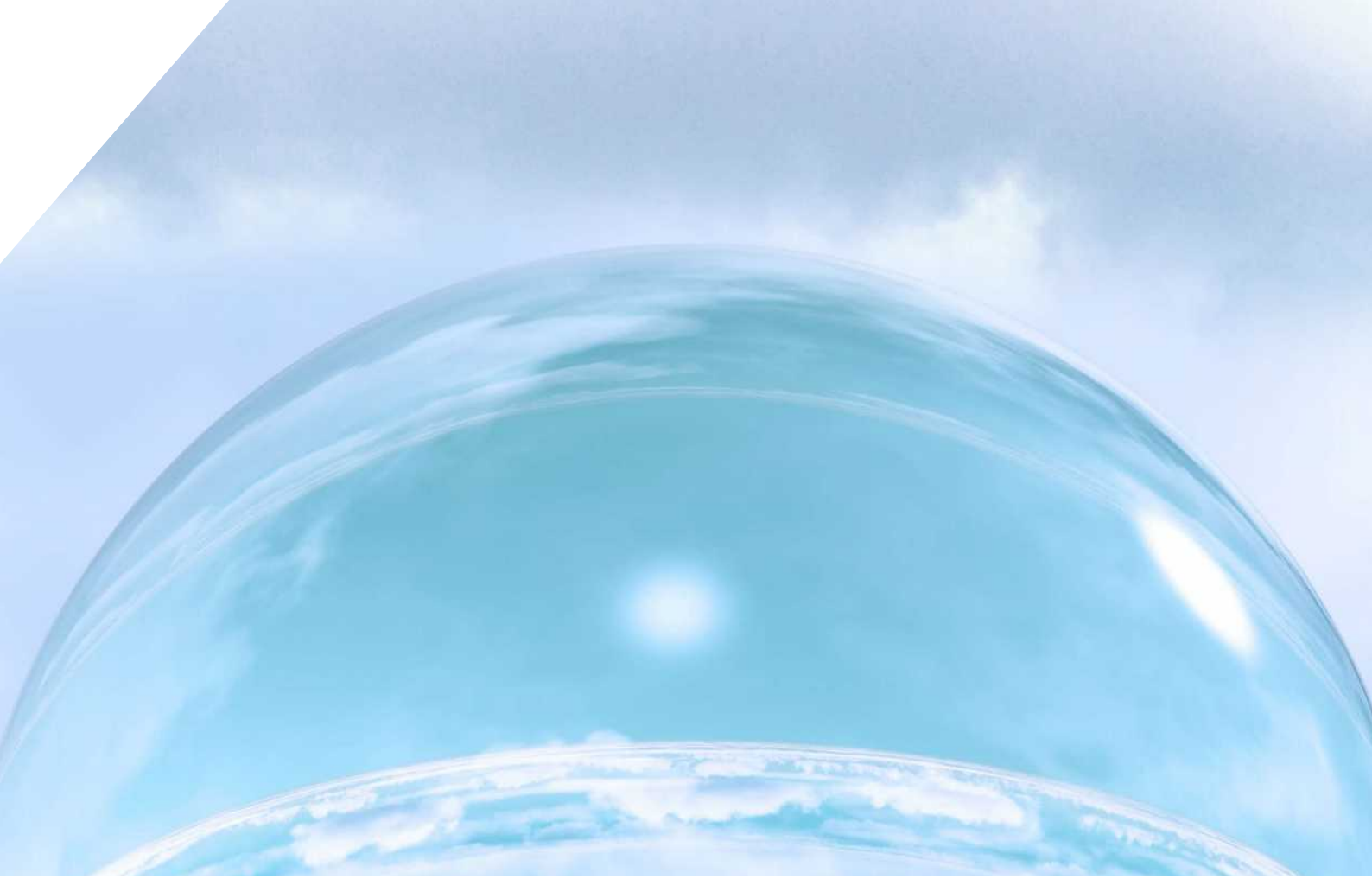


NB | RENAISSANCE

# ESG REPORT 2022



For professional investors

NB | RENAISSANCE

# ESG REPORT 2022

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# WELCOME FROM OUR CO-FOUNDERS

*Dear investors, colleagues, and partners,*

This is our fourth ESG annual reporting activity, and a significant one, as this year marks our first ESG Report in line with GRI 2021 Reporting Standards. **NB Renaissance's** (hereinafter "Renaissance") **approach to responsible investment** – the embedding of environmental, social and governance (ESG) issues in our investment processes – **has evolved considerably over the past years, transitioning from a compliance and risk management topic to a tangible value creation approach**.

The dynamic and evolving global market presented new challenges in 2022 that required action from all stakeholders, including governments, companies, and the public. As a prominent participant in the private equity sector, Renaissance acknowledges the potential and responsibility to address these challenges by supporting portfolio companies in their transformational journeys: **we aim to capitalize on value creation drivers and introduce innovative working practices related to ESG within their organizations**.

The primary objective of our 2022 ESG Report is to provide a comprehensive overview of our strong commitment to adopting a more systematic approach to sustainability and environmental, social, and governance key metrics. **This report describes how Renaissance effectively incorporates ESG considerations and KPIs into our investment process, and simultaneously discloses pertinent related information of our portfolio companies to stakeholders.**

**The primary objective of our 2022 ESG Report is to provide a comprehensive overview of our strong commitment to adopting a more systematic approach to sustainability and environmental, social, and governance key metrics.**

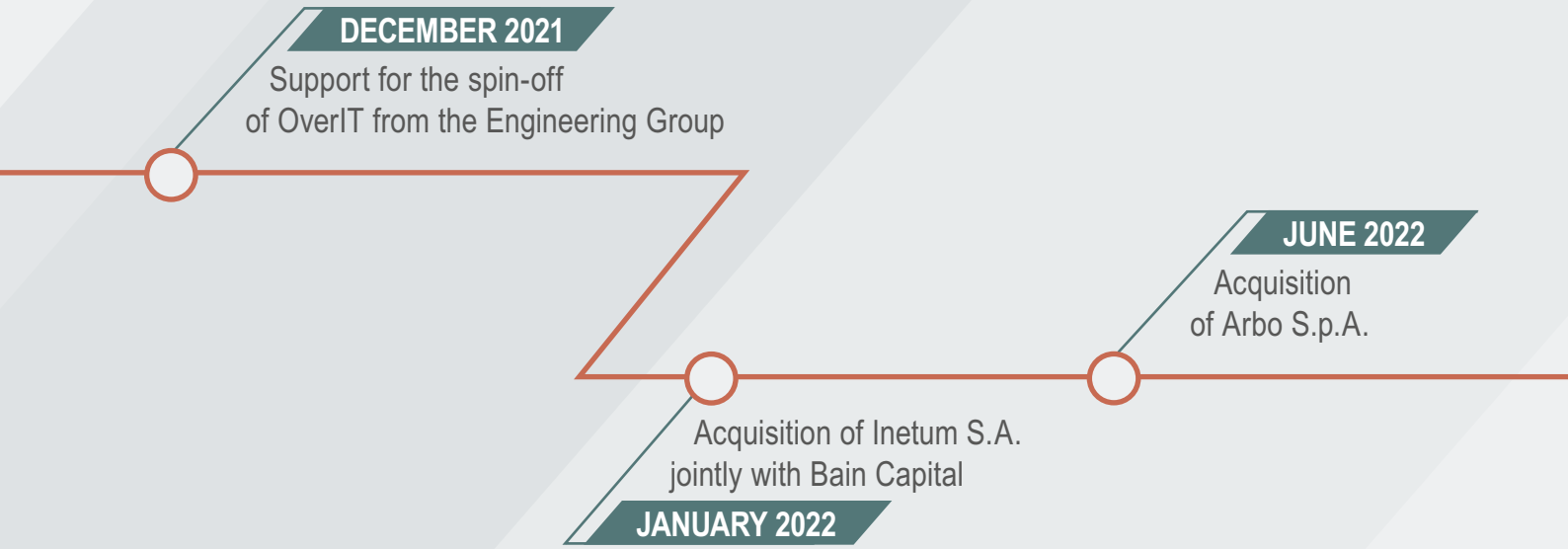
## STRENGTHENING OUR COMMITMENT

We strive to continuously strengthen our commitment to implementing ESG principles and creating tangible impact in our companies and their local communities through employment, local supplier engagement and sporting activities sponsorship. **By the end of 2022, portfolio companies of Renaissance's Funds**



*"At NB Renaissance, we are determined to build up and strengthen our dedication to sustainable practices at our portfolio companies, while taking an active role in enabling a successful shift to net zero and a resilient circular economy"*

**Fabio Canè and Stefano Bontempelli** | Senior Partners NB Renaissance




**were employing more than 19,400[1] people, with around 20% of these employees being under 30, and had hired more than 3,000 employees during the year**. Also, from 2021 to 2022, **portfolio companies improved their energy intensity by more than 10% and enhanced their GHG emissions intensity, reducing it cross-portfolio by around 15%**.

In 2022, we set a number of ambitious goals to achieve even better results, including the **appointment of an internal ESG Practice Leader among our Operating Partners, Andrea Vallini, and the hiring of a dedicated ESG Manager, Paloma Lopez Imizcoz, to oversee the definition and implementation of our Responsible Investing approach.**

We will soon announce a formal framework for assessing and managing ESG risks and opportunities across our portfolio companies, defining clear goals and metrics for expected ESG performance. **We endeavor to achieve best-in-class ESG practices across all our investments and be a leader in our industry on sustainable growth**, with the goal of generating positive returns for investors, portfolio companies and society at large.

## SUSTAINING CONTINUOUS AND RESPONSIBLE GROWTH

With respect to new investments, **we continued to deploy capital throughout 2022 alongside Renaissance's core investment themes, incorporating ESG factors during the whole transaction cycle**. In January 2022, Renaissance acquired jointly with Bain Capital, Inetum S.A., the French-based leading pan-European digital transformation player; in June 2022 we finalized the acquisition of Arbo S.p.A., the largest Italian independent distributor of spare parts for heating, sanitary, plumbing and air conditioning systems for buildings; and in November 2022, together with Ardian, we signed a binding agreement to acquire Neopharmed, a leading Italian-branded specialty pharma company operating in the cardiovascular and neurological therapeutic areas.

In addition, starting in December 2021 and continuing during 2022, we supported the spin-off of OverIT from the Engineering Group, positioning OverIT as an independent company within the Renaissance partnership.

With respect to divestments, in August 2022, **we completed the sale of Biolchim Group to**

**AUGUST 2022**
Sale of 100%
of Biolchim Group

Binding agreement to acquire
Neopharmed Holding
**NOVEMBER 2022**

**US Group J.M. Huber Corporation. Biolchim Group registered exceptional growth during our ownership period, doubling in size in terms of revenues and EBITDA.**

## INDUSTRY RECOGNITION FOR ESG

**Renaissance's leadership in promoting economic growth, innovation, and sustainability values has been recognized this year with the *Italia del Merito Award 2022***, a prize bestowed by the European Parliament's Liaison Office in Italy and the Presidency of the Capitoline Assembly. The 2022 celebration was its 10th award-giving year. This award further affirms Renaissance's position as one of the most prominent players in Italian private equity, as the jury offered a special praise for comprehensive ESG performance and sustainability commitment at portfolio level.

Regarding our portfolio companies, 2022 was another year of sustainability wins. **Novamont, a Benefit Corporation global leader in the production of bioplastics and B-Corp certified since 2020, was once again named a Best for the World™ B-Corp in 2022**, in recognition of its exemplary environmental performance.

**By the end of 2022, portfolio companies of NB Renaissance's Funds were employing more than 19,400[1] people, with around 20% of these employees being under 30, and had hired more than 3,000 employees during the year. Also, from 2021 to 2022, portfolio companies improved their energy intensity by more than 10% and enhanced their GHG emissions intensity, reducing it cross-portfolio by around 15%.**

Novamont was also prized with the 2022 Sustainable Development Award bestowed by *Fondazione Sviluppo Sostenibile*[2] and received the Reporting Oscar Award[3] 2022 in the Benefit Company category for its cutting-edge strategic management approach to sustainability issues. In addition, our portfolio company **SICIT was awarded with the 2022 Sustainability Company**

**Award edition by the *Il Sole 24 Ore***, Italy's premier financial publication. Over 300 Italian companies applied for the award, and the jury chose the companies for which sustainability was key to overcome the difficulties in recent years and which could serve as a role model for building a more sustainable economy. In its factories near Vicenza, Italy, SICIT has pioneered a proprietary technology that transforms the residues from the leather tanning process into biostimulants for agriculture, retardants for the gypsum industry and biofuel. Finally, our portfolio company Engineering Group, a leading company in the digitization of processes for Corporates and Public Administration, received the special Top Climber STEM award at the Universum Awards Italy 2022. Every year Italian university students express their preference with respect to the companies in which they would like to pursue their careers through the Universum Talent Survey[4]. **Engineering received this year's special Top Climber STEM award for having "climbed" the rankings by as many as 18 positions since 2021, placing it among the top 50 companies according to students in the Engineering/IT/Natural Science category.**



## LOOKING AHEAD

At Renaissance, we are determined to build up and strengthen our dedication to sustainable practices at our portfolio companies, while taking an active role in enabling a successful shift to net zero and a resilient circular economy. To that end, **we have requested each portfolio company to develop during 2023 a comprehensive three-year ESG transformation plan and to closely monitor its sustainability performance to ensure alignment with our objectives.**

This 2022 ESG Report is a new milestone that provides a transparent means of communicating our approach and commitment to ESG integration at both fund and portfolio company level, as we continue to prioritize responsible investment practices and strive for meaningful outcomes.

