development

The courses provided by the School are designed on the basis of the responsibilities that each worker has within the Company, the characteristics of the market and the goals of the organization to which the worker belongs.

The educational offer aims to develop three levels of skills: knowing (technical and specialized skills), knowing how to do (practical skills, application of technical-specialist knowledge) and knowing how to be (soft skills, personal attitudes). As a result, the educational offer, developed in a continuously updated catalog that today features 222 courses, is structured according to three main thematic areas:

- **Technologies:** paths dedicated to learning the processes of programming, analysis and design of hardware and software systems (design and implementation of websites, mobile applications, complex Cloud systems, Business Intelligence and Big Data solutions, etc.)



- **Methodologies:** specific courses related to the learning of methodologies and skills related to the functional area (Project Management, Software Measurement, Demand Management and Service Management)
- **Management and personal development:** actions aimed at promoting the behavioral and managerial development of resources, through the acquisition of relationship skills
- **Special Projects:** training paths started during the year to meet the needs of specific professional categories (apprentices, managers, project managers, high-potential employees).

Among the training paths offered by the School, the following are of particular importance:

- **Master Engineering in Management (MeM)**, in English, whose most recent edition (2019-2020) started in November 2019. The Master involves 59 employees, selected through group assessments, individual interviews and language tests, in all Group companies in Italy and abroad.
- **PMP Master**, launched in July 2019, has the dual objective of helping candidates to obtain PMP (Project Management Professional) certification and at the same time, to enhance their strategic and operational expertise. In the last year, 58 future Project Managers have taken part in this specialized training course, after a specific selection process. In relation to how the course is delivered, Engineering has adopted, for the first time, a highly blended structure, with eight days of lectures and 46 webinars.
- **Training on Digital Transformation**, aimed at exploring the topic in light of the strategic goals of the Group, through Workshops, initiatives and specific courses addressed to commercial staff. The courses, which provided an overview of market dynamics, emerging technologies and the impact that Digital Transformation will have on the processes of companies, were attended by over 400 employees in five months.

The process of defining training paths has been mainly from the bottom up over the years.

The School publishes a catalog of courses and all employees, in agreement with the managers, choose the courses to attend, according to their professional profiles. Simultaneously with this approach, in the last year there has been a method of creating top-down training projects, defined at company board level, on the basis of fundamental critical content, intended for specific professional categories whose members are directly invited to participate.

Participation in courses

2019 was an exceptional year for the Training School, both in terms of numbers and projects.

	2019	2018	2017
Total classroom attendance	5,405	5,148	4,546
Person/training days	17,235*	16,323	14,631

* 15,606 in residential mode.

Professional certifications

The School prepares more than 1,000 employees per year (1,220 in 2019) to take the professional certification exam and, as a Testing Center accredited by the main international certification bodies, it can independently provide the exams for all the technologies and methodological standards most commonly found in the IT market.

Leveraging the experience gained by Engineering Group and by customers in the design of training courses for obtaining technical certifications, the course catalog presents numerous educational solutions aimed at preparing the certification exam on the main technologies and software environments currently in the

market. The School has also been Registered Education Provider of the Project Management Institute (PMI) since 2006, a recognition that testifies to the quality of the design and provision of courses aimed at obtaining PMP (Project Management Professional) certification, which has now become a fundamental reference point for internal staff who are responsible for project management, from the planning phase to completion.

Personalized training

In order to achieve greater teaching effectiveness and to ensure the sustainability of the many training initiatives that a company with employees distributed throughout the country such as Engineering wants to launch, it is necessary to put each employee in a position to “tailor-make” their learning path according to their personal needs in order to deepen and enrich the contents taught in the classroom, and also to benefit from and to apply this knowledge in their daily work.

In 2019, 5,405 employees participated in classroom teaching activities, for a total of 17,235 training days/person (+5.59 % compared to 2018). These activities are accompanied by an increasing number of distance learning initiatives which are provided through the ForENG Learning Management System, which is able to offer, in real time and remotely, all the information related to company training (catalog, individual course cards, educational calendar, etc.). For the Group’s employees, the platform is a tool to plan training activities in the classroom and a starting point to access the increasingly numerous distance learning resources made available by the School:

WBT: Web Based Training, asynchronous distance learning courses that guarantee flexible use and mass distribution. The number of courses taken in 2019 increased by 141.68%, from 4,573 in 2018 to 11,052.

Knowledge Community: multimedia channels for continuing professional development that allow the sharing of expertise and experiences. The channels are developed by the School’s teachers and are delivered through the company’s ForENG Learning Management System, enabling access to training and professional development for all employees and continuing to focus heavily on the quality of educational content.

FORTUBE: the ForENG platform that provides a series of constant and vertical professional development channels featuring specialized content, composed of original e-learning content, accessible at any time, even from mobile devices, managed by internal and external teachers and focusing on the latest news and best practices regarding the main topics of the IT world. The Fortube “We Are Engineering” Channel was launched in 2019 and focuses on the company’s Business offer and on Enabling Technologies. The contents of the Channel have been viewed by over 3,000 employees.

Webinar: a synchronous and flexible training opportunity that allows employees to interact directly with teachers. In 2019, 1,113 hours of webinars were watched.

THE COVID-19 EMERGENCY: THE TRANSFORMATION AND CONTINUATION OF TRAINING

The School continued to operate, even during the pandemic, by immediately converting all activities into e-learning mode. Within a month, a catalog of 80 training courses was made available to employees in virtual classroom mode, with teachers in simultaneous presence and ad hoc redesigned teaching programs.

The reorganization of the training was completed at the end of April, enrolling 2,000 students in the first three weeks. The training programs were redesigned according to new needs and the necessity to build new skills and competencies, not only at the organizational level, but also and above all, regarding approaches to work processes: “Leadership in the Time of Remote Working” for managers; “Teamworking, Networking and Smart Working” for new colleagues, “Developing Customer Relationships in the New Normal Scenario” and “Rethinking Digital Transformation Processes in the New Normal”, for the Group’s sales staff.



OUR COMMITMENT TO THE COMMUNITY





We promote the values of **inclusion, participation** and a **circular economy**. We support initiatives and projects for research, art and the environment to contribute to the **cultural and social growth** of the country.

Projects and initiatives



CIRCULAR ECONOMY, SOLIDARITY, MEMORY

The relocation of the headquarters in Rome, a competition for participation, donation and reuse



In recent years, there has been much talk of a circular economy, in the technical-scientific field and in research. Circularity as an alternative to a disposable economy has also become a cultural reference, inspiring lifestyles and ways of belonging.

When in February 2019, Engineering organized the move of the headquarters in Rome from Via San Martino della Battaglia to the new EUR headquarters, a high-performance sustainable building, the movement of furniture and objects (closets, shelves, tables, chairs and medical equipment), drew attention to the value of the things that have physically accompanied and supported our daily work, the construction of ideas, the development of solutions, the progressive growth of the company and its people.

Hence the idea of offering the furniture in Via San Martino a second chance at life: to reduce the amount of waste that a change of location inevitably entails, to take advantage of the opportunity to enhance (and not scrap, abandon or forget) memories and emotions related to the objects among which people have worked for years, and to promote a new solidarity initiative linked to their destination.

A word-of-mouth initiative was therefore started among employees, acquaintances, friends and people in the neighborhood to collect suggestions or expressions of interest towards new destinations of use, new places and new needs for this furniture in transit. The response was overwhelming and immediate!

About twenty organizations showed up outside Engineering's headquarters with their vans and loaded furniture and equipment made available by the Company: charity, assistance, solidarity and scouting associations, public, private and adult schools, a film production company, a medical and sports center, and more.



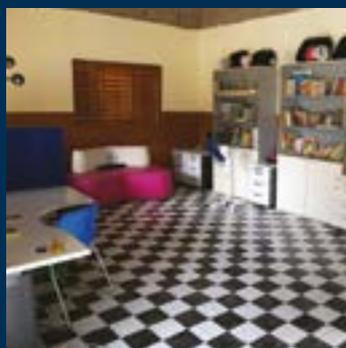


Destinations that have in some way allowed the enhancement of the company's memory and confirmed the company's approach to environmental sustainability and have prevented tons of materials from ending up in scrap heaps and landfills.

Among these, Il Sorriso di Mok, a non-profit association that has enabled the Company to give life to a project within the project by involving it in one of its important initiatives.

Dozens of lockers, desks, closets, and also the medical bed and the "pink sofa" (which had been inherited from another company acquired by the Group over the years) were shipped in a container to Benin, Africa, along with other items collected by volunteers of the association. Much of the material was used to design and build, with the community of the village of Peporyakou, "La Maison des Sourires" (the House of Smiles), a multi-purpose structure open to all for cultural, socio-training and recreational activities, where children can gather to study, read, write, and even play, sing and act.

Another part of the furniture (and the medical bed!) contributed to the inauguration of the infirmary at the "Centre d'Accueil La Paix" Orphanage in the village of Natitingou, for medical first aid services to the 120 children housed in the building, which Il Sorriso di Mok Italia has been supporting with joy and commitment since 2014.



[VIDEO GREETING FROM THE HOUSE OF SMILES](#)



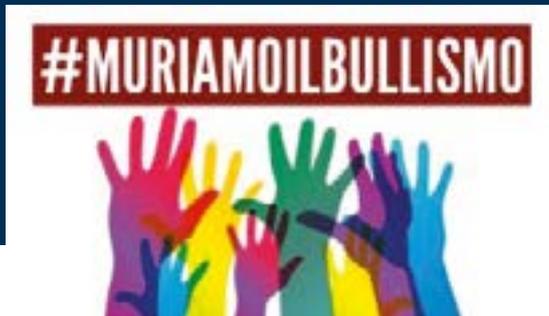
DISKOW, for the inclusion of refugees

Big Data and Artificial Intelligence can also promote the inclusion of refugees. This is demonstrated by the DISKOW Project, funded by the European Commission under the Erasmusplus program, which through a shared knowledge base supports the placement of people who have fled from other countries due to war or famine. The project aims to create a prototype Job Knowledge Base that facilitates integration and mobility in the career of refugees, providing all the information necessary to become familiar the world of work, including the required skills, open positions and other useful statistics. One year after its launch, Engineering’s Rome office hosted a workshop to present the project. Philosophers, legal experts, social promotion associations and refugees themselves, discussed how technology can offer new opportunities to those who have lost everything and want to get back into the game.

Cresci e Post@, anti-cyberbullying

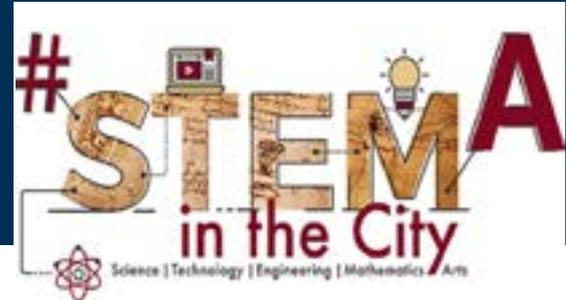
From the protection of privacy to the dangers of cyberbullying: making kids think about how they use smartphones and social media networks. This is the goal of the “Cresci e Post@ - growing up without being caught the net”, initiative, a result of the collaboration between Engineering and Pino Dragons Basket Firenze and later with the Italian Basketball Federation. The project was aimed at boys and girls participating in the elite men’s and regional Under 14 basketball championships and the women’s Under 14 gold and silver championships. Engineering also managed the *cresci e post@* web platform, where the boys from the tournament teams were able to post and discuss the dangers of the Internet.





#Muriamoilbullismo

Cybertech supports the Roma Volley Group, the first Italian “debullyzed” company, in winning the most important game: anti-bullying. Together with the Movimento Italiano Genitori (MOIGE) parents movement, which has been dedicated to the protection of young people and families for 20 years, the Engineering Group has launched the #muriamoilbullismo crowdfunding campaign to raise awareness and to inform younger generations and their families about a phenomenon which, unfortunately, is becoming increasingly widespread. Cybertech has also opened the doors of its headquarters in Rome to host the live streaming of the official launch of the campaign, then supported the Roma Volley Group and MOIGE in their fundraising efforts to support anti-bullying and anti-cyberbullying activities (tournaments, meetings and communication). Through videos, images and testimonies, there was a discussion about bullying and how it is rooted in people and in the country, with the aim of preventing bullying and listening to victims and their families, through the expert work of MOIGE specialists.



STEMintheCity against gender stereotypes

In spring 2019, with the support of the United Nations, Engineering and other public and private sector entities contributed to the third edition of STEMintheCity, promoted by the City of Milan to spread the culture of STEM, to eliminate cultural stereotypes that alienate girls from technical-scientific subjects and to narrow the gender gap in the STEM professions. The purpose of the initiative was to promote the dissemination of technical-scientific and digital disciplines as an opportunity for the professional future of new generations, especially for girls. Important numbers: over 12,000 participants from 107 schools were involved and there were more than 150 free events, including seminars, training courses and debates. In the year of the five hundredth anniversary of Leonardo da Vinci’s death, the theme of this year’s edition was “Art and Science”, testifying to the link between scientific research and artistic expression, which inspired the great masterpieces of the genius da Vinci. During the Opening of the STEM Marathon, extraordinary women told their stories, confirming the many forms of female genius and the opportunity to forge new paths in different areas without ever giving up in the face of obstacles and difficulties. Engineering also contributed with a workshop for students: “From Lego to the bricks that are building today’s Internet of Things”.



With schools for RoboCup 2019 and the adventures of Enrico Carletto

Engineering is sponsoring three classes of the ISILTeP (Istituzione Scolastica di Istruzione Liceale Tecnica e Professionale) of Verrès in Valle d'Aosta, which in April 2019 participated in the national Robocup Jr. final at ISIS Valdarno in San Giovanni Valdarno, where the school presented its robots, Dino 2.0, NOTFOUND404 and InfoDue. RoboCup is an international competition that involves building a completely autonomous robot that can navigate a series of paths and obstacles. The ISILTeP classes participated in the Robocup Rescue Line category.

In 2019, the adventures of the NAO Enrico Carletto, the programmable humanoid robot, provided by Engineering at the Liceo Scientifico Statale Enrico Fermi in Padua, continued. The robot is used by the students in challenges where they always obtain excellent scores, and at the beginning of 2020, the robot accompanied the "Naostronomic" in a visit to the Astronomical Observatory Museum in Padua.

Eng4Future: Engineering volunteers as digital culture trainers

For the 2019/20 School Year, Engineering has also supported "Program the Future", the MIUR (Ministry of Education, University and Research) project for introducing computational thinking in schools. With 80% of Italian institutions involved, 38 million hours of code developed, the project is a reference point for the digital education of new citizens. Engineering made its employees available to teach coding and has provided some schools with robotics kits.

For the past four years, the Company's volunteers have dedicated part of their time to working together with schools in various cities and to spreading a culture of computer awareness among children. During the meetings, programming tools and environments are used, such as Scratch, AppInventor (for an introduction to the creation of mobile apps), 3D Utility (for the creation of video games), and M-BOT (for an introduction to robotics). In particular, 61 classes, 1,335 students and 40 teachers were involved in 2019, for a total of 48 days, in schools in Florence, Bologna, Rome and Naples.

For the Alternanza Scuola-Lavoro, the volunteers implemented a pilot initiative at the Liceo Orazio in Rome: a three-year project that provides an introduction to the digital world, the study of mobile programming and experiences with robotics for training and research. For the University of Salerno, a seminar was organized for undergraduates and focused on the development of videogames.



Inclusion takes the field with the Diavoli Rossi (Red Devils)

The Diavoli Rossi are a team made up of athletes of different nationalities, who live in Italy as asylum seekers.

Engineering has been the official sponsor of this multi-ethnic team of asylum seekers since its formation and continues to support this initiative to reaffirm its attention to situations capable of making inclusion a point of strength and knowledge. The Diavoli Rossi participate in the C2 federal championship, also clashing in friendly matches with the Tre Rose Nere (Three Black Roses) of Casal Monferrato, another multi-ethnic team which has been active since 2015.



Engineering do Brasil for the weak and disadvantaged

On the occasion of New Year's Day 2019, all Engineering do Brasil employees made a donation of food for Casa André Luiz and Casa Lar Projeto Vida, two organizations active in providing support for the most fragile people.

André Luiz is a non-profit charitable organization in São Paulo that hosts people with intellectual disabilities through free assistance. La Projeto Vida, located in Minas Gerais, is a non-profit charitable association that for over ten years has been helping children, adolescents and families in vulnerable situations through projects and programs on culture, social assistance and education.



The Gaetano Marzotto Award for young innovation entrepreneurs

Supporting the most innovative ideas, activating the new Italian company and bringing it into the world, pushing an innovation ecosystem: these are the goals of the Gaetano Marzotto Award, one of the main start-up competitions in Italy.

The award is aimed at new entrepreneurs and builders of the future capable of bringing together innovation, business and society in order to create a powerful synergy between the world of innovation and the world of Italian industry, with an international outlook. The 2019 edition was held in November at Link Campus University in Rome. Among the 15 categories in the competition again this year was the "Special IT Engineering Award" aimed at a start-up offering innovative solutions in the Telecom sector, with a focus on mobile networks, IoT technologies and Big Data Analysis. The start-up Vemini was the winner of the 2019 Special Award, with a project based on Blockchain technology, which offers a new authentication system which is resilient to hacker attacks, interoperable and easy to use: an archive of digital identities, fully in line with the issues of digital identity governance and data protection. An area in which Engineering is committed to protecting the business of companies within the ecosystem of customers, partners and employees.



With Telethon to support research on genetic diseases

Also in 2019, Engineering confirmed its participation with three teams who took part in the fundraising initiative to support Telethon. The event, organized by BNL Gruppo BNP Paribas in collaboration with the Rome Marathon, was held in December at the Terme di Caracalla (8X20 relay race) in Rome.

The Telethon Foundation, which has been providing resources to finance the best scientific research projects on muscular dystrophy and other genetic diseases since 1990, has been active for over 20 years and is one of the largest fundraising projects in Europe.

In addition to the parent company, other companies of the Group have also supported Telethon, including OverIT, which participated with a team at Telethon in Udine.





Race for the Cure: #EngineeringPinkEveryDay

IS the slogan of the Company that supports initiatives aimed at women and prevention that runs together with the "women in pink".

In May 2019, a large team participated in the Circo Massimo in the Rome phase of the 20th edition of the Race for the Cure, the flagship event of Komen Italia, which has been raising funds for the fight against breast cancer since 2000. Every year, the event offers women who have had to face or are facing the disease a space in which to talk about and to share their experiences. The event is also an opportunity to involve families, schools, companies and athletes in a long weekend of initiatives dedicated to health, sports and wellness, culminating with the traditional 5 km race and 2 km walk. Engineering teams also participated in the other two phases of the race at Bologna and Brescia.

Canestri senza Reti for solidarity without borders

The International "Canestri senza reti" Solidarity Tournament (no frontiers, encouragement, hope, no racism, joy, according to the video produced by the basketball team, ASD Letter 22 Ivrea) is one of the few youth tournaments officially recognized by the FIBA and includes the participation of sixteen Under 14 junior basketball teams, from Italy, Spain, Serbia, Bosnia and Germany. More than 200 boys on the court and over 5,000 in the stands.

Now in its twentieth edition, the tournament, of which Engineering is a promoter, was held in December in Ivrea.



Scuola Italiana Enrico Fermi (SIEF), the first school in Chicago inspired by the Reggio Emilia teaching method

Since its foundation, Engineering USA has supported and promoted the Scuola Italiana Enrico Fermi (SIEF), the first bilingual Italian-American international school in the Chicago metropolitan area: a fundamental part of the company's international team, their families and the community, initially intended for early childhood (3-4 years), but later extended to the following years with the aim of further expanding its offer up to children who are 13-14 years of age. Supported by the Italian government but funded by private individuals, SIEF was created by a group of Italian professionals who wanted to integrate the excellence of the Italian model with the best of the American school experience in order to serve the growing international community in Chicago.

The school offers an in-depth study of the Italian language and culture, with a strong focus on creativity, art and music, inspired by the Reggio Emilia approach to teaching.

Tafel and Tiertafel: donations for people in need and their pets

In 2019, the Düsseldorf headquarters of Engineering ITS renewed its commitment to two charities, Tafel, dedicated to the collection and redistribution of unused food that would otherwise be wasted, and Tiertafel, dedicated to the animal world.

Tiertafel organizes donations and distributions of food and equipment and also provides advice to people in need concerning the care of their pets. For Christmas, Engineering ITS colleagues collected donations for both charities, distributing care and hygiene products for people, and food and supplies for animals. For each package donated by employees, the Company made a payment to the respective organizations.





IG4U 2019: business simulation for new talent

A business simulation platform, nine teams of holders of Master's Degrees in Management Engineering, two days of challenge to prove to be the best management team of a virtual company. Engineering has renewed its support to IG4U, the university business game designed to discover and support new talents in the field of economics and management. At the University of Tor Vergata in Rome, in May 2019, Engineering's HR managers also mentored teams composed of students selected from nine universities in southern Italy: Politecnico di Bari, the University of Calabria, the University of Palermo, the University of Salerno, the University of Catania, the Federico II University of Naples, the Tor Vergata University of Rome, the Parthenope University of Naples and the University of Salento. At the end of the competition, the 45 students involved had the opportunity to introduce themselves through a quick, interesting and effective presentation.

Milan Digital Week and opening doors for schools

Cybertech joined the Milano Digital Week 2019, hosted in collaboration with large IT companies and local organizations to raise awareness of digital innovation among students and citizens. The Engineering Group, which has always promoted the development of digital culture in Italy, opened the doors of its Milan headquarters to the students and teachers of the ITT Ettore Molinari School, who wanted to discover and learn more about the concept of Industry 4.0 and to talk about IT security and the Internet of Things.

The meeting attracted a lot of interest, a high degree of interaction and many questions were answered.



Open Innovation City Hackathon at the FIWARE Global Summit

The initiative, in which Engineering was a partner, was designed to involve businesses and young people in the city of Genoa in the path leading to the 2019 Global FIWARE Summit.

A marathon of innovation that was offered in two versions: 4All, dedicated to university students, researchers, professionals and citizens and 4School, for high schools.

Five winning projects were awarded before a worldwide audience of experts: "See from Sea", which allows cruise passengers to organize their visit to the city before disembarking; "Let's Connect", a social network for elderly people in old people's homes; "ICARP", a platform for tourists visiting the city. The Special Stakeholder Jury Award was granted to "Silver City", an app that will allow seniors to experience active aging through the promotion of events and the provision of services.

The 4School Award was granted to "On the Boat", a project for the creation of an app for an experiential use of the sea.

For the three 4All challenges, an award in vouchers for a value of 2,000 euros was provided, as well as an internship for all members of the three winning teams at Engineering, Liguria Digitale, FIWARE Foundation and other organizations in the sector.

Sowing seeds for bees: more flowers, more bees

ENGINEERING ITS continued its commitment to the protection of animal species in 2019.

In particular, the German company is strongly active in the protection of bees, which in addition to being industrious insects, play an important role in our ecosystem.

In fact, bees pollinate millions of plants every year, vital for the feeding of humans and animals. The survival of bees, however, is threatened by chemical agents such as insecticides used in agriculture, and by climate change and the reduction of sources of sustenance.

To help mitigate these dangers, this year the German subsidiary has renewed its "Sowing Seeds for Bees" campaign aimed at employees and customers, to whom the company sends flower seeds for planting in their flower pots and gardens.

The campaign to plant more flowers was very successful, thus supporting the survival of bees and other insects.





Payroll giving and solidarity marathon for the Meyer Children's Hospital of Florence

Since July 2019, a Payroll giving marathon, in support of the non-profit Meyer Children's Hospital, was launched among colleagues at the Florence office.

The initiative provides for the rounding down to the lower euro of the monthly salaries paid to employees who have expressly consented to join the initiative, with Engineering's commitment to pay an equal amount, in proportion to what has already been donated by employees.

The amount collected at the end of the year will be donated to the Meyer Foundation to support research activities on new therapies and the achievement of high levels of care and hospitality for young patients and their families.

Engineering supported the Meyer Children's Play Therapy initiative through the #RunforMeyer Virtual Challenge, a race organized in July 2020 that included 5 km solo runs, to be run where and when participants decided, according to the rules of the competition, of course. Engineering paid the participation fees of its employees and received a very high level of support as a testimony to the spirit of solidarity and unity that has grown stronger in this special time. Colleague Giovanni Staiano also achieved highly satisfying results, earning a place on the (virtual) winner's podium with a time of 15 minutes and 57 seconds.

With Telecom Italia in Operazione Risorgimento Digitale (Operation Digital Renaissance) 69

Engineering is sponsor and partner of Operazione Risorgimento Digitale, the project launched by Telecom Italia in November 2019 to promote the acquisition of digital skills among citizens, businesses and public administrations. The initiative aims to involve the 107 Italian provinces to train up to one million people.

By joining this project, Engineering is continuing its commitment toward narrowing the digital divide, a fundamental goal, if we consider the low rate of digitization in the country (17% of the Italian population has never used the Internet, almost double the EU average).

Faced with the COVID-19 emergency and with a view to continuing its mission, the project, which had been itinerant in nature and in close contact with the local regions, was totally converted into online mode.

Engineering has also contributed to the cycle of specific courses on digital skills (Master Classes) online, particularly in the field of Augmented Reality.



Ingenium, the magazine of Digital Transformation

Ingenium is the magazine of Engineering and Tech Economy 2030, dedicated to the most innovative technological topics. Through its articles, the magazine aims to help companies and citizens to understand and interpret how innovation and new technologies are changing our society.

The authors and contributors are specialized journalists, university professors, opinion leaders and Engineering specialists, all of whom provide insights, ideas, vision and interpretative tools, which make the magazine a place of meeting and discussion on innovation issues and new technological scenarios.

How is Digital Transformation changing the world we live in? What are the impacts of Big Data, Blockchain, Cybersecurity and Artificial Intelligence on the way we work and, in general, on our economy? What are they and how do the Internet of Things and Digital Twins work? What are the new professions in the IT sector?

Engineering's web magazine tries to answer questions like these through articles, special features and interviews. In the months of the pandemic, the magazine featured expert discussions on the restart: from the role of the Cloud in the new normal, to Big Data and digital sustainability.

Cinema in Orvieto: the professions involved in making a film

In the summer of 2019, at the ONE (Orvieto Notti d'Estate) event, Engineering promoted the "I mestieri del Cinema" film festival supporting the TeMa Association in its effort enrich the cultural attractions of the city.

The stars of the Review are the various professions that go into the making of a film, from screenwriting to distribution, as told by those involved.

Three days of free screenings of films by emerging Italian directors, chosen for their ability to arouse emotions and promote discussion.

The films shown revolved around the theme of existential fragility and each film offered a different point of view on the subject, with different "shots" and settings, to show the complexity of a dialog with multiple voices and multiple approaches.

Each screening was followed by meetings and discussions with directors, screenwriters and critics, who spoke of the different settings and the professions behind a cinematographic project.



Engineering365: training for remote communication

The closure of schools during the lockdown due to the COVID-19 revealed the need to quickly raise the level of digital acculturation of teachers to allow effective remote teaching.

To contribute to this difficult challenge, Engineering365 has made available to the schools its skills in digital tools for distance learning and sharing. The company's experts have organized free training through which they have shown and explained to over 1,000 teachers the main features of Teams, the communication and distance learning platform.



Ognistudenteonline.org and devices for studying

In recent months, students from all over Italy have switched to distance learning, but many families do not have a tablet or PC at home, or have to share one device among many people. Taking lessons at a distance can therefore be difficult.

Engineering has donated PCs and laptops to support the *ognistudenteonline.org* initiative launched by a group of university students in networks between different countries, including Italy.

The project uses a platform to connect families who need a device with organizations and private citizens who wish to donate these devices. To ensure that the devices reach those who need them most, relationships are set up with schools, NGOs and local administrators, and not directly with the families.

The Italian group was inspired by similar projects in Estonia, Belgium and Lithuania and the project ranked third in the education sector at Global Hack (April 2020).



STREET ART ENTERS THE COMPANY

Care of common spaces and support for young artists is one of Engineering's sustainable goals



After the Gianturco Station in Naples, the lounge area of the Corporate School and the cafeteria of the Rome office are the two new projects entrusted to the writer Geometric Bang.

The artist from Lodi, who for over a decade, has been one of the most appreciated artists on the international scene, has created two murals at the company: "OutSide" in the cafeteria of the Roma-EUR headquarters, and "H&H (Humans and Humanoids)" at the Enrico Della Valle IT & Management School in Ferentino.



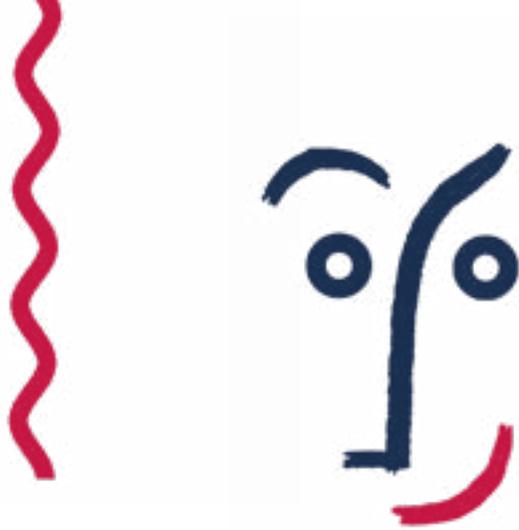
Present and future, nature and technology, the story of the artist who has always put people at the center of his work, which he has brought to the walls of these two buildings in his creative style that reflects his vision of the world.

Values that the artist had already shared with Engineering in 2017 on the occasion of the renovation of the Via Gianturco station on the Circumvesuviana railway line in Naples with his work "In Futuro".

In 2019, two new corporate visual identity projects and windows open to the world of today and tomorrow: dynamic and innovative visual contexts for the two shared areas, where people meet and interact in order to cultivate new ideas and relationships. And street art, which by nature is open and outside the confines of galleries and museums, is the best way to give life to these projects.



[ROME CAFETERIA VIDEO STORY](#)



Two projects related to the care of corporate spaces and attention to our people. Engineering has been supporting art and young artists for years: from its partnership with the MAXXI Museum in Rome, to its collaboration with young artists such as Antonello Silverini, Remed, Steve Ingham (winner of the “Engineering Art Project: Writing on Wall” competition, organized with the Academy of Fine Arts in Verona) and Resli Tale, who created the illustrations used in this Report.



GEOMETRIC BANG

An illustrator and muralist, born in Lodi in 1984. The artist has exhibited his works in Russia, China, Canada, Spain, Germany and South Africa and has created murals in Italy, France and Spain.

[instagram.com/geometricbang](https://www.instagram.com/geometricbang)



[FERENTINO SCHOOL VIDEO STORY](#)

THE ENVIRONMENT,
A **VALUE** WORTH **PROTECTING**



Highlights

208,792	GJ TOTAL ENERGY CONSUMPTION
14,992	TONS OF CO ₂ EMISSIONS (DIRECT AND INDIRECT, SCOPE 1 + SCOPE 2)
51,422,650	KILOMETERS TRAVELED BY THE COMPANY FLEET
130.5	gCO ₂ OF EMISSIONS PER KM BY THE COMPANY FLEET
LEED	ROME HEADQUARTERS CERTIFICATION (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN)
18,207,500	KWH OF ELECTRICITY CONSUMPTION IN THE DATA CENTER
1.68	GROUP PUE

Safeguarding the environment is a commitment and an essential premise of every form of **innovation** because sustainability and modernization go hand in hand with **protecting the environment**.

Sustainable business that looks to the future

GRI 103-2 GRI 103-3 GRI 302-1

The Engineering Group has implemented its environmental management system, obtaining certification according to the ISO 14001 international standard, which also covers its sites at Pont-Saint-Martin, Vicenza, Naples and Palermo and all the companies operating there (the subsidiaries Municipia, Engineering D.HUB, Nexen and Webresults).

The main environmental impacts generated directly by the Group's activities can be traced back to the four Data Centers in Pont-Saint-Martin, Turin, Milan and Vicenza, and the Group's approximately 65 sites, whose environmental footprint is attributable to urban users, i.e. the consumption of electricity for lighting, natural gas for heating rooms and water.

The environmental impacts of the Data Centers are generated by the production of electronic waste, electricity consumption for IT equipment, cooling systems and ventilation, and electricity distribution systems.

The Data Centers are also used to manage the information technology infrastructure on which the remote activities of the Group's offices in Italy are based.

Another important element in the calculation of the Group's direct environmental impact is the effect of emissions into the atmosphere as a result of staff mobility, and from the water used for cooling the Pont-Saint-Martin and Vicenza Data Centers.

The Rome office, which houses about 20% of the Group's employees, has LEED certification, developed by the US Green Building Council (USGBC) and awarded to buildings with excellent performance in terms of energy and water savings, reduction of CO₂ emissions, improvement of the environmental quality of the interiors, materials and resources used in its construction, and the design and choice of the site. During 2019, energy efficiency projects were also implemented in offices through the replacement of existing lighting fixtures with LED lighting to reduce electricity consumption.



The excellence of green Data Centers

The Pont-Saint-Martin Data Center in Valle d'Aosta was built in 1998, employs over 300 people and hosts the main service and governance center of the Engineering Group's IT activities with the management of over 7,000 physical and virtual systems. The Data Center is an example of a state-of-the-art facility, in terms of environmental sustainability in Italy. In fact, in 2011 a geothermal plant was installed inside the center to support the cooling systems, for which the Group has commissioned an executive expansion project, which provides for an increase in geothermal capacity from the current 50 liters per second to about 96 liters per second. With this new solution, the current geothermal plant, which uses water drawn at a temperature of 12°C from two specially built wells at a depth of 40 meters, will no longer need the refrigeration units that, until now, have been used to further cool the water to about 7°C, thus ensuring a significant savings in electricity consumption of over 150 kWh.