**Stefano Bontempelli** **Fabio Canè**

Co-Founders and Senior Partners,
NB Renaissance

*"The Italia del Merito Award is a testament of our successful partnership with family-owned companies to drive growth and create value through ESG integration. Our portfolio companies have conquered new markets, strengthened their leadership positions and created thousands of new jobs over the last few years"*

**Fabio Canè** | Senior Partner NB Renaissance

## NOTES

1 This figure excludes Inetum employees
2 Led by former Italian minister of environment Edo Ronchi
3 Awarded by FERPI, Borsa Italiana and Bocconi University
4 The survey, conducted by Universum (a company specialized in employer branding), is Italy's largest and most comprehensive survey on the topic, involving 52 universities and 42,200 students, 15,600 of whom were from STEM disciplines (with 35 percent represented by women)



# NEUBERGER BERMAN

Neuberger Berman ("NB") is a private, 100% independent, employee-owned investment manager. From offices in 39 cities worldwide, the firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds—on behalf of institutions, intermediaries and individual investors globally. With over 2,700 employees, Neuberger Berman has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. **That commitment includes active consideration of environmental, social and governance characteristics that Neuberger Berman believes help drive long-term returns for our clients.** The firm managed €401 bn in client assets as of March 31, 2023.

The NB Private Markets Platform is one of the key platforms that compose NB's multi-asset strategy. **NB Private Markets has been an active and successful private equity investor since 1987. It manages over €106 bn[1] of investor commitments across fund and direct investments since inception and has committed over €26 bn[2] over the last three years across primaries, co-investments, and secondaries.** NB Private Markets has a global presence with over 300 professionals in offices in the USA, Europe and Asia.

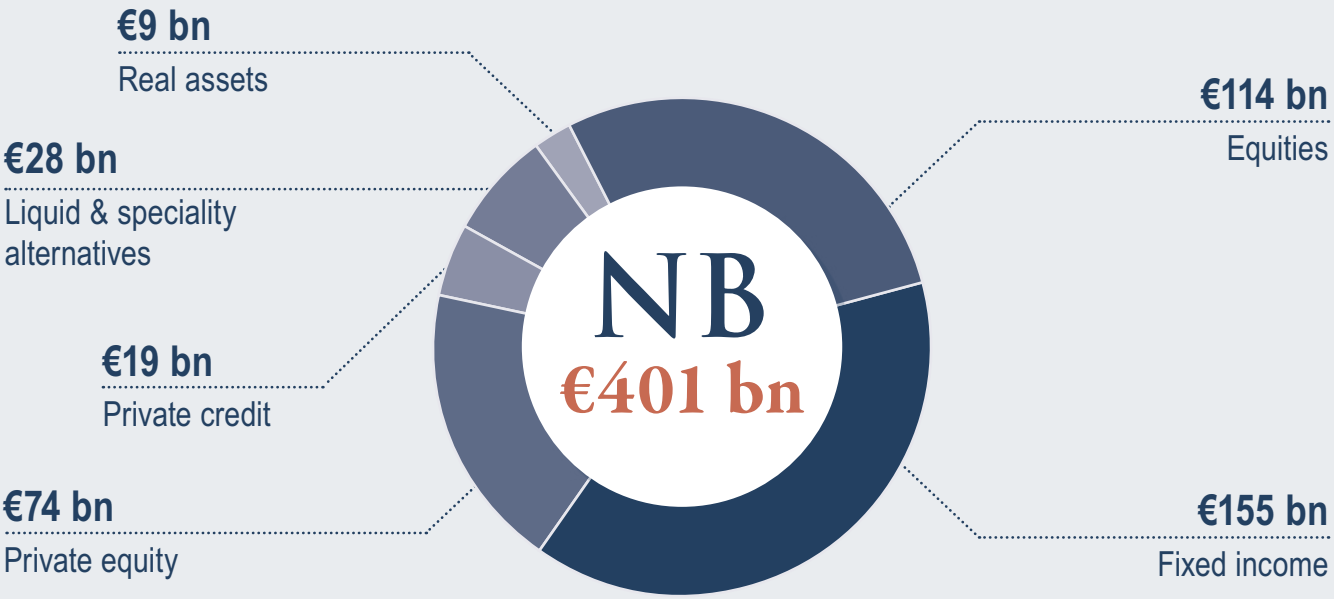
**Neuberger Berman believes that financially material ESG characteristics are an important driver of long-term investment returns from both an opportunity and a risk mitigation perspective.**

## NB PRIVATE MARKET PLATFORM

NB Private Markets believes that incorporating ESG considerations throughout its investment process can potentially lead to more consistent and better investment outcomes by helping to identify both financially material risks and opportunities to drive value. **We are focused on long-term partnerships and engaging with our partners to promote ESG integration best practices.**

As a firm, Neuberger Berman believes that financially material ESG characteristics are an important driver of long-term investment returns from both an opportunity and a risk mitigation perspective. We also understand that for many of our clients the impact of their portfolio is an important consideration in conjunction with investment performance.

## NEUBERGER BERMAN PLATFORM




**100%**
employee-owned[1]

**INDEPENDENT**

**39** cities and **20** portfolio management centers

**GLOBAL**

**100%**
deferred cash compensation directly linked to strategies

**ALIGNMENT**

**700+**
investment professionals

**DEPTH**

**96%**
retention rate[2]

**STABILITY**

**2,700+**
employees

**SCALE**

**<1%**
of investment management signatories[3]

**LEADERSHIP**

**5/5 stars**
awarded top scores for ESG integration by UN PRI[4]

**ESG**

**1st or 2nd place**
in each of the last 9 consecutive years by Pension & Investments[5]

**CULTURE**

**Figure 1** As of March 31, 2023. Figures may not sum up due to rounding. **1.** Includes the firm's current and former employees, directors and, in certain instances, their permitted transferees **2.** Retention of MD and SVP investment professionals since becoming an independent company in 2009. **3.** Awarded by UN-supported Principles for Responsible Investment (PRI). The PRI 2020 Leader's Group is awarded to only 20 of ~2,100 PRI investment manager signatories. **4.** For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totalled 3,404 for 2021. Please see Principles for Responsible Investment (PRI) Scores and end of this material for information regarding PRI scores shown. **5.** Among organizations with over 1,000 employees by Pensions & Investments.




## Our offices

Neuberger Berman's global private markets platform of over 290 team members is based in New York, Boston, Dallas, London, Zurich, Hong Kong, Shanghai, Singapore, Milan, and Tokyo



**35 years**
of investing

**€106 bn**
in Capital Commitments[1]

**5-star ratings**
by UNPRI for private equity ESG integration[3]

## COMMITMENT AND PARTICIPATION TO INTERNATIONAL INITIATIVES

We believe we have a responsibility to encourage ESG investing capabilities through collaborative work with both clients and others in the investment industry. **We engage with industry stakeholders, contribute research and time to advisory groups, and support the creation and adoption of industry standard ESG disclosures, measurement and reporting.**

Neuberger Berman became a signatory of the UN Principles for Responsible investment ("PRI") on June 29, 2012. In our 2021 PRI Assessment, we obtained the highest possible scoring[3] across all categories for our overarching approach to ESG for the third year in a row.

In 2021, the PRI adopted a new, more stringent assessment methodology. **Neuberger Berman earned 5 Stars across every asset category[4] in which it reported and rated above the median of all reporting signatories.** In addition to scoring the best possible ranking across all asset classes, the firm also obtained the highest possible score in PRI's new private debt category and its overarching Investment & Stewardship Policy. In October 2020 we were named part of the PRI Leaders' Group, a designation awarded to only 20 of approximately 2,100 investment manager PRI signatories[5].

We collaborate with clients and others in the investment industry to support the broader acceptance and implementation of ESG investing. **We work with a number of like-minded institutions, including IFRS Foundation and International Sustainability Standards Board (ISSB), UN Global Compact (UNGC), the Task Force on Climate-related Financial Disclosure (TCFD), the Institutional Investors Group on Climate Change (IIGCC) and Ceres.**

## WHO WE WORK WITH[6]

PRI Principles for Responsible Investment

IIGCC Institutional Investors Group on Climate Change

GIIN Global Impact Investing Network

ESG Data Convergence Initiative

CDP Disclosure Insight Action

Value Reporting Foundation Integrated Reporting Framework

Harvard Business School Impact-Weighted Accounts

bvca Member Firm

ilpa Institutional Limited Partners Association

Operating Principles for Impact Management

naic National Association of Investment Companies

United Nations Global Compact

TCFD Task Force on Climate-Related Financial Disclosures

initiative climat international Private equity action on climate change

Science Based Targets Driving Ambitious Corporate Climate Action





*"Getting to a more sustainable world requires the judgement to make complex decisions about where to allocate precious long-term capital. Our clients have always chosen to partner with us because they trust our judgement – and increasingly that trust is earned through our innovative approach to ESG and impact analysis"*

**Jonathan Bailey** | Global Head of ESG and Impact Investing



# NEUBERGER BERMAN ESG PHILOSOPHY

## ESG APPROACH

As an active manager, we have a long-standing belief that material environmental, social and governance (ESG) factors are an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. Therefore, we take a comprehensive approach toward managing client assets, including the integration of ESG criteria into our investment process.

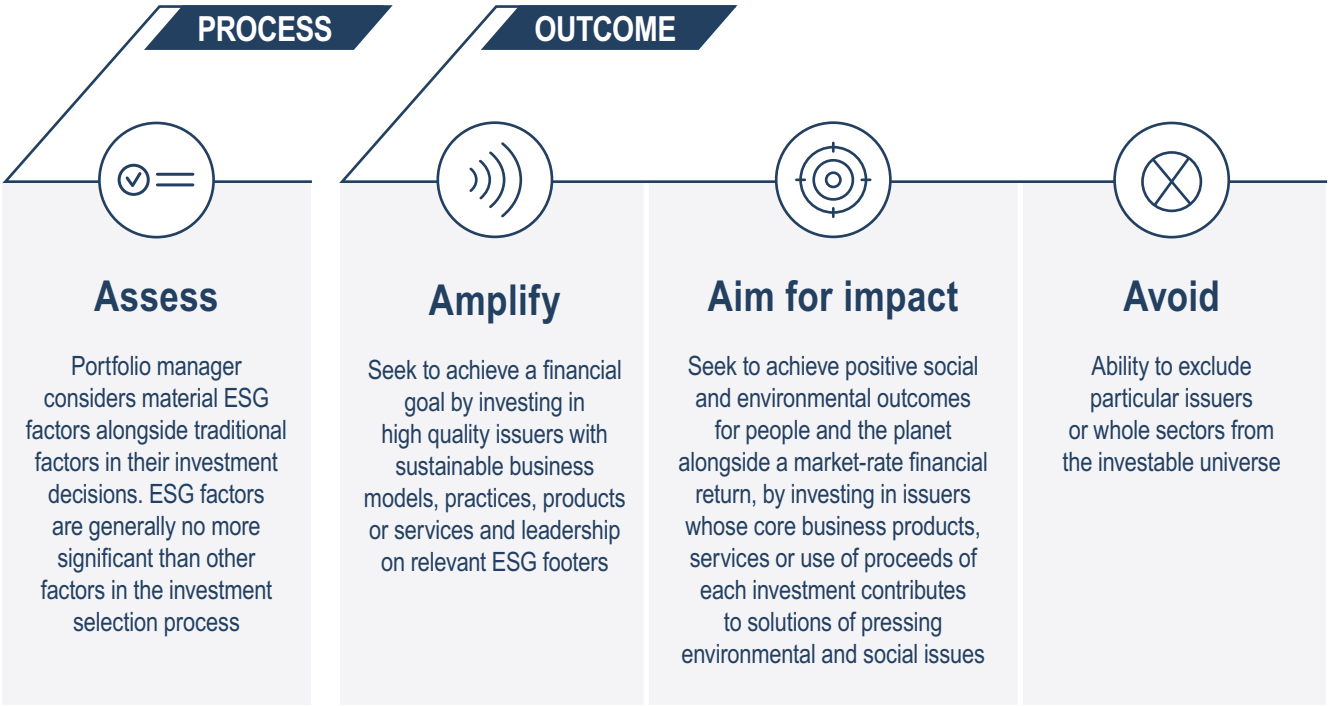
As much as ESG is a focus across Neuberger Berman, NB's ESG Committee has top-down responsibility for overseeing integration and activity across the firm. **NB also has a dedicated ESG Investing team, which consists of 25 full-time professionals[7] to provide expert guidance, resources, and training to investment professionals during the investment process and to work to continuously improve the firm's ESG practices.**

Our firm's Environmental Social Governance ("ESG") Policy[8] provides a broad framework for our approach to ESG integration. **This policy is reviewed annually by our ESG Committee, which is responsible for overseeing our ESG integration efforts, setting goals, and reporting on the firm's performance**.