Part of the heat contained in the water in the return circuit will also be recovered and reused, instead of using methane to heat offices.

During 2019, investments were made for technological renewals of machinery and disposals of hardware that will generate a significant reduction in electricity consumption in the coming years. The Group has also planned the construction of an innovative Inner Data Center that will allow the achievement of DC TIER IV certification, the highest guarantee level that a Data Center can offer, equaling an availability of over 99.99%. The current building also has a control room, bunkered rooms and various utilities: a power plant, geothermal and refrigeration systems, a management and control system for the facilities (fire, safety, electrical and technological), as well as a fire extinguishing system for the technological rooms.

In 2019, the Pont-Saint-Martin Data Center has again confirmed a PUE of 1.52 (Power Usage Effectiveness, the parameter that measures the sustainability of energy). This parameter, according to the standard definition of the international industry consortium, The Green Grid, indicates the ratio between the total electricity consumption of a Data Center (air conditioners, fans) and the electricity consumption of IT equipment only. To have an efficient level of consumption, the PUE of a Data Center must be less than 3. A value of 2 represents an excellent level of efficiency, while values around 1.5 are considered excellent.

The Vicenza Data Center also has an excellent environmental performance. In 2017, the center obtained TIER IV certification from the Uptime Institute, both for the initial design phase and for the final implementation and post-verification on site. The Data Center is completely redundant in terms of electrical, cooling and network circuits, it is capable of maintaining a high level of energy efficiency (a PUE of 1.71 in 2019), while at the same time, plant reliability is very high due to free cooling

WATER

	2019	2018	2017
Groundwater withdrawals* (millions of m ³)	1.06	1.11	1.16
Industrial cooling wastewater discharges (millions of m ³)	1.06	1.11	1.16

* The water is drawn only for cooling the Pont-Saint-Martin Data Center and is not subjected to any industrial process other than temperature variation; the increase in flow rate planned for the hydronic pump expansion project has no significant impact on the environment and has already received permission from the local authorities. The temperature of the water returned to the Lys river complies with the specifications of the concession of the Aosta Valley Region.

ENERGY CONSUMPTION OF THE GROUP'S DATA CENTERS*

Data Center	Pont-Saint-Martin			Turin		
	2019	2018	2017	2019	2018	2017
Year						
Power consumption Gigawatt hour	10.04	11.08	11.51	1.75	1.97	1.94
Electricity consumption GigaJoule	36,144	39,900	41,400	6,300	7,070	6,960
Power Usage Effectiveness (PUE)	1.52	1.52	1.52	1.80	1.80	1.80
Data Center	Vicenza			Assago		
	2019	2018	2017	2019	2018	2017
Year						
Power consumption Gigawatt hour	3.12	3.34	3.22	3.30	2.40	2.16
Electricity consumption GigaJoule	11,232	12,034	11,592	11,880	8,640	7,776
Power Usage Effectiveness (PUE)	1.71	1.70	1.61	2.30	2.50	2.35

* Also includes 466 GJ of energy consumed by diesel engines used for Emergency generators.



solutions and structural measures, such as the separation of the Data Center rooms from the external environment by insulating corridors. This architecture makes it possible to detect and isolate any damage to the structure's systems, while supporting and maintaining all the IT loads and business critical systems of the customers hosted in the building. In 2019, work which began in 2018 was continued, with the aim of achieving a new level of certification according to the TIA-942 standard of the U.S. Telecommunications Industry Association in the Pont-Saint-Martin and Vicenza Data Centers.

In 2019 the Group also signed 100% green energy contracts for the Pont-Saint-Martin and Assago Data Centers, which to date, are entirely powered by energy produced from renewable energy sources.

CARBON FOOTPRINT

GRI 103-2 GRI 103-3 GRI 305-1 GRI 305-2 GRI 305-3

In 2019, the first estimate of the carbon footprint* of the Engineering Group companies in Italy** was conducted. The Carbon Footprint is an environmental indicator that uses an inventory approach to quantify an organization's impact on climate change. This analysis made it possible to identify the activities which have the greatest environmental impact in terms of direct and indirect CO₂ emissions. In particular, the following have been included in the calculation:

Scope 1 direct emissions

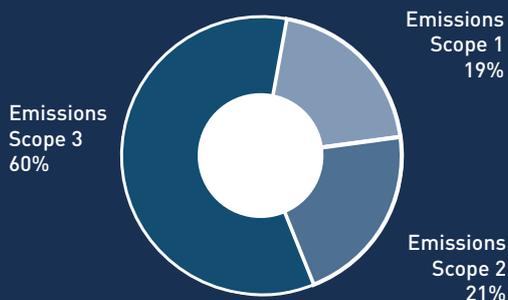
- Stationary combustion emissions generated by the combustion of natural gas for office heating and diesel combustion used for emergency generators in Data Centers,
- Mobile combustion emissions generated by the car fleet of 1,613 vehicles, most of which are powered by diesel fuel and a smaller number, by gasoline.

Scope 2 emissions deriving from the consumption of electricity purchased from the network used at the Group's offices and the four Data Centers in Pont-Saint Martin, Assago, Vicenza and Turin

Scope 3 emissions resulting from activities associated with:

- Business travel (air travel and train travel)
- Employees commuting between home and work calculated through a survey administered to a sample of 5,000 employees.

The results show that only 40% of emissions are generated by the activities over which Engineering has control, while more than half of greenhouse gas emissions are attributable to other activities (commuting between home and work, and travel), for a total environmental footprint of 37,558 tCO₂eq in 2019. The Group's goal is to extend the monitoring of greenhouse gas emissions to foreign companies as well.



* The calculation of emissions has been developed in line with the GHG Protocol, using emission factors taken from the latest available versions of the following reference documents:

- DEFRA - Department for Environment, Food and Rural Affairs Conversion Factors - Full - set for advanced users (2019), for emission factors Scope 1, Scope 3 (employees commuting between home and work, and air travel)
- AIB - Association of Issuing Bodies European Residual Mix (2018), for Scope 2 emission factors, calculated according to a market-based approach that takes into account the actual supply contracts entered into by the Group
- FS Italiane: Italian State Railways, Sustainability Report (2018), for Scope 3 emission factors (train travel)
- MiSE - Ministry of Economic Development, Average monthly fuel and fuel prices (2019), for the estimate of Scope 1 diesel and gasoline consumption.

** The companies Cybertech, Digitelematica, LG NET, Sofiter Tech, Sogeit Solutions companies are excluded when calculating the figures for Italy.

Moving people with attention to the environment

In 2019, Engineering's staff traveled more than 50 million kilometers in company cars throughout the country. A significant figure, which confirms the Company's philosophy constantly remaining in close proximity to its approximately 1,000 customers. This travel was made possible by the company's fleet (more than 1,600 cars), consisting of cars acquired under the long-term rental (LTR) formula. In 2019, the car fleet grew by 267¹ units while the average distance traveled per vehicle increased from about 33,963 in 2018 to 31,880 km per car. The company's staff travel policy places particular emphasis on limiting fuel consumption and emissions.

In fact, the company's goal is to reduce the threshold of average fuel consumption, thereby also ensuring the reduction of CO₂ and other polluting emissions. This target was also achieved in 2019, as demonstrated by the reduction in average fuel consumption in liters per vehicle, from 1,713 in 2018 to 1,552 in 2019. The reduction in consumption has also led to a lower environmental impact resulting from the amount of CO₂ emitted per kilometer, which fell from 135 g in 2018 to 130.5 g in 2019. In the past years, a new rental policy has been launched, which provides for a mandatory fuel consumption limit of less than 4.2 liters of fuel per 100 kilometers in the combined cycle for the first segment of cars (for employees and managers). The limit for the second segment (supervisors and managers) is set at 4.6 liters per 100 kilometers.

In 2019, Engineering renewed its car policy by introducing a car list of hybrid-powered vehicles for drivers that, in mainly urban use, do not exceed the threshold of 25,000 km per year, thus increasing the distance limit compared to the previous 15,000 km limit. Orders for vehicles with an alternative fuel supply to diesel in 2019 have doubled compared to 2018, going from 35 to 72² hybrid units, which can be recharged in the main locations at the columns installed by the Group.

Sustainability and savings in electronic waste management

GRI 103-2 GRI 103-3 GRI 302-1 GRI 306-2

The collection and disposal of electronic waste, as mentioned above, is done in particular Data Centers. In 2019, the components and systems replaced by maintenance or the replacement of the systems within them generated 4.1 tons of waste, compared to 26.2 tons in 2018. In order to minimize their impact on the environment, all electronic waste is entrusted to specialized companies and certified for the proper recovery of materials. The sustainability of data center e-waste is ensured because most of this waste is reused in other industries. Another category of electronic waste is the PCs used in the Group's offices. In order to better optimize their management, Engineering has implemented a virtuous system in its Italian offices that helps contain the costs for the purchase of new PCs and determines a lower environmental impact with a lower average standard production of electronic waste related to their replacement. In fact, over the years, the Technological Infrastructure Services Office (SIT) has created an extensive and efficient network for the restoration of damaged PCs through the simple replacement of components, just like a mechanic's workshop. This is an example of how sustainability can also reduce business costs.

¹ Of which 94 vehicles belonging to the subsidiary OverIT were included in the reporting in 2019.

² Of which 10 hybrid/electric vehicles belonging to the subsidiary OverIT were included in the reporting in 2019.

TOTAL CO₂ EMISSIONS IN ITALY*

	2019	2018	2017
Total power consumption (GJ)	208,792	188,886	177,784
CO ₂ emissions (tons) Scope 1**	7,055	5,757	6,061
CO ₂ emissions (tons) Scope 2 (market-based)***	7,937	12,692	11,544
CO ₂ emissions (tons) Scope 2 (location-based)	10,686	9,428	8,557
CO ₂ emissions (tons) Scope 3****	22,566	N/A	N/A
Total CO ₂ emissions (Scope 1 + Scope 2 market-based + Scope 3)	37,558	18,449	17,605
Total CO ₂ emissions (Scope 1 + Scope 2 location-based + Scope 3)	40,307	15,185	14,819

* Emissions linked to the activity of the subsidiary Overit have also been included in the calculation since 2019. Methane used in a few Group locations for heating (5507 GJ) and diesel fuel used by emergency generators in data centers (466GJ) have also been included in the calculation of energy consumption since 2019.

** The consumption of natural gas for space heating in the offices of Arezzo, Florence, Mosciano, Orvieto and Padua and the consumption of diesel fuel for periodic tests of emergency generators in the Data Centers have been included in the calculation since 2019.

*** The Pont-Saint-Martin and Assago data centers have been supplied with certified electricity produced from renewable energy sources since 2019.

**** The reporting of indirect Scope 3 CO₂ emissions began in 2019 during the drafting of the inventory of climate-altering gas emissions.

ITALY COMPANY FLEET DATA

	2019	2018*	2017
Km traveled	51,422,650	45,715,000	41,770,000
Diesel fuel consumption (tons)**	2,063	1,932	1,921
Diesel fuel consumption (GJ)	94,202	88,250	82,484
Gasoline Consumption (tons)**	31	-	-
Gasoline Consumption (GJ)	1,454	-	-
CO ₂ (tons)***	6,709	6,194	6,061
g CO ₂ /km	130.5	135.5	145.1

* The data for the corporate fleet in Italy for 2018 has been recalculated after the provision of emission factors in accordance with the factors used for 2017 and 2019 made available after the publication of the 2018 Corporate Social Responsibility Report.

** Data calculated using annual fuel costs divided by the average prices of diesel fuel and gasoline for consumption.

*** Diesel emission factor 3,206 tCO₂/t fuel; gasoline emission factor 3,153 tCO₂/t fuel. Source: DEFRA, Department for Environment Food and Rural Affairs, UK, Conversion factors 2019.

ELECTRONIC WASTE

	2019	2018	2017
Waste produced (tons)	4.12	26.24	11.98
<i>of which:</i>			
Entrusted to specialized and certified companies for proper disposal (tons)	4.12	26.24	11.98

OFFICE ENERGY CONSUMPTION AND CO₂ EMISSIONS*

	2019	2018	2017
Electricity consumption (Kwh)	11,557,583	10,839,438	7,658,864
Electricity consumption (GJ)	41,607	39,022	27,572

* The figures do not include all the offices, but only the main offices in Italy. The reported Kwh do not include the few "Temporary Office" locations where these services are offered on an all-inclusive basis (including electricity).

DATA CENTER POWER CONSUMPTION

	2019	2018	2017
Electricity consumption (Kwh)	18,207,500	18,790,000	18,830,000
Electricity consumption (GJ)	65,556	67,644	67,728





INNOVATION THAT IMPROVES PEOPLE'S LIVES



TRANSFORMING THE WORLD

WE LIVE IN ~ WE WORK IN ~ THAT TAKES CARE OF US



The projects carried out in 2019 and reported in the three sections “Transforming the world we live in”, “Transforming the world we work in” and “Transforming the world that takes care of us” are real examples of how Engineering’s solutions support customers in Digital Transformation paths that, in addition to improving their business operations, have positive impacts on sustainability issues relevant to the community and the environment.



The pandemic has only accelerated these transformative trends, making even more evident the need for a radical change that puts the well-being of individuals in the foreground. Our many years of experience in supporting organizations in Digital Transformation paths and our strong commitment to change have allowed Engineering to be immediately ready to face the emergency with effective solutions and capable of quickly changing the patterns of life to which we were accustomed, the traditional patterns of work and how to interact with the world around us.



As evidence of Engineering’s commitment during this period of crisis, some of the projects it developed in early 2020 to support companies, organizations, the Public Administration and health facilities in the early stages of response to the pandemic and in the reconstruction of the “**NEW NORMAL**” were also reported.

Our solutions put technology at the service of the three pillars of sustainability - **society, economy, environment** - and help to **improve people’s lives** and to **innovate work models**.

Transforming the world we live in

GRI 103-2 GRI 103-3

+ 2.5%

THE GROWTH OF THE DIGITAL MARKET IN ITALY

(€72,223 million in 2019)

(Confindustria, Il Digitale in Italia 2019)

3.8 million EUROS

DIGITAL IDENTITIES PROVIDED

(approx. 1.5 million more than in 2018)

(Confindustria, Il Digitale in Italia 2019)

1 in 3

ITALIAN MUNICIPALITIES HAVE LAUNCHED AT LEAST ONE SMART CITY PROJECT IN THE LAST THREE YEARS

(The Internet of Things Observatory of the Polytechnic University of Milan, 2019)

36.5%

PUBLIC LIGHTING CONSISTING OF LED STREETLIGHTS IN ITALY

(Smart City Index EY 2020)

+650%

PAYMENTS MADE WITH SMARTPHONES AND SMARTWATCHES IN 2018

(15.6 million payments)

(The Mobile Payment and Commerce Observatory of the Polytechnic University of Milan, 2019)

14.6 billion EUROS

THE DIGITAL TOURISM MARKET IN ITALY

(The Digital Innovation in Tourism Observatory of the Polytechnic University of Milan, 2019)

76.1%

OF ITALIAN FAMILIES HAVE INTERNET ACCESS

(Citizens and ICT, ISTAT 2019)

COVID-19 has shut down the world and for months now, the only way to have contact with others has been digitally. The use of enabling technologies is supporting the new reality imposed upon us by the pandemic and, despite the difficulties involved, the only institutions and companies that were able to continue to provide their services were those that quickly digitized their processes. From this point of view, the pandemic has made it clear that the power of data, across many domains, plays a decisive role in a safer and more productive world, within integrated ecosystems that are capable of shaping a new digital citizenship.

By breaking up the systems that imprisoned information within specific sectors, spheres and economic-social structures, Digital Transformation has turned knowledge into a common good for unprecedented economic and social development. Today, digitization is an integral part of our lives. We transmit data from our devices, we are “digital objects” who are always connected and we share information on the Internet of Me (IoM) every moment of our lives. The use of sensor technology connected to the Internet and applied to objects (IoT), solutions based on Robotics and Artificial Intelligence, and the study of Big Data that allows us to compare millions of pieces of data from different sources, have brought us into a new data economy. If put to good use, this information can bring about a positive transformation of the cities in which we live, of our homes, of our travels and of the landscape that surrounds us, and can create easier and safer interactions between people, between citizens and Public Administrations, between companies and their customers. Today, the digital transformation can bring to life a series of services that, until recently, we could never have imagined.

Within this context, Engineering Group, with its strong propensity to change and its deep expertise and knowledge in the field of “digital enablers”, has always managed, both independently and in collaboration with a large number of technical partners and Stakeholders, an extensive project portfolio that offers an important contribution to the digital transformation process, that of knowing how to innovate and rethink its services according to the changing needs of society. These activities range from automation to the digitization of processes that regulate relationships between the state and its citizens, while making the management of the administrative system more efficient and transparent.



This transformation is made possible by the organization and systematization of data sources scattered throughout the urban ecosystem, which enable organizations to respond to problems such as traffic and parking management, supermarket lines and access to public services in general. All this helps people to optimize their use of time and space, improving the quality of life in cities that are becoming increasingly “intelligent” and integrated systems.