This ESG Policy is our guideline for formalizing and focusing on our responsible investment efforts, with the recognition that material ESG characteristics can be an important driver of long-term investment returns.

As defined in the Policy, each portfolio manager follows a customized approach selected from the NB ESG framework: ***Assess, Amplify, Aim for Impact or Avoid***.

In building their portfolios, investment teams consider whether to reach a more holistic understanding of risk and return (*Assess*), tilt the portfolio to best-in-class ESG performers (*Amplify*), invest in issuers that are putting ESG at the center of their strategy to generate positive social/environmental impact (*Aim for Impact*) or to simply exclude companies from sectors that damage the principles for sustainable development (*Avoid*).[9]



# NET ZERO ASSET MANAGERS INITIATIVE



On November 2, 2021, Neuberger Berman announced we joined the Net Zero Asset Managers Initiative. **As part of the net zero asset managers initiative, we have committed to set a robust interim target for our assets to be managed in line with net zero by 2050 and review our target every five years with the view of ratcheting up the proportion of assets to ultimately cover 100% of assets under management**. Moreover, through its Climate-related Corporate Strategy[10], in line with the recommendations of the Task Force on Climate-Related Financial Disclosures[11] (TCFD), Neuberger Berman is committed to integrating climate-related factors into our business and investment risk assessments. We plan to continue to align our monitoring of material climate-related risks with the recommendations outlined by the TCFD.



*"We believe that joining the Net Zero Asset Managers Initiative is a natural extension of our leadership in the climate space. Climate change is real and will impact risk and return across industries and asset classes. As an asset manager with a long-term perspective, we believe it is essential to manage climate risks and maximize climate opportunities across a multitude of scenarios by aligning our investment process with net zero emissions by 2050 or sooner"*

**George Walker** | Chairman and Chief Executive Officer (CEO)

## NOTES

1 As of March 31, 2023. Represents aggregate committed capital since inception in 1987, including commitments in the process of documentation or finalization.

2 Represents opportunities reviewed, made and committed to across primaries, co-investments and secondaries by NB Alternatives from 2Q 2020 – 1Q 2023 for PIPCO and Secondaries

3 Important Information about PRI Grades: For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 3,404 for 2021, 1,924 for 2020, and 1,119 for 2019. Note that scores for the 2021 reporting cycle cannot be compared to previous years due to the change in PRI assessment methodology. Unlike previous years, the indicator scores are assigned one of five performance bands (from 1 to 5 stars) instead of six performance bands (from A+ to E). All PRI signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Neuberger Berman pays a fee to be a member of PRI and the Grades are only available to PRI members. Ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

4 For illustrative and discussion purposes only. Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

5 2020 PRI Leaders' Group. The PRI Leaders' Group is based on a different theme each year. In 2020, the theme was climate reporting. All investor signatories – asset owners and investment managers – were eligible. To be considered for the Leaders' Group 2020, signatories had to demonstrate a strategic approach to aligning their organization with the FSB's Task Force on Climate-related Financial Disclosures (TCFD) in their 2020 responses to the PRI Reporting Framework.' To assess this, UN PRI looked at their publicly disclosed responses throughout the climate change reporting indicators of the Strategy and Governance (SG) module, as well as whether they reported: publicly expressing support for the TCFD; having a board-approved implementation plan in place; how their organization is using scenario analysis; considering both short- and long-term climate risks; and working towards specific climate-related targets. Having screened all signatories against that theme, a combined score using responses from across the Reporting Framework was used to identify, from that pool, the Leaders' Group 2020. Please note, the 2021 Leaders' Group, with stewardship as the annual theme, was cancelled following issues identified with the 2021 dataset. The 2020 designation is the most recent available.

6 Full list of collaborations can be found online. Organisations shown are some examples.

7 As of March 2023.

8 For more information about Neuberger Berman's ESG Policy please follow this link: https://www.nb.com/handlers/documents.ashx?id=05654212-db3d-428b-b65a-1931706e63a8&name=S0173_NB_Environmental_Social_and_Governance_Policy.

9 Neuberger Berman Enhanced Sustainable Exclusion Policy defines specific requirements in the selection of securities: 1. Global Standards and Norms (the Fund is prohibited from purchasing the securities of issuers whose activities breach the principles of the UN Global Compact (UNGC), the OECD Guidelines on Multinational Enterprises, the International Labor Organization's declaration on Fundamental Rights and Principles at Work (ILO) and the UN Guiding Principles on Business and Human Rights (UNGP); 2. Controversial Weapons (the Fund is committed to supporting and upholding conventions that seek to ban the production of controversial weapons. As a result, the Fund is prohibited from investing in securities issued by companies that we believe are involved in the manufacture of controversial weapons).

10 For more information on NB Climate-related Corporate Strategy please follow this link: https://www.nb.com/handlers/documents.ashx?id=1d48d43e-956e-4cf9-83d7-c4a443c29827&name=T0267_NB_climate_related_corporate_strategy.

11 The Financial Stability Board published in 2017 the Task Force on Climate-related Disclosures recommendations (henceforth "TCFD") to improve and increase reporting of climate-related financial information. The full document can be accessed here: https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf



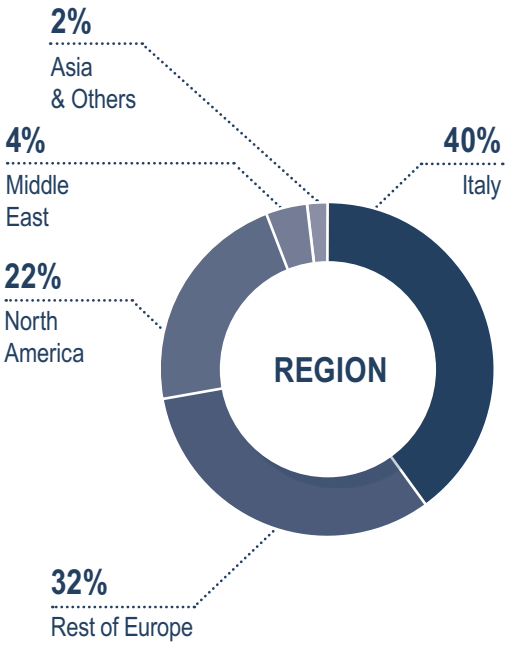
# NB RENAISSANCE

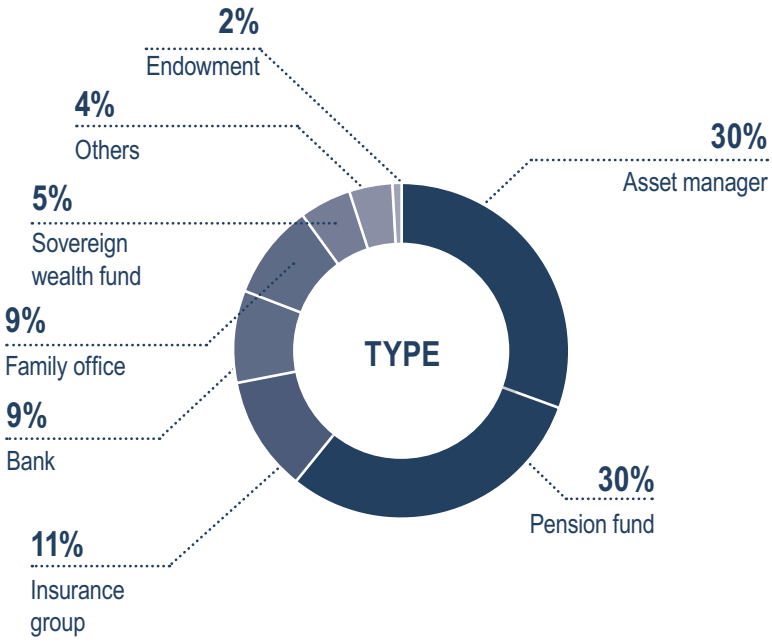
## IDENTITY AND VALUES

**NB Renaissance, part of Neuberger Berman, is a mid-market private equity investment firm focused on companies with high growth potential.** Established in 2015, after the spin-off of Intesa Sanpaolo's private equity business, Renaissance manages today almost €2,5 bn in assets.

**NB Renaissance's investment strategy is centered around identifying mid-market companies with strong growth potential and partnering with them to achieve their strategic objectives.**

### NB RENAISSANCE'S INVESTORS 2022



Since its inception, Renaissance has established itself as a **strategic investor and partner with its portfolio companies, driving top-line expansion and operational improvement**, with a track record of successfully investing in a variety of sectors.

Renaissance values **teamwork, integrity, and excellence**, believing that a **collaborative approach** is essential to achieving success in private equity investing and that **truthfulness** and **transparency** are essential to building strong relationships with investors and portfolio companies.

With over €2.5 bn in commitments on behalf of a diversified mix of prominent global institutional investors, including pension funds, asset managers, insurance groups, banks, family offices, sovereign wealth funds and endowments, Renaissance's investment strategy is centered around **identifying mid-market companies with strong growth potential and partnering with them to achieve their strategic objectives**.

Renaissance invests, with a flexible investment mandate, in a variety of industries and geographies, typically taking a majority or controlling stake in its portfolio companies and working closely with management to implement operational improvements and drive growth.

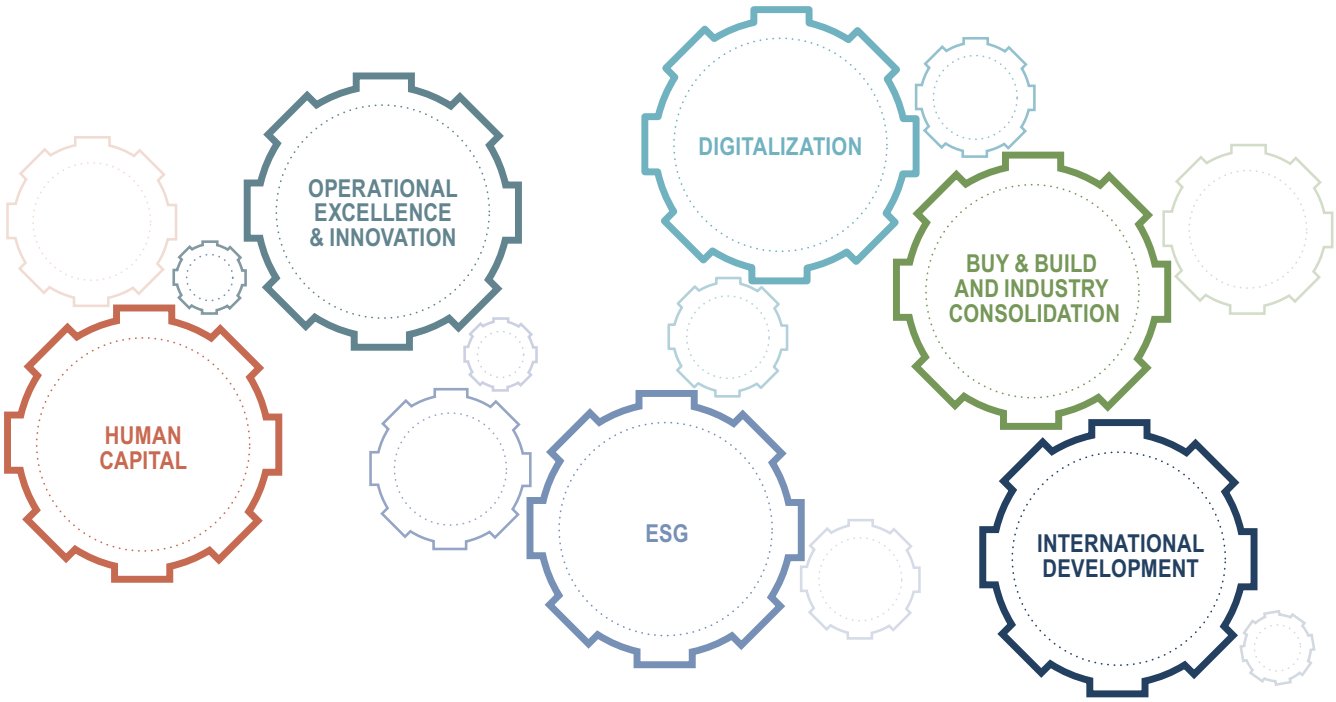
Renaissance presents a value creation strategy that centers on **6 principles:**

- **Human capital**
- **Operational excellence & innovation**
- **ESG**
- **Digitalization**
- **Buy & build and industry consolidation**
- **International development**

Renaissance values are centered on the belief that responsible investing is key to creating long-term value for investors and society as a whole. Overall, Renaissance's investment and portfolio management strategy is grounded in a deep understanding of the industries it invests in, a disciplined approach to due diligence, and a commitment to responsible growth.