Engineering supports local governments in increasing the ability of cities to serve citizens through the use of innovative technologies and public-private partnerships for a new Augmented Cities concept, where Information Technology unites individual initiatives to improve the quality of life in urban centers, to create savings for local government and to simplify the relationship between the Public Administration and citizens. All this is done by acting on the five fundamental pillars of a unique digital ecosystem: Sustainability, Security, Mobility, Welfare and Interactivity. Transforming urban areas into “Augmented Cities” means not only creating efficient cities, but also creating safe, dynamic, inclusive and therefore ideal places in which to live, to work and to invest, with economic benefits for the entire region.

The Engineering Group is a direct promotor and active player in the creation of projects aimed at re-planning rational, efficient and sustainable mobility systems that have clear economic, environmental and social implications for the region.

Examples of this are the several municipal platforms and portals implemented by Engineering in recent years, which regulate access, transit and parking for all vehicles and categories of users, which efficiently manage public transport, give proper attention to alternative mobility (car and bike sharing, electric mobility, just to name a few examples), and which respond to the ever-changing demand for the transport of people and goods. In other words, the environmentally sustainable and environmentally efficient management of urban mobility.

Engineering offers all this, finding technological solutions for the transformation of the world in which we live, paying particular attention to new social needs, new lifestyle trends and the environmental emergencies that characterize our time, thus contributing to greater competitiveness in the country, while giving the highest priority to the welfare its citizens.



SARDEGNA SICURA /**The app for safe travel in the Region**

Following the COVID-19 pandemic, it became clear that there was fundamental need to combine the health of citizens and the region with the continuation of economic activities at local level, with particular reference to the regions in which tourism is the main source of revenue.

In order to simplify and make it safer for tourists to enter Sardinia, Engineering has developed an app that can be downloaded on tablets and smartphones from all major digital distribution platforms.

Among the first projects of its kind at the national level, the app allows visitors to report their arrival in the region before boarding their ship or plane, by filling out a sheet with details about their stay and a self-declaration form.

The Region sends the traveler a QR code that must be shown at the time of boarding.

The app makes it possible to intervene in a timely manner, with targeted medical interventions if a tourist tests positive for COVID-19, as well as to trace any further infections. In fact, the app provides for voluntary georeferencing of movements based on GPS technology for tracking and epidemiological investigation during the tourist's stay on the island.

The Sardegna Sicura app is an example of how digital technology can be used to support the Region's economy and to welcome tourists during the summer season, in a post-crisis transition period, while also ensuring the total safety of the population and supporting the monitoring of possible infections.

SPORTY /**In Lombardy, mountain tourism is within reach of apps**

One of the main goals of Digital Transformation is to be able to combine a range of services in a single app and to provide information that can be easily and effectively accessed by the user. The Sporty mobile app responds precisely to this need, offering intuitive and pleasant access to tourist services related to mountain sports. Developed in collaboration with ARIA S.p.A. for the Lombardy Region, the Sporty app is able to customize information services for tourists and to integrate safety protection information. Through the effective use of the best mobile technologies and the adoption of codesign methodologies of the new multi-channel service offer model based on a mix of digital marketing and communication, it is possible to access preferences, searches, places and venues, to be alerted about adverse weather conditions and for off-piste skiers to receive avalanche warnings.

The app also surveys all indoor and outdoor mountain sports activities, as well as itineraries, events, experiences, cultural and culinary activities offered in the region and reports them according to user preferences, with accessibility details. Based on the enhancement of the region's entire information resources and an extensive network of Stakeholders, the app represents a real evolution toward a better sporting and tourism experience the mountains.

INCREASINGLY SMART CITIES /

Digital technologies for the intelligent management of restricted traffic areas

One of the tasks of a modern local public administration is to re-plan public mobility systems in a rational, efficient and sustainable way. Today's mobility is developing in a profoundly dynamic context in which technology and connectivity are taking on a strategic role. Increasingly, urban areas are experimenting with intelligent modes of transport based on the use of digital solutions. As part of Smart Mobility, Municipia implements projects that leverage digital solutions such as the use of sensors connected to the Internet and applied to urban objects, Cloud computing, mobile apps and Big Data analysis produced by sensors for the flexible management of rules for access, transit and parking in cities, with particular reference to restricted traffic zones.

Municipia also designs, builds and manages complex and integrated systems to create restricted traffic zones through public-private partnership and project financing formulas which offer users simplified access to mobility services, while at the same time, allowing Administrations to fully configure and control the authorizations issued through the system. Thanks to IoT devices and networks and integrated infoparking services, drivers get real-time information on the availability of parking spaces, drastically reducing driving time spent searching for parking, with positive effects on traffic, as well as environmental and economic benefits, for example for businesses.

The use of this technological infrastructure therefore makes it possible to reduce wild parking in urban centers, reduce noise and environmental pollution levels, improve road safety, increase the commercial attractiveness and usability of spaces by citizens and tourists, enhancing the entire urban infrastructure.

The solution has been implemented in a number of major Italian cities including Pisa, Florence and Verona.

CARBON FOOTPRINT /

A tool for calculating the carbon footprint in the automotive sector

Climate change is one of the greatest challenges facing the world and will continue to affect businesses and citizens in the decades to come; it could have significant impacts on the availability of resources, economic activity and the overall well-being of humans.

To meet this challenge, Engineering ITS is taking part in an automotive industry project in Germany to conceptualize and develop an IT tool for collecting and calculating CO₂ equivalent data.

The Carbon Footprint is calculated from four processes in the life cycle of a car:

- Production and delivery of raw materials and spare parts at the production plant
- Car design and assembly
- Storage and transport of finished products from the company to the consumer
- End use of the car

The intention is to create a database for setting carbon footprint reduction targets at each stage of the product life cycle in order to reduce greenhouse gas emissions and to ensure that information is reported correctly.

NET@WEB3.0 /

Sardinia's agile Water Service Desk

Abbanoa is the sole manager of the Integrated Water Service of Sardinia, fully supported by public corporations and currently made up of 342 municipalities and the Sardinia Region as partner. The company has begun to digitize its services to offer increasingly efficient services to the population. The latest initiative, developed in collaboration with Engineering, is represented by the Net@WEB3.0 Web Desk: a portal and an app that allow users to access remotely, at any time of day and from any type of device, the services previously provided only through local offices or call centers. The community has thus been able to benefit from numerous advantages: the remote control and processing of requests for contractual changes, complaints, checks and payments. The project, however, eliminates the distances that were a significant barrier for different types of users, such as people who live in small towns in remote areas or the owners of seasonal second homes.

There are also many advantages for the company, for example, the reduction of activities at service desks and in call centers, the reduction of management costs, increased customer satisfaction and the improvement of the company's image.

Last but not least, there are indirect positive impacts on the environment and the community, such as the reduction of CO₂ emissions and the reduced likelihood of injuries due to less travel.

The numbers recorded in the first seven months after the launch date of the app testify to the success of the project.

PAY WITH PHOTO /

The intelligent software for smartphone payments

In order to guarantee competitiveness in the world of banking, it is becoming increasingly essential to offer digital services that can be integrated in a micro-service approach. The relationship between banks and customers is constantly changing and the traditional banking services are being revised in digital mode. A leading Italian Banking Group has turned to Engineering to digitize its payment system using its existing mobile app, by implementing a solution with "Pay with Photo" software that allows users to make payments via photos taken on their smartphones.

Specifically, the software designed by Engineering is an adaptation of the mobile app's functions, enabling it to make transactions by capturing images of payment forms. OCR (Optical Character Recognition) technology is used to manage payment requests. The camera scans and recognizes the document's QR code and saves and exports the user's data. The "Pay with Photo" solution therefore enables the digitization of payment processes, making payment faster and more convenient for end users and also enables efficient management of the payment chain.



POST OFFICE QUEUE EQUALIZATION /

An algorithm for the analysis of the demand for the counter services of the Italian Postal Service

Digital technologies are increasingly being used by companies to improve the quality of services and customer interaction.

An example of this is the collaboration with the Italian Postal Service for the development of the POQET (Post Office Queue Equalization Tool) IT protocol, for the analysis of the variables in the demand for over-the-counter services aimed at the construction of an Analytics Engine, a predictive model capable of optimizing waiting times and the flow of people at the counter. The implementation of the IT protocol includes a scenario analysis of the demand for over-the-counter services, aimed at understanding the external variables (seasonality of demand, type of services offered) and the internal variables (active counters, duration of operations) that influence demand, in addition to the implementation of the Analytics Engine and the identification of the complementarity of Post Offices. Based on this analysis, an algorithm has been developed to allocate resources between offices in order to equalize waiting times with the same resources, and a dynamic algorithm has been developed to identify the combination of nearby offices in order to take advantage of seasonal counter-trends and to maximize the overall level of customer satisfaction.

A pilot project was launched in 2019 that focused on 34 Post Offices experiencing peak demand in the summer period.

The result will reduce waiting times at the counters, while also monitoring the operations and quality delivered to customers and exploring the data in a new way that highlights the characteristics, links and comparisons between Post Offices.

THE DIAL-A-RIDE BUS /

The app for environmentally sustainable public transport

Transport service providers in urban areas increasingly need to provide new and differentiated forms of service in order to pursue traffic reduction, and environmental and social sustainability goals. Precisely because of this need, Engineering offers the market a dial-a-ride bus services management platform in collaboration with Moovit, the developer of the most-used urban mobility app in Italy and worldwide, present in more than 3,000 cities, available in 45 languages and with over 650 million registered users. The platform can be used to organize a public transport service where vehicles move only when requested by the user through the app. In this way, it is possible to reduce the number of vehicles in circulation, lower pollution levels and provide a service adapted to the actual mobility needs of users. The system is able to process requests and dynamically organize the trips of the vehicles used in the service. The drivers of the vehicles are provided with a dedicated mobile app that supports activities for correct delivery, by precisely indicating the appointments, the routes to follow, and the times and status of the service. One of the services provided is transport in non-urban areas, characterized by a very low and only occasional demand. All this is consistent with the European directives on minimum services, which require that the transport services organization guarantee the mobility of citizens in compliance within the parameters of environmental sustainability.

In the municipalities of the Bolognese Apennines where the Mobility Agency of the Metropolitan City of Bologna (SRM Reti e Mobilità) has organized the ColBus DRT service, the technology provided by Engineering will make it possible to provide transport services designed according to the mobility needs of individual users and designed to improve the quality of the service, by reducing management costs and increasing the environmental sustainability of the service itself.

DIGITAL IDENTITY IN JORDAN /

Access to online services for all citizens via electronic ID cards

In a hyper-connected world where most transactions and operations are carried out online, it is necessary to develop technological platforms for the creation of digital identities that allow citizens to use public administration services in any place, on any device, and above all, in total security. The main challenge for the management of sensitive user data is security.

The major international institutions, from the World Bank to the UN, are working in this direction as one of their goals for 2030. Among the countries that are moving in this direction is Jordan, which has chosen to provide all its citizens with a digital identity. To this end, the MoICT (Jordanian Ministry of Information and Communication Technology) has turned to Cybertech for a solution that ensures the secure management of digital identities of Jordanian citizens and employees of the Jordanian government. With this project, citizens will be able to access electronic services and digital signatures remotely, while employees will be able to use the administration portal and manage online content using digital signatures to sign official documents. Specifically, the solution proposed by Cybertech will allow users to access the eGov and eServices portal, completely remotely, to change their recorded information, such as email, address and phone number, as well as to manage their smartcards (PIN change, data synchronization and certificate renewal). All citizens can request a digital identity through a special self-registration feature that can be accessed remotely via computer or cell phone.

The implementation of this Digital Signature Engine solution marks an important step forward for the digital transformation of the interaction between citizens and the Jordanian government.

TO-NITE /

A solution for urban safety in Turin

The safety of urban spaces, especially at night, is a concern of the inhabitants of all cities and traditional policies have only offered a limited guarantee of safety. Engineering, within the European Program Urban Innovative Actions (UIA), participates in the To-Nite project, which addresses the problems of urban safety in Turin through the adoption of an innovative approach based on improving the attractiveness and livability of urban spaces, even at night. The project aims to contribute to the prevention of urban degradation, promoting the active inclusion of all actors in the definition of local policies. Thanks also to the help of computer infrastructure for the collection of ideas to be implemented together with more appropriate policies, there are plans for the development of multidisciplinary actions and solutions designed together with the local community, with the aim of better understanding urban social phenomena and addressing the problems arising from a perception of a lack of safety that leads to intolerance and a lack of optimized use of public spaces. Specifically, To-Nite will improve the city's ability to monitor the current situation, to detect the rise of new phenomena, to understand community needs and to measure the impacts of jointly designed solutions by consistently collecting, processing and visualizing a wide range of data generated by urban infrastructure and the community. The project aims to have a significant impact on preventing criminal activities, assessing individual needs and supporting the integration of marginalized people. The project also aims to strengthen community empowerment by improving risk awareness and social resilience, increasing cross-sectoral preparedness for urban safety management and the ability of authorities to prevent safety threats. Thanks to To-Nite, Torino is a candidate to be an open laboratory for the development of community-based urban safety solutions to be replicated at the European and global levels.

SMART LIGHTING /

Energy-efficient public lighting in cities

Local authorities are increasingly attentive to energy efficiency policies.

In this regard, Municipia is developing technological projects with the aim of creating infrastructure in cities and helping to lower energy consumption, to reduce pollution and to free up economic resources.

This commitment involves the installation of advanced physical components capable of receiving, monitoring and managing all information remotely.

In addition to building automation and building safety, the areas of intervention for these types of projects include the efficiency of public lighting, aimed at allowing cities to use lighting only where and when necessary, thus lowering CO₂ emissions and reducing electricity consumption expenses.

These systems are also connected and integrated with sensors and video cameras to remotely detect, monitor and manage the information coming from the urban ecosystem in order to improve monitoring of the area for the benefit of citizen safety.

By saving on energy consumption, Administrations are therefore able to free up economic resources for other services.

To date, the project has started in a cluster of municipalities in Sicily, while an earlier beta test was carried out in Frankfurt, Germany.

WASTE MANAGEMENT SOLUTION /

Digital technology, from dumpsters to collection

Optimizing the entire waste management process and containing the costs of collection and disposal is crucial for local authorities and must include every aspect of the supply chain: the collection service, the disposal and recovery of separable materials, fees, and finally, the search for tax evasion.

By integrating ERP (Enterprise Resource Planning) tools and technologies, Municipia provides advanced technological solutions to optimize this process.

In particular, these solutions aim to improve the efficiency of the means and methodologies for the management of waste taxes, waste collection, including the delivery areas and smart containers, including underground containers, which record the quantity of waste delivered by each user and indicate the most appropriate time to empty the containers. This digital technology is also capable of simultaneously recording all information on waste collection and delivery, making it possible to precisely set fees in proportion to the quantities of waste delivered.

Finally, a dedicated information portal allows citizens to consult their contribution status and to take advantage of the support app.

Projects such as these have positive economic, social and environmental impacts: the reduction of service diseconomies, the reduction of tax evasion and avoidance, the facilitation of material recovery from waste and the reduction of CO₂ emissions.

To date, the service is being used in the Southern Tuscany basin, through a partnership with SEI Toscana, the manager of the integrated urban waste service.

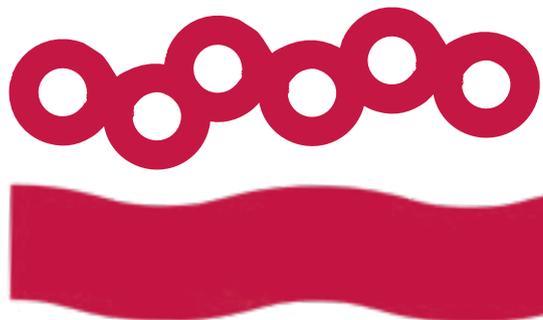
MARKETSUITE /

The intelligent management of food waste

The CAMST Group is one of the largest Italian companies in the catering industry and is deeply committed to combating food waste. Operating throughout Italy, Germany, Spain and Denmark, the group produces 130 million meals a year for schools, companies, hospitals and major events. Active in the facility management sector since 2016, it has expanded its offer to include services that care for the environment and work spaces, and has also developed initiatives to minimize waste. With this goal in mind and through its long-term collaboration with Engineering, the group has developed MarketSuite, a Digital Commerce platform. The platform revolutionizes the previous "company store" system that had already offered employees the opportunity to buy unsold products at reduced prices. and thus to avoid food waste, by filling out an excel file sent to the process manager.

The new system allows employees to choose unsold products from virtual shelves and to access active promotions. The company using this service can also simply and transparently manage all phases of the process, from user registration, orders and online payments, to product pick-ups. The result is an extraordinary acceleration of the order management system and maximum efficiency and usability in the creation phase, because of the proper flow of information.

MarketSuite also introduces new features in line with current market needs, responding to the attention of consumers to food supply chain sustainability and waste reduction.