**Renaissance is committed to integrating ESG considerations into its investment process and to promoting responsible business practices across portfolio companies.**

## NB RENAISSANCE 6 PRINCIPLES OF VALUE CREATION



## NB RENAISSANCE TEAM



**Stefano Bontempelli**
Senior Partner



**Fabio Canè**
Senior Partner



**Marco Cerrina Feroni**
Senior Partner



**Luca Deantoni**
Partner



**Marco De Simoni**
Partner



**Alessio Masiero**
Partner



**Piero Galli**
Operating Partner



**Andrea Vallini**
Operating Partner



**Giovanni Camisassi**
Principal



**Tommaso De Bustis Figarola**
Principal



**Emanuele Vignoli**
Principal



**Nevena Batchvarova**
Head of Investor Relations



**Flavia Carmina**
Legal Counsel



**Paloma Lopez Imizcoz**
ESG Manager
Vice President



**Matteo Manfredi**
Vice President



**Agostino Arcasensa**
Associate



**Roberto Garolla di Bard**
Associate



**Alice Loiacono**
Associate



**Matteo Perugi**
Associate



**Michele Drudi**
Analyst



**Martina Bergomi**
Team Assistant



**Jessica Bertani**
Team Assistant



**Anthea Canuti**
Team Assistant



**Jake Labiano**
Team Assistant



**Antonella Santoro**
Office Manager



**Giacomo Barchetta**
CFO, Luxembourg



**Stanislas Kervyn**
Head of Compliance



**Francesco Moglia**
Head of Operations at Luxembourg Office



**Sébastien Schaack**
Finance Manager



**François Watelet**
Risk Manager

## THE TEAM

The strength of the Firm relies in the people and the ties amongst them. Following this belief, Renaissance has a dedicated **team of around 25 investment professionals** with expertise in sectors such as industrials, technology, healthcare, consumer goods, and business services.

The team is based in **Milan** and **Luxembourg**, supported by Neuberger Berman's global private markets platform of over **290 team members** based in New York, Boston, Dallas, London, Zurich, Hong Kong, Shanghai, Singapore, Milan, and Tokyo. The team at Renaissance leverages its extensive network of industry experts and strategic partners to support portfolio companies in achieving their growth objectives. This includes **providing access to capital, facilitating partnerships, and offering guidance on strategic initiatives.**

## OUR INVESTMENTS

Renaissance recognizes **4 key investment themes: Information Technology & Professional Services, Specialised Industrials, Eco-innovation[1] and Healthcare**. Each of the four themes have different growth drivers and opportunity sets, concerning their sector peculiarities and the contexts in which they operate. Renaissance believes that integrating ESG factors within all four verticals can help generate shared value for stakeholders building a resilient portfolio in the long term. Hence, **ESG is integrated across portfolio management, where no sector is left behind in the incorporation of ESG principles**.

One of the distinguishing features of Renaissance is its commitment to providing support and guidance to portfolio companies throughout their growth. This support includes **sharing the skills and expertise of Renaissance's team with the management of portfolio companies**. By doing so, Renaissance aims to help them overcome the challenges that come with **scaling up their operations and expanding into new markets, always taking into account principles of environmental responsibility, business ethics and human rights preservation**.

Renaissance places a strong emphasis on environmental factors within its investments, as well as factors related to human capital, diversity and inclusion and the effects on local communities and territories. This approach reflects Renaissance's belief that **investing in sustainable, socially responsible companies is not only good for the planet and society but also makes good business sense**.

### NB RENAISSANCE INVESTMENTS THEMES

| Information Technology & Professional Services | Specialised Industrials | Eco-innovation[1]<br>Climate action<br>Circular economy<br>Resource efficiency | Healthcare |
|---|---|---|---|

**Responsible growth and ESG value creation**

[1] Eco-innovation is a concept used by the European Commission referring to any innovation activity that reduces impacts on the environment, increases resilience to environmental pressures or uses natural resources more efficiently. Eco-innovation is essential for achieving the objectives of the European Green Deal, such as the transition to a climate-neutral and circular economy.



## NB RENAISSANCE FUNDS AND PORTFOLIO COMPANIES

**Our portfolio companies are global leaders in sector niches with high levels of innovation, customization and service or local leaders with sustainable competitive advantages.**

Internationalization is a key value driver for our portfolio. We source, unlock, and execute complementary add-on acquisitions for our portfolio companies, and have completed over 65 bolt-on acquisitions in over 20 countries across the globe since our inception.

Regarding 2022 new investments, in January, Renaissance acquired jointly with **Bain Capital**, **Inetum S.A.**, the French-based leading pan-European digital transformation player; **in June 2022 we finalized the acquisition of Arbo S.p.A.**, the largest Italian independent distributor of spare parts for heating, sanitary, plumbing and air conditioning systems for buildings; and **in November 2022, together with Ardian, we signed a binding agreement to acquire Neopharmed**, a leading Italian branded specialty pharma company in the cardiovascular and neurological therapeutic areas.

In addition, starting in December 2021 and continuing during 2022, **we supported the spin-off of OverIT from the Engineering Group**, positioning OverIT as an independent company within the Renaissance partnership.

With respect to divestments, **in August 2022, we completed the sale of Biolchim Group to US Group J.M. Huber Corporation. Biolchim Group registered exceptional growth during our ownership period, doubling in size in terms of revenues and EBITDA.** At the end of this reporting period, our portfolio was characterized as shown in the following page.

## NB RENAISSANCE ACQUISITON ROADMAP[2]

NB portfolio companies are **global leaders in sector niches with high levels of innovation, customisation and service or local leaders with sustainable competitive advantages**

**2015**

**Novamont** is a global leader in the production of biodegradable bioplastics and biochemicals from renewable sources with multiple industrial and consumer applications such as retail, packaging and agriculture

**2017**

**Comelz** is a leading producer of technologically-advanced blade cutting machines and software solutions for the footwear, leather goods and automotive industries

**2018**

**Uteco** is a leading player in the design, engineering and production of printing machines for flexible packaging

**Hydro Holding** is leader in Italian production of a full range of fittings for flexible hoses, adaptors, assembled hoses and rigid pipes for high-pressure hydraulic systems

**2019**

**Rino Mastrotto Group** is the global leader in the production of excellence-quality leather and textiles to the high-end fashion, furniture and automotive industries

**2020**

**OverIT** is a leading vendor of state-of-the-art software solutions for Field Service Management ("FSM") operations

**Engineering** is a multinational leading specialist provider of IT services, software development and digital platforms

**2021**

**SICIT** is a global leader in the production of high value-added sustainable chemical products such as biostimulants for agriculture and retardants for the plaster industry

**2022**

**Arbo** is the largest a distributor of spare parts for heating and air conditioning systems in Italy

**Inetum** is a pan European IT services and solutions company specialized in system integration, engineering, consulting, software implementation and maintenance

**2023**

**Neopharmed Gentili** is a historical Italian pharmaceutical company focused on solutions with high therapeutic value

## PORTFOLIO COMPANIES: FACTS AND FIGURES

**~3.4 bn**
aggregate revenue generated globally

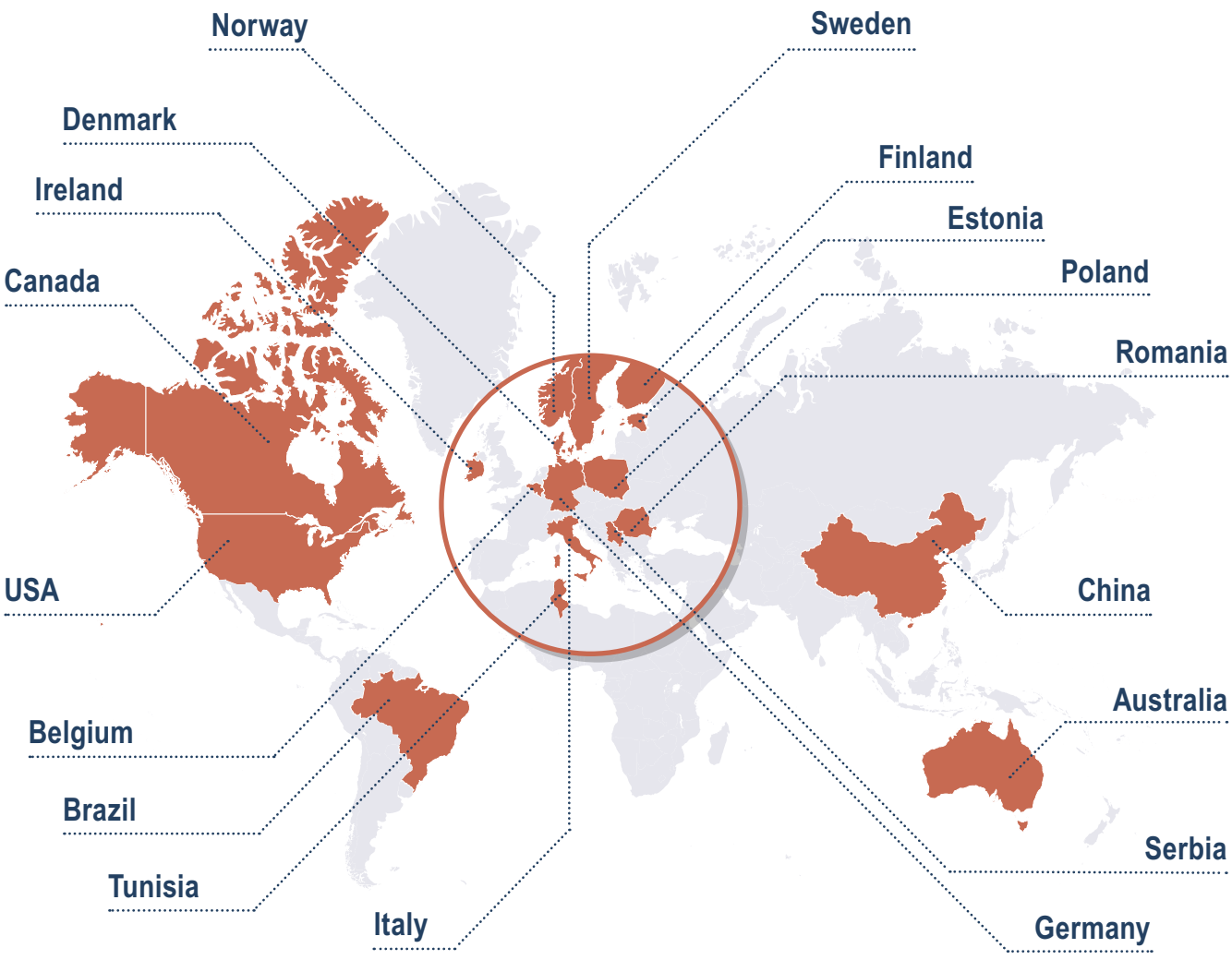
**~65%**
portfolio company's revenues generated internationally

**19,000+**
employed globally[3]

**3,200+**
jobs created over the last 3 years[4]

**~114**
countries where our portfolio companies generated revenues in 2022

## GEOGRAPHIC FOOTPRINT OF INVESTMENT PORTFOLIO



## RESPONSIBLE INVESTING

Built upon NB's belief that financially material environmental, social and governance factors are an important driver of long-term investment returns from both an opportunity and risk-mitigation perspective, **Renaissance recognizes that investing with an ESG-integrated approach can generate shared value for all stakeholders.**