Transforming the world we work in

GRI 103-2 GRI 103-3

2,593 million EUROS (+18.7%)

THE MARKET VALUE OF INDUSTRY 4.0

[Confindustria, Il Digitale in Italia 2019]

2,701 billion EUROS

THE CLOUD COMPUTING MARKET IN ITALY

[Confindustria, Il Digitale in Italia 2019]

200 million EUROS

THE VALUE OF THE ARTIFICIAL INTELLIGENCE MARKET IN ITALY

[The Artificial Intelligence Observatory of the Milan Polytechnic School of Management, 2019]

24TH PLACE

ITALY'S POSITION IN THE INDEX THAT MONITORS THE DIGITAL COMPETITIVENESS OF THE 28 EU COUNTRIES

[Digital Economy and Society Index - DESI - 2019]

+35%

HUMAN-MACHINE INTERACTION BY 2021

[IDC International Data Corporation 2020]

25%

OF DIGITAL WORKERS WILL USE A VIRTUAL EMPLOYEE ASSISTANT (VEA) BY 2021

[Citizens and ICT, ISTAT 2019]

The pandemic has made the need to speed up the process of digital transformation of enterprises even more evident. Digitization has proven to be the main tool for ensuring business continuity.

Through its Digital Workplace, Engineering is making a significant contribution to the process of transforming the way we work, learn and collaborate using digital platforms, securely, anywhere and anytime.

The Digital Workplace effectively enables a new design for work organization, which can help create change by increasing the value of the business: a set of digital tools, solutions and change management programs that help to redesign the time and space of work by innovating processes and organizations, and by creating a new balance between physical and virtual spaces.

In addition, by enabling smart working and remote collaboration, the Digital Workplace, as was seen in early 2020, can have a positive impact on the lives of workers and the community by increasing environmental benefits.

At the same time, new technological frontiers such as Artificial Intelligence, Robotic Process Automation, and Augmented and Virtual Reality, contribute to the creation of new industrial processes, expanding business opportunities to support activities that require skills, judgment, creativity and decision-making, generating new ways of working, in an approach that integrates people and machines.

In recent years, technological evolution has transformed the world of work and the global industrial system at an unprecedented pace, impacting all major sectors of the economy.

Engineering plays a primary role in this scenario, supporting important players in the Italian and foreign economic network, overseeing products and services in a wide variety of markets, including energy, telecommunications, utilities, the financial world, the transport industry and the media.

Engineering supports hundreds of thousands of workers all over the world in using technology to be more efficient: a real path of innovation includes the safe management of workstations and the complete digitalization of the working environment, going beyond the traditional concept of having a physical location in which to operate.

Specifically, work is impacted through enabling digital technologies such as Blockchain, which ensures the immutability and complete traceability of transactions, as well as Robotic Process Automation, Artificial Intelligence and Machine Learning which automate repetitive, massive and error-prone work processes.

Innovative Augmented and Virtual Reality solutions also allow a meeting of the digital and physical worlds by expanding the working environment of maintenance workers in factories and in the field through the use of wearable devices capable of remotely displaying superimposed digital information, such as text, graphics, products and multimedia content, and also to manage safety risks in the workplace and to ensure social distancing.

Digitization is also reshaping the activities of the Public Administration, to which Engineering offers essential solutions for an agile and effective dialog with citizens. These solutions include tools, such as IT platforms for tax collection, electronic payments and the processing of files, information portals for tourism, culture, the economy, and even for training courses and universities, which go beyond the traditional rigidity of conventional information systems and are service models in which user satisfaction is the main goal. This enables the simplification and transparency of the administrative machine and bureaucracy, implementing a shared strategy for interconnecting all possible actors in the digital transformation of the country.

The application horizons for digital solutions required today by the world of work are almost infinite and are already part of the life of some professions, creating advantages in the areas of safety at work, speed and accuracy by increasing processing speeds, eliminating the risk of human error, freeing people from the need to perform repetitive activities and allowing them to focus on activities with greater added value.

A DIGITAL CHECK /

Access to funding during the time of COVID-19

Small and Medium Enterprises, not all of which have the tools and knowledge to properly plan their short and long-term economic and financial needs, have been especially affected by the shutdown of activities due to the COVID-19 crisis.

In this context, continuity in conducting business and providing services, timeliness in managing economic resources and the search for financing have become primary needs for all SMEs.

However, companies that do not have the tools to define the updated situation regarding their actual post-crisis state of health are considered to be less reliable by credit institutions.

To respond to this need, Engineering developed the CheckImpresa platform, a solution that has been supporting companies in an immediate, simple and intuitive way since the first phase of the emergency.

The platform lets companies promptly manage economic resources, even in difficult situations, and provides an updated and comprehensive picture of the financial health of the business. This information can be used immediately by banks and credit institutions in order to start the decision-making process that leads to the allocation of funding to the company.

CheckImpresa is a strategic solution that enables companies to simply and easily contribute to the receipt of financing for post-pandemic development, as well as being yet another proof of the primary role of Digital Transformation for companies and the ability to provide an increasingly faster response to the changing needs of the Finance sector.

VIRTUAL SHOWROOM /

Virtual stores as a response to the COVID-19 emergency

The COVID-19 emergency has led to the closure of physical stores and a change in the purchasing behavior of many customers, who are increasingly using remote purchasing channels via e-commerce. To respond to this trend, Engineering has adapted its Space1 solution, already used in the industrial sector for the remote management of field maintenance activities, to respond to the changes in the habits of retail consumers. Through the use of augmented reality (AR), mixed reality (MR), virtual reality (VR), artificial intelligence (AI) and Knowledge Base technologies, it has been possible to provide companies with remote sharing environments that bring the showroom directly to the customer's home.

All these technologies offer experiences very similar to reality, through a device (a presenter) that shares its point of view or through an interactive presentation, and guest users who can connect via any device in real time.

In full compliance with social distancing and in total security, virtual showrooms have allowed maximum business continuity for companies that have not been able to reach consumers through their physical spaces.

Space1 for the development of virtual showrooms is an example of Engineering's ability to meet changing market demands by adapting and evolving existing technologies in new production sectors to meet needs arising from an emergency context, such as that experienced in recent months.

WORK INFORMATION SYSTEMS

Dashboards to support regions in times of crisis

The measures adopted to respond to the pandemic health emergency, precisely because they are extraordinary and absolutely unforeseen, have had and will have an impact on the world of work and will have consequences that are difficult to evaluate, first and foremost in terms of employment, as well as on the management of the processes and procedures of the agencies responsible for managing the emergency.

Engineering's activities for its customers who are regional public administrations enable the provision of the most complete, updated and integrated information on the dynamics in progress in the labor sector, so as to better understand the underlying reasons and the necessary interventions. With this goal in mind, Engineering is supporting a number of Italian Regions in the creation of analytical dashboards for quickly performing data-driven analysis fed by a variety of data sources. These dashboards immediately meet information needs, avoiding long periods of unsustainable action and delays in decision-making within the current work emergency. The types of data analyzed by the data analysis and visualization tools are many: the use of the Italian wage guarantee fund, labor market trends in the region (terminations and new contracts according to sector), the analysis of specific sectors (eg. tourism, agricultural and seasonal), etc. Individual data relating to the work environment has also been used for health surveillance, in order to trace or monitor possible infections, an aspect which underlines the systemic value of this data and its strategic importance in government measures at all levels.

With these tools, the Regions can simulate scenarios involving the recovery or suspension of activities, identify areas with greater demand for employment or at risk for unemployment, so as to quickly and accurately assess the effects of current labor policies and socio-economic decisions.

SMART PROXIMITY /

Monitoring social distancing in companies

The pandemic has highlighted the need to adopt proper behavioral standards in the workplace in order to ensure the safety of all.

The Smart Proximity platform responds precisely to the need for social distancing, through a solution that can monitor compliance with social distancing in real time, as well as identify and analyze the risk behaviors of workers without distracting them from their activities.

The solution provides workers with wearable proximity sensors which, through a communication port (a proximity gateway), send proximity information to the proximity dispatcher. The proximity dispatcher tracks the data received, and in turn, forwards it to the proximity monitor, which processes the data in real time and identifies critical events that are then evaluated using the "intelligent" features of proximity analytics.

If the danger of two operators not maintaining the appropriate safety distance is detected, the system issues an alert in the form of vibration, LED lighting and sound. The entire information flow is traced anonymously, in full compliance with privacy, for a given period of time in a proximity storage device.

As an employer experience solution, Smart Proximity is Engineering's response to the need of its customers to quickly restore the continuity of their operations while respecting the distance between people, and the need to promote health and safety in the workplace.

DIGITAL TWINS /

Simulation of human operations to ensure worker health and safety

As a virtual copy of a real organization, Digital Twins offer companies a risk-free environment in which to study processes and to test changes. Engineering USA, which specializes in industrial simulation and the strategic use of Digital Twins, has recently introduced the simulation of human processes as part of its portfolio. This solution allows manufacturers to virtually validate processes to ensure that the way factory workers perform their work does not cause long-term injuries or health problems. This Digital Twin application can analyze and optimize the ergonomics of a human operation, allowing users to perform realistic "human vision" simulations of their tasks that take into account the movement of the joints and the physical characteristics of each operator (gender, height and weight). For example, it is possible to identify areas of the body that are at risk due to performing strenuous or repetitive tasks, and to test possible alternative processes. With this solution, manufacturers can also design workstations to ensure that all equipment can be used and maintained by people.

While process simulation is well-known in the world of manufacturing, human modeling is a real innovation for this sector. In a society where people choose to work for employers who care about their health and well-being, human process simulation will become a staple feature of any organization interested in the safety of its workers.

RPA FOR ENVIRONMENTAL PROTECTION /

Digital Transformation in emergency operating situations

In the field of RPA (Robotic Process Automation), the challenge for organizations is to be able to structure the correct internal path of adoption for this solution. Engineering D.HUB, whose RPA competence center obtained the NICE recognition at the EMEA Center of Excellence RPA Network, supports companies and organizations in introducing this technology in order to increase efficiency and for use in emergency operational situations. This is the case of the methodological support given by the RPA Center of Excellence to the ARPA Piemonte environmental protection agency for process discovery and business analysis activities for the mapping of desktop processes with higher RPA eligibility. Through the involvement of various departments, including Administration and Personnel, Assets and Accounting, Physical and Technological Risks, and Environmental and Weather Monitoring, a number of processes have been identified for which to prioritize interventions, for cost/benefit analysis and to determine operational and economic savings.

Two processes in particular have been identified. The management process that monitors the atmospheric emissions of large industrial plants, which will provide ARPA reputational advantages in the national environmental protection tables, with positive social implications for the care of the region in which these plants operate, also through digital control technologies.

The process of aligning laboratory data for molecular research on the SARS-CoV 2 virus aimed at ensuring the management of as much molecular test information and traceability as possible for monitoring people at risk for Coronavirus infection. This is just one example of how, through the use of RPA, new forms of human-machine collaboration can manage emergency situations.

OUTSOURCING OF DATA CENTERS /

Into the Hybrid Cloud

In 2019, there have been strong changes in Cloud and Data Center services, driven by large cybersecurity operators and due to the growing awareness of the GDPR. The availability of data center outsourcing is leading companies to be increasingly willing to migrate their IT infrastructures to the Cloud. As part of this evolution, one of the major Italian telephone operators, in collaboration with Engineering, has started a program to transform its Data Centers, focusing on the consolidation and technological transformation of physical assets by reducing hardware obsolescence, thus lowering energy consumption and optimizing the spaces used in Data Centers. The transformation program has been propelled by a number of technological and business drivers, namely technological innovation based on a clear and achievable strategy that includes the implementation of a Hybrid Cloud architecture to increase the level of automation, flexibility, revenue acceleration and time-to-market services; efficiency and cost reduction through the consolidation and streamlining of infrastructure and the consequent reduction of target sites to be managed; the definition of guidelines for achieving further goals, including security and agility; a significant reduction in the cost of on-site services for "operations" by revising the operating model; the reduction of infrastructure to be managed and through the use of Data Center Automation tools.

Engineering has developed a pilot project involving the consolidation and transformation of two sample rooms in a Data Center, which has already quickly led to significant economic and environmental savings in hardware maintenance, in addition to reducing electricity consumption by 85%.

SMART WORKING /

The Drive software for secure file sharing

The rapid growth of smart working has increased the need for companies and administrations to make possible the storage and secure sharing of data between colleagues and employees while also enhancing mobility and ensuring user privacy. Drive software by LiveBox, the proprietary technology of Sogeit Solutions, is a desktop replacement solution that enables synchronization, communication and private data sharing while guaranteeing the highest level of security and flexibility. This multi-platform software is accessible from all devices, including in smart working and mobile modes, and allows a significant reduction in costs while maintaining maximum interoperability with the company's core systems. The main services offered by the software are file sharing, synchronization, collaboration, real-time editing and multi-user audio/video chat. All the files in which the activities are carried out are then stored on drives with the option to be encrypted and associated with an expiration date in order to ensure the highest level of external security.

The software can be installed within the company network, in Cloud version or through a hybrid solution that combines the advantages of both models, including the option to only partially delegate some of the services to the provider for a certain period of time or permanently, thus ensuring business continuity and the highest security standards.

For the future, experimentation is underway with applications that involve going beyond document-based systems, in order to move the workflow towards augmented reality or virtual reality to support workers.

ZERO TOUCH /

The first solution for hands-free field operator interventions

Geocall 9, the new version of the OverIT Geocall platform was launched for the first time in 2019 and is the first product in the world that allows operators to intervene in hands-free mode without the need to hold a device and which instead allows interaction and collaboration between operators by voice command only, making the process more efficient and safer.

Through a head-mounted device (consisting of advanced smart glasses mounted on the technician's helmet) and through the use of Augmented, Mixed and Virtual Reality, operators can automatically recognize facilities, networks and assets, and view hidden or buried components. In addition, work can be carried out in extended collaboration by receiving information on the activities to be performed and through the real-time sharing of fields of view with other colleagues in order to obtain remotely guided support. The automated interaction between operators allows the sharing and maintaining of expertise within the company, thus formalizing processes previously based only on the experiences of individual operators. Geocall9 represents the new era of Field Service Management and is a suite in continuous evolution, in step with the latest digital and mobile technologies. Geocall9 is used by important players in sectors where the management of field activities such as Energy and Utilities, Oil and Gas, Services and Transport is crucial.

Thanks also to this project and the expertise it provides, OverIT has been positioned as a "Visionary" product in Gartner's 2019 Magic Quadrant in the Field Service Management sector.

MEP WELCOME /

The app for reception into the European Parliament

Orienting oneself in the complicated world of the European Parliament can be a challenge for the newly elected, both in terms of physical orientation and in viewing all the commitments of interest. MEP Welcome is the application developed by Engineering in collaboration with the European Parliament that provides services dedicated to the reception of new members of parliament and to the search for information about meetings and gatherings. For example, by using the "Agenda" section, it is possible to view a list of events of interest, sorted according to working groups (Commission, delegations, etc.) with daily updates. The "Floors" section shows the floors and locations of the main buildings of the European Parliament, both in Brussels and Strasbourg, and also allows the user to switch from one floor to another, to access the floors and to view points of interest. The "Tasks" section contains a list of activities to be carried out; the "Info Corner" section contains general information to facilitate the work of Members of the European Parliament, such as logistics, document management and useful contacts. Designed and implemented using Angular6, the technology stack of the Ionic3 framework, and the back-end data sources of the European Parliament's web portals, the application is fully integrated with mobile devices and also allows MEPs to manage some of their activities remotely. Most of the content is available in 24 languages and features a visual design consistent with the image of the European Parliament. The app also allows visually impaired users to access the service and is designed to work properly on devices with voice-over function or high contrast mode. A more recent update has also made the app accessible in guest mode for searching for useful information about the parliamentary institution.

To date, MEP Welcome has been downloaded 10,000 times from mobile stores.

SECURITY OPERATION CENTER /

Secure data management in a pharmaceutical company

The market scenario is characterized by a strong tendency for organizations to entrust the management of their data to specialized third-party companies.

This was the choice of an international pharmaceutical company that entrusted its data security to Cybertech. To this end, a certified Security Operation Center was been developed, a technological solution that provides services for the security of information systems for the provision of Managed Security Services (MSS).

It was then possible to manage the overall monitoring of information security within the company's control room and to set up response and protection tools. The solution is divided into three distinct and complementary modules: the module on the DNS (Domain Name System) domain protection network, which blocks requests from malicious and unwanted destinations, before a connection is established on any IP address or protocol and before these requests can reach any terminals; the module, aimed at preventing a problem following a newly discovered vulnerability, through a complete security solution for physical, virtual, Cloud and hybrid environments; the module that enables a better combination of threat management, compliance and real-time monitoring needs, with ease of use, deployment and scalability of the solution. The project has allowed the pharmaceutical company to guarantee the highest standards of security for its data and to significantly reduce the operating costs of its computer systems.