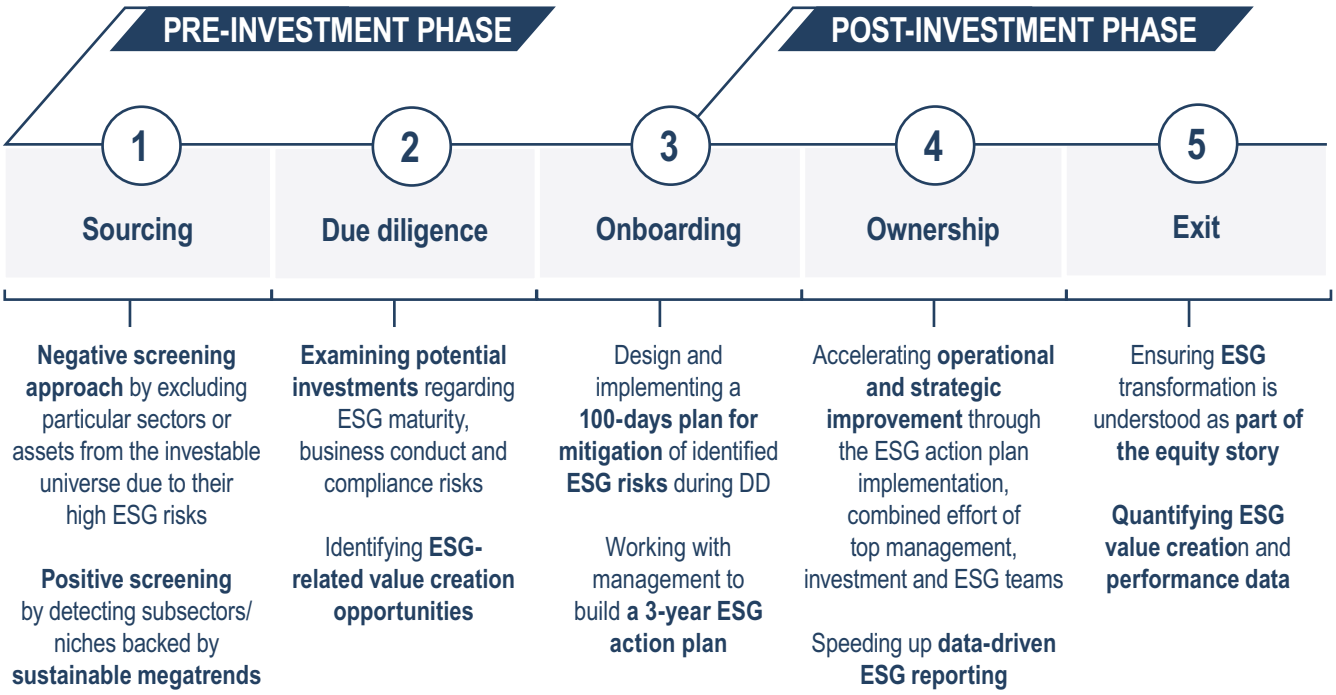
As a result, Renaissance believes it has the opportunity and responsibility to integrate ESG factors both in its decision-making process and investment monitoring activities, to support responsible investing and to foster ESG best-practices across the business community. Consequently, the Renaissance Investment Team works closely with the management of its portfolio companies to build consistent ESG practices and transformation plans.

## NB RENAISSANCE'S RESPONSIBLE INVESTING PROCESS

Renaissance's responsible investing process could be described in two main phases: (i) the pre-investment phase, where sourcing, due diligence and onboarding take place and (ii) the post-investment phase, after the signing has been done and the deal is closed, where the ownership and exit stages take place.

**Renaissance's approach to responsible investing is in line with Neuberger Berman's ESG Policy which is overseen by NB's ESG Committee.** Additionally, Renaissance's formal ESG integration processes are overseen by an internal dedicated ESG structure (Operational Partner and ESG Manager) and its advisors. **In this way Renaissance, ensures that ESG aspects are integrated during the whole life cycle of the asset management process, from due diligence through portfolio management and up to the exit stage.**

**As a result, Renaissance believes it has the opportunity and responsibility to integrate ESG factors both in its decision-making process and investment monitoring activities, to support responsible investing and to foster ESG best-practices across the business community.**



## PRE-INVESTMENT PHASE

### ① Sourcing

The commitment to integrating ESG factors starts at the pre-investment phase: **Renaissance considers sectors from both a negative and positive screening approach**. Renaissance excludes specific sectors or assets from the investable universe due to their higher ESG risks; additionally, Renaissance positively **screens companies with enhanced sustainability profiles subject to ESG criteria** such as strong environmental records, decarbonization technologies, circular economy business models, commitments to employee well-being and gender equality, and/or data privacy and security technologies.

**NB Renaissance positively screens companies with enhanced sustainability profiles subject to ESG criteria such as strong environmental records, decarbonization technologies, circular economy business models, commitments to employee well-being and gender equality, and/or data privacy and security technologies.**

### ② Due diligence

ESG analysis is a core part of investment due diligence to understand financially material ESG risks and related opportunities of a potential portfolio company ("the Target"). Renaissance's ESG due diligence process includes the following:

- **An assessment of industry specific ESG factors that are likely to be financially material based on the sector in which the Target operates** including external evaluation conducted by specialized consultants reflecting on current and future sustainability trends and regulations;
- **A review of the Target's compliance with internationally recognized standards and best-practices** (e.g., UN SDGs, OCSE, ILO, etc.), **and ethical business frameworks**, in addition to a review of the Target's policies, procedures, certifications and any related corporate documentation;
- **Interviews with the management of the Target to identify implemented actions** related to financially material ESG issues identified

From an investment due diligence standpoint, Renaissance believes that ESG analysis should be based on financial materiality and customized by asset class and investment style. There are specific cases linked to the nature of operations, geographical footprint or potential issues identified by the deal team where a specific **Environmental**, **Health** and **Safety** (EHS) due diligence is also required, with the assistance of specialized environmental and safety consultants. The scope of this diligence work is to **understand the EHS performance of the operating sites of the Target**, in line with local and national regulation, and to **screen the best available management technologies and standards related to these topics in the market**.

When the due diligence process identifies certain risks as red flags that require further investigation, a risk mitigation path is designed to manage them. **Often this is included in the 100-Day-Plan, in which resources, capex and execution times for risk mitigation are outlined and agreed upon with the Target.** If the risk mitigation plan is executed adequately, the investment process may proceed its conventional flow.

### ③ Onboarding

The outcomes of the ESG Due Diligence process not only allows Renaissance to assess the maturity of the ESG strategy of the Target, but also helps to **identify gaps and improvement areas** which will be addressed during the



**A specific ESG plan is constructed for each portfolio company, defined as a 3-year ESG Action Plan, which consists of ESG objectives and targets to be monitored over the years, combined with related actions, timeline and budget.**

post-investment stage through the application of an **ESG Action Plan and the ESG Key Performance Indicators (KPIs) monitoring**.

**Based on the gaps and areas of improvement identified in the due diligence process, a specific ESG plan is constructed for each portfolio company, defined as a 3-year ESG Action Plan, which consists of ESG objectives and targets to be monitored over the years, combined with related actions, timeline and budget.** The ESG Action Plan maps to the UN's Sustainable Development Goals (SDGs), which outline global goals such as sustainable economic growth, job creation, industry innovation, reduction of greenhouse gas emissions, good health and wellbeing, and gender equality.

Renaissance works together with its portfolio companies to develop the **ESG Action Plan**, aligning on the feasibility of implementation and the prioritization of key initiatives with top management, tailored to the portfolio company's characteristics (e.g. size, industry, market-share, stakeholder's expectations, etc.).

**Moreover, during 2022, Renaissance defined three cross-portfolio ESG goals to be achieved by all portfolio companies:**

1 / The appointment of an **ESG manager**

2 / The establishment of an **ESG working group**[5]

**To monitor the ESG performance of the portfolio companies, NB Renaissance defines both cross-portfolio and company-specific KPIs.**

3 / The development of a specific **Management by Objectives (MBOs) approach** for top management, tied to the achievement of the goals included in the ESG Action Plan.

As industry-related requirements and ESG trends evolve, Renaissance seeks to further expand the list of its cross-portfolio ESG goals.

## POST-INVESTMENT PHASE

### ④ Ownership

In this post-investment phase, Renaissance actively engages with portfolio companies' management to ensure responsibility and accountability in implementing the ESG Action Plan. Renaissance also **encourages the development of training initiatives on sustainability**, providing resources and adequate tools across the companies to increase awareness on key sustainability topics for their businesses. **To monitor the ESG performance of the portfolio companies, Renaissance defines both cross-portfolio and company-specific KPIs**. The **Global Reporting Initiative** (GRI)[6] standards are used to assess



## RECENT ESG OVERSIGHT UPDATES

In order to establish a solid foundation for integrating ESG principles within investments, Renaissance is working to build a robust **ESG governance and oversight structure within the fund to clearly outline roles and responsibilities to support its commitments and strategy in line with Neuberger Berman**.

In particular, to enhance efforts on ESG integration within the portfolio and investments, **in 2022 Renaissance appointed an internal ESG Operating Partner, Andrea Vallini, and in 2023 hired an ESG Manager, Paloma Lopez Imizcoz.** Paloma, with an extensive experience of more than 8 years in the field of strategic sustainability and responsible investing, will be responsible for ESG, Responsible Investing and sustainable growth and will work closely with the Investment team

**In 2022 NB Renaissance appointed an internal ESG Operating Partner and in 2023 hired an ESG Manager**

and portfolio companies to deliver tangible value through sustainability. **This work will include formalization of Renaissance's ESG Committee and further development of Renaissance's standalone Responsible Investment Policy (consistent with the existing NB ESG Policy).**

These enhancements aim to further support the Investment Team in each phase of Renaissance's investment process and will serve as liaisons to each portfolio company to ensure the continuing integration of ESG best practices within their business models.

overall ESG performance of portfolio companies against common ESG standards, while focusing on specific indicators only when material. GRI reporting standards represent the most widely adopted sustainability reporting standard among European companies. As such, Renaissance communicates its sustainability initiatives and performance through the GRI standards as well, as evidenced by the aggregated portfolio KPIs disclosure and case studies from page 32.

**Additionally, each portfolio company is required to draft an ESG Report in order to evidence its contribution and commitment to the topic.** Portfolio company sustainability reporting also includes additional public disclosures of ESG information including, but not limited to, EcoVadis ratings, B Corp assessments, and Sustainalytics or CDP ratings. These complementary public standards are an integral part of the disclosure and reporting process.

Renaissance is committed to monitoring the status and progress of the KPIs and the ESG Action Plans across portfolio companies, presenting them to Renaissance's Senior Investment Team at least once per year. Also, the Renaissance's Annual ESG Report works as a **public disclosure document for stakeholders including main highlights and findings of ESG performance**.

### ⑤ Exit

In the Exit phase, Renaissance carries out a **gap analysis** between the level of ESG performance of the portfolio company at the time of divestment versus at the time of acquisition, highlighting the added ESG value generated through the holding phase. This gap analysis could be sometimes formalized, at exit, in a **ESG Due Diligence Vendor Report** or the reporting results of an **EcoVadis Rating**.

# 2022 ESG HIGHLIGHTS AND FUTURE COMMITMENTS

| | ESG HIGHLIGHTS | 2022 |
|---|---|---|
| ENV. | **Percentage of electricity purchased from certified renewable sources** | **100%** |
| SOCIAL | **Percentage of women among employees** | 36% |
| | Number of incidents of discrimination | 0% |
| GOVERNANCE | Implementation of the Organization Model pursuant to Italian Legislative Decree 231 | Effective starting from February 2023 |
| | Number of cases of corruption | 0% |
| | **Percentage of portfolio companies assessed by ESG Due Diligence during the year** | **100%** |
| | Number of ESG Awards | 1 – *Italia del Merito Award* |

| | ESG COMMITMENTS | TIMELINE |
|---|---|---|
| ENV. | Monitor the amount of produced waste within the corporate offices, focusing on increasing separate collection | December 2023 |
| SOCIAL | **Deliver training on ESG and climate change topics both on Renaissance and Renaissance's portfolio companies** | **December 2023** |
| | Formalize an ESG onboarding and training package for new employees (e.g. values, guidelines, models, etc.) | December 2023 |
| | **Dedicate a fixed budget supporting D&I in Private Equity** | **December 2023** |
| | Plan and execute a dedicated charitable program | December 2024 |
| | Implement structured systems of assessment and evaluation of employees' performance including ESG topics management | 2024 |
| GOV. | **Hire an ESG Manager** | **May 2023** |

## NOTES

1 This Portfolio is classified as an Article 6 Portfolio under SFDR. This Portfolio considers the Eco Innovation as a non-binding element of its investment process. Under SFDR, the Portfolio does not promote environmental or social characteristics, nor does it have a sustainable investment objective.