Transforming the world that takes care of us

GRI 103-2 GRI 103-3

1,005 billion EUROS (+12.2%)

THE MARKET VALUE OF CYBERSECURITY SOLUTIONS IN ITALY

(Confindustria, Il Digitale in Italia 2019)

3.52 million EUROS

THE AVERAGE COST INCURRED BY ITALIAN COMPANIES FOR DATA LOSS CAUSED BY CYBER-ATTACKS

(Ponemon Institute, Cost of a Data Breach 2019)

6.183.364

CITIZENS EXPOSED TO HYDROGEOLOGICAL RISK

(Ecosistema Urbano 2019 Legambiente)

1.39 billion EUROS

THE VALUE OF THE DIGITAL HEALTHCARE MARKET IN ITALY IN 2019

(Digital Innovation in Health Observatory of the Polytechnic University of Milan School of Management)

88%

HEALTHCARE COMPANIES THAT USE DIGITAL SUPPORT TO ANALYZE PATIENT DATA AND TO CONNECT ALL ACTORS IN THE HEALTH SYSTEM

(Digital Health Observatory of the Polytechnic University of Milan 2019)

52%

THE PERCENTAGE OF ITALIANS WORRIED ABOUT THE PROLIFERATION OF FAKE NEWS ON THE INTERNET

(Digital 2020, Global Digital Overview)

1 IN 3

STUDENTS WORLDWIDE EXPERIENCED CYBERBULLYING IN 2019

(UNICEF survey via the U-Report platform)

The COVID-19 emergency has shown how digital transformation can offer organizations of all kinds a significant boost towards new service models that use ecosystem platforms capable of extracting information from the analysis of data from diverse and transversal sources.

Based on its experience, during the pandemic Engineering was able to use its knowledge to serve health institutions in the areas most affected by COVID-19 by promptly adapting existing solutions to the new needs of the health care sector.

New technologies can connect everything and everyone at an unprecedented speed, making it possible to interconnect economic and administrative services and to simplify the complexity of existing infrastructure. This new world, which we need to get used to, is made up of great opportunities that must be seized with the right mix of experience, skills and technologies, in order to ensure a safe and controlled transformation that focuses on the care of people, assets and the surrounding environment.

On the healthcare front, Engineering supports companies and authorities in the development of e-health solutions to facilitate control of clinical and assistance processes in the areas of spending, appropriateness, pandemic prevention and monitoring, the planning and organization of healthcare, as well as the prescription and provision of services and activities to involve patients. Many of these projects focus on data analysis, because of which today, it is possible to improve the predictive capacity of public and private operators and to obtain a more prompt and effective response to treatment by leveraging patient profiling.

The ability to exploit the transversality and interoperability of data (and to leverage Data Liquidity) allows Engineering to support Healthcare in caring for citizens, anticipating their needs. This ability (and experience) also makes it possible for care and treatment services to become an ecosystem that integrates and is regenerated into a broader concept of Digital Citizenship: clinical health data is integrated with data coming even from outside the "Health" context.

Engineering has developed a range of IT solutions to facilitate and promote citizen access to healthcare services, such as healthcare

reservation systems and Electronic Health Records, as well as numerous services to improve the efficiency of primary care through the networking and integration of general practitioners and pediatricians of the patient's choice and solutions for the digitization of the administrative management of healthcare companies.

In the area of data protection, Engineering guarantees that the digital world and the IT processes that its customers use to serve citizens and regions are secure. In order to offer this protection, Engineering provides enabling solutions that cover many areas, ranging from public administration information systems for crisis and natural disaster prevention and management, to data and asset protection systems for companies against hacker attacks (cybersecurity), to digital platforms and sensor technology for the Internet of Things (IoT).

According to the trends observed by the most important international analysts, along with the exponential growth in the volume and value of information (code, text, images, infographics, video, signals), the number of serious cyber threats has also increased and is expected to continue to increase in the coming years.

This phenomenon can only be countered by the adoption of technologies, skills, processes and structures to protect data, applications and infrastructures from attacks and unauthorized access.

This is an area in which Engineering has invested significantly in recent years by supporting customers in the protection of their tangible and intangible assets from any type of attack with the help of its over 550 cybersecurity specialists. Engineering makes continuous investments in people and research to ensure that its approach to security evolves constantly, aligning itself to the complexity of our world and building upon the experience it has gained in order to protect the organizations that decide to undertake and to evolve their digital journey. Increasingly more projects are focused on data analysis, because of which today, it is possible to significantly improve the predictive capacity of public and private operators and to obtain a more prompt and effective response to cyber and physical threats. Engineering's Security Intelligence Research Unit (SE-CINT Lab) is also involved in the study of technological solutions aimed at discovering, recognizing and combating individuals and groups of people intent on organizing propaganda, recruitment and radicalization activities or preparing terrorist attacks and crimes of various kinds.

The Company's commitment to Italian and European institutions and law enforcement agencies is also aimed at supporting digital forensics and security intelligence, aimed at the creation of tools and services for analysis and automatic reasoning in support of investigative evidence to combat criminal activities.

There is also very strong relationship between the development of information technologies and the security of citizens in the area of environmental monitoring to protect the population from extreme weather events and natural disasters, an area in which increasingly more information systems and solutions are being used for the real-time monitoring and analysis of data generated by sensor networks located in the region. The innovation activities carried out by Engineering make it possible to create new connections between people, processes and data in order to promote new citizenship experiences and to transform the State administration into a driver of the country's socio-economic development.

ENG-DE4BIOS /**The Digital Enabler platform to support biosurveillance**

The pandemic has hit the entire healthcare sector hard. Since the early stages of the emergency, Engineering has been standing on the front line in the fight against COVID-19 by putting its expertise and technologies at the service of institutions.

This commitment led to the creation of the Eng-DE4Bios biosurveillance solution, developed in collaboration with the Veneto Region to provide the authorities with status updates on the epidemic with the real-time mapping of infected persons, the identification of outbreaks and a tool to help operators in the region to monitor the spread of the virus within their local populations.

Eng-DE4Bios is a Cloud-native solution that was developed by using the Digital Enabler platform within the healthcare context, through a process of verticalization achieved very quickly at the onset of the pandemic. In fact, with Digital Enabler, Engineering had already been able to integrate, harmonize and synchronize data from different sources and to quickly combine and analyze this data to create services with high added value.

Eng-DE4Bios offers a geo-referenced, integrated and differentiated view according to skills and roles (task force members, ULSS operators, General Practitioners, Doctors Specialized in Occupational Medicine), in order to map and predict the spread of the epidemic, so as to identify and target in real time the advance testing of citizens for the virus. This has been possible by integrating the various sources of information beginning with administrative flows (e.g. households and workplaces) and health care flows already under the responsibility of the Region and the various local health care systems.

With Eng-DE4Bios, it is possible to support the most appropriate decisions through a real "governance and data enhancement", enabling a predictive analysis of the evolution of the epidemic, so as to organize all the necessary actions in time to protect the population.

SAFE EYE /**A solution for social distancing in public places**

Until a vaccine against the COVID-19 virus can be produced, it will be of paramount importance to ensure social distancing public places and to reduce the incidence of infection among people as much as possible.

Engineering has developed the Safe EYE solution to meet this new social need. Thanks to Advanced Analytics technology and to Artificial Intelligence algorithms capable of analyzing images and videos recorded with video-surveillance technologies, the solution automatically generates warning messages (push notifications, calls and on-screen alerts) to the operators monitoring the respective areas, in the event that the solution recognizes, detects and highlights situations of non-compliance with social distancing rules or behaviors that may promote the spread of the virus.

In fact, the solution can measure the distance between people within a given area and calculate the proportion between the distance and the number of people within a given perimeter and can send overcrowding warnings if the social distance measurement is not adequate. These warning messages allow operators to make targeted interventions and to monitor larger areas with extreme precision. SAFE EYE algorithms can also verify that Personal Protective Equipment (PPE) is being worn correctly.

No personal information is ever extracted during the analysis and, in accordance with the European General Data Protection Regulation (GDPR), images and videos can be stored for further analysis and for use in predictive models that are able to evaluate future patterns of behavior that may cause groupings and/or to improve the recognition of these situations.

WEATHER FORECAST ANALYSIS /

Safer from environmental risks

In recent years, we have witnessed increasingly extreme climate events and weather conditions as a result of climate change.

The management of climate risks to protect people from disasters and extreme events has therefore become one of the main issues for which Public Administrations plan to intensify their monitoring.

In collaboration with ARPA Calabria, Engineering has developed a multi-risk platform capable of carrying out the systematic detection of climate-related parameters throughout the region and to publish them on the web. The Functional Center, the regional node of the national warning system, is able to collect a large amount of meteorological data from different sources and perform in-depth analysis, in concert with the activities of the Civil Defense authorities. In order to do this, the system is equipped with the most innovative Analytics, Big Data and Machine Learning solutions, as well as the latest generation of geo-spatial technologies. In this way, it is possible to carry out a predictive meteorological analysis and to predict possible hydrogeological and hydro-climate risk scenarios, to monitor and calculate the exceeding of critical hydrogeological and hydraulic thresholds and effectively notify the population of potential states of alert.

By using this advanced system, which will be also be used by other Public Administrations, the Calabria Region is now able to monitor the main weather and climate data in the region and to ensure the maximum protection of safety in the public and private sectors.

5000GENOMI@VDA /

Big Data and AI for the study of genomics

Engineering D.HUB is the technical partner of Aosta Valley's new genomic and Big Data analysis center that will be built in the spaces of the Escape Aosta area that will be converted to host research laboratories and three facilities. By integrating with the regional health system, the Center aims to achieve early diagnosis and personalized therapies for patients undergoing treatment in hospitals in the area. Engineering D.HUB will make available its experience in the application of information technologies for data analysis that now make it possible to process and correlate a huge amount of information from different sources and to make it available to medicine for the development of strategies and projects to improve the quality of life of the population and the efficiency of health services. In the field of precision medicine, in particular, it will be possible to study a patient's genomic profile, to cross-reference the profile with data related to the patient's clinical history and life habits, using solutions based on Artificial Intelligence, and then to define personalized treatments.

The "5,000 genomes for Valle d'Aosta" project aims to sequence about 1,000 genomes per year for five years in patients suffering from neurodevelopmental, neurodegenerative and oncological diseases, through a collaboration with the Italian Institute of Technology, the University of Valle d'Aosta, the City of Health and Science University Hospital of Turin, the Clemente Filletroz Foundation, the reference units at the Umberto Parini Regional Hospital of Aosta and the Local Health Authority of Valle d'Aosta.

Through the analysis and integration of genomic information, we want to identify new methods of precision diagnostics aimed at the prevention of pathologies and the development of personalized treatment paths based on the patient's profile.

DMCOACH /**A solution for the prevention of chronic diseases**

In recent years, chronic diseases such as Type 2 diabetes, hypertension and heart disease have grown exponentially in all parts of the world, especially in developing countries, and are often linked to unhealthy lifestyles that are not adapted to the new society of well-being, leading to an increasing use of fast food, junk food and pre-packaged food which is low in nutritional value and high in calories. The DMCoach solution, developed by Engineering, makes people more aware of health risks caused by unhealthy lifestyles and offers education in the prevention and management of metabolic diseases.

The solution operates through a learning system based on a mobile application that processes patient information by applying clinically validated medical knowledge in order to semi-automatically produce suggestions for a healthier lifestyle. The use of DMCoach supports the healthcare system and allows, among other things, the reduction of outpatient visits thanks to the remote monitoring of patients and the reduction of the number of people needing to access medical treatment for the first time. Ideally, patients who learn to follow proper lifestyles should at least delay the onset of the disease. But there are also benefits in increasing patient awareness through patient empowerment. In particular, DMCoach has also had a positive impact on health prevention in the workplace. The solution has also been promoted and tested in public and private companies to promote a greater awareness of lifestyles compatible with working activities in order to delay the onset of chronic diseases, which also lead to early retirement from many professions, causing negative economic and social impacts on companies and on the social security system.

ONCOLOGY /**A network for patient management in Veneto**

The significant presence of Engineering in the Veneto Region as a partner of important central systems is being further extended through the creation of a single regional application infrastructure for the management of cancer patients.

The project will make it possible to standardize and integrate all the processes that revolve around the patient, not only in the clinical phases, but also in the increasingly important care activities associated with treatment.

There are two main components and phases of the Engineering project, which are currently being activated: the keeping of oncological electronic medical records for the management of treatment, and the "Digital DTCP" for the integration of the Diagnostic Therapeutic Care Pathways, including oncological pathways.

The integration of processes and data on a regional scale also opens the way to the creation of a substantial wealth of information for scientific research, on which to apply the technologies of Big Data and the opportunities of Predictive Medicine. This information infrastructure makes it possible to effectively support territorial models (of the hub and spoke kind), with regional reference centers for highly critical diseases and with centers (spokes) located near the patient's home. The project, which will involve more than ten health facilities (local health and social care facilities, hospital organizations and research hospitals) and more than 270,000 annual diagnoses, represents a real evolution in regional health, which will improve the uniformity and integration of patient treatment in the region, significantly increasing the quality of care and assistance.

REVEAL AND FANDANGO /

Web Intelligence and AI to combat misinformation

Being able to verify the truthfulness of online information and the reliability of sources represents a challenge with social and economic implications. News that can create uncertainty and fear can seriously affect the lives of citizens in many areas (health, safety, finance, work and politics).

Engineering coordinates two projects whose purpose is to combat disinformation campaigns and the dissemination of fake news.

REVEAL, a project co-funded by EIT Digital, of which Engineering is a core partner, in the field of Digital Infrastructure, which offers a technological solution equipped with Web Intelligence services for the discovery, extraction and semantic analysis of relevant news online. The goal is to enable industry analysts to reconstruct the complete graph of news related to a specific fact, to assess its truthfulness and to reveal the real motivations of those who spread the news. Starting from a suspicious news story, the service reconstructs the chain of linked ads, including reader comments and social media posts, and provides analytics to support the identification of the originator of the news and to understand the strategies used to propagate the news online.

FANDANGO is the project for the development of ICT systems to support operators and media professionals in distinguishing between genuine and fake news through the retrieval, correlation and evaluation of large collections of different and diverse data sources and news. Through the combination of advanced AI algorithms, software and Big Data computing infrastructure, the system quickly automates, manages and processes the analysis, verifies the reliability of information and evaluates it according to a falsehood index.

Climate, immigration and the European context are some examples of typical scenarios in which misinformation and fake news can influence the perception of social and commercial actions, and Engineering strongly believes that digital technology can provide increasingly effective solutions to combat this problem.

SUSTAINABLE LABEL FOR FASHION /

Blockchain technology to support green targets.

The growing commitment of some companies on ethical issues, combined with consumer awareness of the environment, human rights, and animal welfare, has made it necessary for companies to have tools for transparency and control over the origin of products and the materials used.

To meet these needs, Engineering has developed a pilot project that promotes the traceability of the fashion supply chain, transparency towards the customer and anti-counterfeiting. The test was developed with Pattern Spa, a green company strongly aligned with the United Nations sustainability goals and specializing in the design and production of fashion show apparel for the most important international luxury brands.

In particular, the project was tested on the brand owned by the Esemplare outerwear company and lets consumers scan a QR code inserted in the label to access the supply chain history of the certified garment that includes every detail about the origin of the materials as well as brand and store information and social content.

The solution, developed on the Ethereum Blockchain, based on QR code and RFID (Radio Frequency IDentification) technology, provides an authorization flow for the approval and display of content and offers reporting on KPIs and trends. The project therefore aims to make the entire product life cycle traceable and transparent, starting from design, production and distribution to the final consumer and after-sales services.

CREEP /**Virtual Coaching Technologies against cyberbullying**

National and European public safety observatories highlight a growth in the phenomenon of cyberbullying which, perpetrated through messages and multimedia content on Social Media, is causing an increasing number of cases of depression, psychological and physical disorders, substance and drug abuse, and even suicide.

In this context, the CREEP project, co-funded by EIT Digital, and in which Engineering participates, offers a Virtual Coaching service that offers personalized support and the opportunity for victims to promptly report incidents of cyberbullying by using technologies and tools for the detection and prevention of such events. Creepy Roleplaying, developed as part of the project, is a methodology that combines educational and research goals. It is based on a simulation approach that allows children to experience directly, in a protected way, what happens when cyberbullying dynamics occur. The simulation involves small anonymous GDPR-compliant groups in which children take turns playing the role of potential victim or aggressor, through a chat feature created to simulate cyberbullying scenarios which are constantly monitored by teachers and processed in real time by artificial intelligence algorithms capable of recognizing aggressive behaviors in the text and emoticons used by the children. At the end of the experiment, the researchers meet the participants and use the chats produced during the simulation as a stimulus for collective reflection on the topic of cyberbullying. The methodology, which includes source discovery services, data collection and NLP (Natural Language Processing) tools specifically designed to identify messages related to cyberbullying events, was tested in 2019 in a number of schools in Trento, Turin, Nice and Palermo.

INFRASTRESS /**An integrated framework for cybersecurity**

Engineering is the coordinator of InfraStress, the European research project that addresses the problem of resilience and the security of highly sensitive industrial sites and plants (such as chemical plants of the type involved in the Seveso, Italy, industrial accident of 1976) which are potentially exposed to combined, large-scale cyber and physical hazards. The project aims to increase the resilience and protection capacity of highly sensitive industrial sites and plants, while ensuring the continuity of operations and minimizing the cascading effects on neighboring infrastructure, the surrounding environment and the local population.

The solution consists of an integrated platform for the detection and analysis of potential threats that uses an innovative methodology to assess and manage site resilience, according to the specific characteristics of the site. InfraStress uses an approach that includes the active involvement of users through highly effective applications and specific activities aimed at spreading the culture of security, beginning with plant operators and, more generally, including companies, workers, public authorities, civil society and citizens. InfraStress involves 27 partners of excellence from 11 countries with transversal and complementary skills. These include the German National Organization for Standardization (DIN) and five operators of sensitive industrial plants and sites in the European Union.

The solutions offered by the project will be tested in pilot sites in Slovenia, Ireland, Portugal, Greece and also in Italy, where InfraStress results are being tested in a chemical company, through an analysis of the consequences of a possible cyber-attack in order to evaluate, in addition to the damage to the site itself, the potential for damage to cascade onto the population and the surrounding environment.

DIGITAL MILK /

Quality assurance in the milk supply chain

Brazil is the fourth-ranking country in the world in milk production, with more than 30 billion liters of milk per year obtained from about 23 million cows in the country. This vast supply chain has four million workers, 11,000 of whom are involved in transporting milk from the farm to over 2,000 industries that transform the raw material into products for the market. These numbers make the milk supply chain a real economic driver of small towns, helping to distribute income and create employment, especially in the country's most rural areas.

In order to support the entire production chain and to ensure compliance with the Ministry of Agriculture's health standards for milk quality, Engineering do Brasil has developed the Digital Milk project. This platform records information regarding the physical condition of the milk and collects samples for quality controls according to the parameters defined by the industry, thus supporting small-scale producers in making proper disposals in the event of anomalies in the condition of the raw materials. The platform can also track and monitor the route of the vehicles delivering the raw material, with warnings of deviations from the route or stops at unplanned locations.

The use of Digital Milk is a guarantee for the safety of the raw material, and therefore for the safety of the products that enter the homes of citizens throughout Brazil, as well as support for the entire supply chain, from the rural producer to the industry, via logistics, technical assistance and quality control.

To date, the platform is being used by a large number of dairy companies and more than 60,000 visits to the platform are recorded every day.



APPENDIX





Methodological Note

GRI 102-1 GRI 102-45 GRI 102-46 GRI 102-50 GRI 102-53 GRI 102-54

The reporting standard adopted for the preparation of Engineering Group's seventh Corporate Social Responsibility Report is the "GRI Sustainability Reporting Standards". This report has been prepared in accordance with the GRI Standards: Core option. The information contained in the standard, which corresponds to Engineering's material topics, is reported at the beginning of each chapter. The complete list of standards used, with explicit topics and in-depth disclosures, is reported in the GRI Content Index.

Engineering's Corporate Social Responsibility Report refers to data, projects carried out and services provided by the Group in 2019 (with some previews for the first half of 2020, as far as projects are concerned) and reports the main impacts of Engineering's projects, with a particular focus on Italy, where the Company carries out most of its operations and where most of its revenues are generated. The Report also contains information on foreign subsidiaries in terms of their mission, activities and staff composition, while the environmental data refers only to Italy. The economic and financial data presented in this Corporate Social Responsibility Report are the same as the data published in the 2019 Consolidated Financial Statements, which were audited by Deloitte in accordance with the principles and criteria recommended by the Italian Companies and Exchange Commission (CONSOB).

For further information, please write to the following email address: csr@eng.it.

Materiality analysis

GRI 102-46 GRI 102-47 GRI 103-1

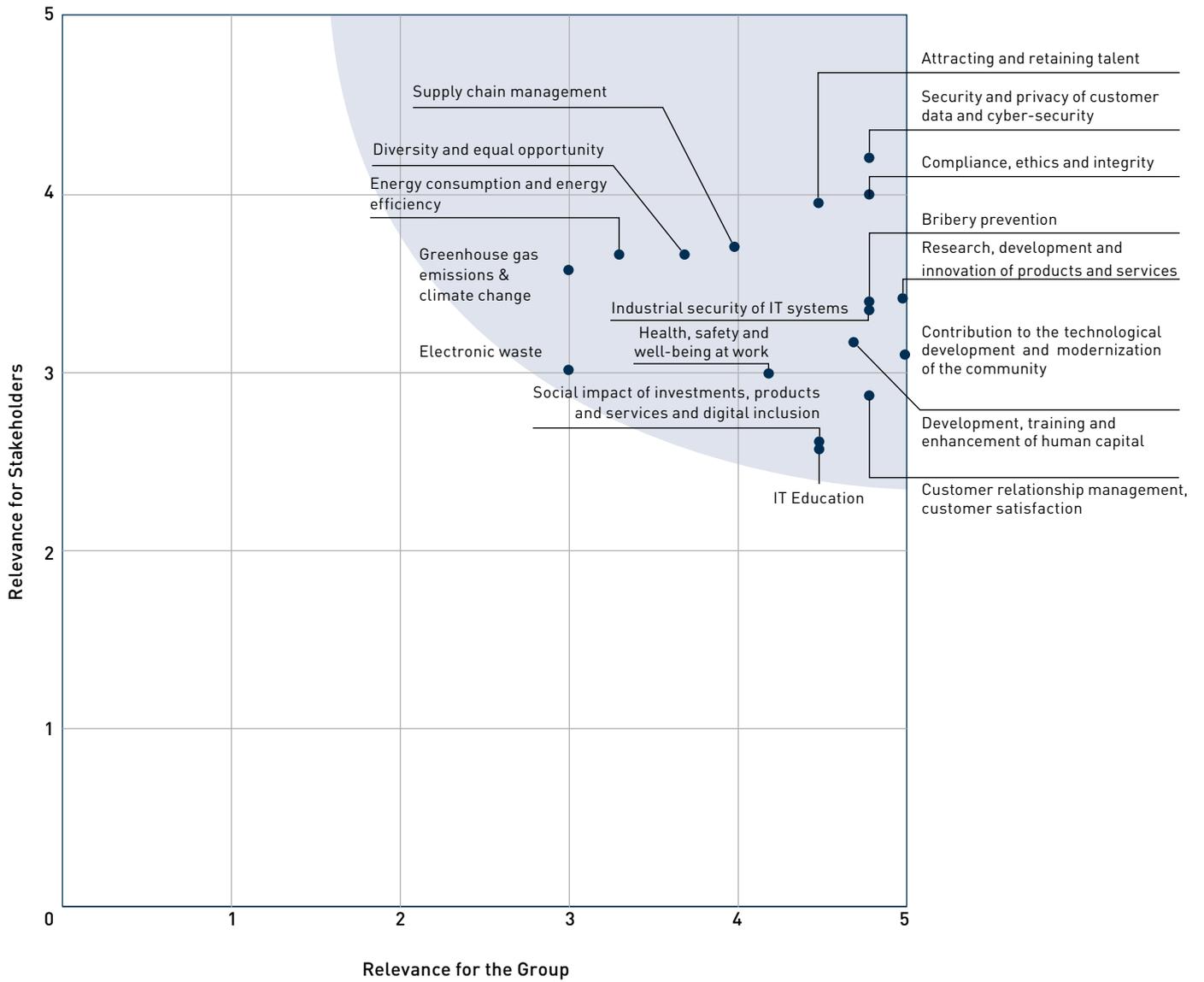
The materiality analysis, conducted for the first time in 2014 and updated in 2019 with the definition of the Group's first materiality matrix, was carried out through a multi-stage process that took into account the main pressures from external Stakeholders and the internal point of view of company management. The process began with the identification of issues recognized as relevant according to the Global Reporting Initiative standard and generally considered representative of the Company's external perspective as identified in contexts of debate and multi-stakeholder discussion at the international level, and according information in corporate documents such as policies, internal procedures, the Code of Ethics and previous Corporate Social Responsibility Reports. In order to broaden the range of potentially relevant issues and to analyze their recurrence, the following activities were also carried out:

- A benchmark analysis of sustainability and social responsibility documents of companies similar to Engineering that operate in the IT services sector
- An analysis of the industry trends and sustainability aspects most related to Engineering's business and related to the Information Technology sector. With this purpose in mind, the following have been analyzed:
 - The GRI (Global Reporting Initiative) document "Sustainability Topics for Sectors: What do Stakeholders want to know" regarding the "Software as a Service" sector
 - The SASB (Sustainability Accounting Standards Board) Materiality Map for the "Technology and Communications" sector and, in particular, the "Software as a Service" sub-sector
 - The GeSI (Global e-Sustainability Initiative) report "#SMARTer2030, ICT Solutions for 21st Century Challenges"
 - The RobecoSAM 2019 Yearbook, for the "IT Services & Internet Software as Services" sector
- The analysis of the needs that emerged from Engineering's customer questionnaires on sustainability and social responsibility issues.

As a result of the above activities for studying the external scenario, aimed at understanding the point of view and the main pressures from Stakeholders, the first lines of the Group (top positions) were involved through the use of questionnaires for analyzing and weighing the issues which they consider most relevant to the Company and to the Stakeholders. Management was then called upon to quantitatively assess each of the relevant Corporate Social Responsibility issues from an internal (in relation to the Company) and external (in relation to the Group's external Stakeholders) perspective.

Through a preliminary analysis and the aggregation of the results of the questionnaires, the issues were prioritized within the materiality matrix. Finally, the materiality matrix, having thus been obtained, was further validated by management.

MATERIALITY MATRIX



RESULTS OF THE MATERIALITY ANALYSIS

Material themes	Corresponding GRI themes	Perimeter	
		Internal	External
Attracting and retaining talent	Employment	Engineering	-
Development, training and enhancement of human capital	Development and training of staff	Engineering	-
Contribution to the technological development and modernization of the community	Economic performance, Indirect economic impacts	Engineering	Customers Community
Industrial security of IT systems	-	Engineering	Customers
Research, development and innovation of products and services	-	Engineering	-
Supply chain management	Social evaluation of suppliers	Engineering	Suppliers
Social impact of investments, products and services and digital inclusion	-	Engineering	Customers, Community
Customer relationship management and customer satisfaction	-	Engineering	Customers
Compliance, ethics and integrity	Employment, Socio-economic compliance	Engineering	Customers
Energy consumption and energy efficiency	Energy	Engineering	-
Electronic waste	Waste	Engineering	-
Security and privacy of customer data and cyber-security	Customer privacy	Engineering	Customers
Diversity and equal opportunities	Diversity and equal opportunities	Engineering	
Health, safety and well-being at work	Health and safety at work	Engineering	-
IT education	-	Engineering	Community
Greenhouse gas emissions & climate change	Emissions	Engineering	-
Bribery prevention	Anti-bribery	Engineering	-

Why these issues are important for Engineering

Security and privacy of customer data and Cybersecurity: Engineering stores and manages in its Data Centers a large amount of information of various types, including data of the Italian National Health System, Central and Local Public Administration and customers from all sectors of the country. The issue of data security and privacy is therefore of primary importance. In addition, the Group is actively involved in the design and supply of external cybersecurity services.

Management of customer relations and customer satisfaction: as part of a varied offer of business integration, application and infrastructure outsourcing and strategic consulting, Engineering's activities are strongly characterized by the need to be adapted to the business needs of customers (over 1,000) with whom it is therefore necessary to maintain an ongoing relationship and a satisfaction survey system that measures the effectiveness and quality of the work and the business strategy.

Development, training and enhancement of human capital: competition in advanced sectors, such as those in which the Company is engaged every day means that people are Engineering's main resource; therefore for Engineering, the development and enhancement of human capital is one of the Group's priorities in a constantly evolving context that requires special attention to updating and developing skills and building new professional roles (e.g. data scientist) through major investments in training.

Attracting and retaining talent: the sector in which Engineering operates is characterized by a limited availability of people with specialized IT skills; in this context, it is important for the Company to implement effective policies and also to work with universities to attract the best talents in the labor market; similarly, internal career development paths are designed to retain the best talents within the Company.

Compliance, ethics and integrity: considering the large number of actors, including the many public and institutional actors, with which the Group interacts and given the sensitivity of many of its projects and the information involved, Engineering stands at the forefront in preventing and combating unlawful conduct, in adopting and promoting ethical business conduct and in ensuring maximum compliance with laws and regulations.

Research, development and innovation of products and services: research and development and innovation are a critical factor for success in the market.

Industrial security of IT systems: the reliability of IT systems and infrastructures is one of the primary goals of Engineering, which is active in the market of system integrators and designers of advanced technology platforms.

Contribution to the technological development and modernization of the community: Engineering is the leading Italian company in the IT sector and is therefore, by its nature, dedicated to playing a leadership role in contributing to the technological and digital development of the community in which it operates, providing its expertise and experience for the modernization of the country.

Social impact of investments, products and services and digital inclusion: Information Technology has a growing impact in terms of improving the quality of life and social welfare and therefore represents a possible response to citizens from customers, especially in the Public Administration and Healthcare sector.

Energy consumption and energy efficiency: one of the main environmental impacts attributable to the Group is the consumption of electricity for the maintenance of its four Data Centers, which also ensure the management of the information technology infrastructure on which all the remote activities of Group's Italian offices are based.

Development of technologies and services for the environment: many IT solutions can be used to solve problems and to reduce environmental impacts, and in the future, these solutions will be increasingly requested by customers in various sectors.

Electronic waste: Engineering's business does not produce significant amounts of waste. The most significant electronic waste item produced by the operation of the Group's Data Centers is due to the replacement of system components; another significant item is the PCs used in the offices.

Supply chain management: ensuring ethical behavior within the supply chain, with particular reference to: legislative compliance, measures to combat fraud and bribery, working conditions and health and safety, human rights and environmental issues. Integration of sustainability criteria and requirements in different types of procurement.

Diversity and equal opportunities: ensuring a healthy working environment, in compliance with the principles of non-discrimination, equal opportunities and equal dignity, inclusion, balancing private and professional life. Promoting generational, cultural and gender diversity as a driver for innovation and the competitiveness of the Group.

Health, safety and wellbeing at work: promoting the wellbeing of staff, preventing and minimizing the possibility of work-related accidents in the office and in the four Data Centers. Promoting continuous communication, training and education to safeguard the health of employees and the environment.

IT education: promoting initiatives aimed at raising community awareness of digitization, in line with the Group's core business. Promoting digital inclusion by providing IT skills to citizens, especially to younger generations.

Greenhouse gas emissions and climate change: commitment to reducing greenhouse gas emissions in the fight against global warming. Promoting actions to improve the resilience of the Group's activities in relation to climate change.

Prevention of bribery: promoting policies, procedures, activities (including staff training) to prevent bribery in relationships with all Stakeholders with whom the Group interacts (customers, suppliers, partners and institutions) by rejecting all types of illegal practices and in full compliance with the law.

Water consumption and waste water: improving the efficiency of the Group's operations in order to promote the responsible management of water resources and the reduction of water consumption.

Creating shared value: working for the Group's competitiveness while improving the economic and social conditions of the community and Stakeholders.

Anti-competitive practices: commitment to discourage any behavior that may limit free competition in the market and to counter any kind of unfair competition or access to information by third parties.

Our Stakeholders

GRI 102-13 GRI 102-40 GRI 102-42 GRI 102-43 GRI 102-44

The table shows the main categories of Engineering Stakeholders and the methods of involvement, frequency and types of activities through which the Group communicates and interacts based on an approach that considers the legitimacy of the relationship, proximity, power of influence and impacts linked to the Group's activities.