2 This roadmap is not the historical acquisition track of Renaissance but focuses on the current active portfolio, excluding the minority investment in Atos, and other divestments.

3 The statistics exclude Inetum (approximately 25,000 employees, not present in the Italian market).

4 Jobs created are calculated as employees at the end of 2022 less employees at the end of 2021. This figure excludes Inetum hires and terminations.

5 ESG working group refers to any type of committee, focus group or working team within the company that, recognized by the Board of Directors, is responsible for discussing the ESG agenda of the company and managing key initiatives. Some portfolio companies may implement it with a strategic and executive approach while others could choose a more operative approach. The type of approach will depend on different factors such as: company's sector, company's dimension, ESG maturity, between others.

6 The Global Reporting Initiative (GRI) offers a complete set of sustainability reporting standards. They can be accessed through this link: https://www.globalreporting.org/standards/download-the-standards/

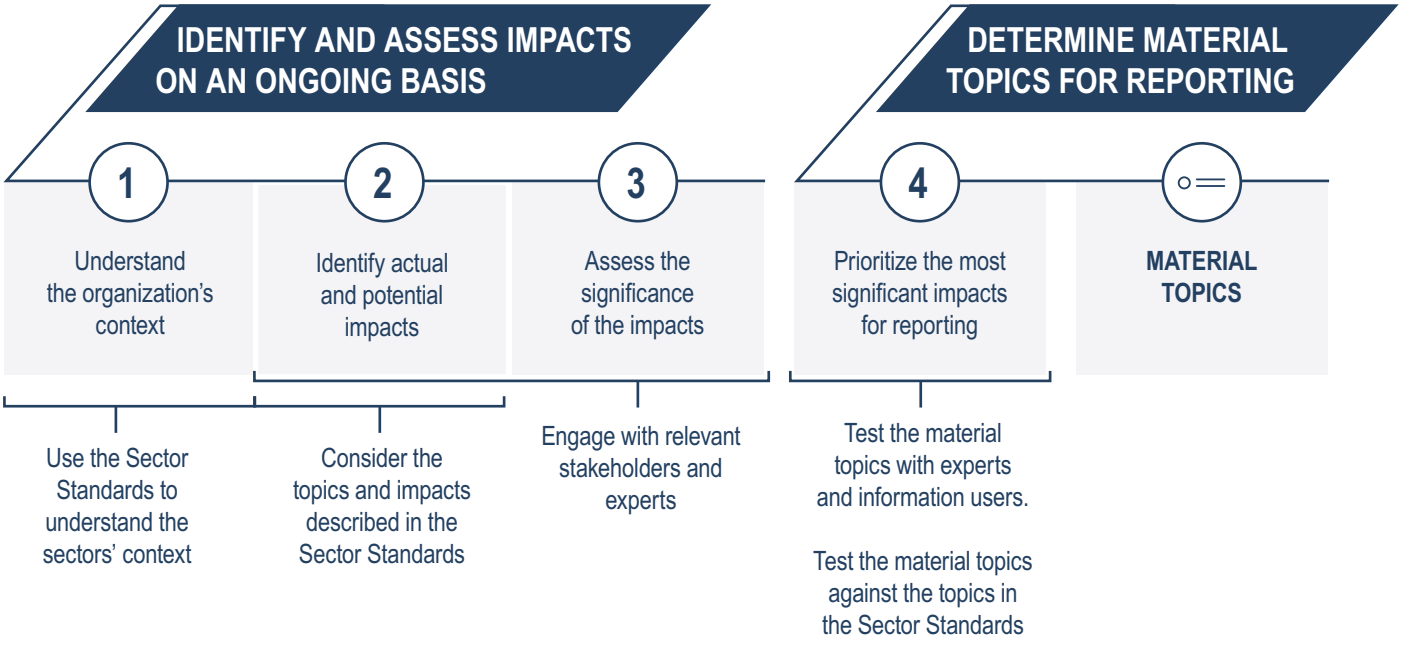


# NB RENAISSANCE PORTFOLIO ESG PERFORMANCE

## MATERIALITY ANALYSIS AND ESG KPIs IDENTIFICATION

During 2022, Renaissance required all its portfolio companies to perform, update and disclose their materiality assessment in line with GRI standards guidance, on which sustainability monitoring and reporting are built. After that, **specific KPIs were identified and collected within each portfolio company**, in a diversified manner based on their sectors and business peculiarities.

GRI Standards, in their new 2021 version, require material topics to be **evaluated in terms of impacts generated by the organization**. According to the framework, material issues are those that represent the organization's **most significant impacts on the economy, the environment, and people, including impacts on human rights**. To perform the materiality analysis, both positive and negative environmental, social and governance impacts should be identified, considering both potential and actual impacts.



## ESG KPIs FOR CROSS-PORTFOLIO PERFORMANCE MONITORING

### Environmental

**GRI 302-1**
Energy consumption within the organisation

**GRI 302-3**
Energy intensity

**GRI 303-3**
Water withdrawal

**GRI 305-1**
Direct (Scope 1) GHG emissions

**GRI 305-2**
Energy indirect (Scope 2) GHG emissions

**GRI 305-4**
GHG emission intensity

**GRI 306-3**
Waste generated

### Social

**GRI 2-7**
Employees

**GRI 401-1**
New employee hires and employee turnover

**GRI 403-9**
Work related injuries

**GRI 404-1**
Average hours of training per year per employee

**GRI 405-1**
Diversity of employees

### Governance

**GRI 2-27**
Compliance with laws and regulations

**GRI 205-3**
Confirmed incidents and actions taken

**GRI 206-1**
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

**GRI 405-1**
Diversity of governance bodies

All portfolio companies have carried out an **initial mapping of potential impacts based on their individual regulatory and reference contexts**, with the support of, for example, results of **benchmarking analysis**, topics identified by **academic sources**, **specific sector standards**, **ESG ratings methodology**, etc.

After the definition of a list of potentially relevant impacts, their significance has been assessed by the organization: the assessment has involved portfolio companies' Top Management and, wherever possible, stakeholders (e.g., employees, clients, suppliers). Based on the final relevant impacts, **portfolio companies obtained a list of key material sustainability topics, which has constituted the starting point of the identification of KPIs to be disclosed in non-financial reporting**.

Portfolio company's top management and/or ESG Committee reviewed the list of material topics, which have been then approved by the BoD.

**Material issues are those that represent the organization's most significant impacts on the economy, the environment, and people, including impacts on human rights.**

## CROSS-PORTFOLIO KPIs

In line with the materiality assessment explained above, each portfolio company reports on its material topics and ESG KPIs. Moreover, in order to align and standardize the reporting cross-portfolio, Renaissance has defined a **preliminary shortlist of KPIs** that are the basis of all the portfolio companies ESG performance monitoring, as listed above. **Throughout 2023, the ESG Team of Renaissance will review the ESG cross-portfolio KPIs to further strengthen transparency, accountability, and commitment for ESG value creation and in line with SFDR future requirements.**

# ESG HIGHLIGHTS: FUND I AND ANNEX

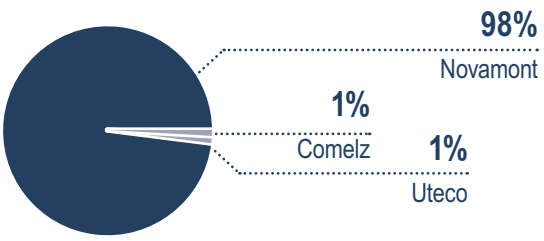
The following tables represent the overall performance of **Renaissance Fund I portfolio companies with regard to cross-portfolio KPIs**. With reference to the highlights on environmental certifications, **Novamont has obtained the environmental management system certification.** In terms of the **social certification**, **Novamont has obtained both the certification for quality management systems and certification on health and safety management systems**, whereas **Comelz and Uteco have committed to obtain all three of them by 2025**. While in 2021 only Novamont had a woman in the Board of Directors, since 2022, Comelz also welcomed a new female member to its Board. Regarding the appointment of an ESG structure and role, **in 2022 Novamont created the "Shared Value&Impact Management Area"** integrated by the ESG Manager and other key areas while **Uteco appointed a new ESG Manager**, increasing the percentage of Fund I companies that have defined ESG roles and responsibilities.

| | ESG HIGHLIGHTS | 2021 | 2022 |
|---|---|---|---|
| ENV. | Percentage of portfolio companies that have a UNI EN ISO 14001:2015 certified environmental management system | 33% | **33%** |
| SOCIAL | Percentage of portfolio companies that have a UNI EN ISO 9001:2015 certified quality management system | 33% | **33%** |
| | Percentage of portfolio companies that have a UNI EN ISO 45001:2018 certified occupational health and safety management system | 33% | **33%** |
| GOVERNANCE | Percentage of portfolio companies that have adopted a Code of Ethics | 100% | **100%** |
| | Percentage of portfolio companies that have implemented the Organization Model pursuant to Italian Legislative Decree 231 | 100% | **100%** |
| | Percentage of portfolio companies with at least one woman on the Board of Directors | 33% | **67%** |
| | Percentage of portfolio companies that have defined ESG roles and responsibilities | 33% | **67%** |

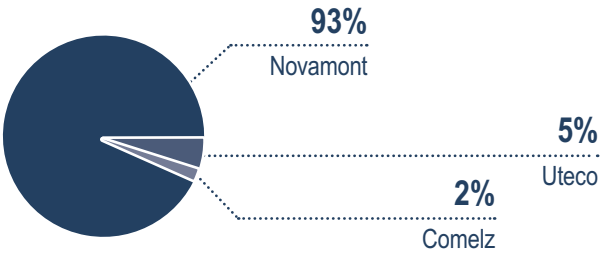
## ENVIRONMENTAL

In 2022 the environmental performance of Fund I companies highlighted the **positive growing trend of energy use from renewable sources for Comelz and Uteco** compared to 2021, while the percentage of renewable energy[1] related to Novamont decreased with respect to 2021. The effort of **Novamont** on the reduction of its environmental impact is mainly focused on the energy efficiency indicator, **investing in technologies and forward-looking systems that may reduce the use of energy per ton of production, while increasing energy traceability and promoting renewable sources**. Since this company has contributed the most to the total of energy consumption, also the total percentage of renewable energy used by Fund I decreased. Moreover, **the decrease in market-based Scope 2 emissions reflects the positive increase in certificates of origin purchased by the companies, in particular Novamont and Comelz, which allows them to reduce their impact on GHG emissions.** Moreover, **Novamont** is responsible for the decrease in Fund I water withdrawals as the company **has reduced the water intake by 18% in 2022.** The **reduction of 12% in generated waste and 13% in waste intensity** is given by Uteco and Novamont that continued to enhance their waste management system.

### 2022 FUND I - ENERGY CONSUMPTION




### 2022 FUND I - WASTE GENERATED




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the fund | GJ | 1,420,735 | **1,357,970** | **-4%** |
| | *of which from renewable sources* | % | 24.7 | **14.14** | **-43%** |
| 302-3 | **Energy intensity** | GJ/M€ revenues | 2,422 | **2,272** | **-6%** |
| 303-3 | Water withdrawal[2] | Ml | 14,515 | **11,950** | **-18%** |
| | **Water intensity** | Ml/M€ revenues | 24.7 | **20.0** | **-19%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_{2eq}$ | 65,458 | **71,839** | **10%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 34,954 | **19,575** | **-44%** |
| | **Energy indirect** (Scope 2 – Market Based) **GHG emissions** | $tCO_2$ | 2,829 | **2,238** | **-21%** |
| 305-4 | GHG emissions intensity (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$/M€ revenues | 171 | **153** | **-11%** |
| 306-3 | Waste generated | t | 17,962 | **15,887** | **-12%** |
| | **Waste intensity** | t/ M€ revenues | 30.6 | **26.6** | **-13%** |

## SOCIAL

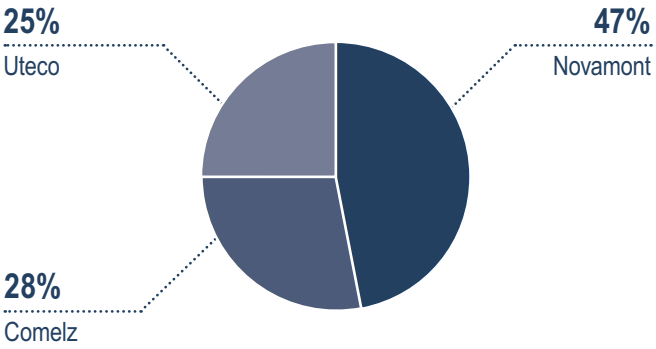
The social performance of Fund I companies is a mirror of their commitment to promote a safe and healthy work environment. **In 2022 the rate of employee work-related injuries decreased of 48% compared to 2021**, mostly affected by Uteco's performance.

With subsidiaries across the globe and a total of 1372 employees, Fund I reported **96% of all employees of portfolio companies covered by a permanent contract** in the terms of the local law and an increase of 20% in total number of hirings. The company that contributes most to the total number of employees is Novamont, and as such also on the hirings and terminations recorded during the year.

**Diversity has remained a pillar across the two years**, as the percentage of women has slightly increased to 22% of the total workforce, with Novamont having the largest share. Accordingly, the number of employees < 30 years old also remained stable in 2022 compared to 2021.

**96% of all employees of portfolio companies covered by a permanent contract.**

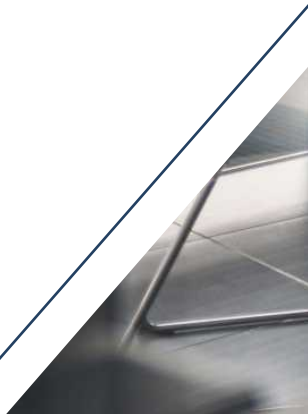
### 2022 FUND I - EMPLOYEES COMPOSITION




### 2022 FUND I - DIVERSITY OF EMPLOYEES




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 1,331 | **1,372** | **3%** |
| | *of which with a permanent contract* | % | 97 | **96** | **-1%** |
| 401-1 | **Number of new employee hires** | No. | 136 | **163** | **20%** |
| | Rate of new employee hires | % | 10 | **12** | **20%** |
| | Rate of employee turnover rate | % | 7 | **10** | **43%** |
| 403-9 | **Rate of employee work-related injuries**[3] | Rate | 8.47 | **4.42** | **-48%** |
| 405-1 | Diversity of employees as of 31.12 | | | | |
| | *women* | % | 21 | **22** | **5%** |
| | *<30 years old* | % | 12 | **11** | **-8%** |



## GOVERNANCE

The corporate governance of the three companies in Fund I has been strengthened by **individual improvements to the Code of Ethics**.

All three companies have correctly implemented the **Management and Control Model under Legislative Decree 231/01** and, overall, no cases of non-compliance were registered.

**Novamont and Uteco have introduced internal committees for the management of ESG matters, whereas Comelz, as defined in the ESG Action Plan, has committed to do so by the end of 2023.** The composition of the Board of Directors of the parent company of each Group saw an increase in the female percentage, primarily due to Comelz's new member.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | **Confirmed incidents of corruption** | No. | 0 | **0** | **0%** |
| **206-1** | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies as of 31.12 (BoD of the parent companies) | | | | |
| | ***women*** | % | 4 | **7** | **75%** |
| | *30-50 years old* | % | 21 | **14** | **-33%** |



## NOTES

1 When defining renewable energy, this document considers the total amount of energy consumed by portfolio companies, including thermal energy, electric energy, natural gas, car fuels, between others.

2 This KPI has not been collected for the following companies because it is not relevant for their business: Comelz S.p.A. and Uteco Converting S.p.A.

3 The rate of employee work related injuries has been calculated according to the GRI standards: Number of recordable work-related injuries / Number of hours worked * 1,000,000.





**CASE REPORT**
ECO-INNOVATION



NOVAMONT

Novamont is a global leader in the production of **biodegradable bioplastic with renewable content**

In 2022, **the 14th edition of its Sustainability Report was published** and was assured by a third party for the first time. Moreover, since 2021 the Group has drafted an Impact Report

Regarding their status since 2020 of *Società Benefit* and B-Corp certification, Novamont obtained the **"Oscar di Bilancio 2022" Award in the category "benefit company" and was nominated "B-Corp Best for the World" in recognition of its environmental performance**

**Ecovadis Rating achievement with platinum medal** in its category in 2022

Novamont developed a **proprietary metric that allows the Group to measure its contribution to the circular bioeconomy** called **"regenerative turnover"**, equaling 71% in 2022

In 2022 Novamont has created a **"Shared Value&Impact Management Area"** (Corporate Strategy Implementation and Engagement Function) including the Group Sustainability Manager, appointed since 2016 (ECOPEC Function – Sustainability)

**NUMBERS**

**4**
production sites

**3**
R&D centers

**5**
proprietary technologies in the world

**642**
employees

**1,400**
patents and patent-applications




## COMPANY'S DESCRIPTION

Founded in 1990 and headquartered in Novara, Italy, Novamont S.p.A. (hereinafter "Novamont" or "the Group") is a **global leader in the production of biodegradable bioplastics with renewable content**. Novamont's products are Mater-Bi, bioplastics based on plant components and biodegradable polymers used for different applications, such as shopping bags and bags for biowaste, and Origo-Bi, polyesters obtained from vegetable oils used as intermediate products for the production of Mater-Bi.

**Novamont sells its products in more than 40 countries worldwide** via its commercial subsidiaries (in France, Germany, the USA, and Spain) and a global network of distributors. The Group counts on **3 R&D centres, 3 active innovation hubs and 4 production sites, including 1 processing site**.
Since its entry into Renaissance in 2015, Novamont completed the strategic acquisition of BioBag Group, a Norway-based leading supplier of low-impact products for waste collection and packaging and founded **Mater-Agro** (in partnership with Coldiretti and Consorzi Agrari d'Italia) with the dual aim of promoting sustainable solutions for farmers and developing sourcing of alternative feedstocks for the Novamont production process.

**Since 2008, Novamont has published a Sustainability Report annually and since 2019, has drafted a consolidated voluntary non-financial statement.**

In the context of its sustainability journey, Novamont monitors its ESG performance through specific KPIs. Since 2008, the Group has published a Sustainability Report annually and since 2019, has drafted a consolidated voluntary non-financial statement pursuant to the Italian Legislative Decree No. 254/2016. **For 2022, Novamont has updated the methodology of its reporting in reference to the 2021 GRI Standards**. Moreover, the Sustainability Report of the Group has been assured by a third party.

**Since July 2020, Novamont is a certified B-Corporation**. Since 2020 Novamont is also a Benefit Company and since 2021 it has drafted an **Impact Report**, located in the annex of the annual financial statements.



## MATERIALITY

In 2022 Novamont carried out a revision of its material topics by performing a new materiality analysis. The list of material topics has then been approved by the Governance Body, in the context of the approval of the Sustainability Report.

### MATERIAL TOPICS

- Supply chain and product sustainability
- Business stability and integrity
- Research & Innovation
- Partnership and collaboration for the regeneration of the local territory
- Responsibility towards the collaborators
- Conformity and product quality and attention towards the client
- Respect and regeneration of the soil
- Communication and promotion of sustainability
- Education and training of new generations

# ESG PERFORMANCE

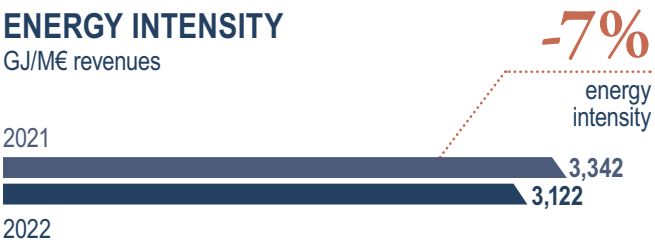
## ENVIRONMENTAL

The energy consumption within the Group is mainly attributable to the production processes and to a lesser extent to the lighting and air conditioning of the buildings and the operation of pilot plants. **The overall consumption has decreased by 4% in 2022, and of the 1,326,009 GJ consumed, 14% are sourced from renewable sources**. The Group is working to minimize the water consumption, where **water withdrawals decreased by 18% between 2021 and 2022**. The majority of water withdrawals occur from the Po River and do not interact with protected areas with the exception of the industrial facilities of Bottrighe which are located within part of Natura 2000, and thus closely monitored.

Novamont monitors its GHG emissions with a future target of being as close to zero as possible. For **Scope 1 emissions** the group recorded 70,982 ton$CO_2$ in 2022, a **10% increase compared to 2021 levels**, mainly due the startup of the trigeneration power plant of Patrica (powered by natural gas). **Scope 2 emissions both with market and location-based methodology have decreased, recording a value of 18,173 t$CO_{2eq}$ for location-based and just 838 t$CO_{2eq}$ for market-based**, due to the use of certified renewable electricity from Guarantees of Origin since 2010. This significant reduction took place due to the decrease of electricity purchased from the national electricity grid (Patrica's site).

With reference to circular economy, **Novamont's "regenerative turnover"[1] was equal to 71%**, in both 2022 and 2021.

**ENERGY INTENSITY**
GJ/M€ revenues




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | GJ | 1,383,401 | **1,326,009** | **-4%** |
| | *of which from renewable sources* | % | 25 | **14** | **-44%** |
| 303-3 | Water withdrawal | Ml | 14,515 | **11,950** | **-18%** |
| | Water intensity | Ml/M€ revenues | 35.1 | **28.1** | **-20%** |
| 302-3 | **Energy intensity** | GJ/M€ revenues | 3,342 | **3,112** | **-7%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_2$ | 64,360 | **70,982** | **10%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_{2eq}$ | 33,274 | **18,173** | **-45%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_{2eq}$ | 1,044 | **838** | **-20%** |
| 305-4 | **GHG emissions intensity** (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$/M€ revenues | 236 | **209** | **-11%** |
| 306-3 | Waste generated | t | 16,688 | **14,756** | **-12%** |
| | Waste intensity | t/M€ revenues | 40.3 | **34.6** | **-14%** |

## SOCIAL

Novamont had **642 employees** as of 31st December 2022, which represent an increase of 1.4% compared to 2021. **Almost the totality of the employee workforce was hired with a permanent contract**. The Group believes diversity is essential to ensure a dynamic and a socially cohesive work environment. In 2022, **31% of the employees were women and 10% were aged below 30 years old**.

Under the policy on quality, environment and safety, the Group strongly monitors health and safety matters. **In 2022, the rate of work-related injuries has decreased, and the group has not recorded work-related fatalities.**

The Group draws up a training plan on a yearly basis, implemented by external companies and highly qualified personnel, who carry out the specific sessions both in a physical and online format. In 2022, the average **training hours** per employee amount to 15.8 in the following areas: **health & safety, quality & environment, technical specialization, cross-job, soft skills, legislative decree 231/01 & privacy**.

**642**
employees

**31%**
women

**99%**
with a permanent contract

**10%**
under 30 years old

**15.8**
average hours of training per year per employee in 2022

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 633 | **642** | **1.4%** |
| | *of which with a permanent contract* | % | 97 | **99** | **2%** |
| 401-1 | **Rate of new employee hires** | % | 7 | **8.6** | **23%** |
| | Rate of employee turnover rate | % | 6 | **7.2** | **20%** |
| 403-9 | Number of employees' work-related fatalities | No. | 0 | **0** | **0%** |
| | Number of employees' work-related injuries | No. | 4 | **3** | **-25%** |
| | **Rate of work-related injuries** | Rate | 0.7 | **0.6** | **-14%** |
| 404-1 | Average hours of training per year per employee | No. | 18.3 | **15.8** | **-14%** |
| 405-1 | Diversity of employees as of 31.12 | | | | |
| | ***women*** | % | 28 | **31** | **11%** |
| | *<30 years old* | % | 12 | **10** | **-17%** |

## GOVERNANCE

Novamont's governance structure is composed of the following bodies: **the Shareholder's Meeting, the Board of Directors, the Board of Statutory Auditors, and various Internal Committees**.

The Group's Corporate Governance is guided by formalized policies that cover single companies or the whole group. In terms of ethics and integrity, Novamont S.p.A. and Mater-Biotech are regulated by **Codes of Ethics** while foreign subsidiaries are required to respect an **employee handbook** and their respective **Codes of Conduct**. The whole Novamont Group is subject to **231 Model** and the **Anti-corruption policy**, whereby **no cases of non-compliance, nor of antitrust were reported neither for 2021 nor 2022**.

**Responsible management of the supply chain is also an essential component of Novamont's Sustainability path.** Hence the Group applies tight controls to ensure the quality, safety, and environmental standards all along its supply chain, from raw materials to the transport of goods.