Main Stakeholder categories	Engineering Map	Interaction, listening and involvement modes
Employees	11,445 professionals located in Italy, Belgium, Germany, Norway, Republic of Serbia, Spain, Sweden, Switzerland, Argentina, Brazil and the United States	<ul style="list-style-type: none"> • Internal communication tools (newsletters, Intranet, mailings, blogs) • Internal and external events dedicated to employees • Constant presence of the HRO Management in the company's locations • "Ingenium", the company magazine
Customers	Approx. 1,000 national and international customers in the following sectors: <ul style="list-style-type: none"> • Local and Central Public Administration (Municipalities, Regions, Ministries) • Healthcare (Hospitals, Local Health Authorities) • Finance (Large Banking and Insurance Groups) • Telecommunications (all major Italian players) • Energy (Energy Producers and Distributors) • Industry • European and international institutions 	<ul style="list-style-type: none"> • Periodic satisfaction surveys • Ongoing relationships with our staff of consultants • "Ingenium", the company magazine • Events dedicated to customers
Suppliers	Suppliers are mainly in the following sectors: <ul style="list-style-type: none"> • Instrumental goods (in particular hardware and software) • Management and maintenance of properties owned by Engineering • Companies that provide staff for consultancy in the IT field, ranging from analysis to programming on some of Engineering's projects • Consultants and freelancers working on specific processes or activities on some of Engineering's projects 	<ul style="list-style-type: none"> • Daily relationships with the Purchasing Department and with the company departments responsible for the supplied activities • Dialog with the main suppliers' representative associations • Suppliers portal on the PAGE website (Engineering Group Purchasing Portal) page.eng.it • Staff report of the IT Consultancy Purchasing Department that operates in the territory with companies providing professional services and with freelance consultants

Main Stakeholder categories	Engineering Map	Interaction, listening and involvement modes
Trade and industry associations	National associations in the IT, software and ICT sectors	Periodic meetings, preparation and sharing of good practices, participation in the work of technical and representative commissions.
Financial institutions	National and international banks and credit institutions that finance the Group's main investments	Meetings with the company's top management
Non-profit world	<ul style="list-style-type: none"> • Associations for the protection of the environment • Cooperatives/non-profit organizations 	Sponsorships, donations, transfer of goods or services, partnership projects, training and internships in the company
Trade unions	Metalworking industry unions	<ul style="list-style-type: none"> • Collective and territorial bargaining • Meetings with company union representatives
Universities and Research Institutes	National and European university and research institutes	<ul style="list-style-type: none"> • Development of projects in partnerships, economic support for research, training and support for research and product development • Company presentations at educational institutions
Media	Newspapers, periodicals, national radio and TV <ul style="list-style-type: none"> • Trade magazines • Local newspapers, radio and TV stations • Online newspapers 	<ul style="list-style-type: none"> • Contacts during the launch of relevant projects, publication of company documents, interviews, events • "Ingenium", the company magazine
Project partners	<ul style="list-style-type: none"> • Small and large Italian and European companies (e.g. energy sector, health) • European hospitals 	<ul style="list-style-type: none"> • Coordination within projects funded by European and national public bodies • Development of projects in partnerships

Staff data

GRI 102-8 GRI 401-1 GRI 405-1

Composition of employees by type of contract and gender as at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
Open-ended	7,799	3,431	11,230	7,250	3,207	10,457	6,990	3,037	10,027
Fixed-term	130	85	215	170	103	273	143	103	246
TOTAL	7,929	3,516	11,445	7,420	3,310	10,730	7,133	3,140	10,273

Composition of entire workforce as at December 31 by geographical area and gender (includes employees and other types of non-employment contracts)	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
Northern Italy	3,202	1,530	4,732	2,976	1,459	4,435	2,859	1,396	4,255
Central Italy	2,698	1,300	4,000	2,528	1,218	3,746	2,471	1,184	3,655
Southern Italy and Islands	1,150	349	1,499	1,135	331	1,466	1,087	322	1,409
Brazil	460	153	613	399	127	526	428	119	547
Belgium	8	10	18	6	8	14	8	9	17
Serbia	143	52	195	90	39	129	34	7	41
Argentina	7	7	10	1	11	11	2	13	-
USA	52	8	60	49	8	57	55	8	63
Germany	182	102	284	216	113	329	177	92	269
Norway	-	-	-	-	-	-	-	-	-
Luxembourg	-	-	-	-	-	-	1	-	1
Spain	15	8	23	10	5	15	2	1	3
Great Britain	-	-	-	1	-	1	-	-	-
Romania	-	-	-	-	1	1	-	-	-
France	-	1	1	-	-	-	-	-	-
Ireland	1	-	1	-	-	-	-	-	-
Switzerland	11	1	12	-	-	-	-	-	-
Other, specify	-	-	-	-	-	-	-	-	-
GROUP TOTAL	7,929	3,516	11,445	7,420	3,310	10,730	7,133	3,140	10,273

Composition of Group employees by occupational status and gender as at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
Directors	315	56	371	310	52	362	305	49	354
Managers	1,606	493	2,099	1,560	472	2,032	1,481	456	1,937
Employees	6,008	2,967	8,975	5,550	2,786	8,336	5,347	2,635	7,982
Workers	-	-	-	-	-	-	-	-	-
TOTAL	7,929	3,516	11,445	7,420	3,310	10,730	7,133	3,140	10,273

Breakdown of employees by age, gender and geographical area as at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
ITALY Age < 30 years	828	351	1,179	624	308	932	553	263	816
Age 30 - 50 years	4,316	2,041	6,357	4,355	2,050	6,405	4,448	2,083	6,531
Age > 50 years	1,906	789	2,695	1,660	650	2,310	1,416	556	1,972
Total Italy	7,050	3,181	10,231	6,639	3,008	9,647	6,417	2,902	9,319
ABROAD Age < 30 years	222	84	306	195	80	275	258	64	322
Age 30 - 50 years	608	239	847	549	212	761	417	161	578
Age > 50 years	49	12	61	37	10	47	41	13	54
Total Abroad	879	335	1,214	781	302	1,083	716	238	954
OVERALL TOTAL	7,929	3,516	11,445	7,420	3,310	10,730	7,133	3,140	10,273

Composition of employees belonging to protected categories as at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
ITALY	313	208	521	289	183	472	266	155	421
ABROAD	/	/	/	/	/	/	/	/	/

Staff composition type of employment at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
Full-time	7,841	2,898	10,739	7,343	2,686	10,029	6,943	2,479	9,422
Part-time	88	618	706	77	624	701	47	558	605
Hiring of new employees by age group, gender and geographical area as at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
ITALY									
Age < 30 years	441	160	601	292	167	459	291	119	410
Age 30 - 50 years	454	176	630	321	115	436	793	355	1,148
Age > 50 years	57	14	71	39	9	48	123	63	186
TOTAL*	952	350	1,302	652	291	943	1,207	537	1,744
ABROAD									
Age < 30 years	154	50	204	n/a	n/a	n/a	n/a	n/a	n/a
Age 30 - 50 years	254	97	351	n/a	n/a	n/a	n/a	n/a	n/a
Age > 50 years	19	4	23	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL**	427	151	578	n/a	n/a	449	n/a	n/a	416
GROUP TOTAL	1,379	501	1,880	n/a	n/a	1,392	n/a	n/a	2,160
Outgoing employees by age group, gender and geographical area as at December 31	MEN 2019	WOMEN 2019	TOTAL 2019	MEN 2018	WOMEN 2018	TOTAL 2018	MEN 2017	WOMEN 2017	TOTAL 2017
ITALY									
Age < 30 years	11	48	165	93	51	144	63	38	101
Age 30 - 50 years	338	113	451	278	115	393	214	82	296
Age > 50 years	86	15	101	59	18	77	103	24	127
TOTAL	541	176	717	430	184	614	380	144	524
ABROAD									
Age < 30 years	79	20	99	n/a	n/a	n/a	n/a	n/a	n/a
Age 30 - 50 years	267	64	331	n/a	n/a	n/a	n/a	n/a	n/a
Age > 50 years	14	4	18	n/a	n/a	n/a	n/a	n/a	205
TOTAL	360	88	448	n/a	n/a	321	n/a	n/a	205
GROUP TOTAL	901	264	1,165	n/a	n/a	935	n/a	n/a	729
Breakdown of Board members by age, group and gender as at December 31	MEN 2019	WOMEN 2018	TOTAL 2017						
ITALY									
Age < 30 years									
Age 30 - 50 years		10	10						
Age > 50 years		5	51						
ABROAD									
Age < 30 years - - -									
Age 30 - 50 years		13	14						
Age > 50 years		5	31						
GROUP TOTAL		95	106						
Strikes and industrial disputes	2019	2018	2017						
% strike hours out of total hours worked	0.102	0.081	0.001						
Employee unionization rate (%)	10.80	11.48	11.69						

* The 2017 figure is composed as follows: 809 new hires; 713 external company acquisitions; 53 branch acquisitions from external companies; 169 branch leases from external companies; in 2018 there were 35 people hired as a result of new company acquisitions in Italy and 908 hires from the labor market in Italy; in 2019 there were 251 people hired as a result of new company acquisitions and 1,051 hires from the labor market.

** The 2017 figure is composed as follows: 313 new hires; 103 corporate acquisitions from external companies; in 2018 hires abroad were all made on the labor market; in 2019 there were 54 people hired as a result of new company acquisitions and 524 hires from the labor market.

GRI Content Index

GRI 102-55

As part of the Content Index Service, GRI Services has reviewed the GRI Content Index, which is clearly presented, and references to all the included disclosures are aligned with the appropriate sections in the body of the Report.



GRI 101: REPORTING PRINCIPLES 2016

GRI 102: General information 2016	Description	Page, references and notes
General information		
Organizational profile		
102-1	Organization name	Methodological note Page 112
102-2	Activities, brands, products and services	Company profile Page 12
102-3	Location of main offices	Piazzale dell'Agricoltura 24 - Rome
102-4	Place of activities	Company profile Page 12
102-5	Ownership and legal form	Many companies, a shared vision Page 12
102-6	Markets served	Company profile Page 12
102-7	Organization size	Company profile Page 12
102-8	Information about employees and other workers	Staff data Page 120
102-9	Supply chain	Suppliers, partners in the search for quality Page 32
102-10	Significant changes to the organization and its supply chain	Company profile Page 12

GRI 102: General information 2016	Description	Page, references and notes
Organizational profile		
102-11	Precautionary principle	Engineering applies the precautionary approach recalled by Principle 15 of the Rio Declaration of the United Nations in order to protect the environment from development when introducing new services and planning operational activities.
102-12	External initiatives	Fundamental business ethics and principles Page 25
102-13	Membership in associations	Our Stakeholders Page 118
Strategy		
102-14	Statement of a senior executive	Letter to Stakeholders Page 8
Ethics and integrity		
102-16	Values, principles, standards and rules of conduct	Ethics and principles at the foundation of the business Page 25
Governance		
102-18	Governance structure	Ethics and principles at the foundation of the business Page 25
Stakeholder involvement		
102-40	List of Stakeholder groups	Our Stakeholders Page 118
102-41	Collective bargaining agreements	100% of employees in Italy (i.e. over 95% of the total workforce) are covered by the National Collective Labor Agreement (CCNL). As regards the foreign subsidiaries, in Belgium there is no collective labor agreement, but a Commission Paritaire, which for our Company is no. 218; as regards Engineering Do Brasil, in Brazil there is only one type of contract and Engineering complies with the regulations in force
102-42	Stakeholder identification and selection	Our Stakeholders Page 118
102-43	Modes of involvement	Our Stakeholders Page 118
102-44	Key topics and critical issues raised	Our Stakeholders Page 118
Reporting practices		
102-45	Entities included in the consolidated financial statements	Methodological note Page 112

GRI 102: General information 2016	Description	Page, references and notes
Reporting practices		
102-46	Definition of report content and topic perimeters	Methodological note Page 112
102-47	List of material topics	Materiality analysis Page 113
102-48	Revision of information	No significant change has occurred
102-49	Changes in reporting	No significant change has occurred
102-50	Reporting period	Methodological note Page 112
102-51	Date of most recent report	2018
102-52	Reporting frequency	Annual
102-53	Contacts for requesting information about the report	Methodological note Page 112
102-54	Statement on reporting in accordance with GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	GRI content index Page 122
102-56	External assurance	These financial statements have not been externally audited

GRI Standard	Information	Page, references and notes
GRI Series 200 Economic topics		
Economic performance		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impact perimeter	Materiality analysis Page 113
	103-2 Description of the management approach and its components	The numbers Page 24
	103-3 Assessment of management method	Contribution to Italy's economy Page 24
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Economic value generated and distributed in the three-year period 2019-2017 Page 25
Indirect economic impacts		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102

GRI Standard	Information	Page, references and notes
GRI Series 200 Economic topics		
Economic performance		
GRI 103: Management method 2016	103-3 Assessment of management method	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Economic value generated and distributed in the three-year period 2019-2017 Page 25
Indirect economic impacts		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102
	103-3 Assessment of management method	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102
GRI 203: Indirect economic impacts 2016	203-1 investments in infrastructure and supported services	The numbers Page 24
	203-2 Significant indirect economic impacts	The numbers Page 24
Anti-bribery		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Fundamental business ethics and principles Page 25
	103-3 Assessment of management method	Fundamental business ethics and principles Page 25
GRI 205: Anti-bribery 2016	205-3 Established cases of bribery and actions taken	No cases of bribery within the Engineering Group were established during the years 2017, 2018 and 2019

GRI 300 Series Environmental topics		
Energy		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Sustainable business that looks to the future Page 76
	103-3 Assessment of management method	Sustainable business that looks to the future Page 76
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainable business that looks to the future Page 76
Emissions		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Carbon footprint Page 78
	103-3 Assessment of management method	Carbon footprint Page 78
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	Carbon footprint Page 78
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	Carbon footprint Page 78
	305-3 Other indirect GHG emissions (Scope 3)	Carbon footprint Page 78
Waste		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Sustainability and savings in electronic waste management Page 79
	103-3 Assessment of management method	Sustainability and savings in electronic waste management Page 79
GRI 306: Water discharge and waste 2016	306-2 Waste by type and method of disposal	Sustainability and savings in electronic waste management Page 79
GRI Series 400 Social topics		
Employment		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Talent search and selection: a growing commitment Page 38
GRI 401: Employment 2016	103-3 Assessment of management method	Talent search and selection: a growing commitment Page 38
	401 -1 New hires or terminations	Staff data Page 120

GRI Series 400 Social topics		
Occupational health and safety		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Ensuring occupational safety Page 46
	103-3 Assessment of management method	Ensuring occupational safety Page 46
GRI 403: Occupational health and safety 2018	403-1: Occupational health and safety management system	Ensuring occupational safety Page 46
	403-2: Hazard identification, risk assessment and accident investigation	Ensuring occupational safety Page 46
	403-3: Occupational medicine services	Ensuring occupational safety Page 46
	403-4: Worker participation and consultation and occupational health and safety communication	Ensuring occupational safety Page 46
	403-5: Workplace health and safety training for workers	Ensuring occupational safety Page 46
	403-6: Promotion of worker health	Ensuring occupational safety Page 46
	403-7: Prevention and reduction of occupational health and safety impacts in trade relations	Ensuring occupational safety Page 46
	403-9: Occupational accidents	Ensuring occupational safety Page 46
Staff training and development		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	The centrality of human capital Page 38
	103-3 Assessment of management method	The centrality of human capital Page 38
GRI 404: Training and education 2016	404-2 Programs for skills management and to promote progressive training/upgrading in support of employment	Continuous training to compete in Digital Transformation Page 52
	404-3 Percentage of employees receiving regular performance and career development assessments	Investing in human capital development and evaluating performance Page 40
Diversity and equal opportunity		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	The centrality of human capital Page 38
	103-3 Assessment of management method	The centrality of human capital Page 38

GRI Series 400 Social topics		
Diversity and equal opportunity		
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governance bodies and among employees	Staff data Page 10
Social evaluation of suppliers		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Suppliers, partners in quality assurance Page 32
	103-3 Assessment of management method	Suppliers, partners in quality assurance Page 32
GRI 414: Social evaluation of suppliers 2016	414-1 New suppliers that have been evaluated using social criteria 2016	Suppliers, partners in quality assurance Page 32
Customer privacy		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Protecting data to protect customers Page 31
	103-3 Assessment of management method	Protecting data to protect customers Page 31
GRI 418: Customer privacy 2016	418-1 Verified complaints for leaks, theft or loss of customer data	There have been no verified claims for leaks, theft or loss of customer data
Socio-economic compliance		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Fundamental business ethics and principles Page 25
	103-3 Assessment of management method	Fundamental business ethics and principles Page 25
GRI 419: Socio-economic compliance 2016	419-1 Non-compliance with social and economic laws and regulations	During the last three years, there have been no penalties, criminal convictions or settlements that have imposed an obligation on Engineering to "do/not do" [e.g. inhibitions] for non-compliance with laws or regulations.

Material topics not related to GRI topics		
Customer relationship management and customer satisfaction		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Quality goal: a path of continuous improvement Page 30
	103-3 Assessment of management method	Quality goal: a path of continuous improvement Page 30
Research, development and innovation of products and services		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Innovation that creates value Page 18
	103-1 Explanation of the material topic and its impacts	Innovation that creates value Page 18
Industrial security of IT systems		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Protecting data to protect customers Page 31
	103-3 Assessment of management method	Protecting data to protect customers Page 31
Social impact of investments, products and services and digital inclusion		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102
	103-3 Assessment of management method	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102
IT education		
GRI 103: Management method 2016	103-1 Explanation of the material topic and its impacts	Materiality analysis Page 113
	103-2 The management method and its components	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102
	103-3 Assessment of management method	Transforming the world we live in Page 84 Transforming the world we work in Page 94 Transforming the world that takes care of us Page 102

GRI STANDARD	Information	Page, references and notes
Other specific disclosures not related to material topics*		
GRI 402: Relationships between workers and management 2016	402-1 Minimum notice period in case of corporate restructuring/reorganization by location and, if included, in collective agreements	The minimum notice period in the event of corporate restructuring/reorganization is determined in accordance with the law of the countries in which the Group operates and with the requirements of the national sector contract and the 1st and 2nd level trade union agreements.
	307-1 Monetary value of major monetary and non-monetary penalties for non-compliance with environmental laws or regulations	During the last three years, no environmental accidents or spills of hazardous substances that may compromise human health, soil, vegetation, or surface and underground water bodies have occurred in the Group's offices and Data Centers. No disputes, fines or penalties for failure to comply with environmental regulations and laws were recorded in 2019.

* GRI disclosures are also reported that are not currently related to issues that have not exceeded Engineering's materiality threshold (environmental compliance and fair labor practices) but are nevertheless monitored by the company, because they could become material issues in the future.

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