**The whole Novamont Group is subject to 231 Model and the Anti-corruption policy, whereby no cases of non-compliance, nor of antitrust were reported neither for 2021 nor 2022.**

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | **0%** |
| **206-1** | **Legal actions for anti-competitive behavior, anti-trust, and monopoly practices** | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 8.33 | 8.33 | **0%** |
| | *30-50 years old* | % | 16.7 | 16.7 | **0%** |



## MAIN POLICIES AND ONGOING INITIATIVES

The ESG performance of Novamont is complemented by the main policies and ongoing initiatives presented below, which lay the basis for the future commitments and reinforce the sustainability path undertaken by the company since its foundation.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Sustainability Policy (Novamont Group)
- Code of Ethics (Novamont S.p.A e Mater-Biotech)
- Employee handbook and Code of Conduct (foreign subsidiaries)
- Anti-corruption Policy (Novamont Group)
- Social Code of Conduct (BioBag Group)
- Modello 231/2001 (Italian companies)
- **Adoption of the B-Impact Assessment framework as first support for the management of sustainability topics, including those connected to employees wellbeing**
- QASS Policy on Quality, Environment and Safety (Novamont Group)
- ISO 45001: 2018 (Novamont S.p.A, Mater-Biotech S.p.A.)
- ISO 14001: 2015 (Novamont S.p.A, Mater-Biotech S.p.A , BioBag International AS, BioBag Norge AS, Dagöplast AS, BBI Sverige AB)
- ISO 9001: 2015 (Novamont S.p.A , Mater-Biotech S.p.A., BioBag International AS, BioBag Norge AS, Dagöplast AS, BBI Sverige AB, BioBag World Australia Pty Ltd)

### ONGOING INITIATIVES

- **Awarded the Sustainable Development Award for the strategy to disseminate sustainable cultivation practices**
- Activation of the trigeneration plant on the Patrica site
- Participation to over 100 national and international events such as Bioeconomy Day, World Bioeconomy Forum
- Collaboration with the local foundation *Circolo dei Lettori* for the project “Dialoghi con la Scienza”
- **Creation of a “Shared Value&Impact Management Area” (Corporate Strategy Implementation and Engagement Function)**
- Sustainability Committee composed by the CEO, plants directors and ten business functions
- **Launch and conclusion of the campaign Project Ecovadis, for monitoring and evaluation of sustainability performance of suppliers**



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Definition of MBOs tied to the achievement of ESG objectives (related to B-Corp score achievement, according to improvement Master Plan) | 2025 |
| ENVIRONMENTAL |  | **Obtainment of ISO 14067:2018 certification on Greenhouse Gases - Carbon footprint products- requirements and guidelines for quantification Systematic approach** | 2023 |
| | | Scouting activity for the identification of efforts to decarbonize the energy consumed by the Group | 2023-2026 |
| | | Maintenance above 0,5 of the circular fluxes[2] | 2023 |
| SOCIAL |  | **Institution of a Diversity Manager and a working group for Diversity & Inclusion** | 2023 |
| | | Institution of Novamont Officine, a physical and virtual place, where know-how, experiences, company values and outstanding competences are shared. A space where collaboration and creativity are highlighted as elements of company success, among which also high level of training focused on the development of skills (technical and other) and behaviors, towards constant growth | 2023-2026 |
| GOVERNANCE |  | Extension of the B-Corp Certification to the BIO-Bag Group | 2023 |
| | | **ESG Evaluation of at least 80% of strategic Novamont suppliers** | 2023 |

## NOTES

1 Regenerative turnover is defined as the product of the Circular Flow Index (CFI) multiplied by turnover. Regenerative turnover = (CFI * Turnover)*100; The Circular Flow Index quantifies the organization's input and output regenerative material and energy flows. Input circular flows are represented, for example, by renewable raw materials (of plant origin) or recycled raw materials and energy from renewable sources or recovered from process waste; examples of output circular flows are the waste sent for recycling, recovery or regeneration, recovered by-products, and final products that can be composted and have certified biodegradability, i.e., that have at least one practical recovery option.

2 The Circular Flow Index quantifies the regenerative flows of materials and energy as inputs and outputs of the organization.





Piedmont, Italy

**CASE REPORT**
SPECIALISED
INDUSTRIALS



# COMELZ

Comelz is a leading producer of **technologically advanced blade cutting machines, splitting machines and software solutions** for the footwear, leather goods and automotive industries operating across the globe

Defined an action plan aimed at **advancing the circularity of the products and promoting sustainability along its supply chain**

**Integrated ESG elements in the daily functioning of the Group with sector specific safety trainings** (over 6,300 hours of training in 2022) **and in-house sourcing of renewable energy** (over 1,600 GJ produced by the two PV plants in 2022)

**Sustainability Report has been carried out since 2019 on an annual basis**, as set out by the Italian Legislative Decree No. 254/2016 and the GRI Standards

Comelz prioritizes the development and innovation of its machines, with **12 proprietary patents and 3 new upcoming applications**

In 2022 both the management and external clients were involved in the materiality assessment to define the most relevant ESG topics: **health and safety in the workplace, innovation of its products and renewable energy consumption**

**NUMBERS**

**12**
prioritary patents

**3**
new upcoming applications

**6,300**
hours of training

**1,600**
GJ produced by the two PV plants in 2022

**70**
countries




## COMPANY'S DESCRIPTION

Comelz S.p.A. and its subsidiaries (hereinafter "Comelz" or "the Group") is a **leading producer of technologically advanced blade cutting machines, splitting machines and software solutions for the footwear, leather goods and automotive industries**.

Founded in **1943** and **headquartered in Vigevano (Italy)**, the company grew and distinguished itself from its competitors because of its technology which is underpinned by a **unique combination of internally developed and patented software with electro-mechanical systems** (including CAD/CAM designs solutions) guaranteeing enhanced production efficiency. Comelz sells its solutions in nearly **70 countries with clients ranging from major players in the luxury sector to large Asian shoe manufacturers** for well-known mass-market sport brands and key suppliers for the automotive industry.

Since its entry into Renaissance, Comelz has completed **two strategic add-on acquisitions: Camoga**, a leading leather splitting machine manufacturer that allowed Comelz to extend its product offering, and **Develer S.r.l.**, a software house with a team of more than 65 developers and hardware designers focused on CAD/CAM applications. On top of its Italian headquarters, the company has offices in **India, Brazil, China, and Myanmar**. Its international dimension makes Comelz aware of its social and environmental responsibilities.

**Comelz distinguished itself because of its technology which is underpinned by a unique combination of internally developed and patented software with electro-mechanical systems guaranteeing enhanced production efficiency.**

This is the fourth year Comelz has published a Sustainability Report and undergoes a materiality analysis. Proceeding on this track, **the company has updated its materiality analysis and the KPIs for ESG performance monitoring**, in line with 2021 GRI standards.

## MATERIALITY

**This year, the material themes have been updated through a questionnaire to selected clients** (10 clients of which 50% respondents). The results were then compiled to form the list of material topics for 2022.

### MATERIAL TOPICS

- Cybersecurity and Protection of data and sensitive information
- Sustainable management of the supply chain
- Ethics & business integrity and anti-corruption
- Management of energy consumption and fight against Climate Change
- Made in Italy, uniqueness, and versatility of the product
- Quality, reliability, and safety of the products
- Development of a positive work environment
- Sustainable development of value and business relations
- Relationship with the community
- Responsible management of materials and waste
- Innovation and R&D
- Health & safety of employees
- Diversity & Professional development



## Our offices

Comelz is headquartered in Vigevano, part of the Lombardy Region in the north of Italy

# ESG PERFORMANCE

## ENVIRONMENTAL

The commitment to environmental protection is enshrined in the company's Code of Ethics, where employees are asked to contribute to the obligations for the protection of the environment. In line with this approach, Comelz has consumed **12,037 GJ of energy in 2022**, which is a 6% increase from 2021. In 2022, **65% of total energy consumption was from electricity, 18% from natural gas, 12% diesel and 5% petrol for transport**. The renewable energy was primarily sourced from the two PV fields of Comelz S.p.A. and Develer S.r.l. The first has a capacity of 402 kWp and the second of 40 kWp (13% of total energy required).

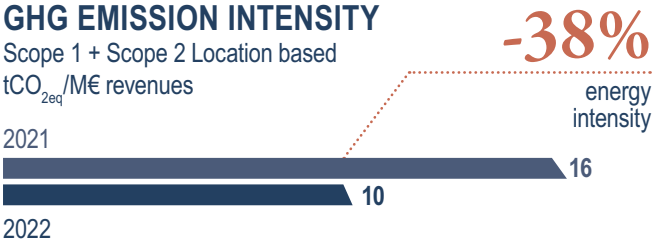
The close monitoring of GHG emissions shows that Comelz overall emitted 256 $tCO_{2eq}$ of Scope 1 emissions. This increase is due to a boost in consumption of petrol in company owned fleet, as the end of the pandemic has allowed employees to return to a high frequency of travel. Instead, levels of **Scope 2 emissions, both location-based and market-based, have decreased thanks to the expansion of the in-house production of electricity**. In particular, market-based emissions were less than the location-based because **Comelz S.p.A. purchases renewable energy with guarantees of origins, with a certificate that covers approximately 60% of the total of electrical energy**.

Comelz closely monitors the production and disposal of its waste, hence **waste intensity decreased by 6% between 2021 and 2022**.

**ENERGY INTENSITY**
GJ/M€ revenues




**GHG EMISSION INTENSITY**
Scope 1 + Scope 2 Location based
$tCO_{2eq}$/M€ revenues




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | GJ | 11,349 | **12,037** | **6%** |
| | *of which from renewable sources* | % | 41 | **51** | **24%** |
| 302-3 | Energy intensity | GJ/M€ revenues | 193 | **149** | **-23%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_{2eq}$ | 246 | **256** | **4%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 705 | **584** | **-17%** |
| | **Energy indirect** (Scope 2 – Market Based) GHG emissions | $tCO_{2eq}$ | 364 | **213** | **-41%** |
| 305-4 | GHG emissions intensity (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$/M€ revenues | 16 | **10** | **-38%** |
| 306-3 | Waste generated | t | 199 | **255** | **28%** |
| | **Waste intensity** | t/M€ revenues | 3.4 | **3.2** | **-6%** |

## SOCIAL

Comelz has prioritized attention to the social dimension of its workforce, clients and stakeholders. In 2022, Comelz counted on **379 employees** of which 94% had a permanent contract and **97% worked full time**. **The rate of new employees increased to 9%**, as **44 employees joined Comelz** in 2022. 98% of Group's employees were covered by collective bargaining agreements, which required a constant dialogue with union representatives within the company and on the local territory. Trainings are a crucial part of the development of the company. **Between 2021 and 2022, the average hours of training per employee went from 14 to 17, as new programs on usage and safety were dispensed to cover the recently introduced machines**. Specifically, this increase also includes the training for the employees of the newly integrated Camoga S.r.l.

On the community side, Comelz is committed to enrich the territory in which it operates. **In 2022, all senior managers (executives and managers) were employed from the local community and for the offices in China and India all senior managers were women**.

**379**
employees

**12%**
women

**94%**
with a permanent contract

**11%**
under 30 years old

**17**
average hours of training per year per employee in 2022

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 368 | **379** | **3%** |
| | *of which with a permanent contract* | % | 94 | **94** | **0%** |
| 401-1 | **Rate of new employee hires** | % | 11 | **12** | **9%** |
| | Rate of employee turnover rate | % | 7 | **9** | **29%** |
| 403-9 | Number of employees' work-related fatalities | No. | 0 | **0** | **0%** |
| | Number of employees' work-related injuries | No. | 4 | **5** | **25%** |
| | **Rate of work-related injuries** | Rate | 1.3 | **1.5** | **15%** |
| 404-1 | **Average hours of training per year per employee** | No. | 14 | **17** | **21%** |
| 405-1 | Diversity of employees as of 31.12 | | | | |
| | *women* | % | 14 | **12** | **-14%** |
| | *<30 years old* | % | 12 | **11** | **-8%** |

# GOVERNANCE

The company's Corporate Governance aims to guarantee collaboration between its parts and has the objective to promote a more transparent and responsible administration of its offices. **In 2022, the Governance body of Comelz S.p.A. consisted of 7 members, of which 1 is a woman. This represents a step towards a more diverse and inclusive leadership team compared to 2021.** Comelz has revised its Organizational, Management and Control Model in 2022. The Code of Conduct, which had been adopted in 2020, defines the principles that rule the company, from safety fundamentals to relations with suppliers. It is a mandatory document to sign upon entry in Comelz and it is easily accessible to all employees.

With the aim of reinforcing the connection with the local territory Comelz constantly engages with actors along its supply chain. **In 2022, 93% of all suppliers were local**.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | **0%** |
| **206-1** | **Legal actions for anti-competitive behavior, anti-trust, and monopoly practices** | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 0% | 14% | **n/a** |
| | *30-50 years old* | % | 17% | 14% | **-18%** |



## MAIN POLICIES AND ONGOING INITIATIVES

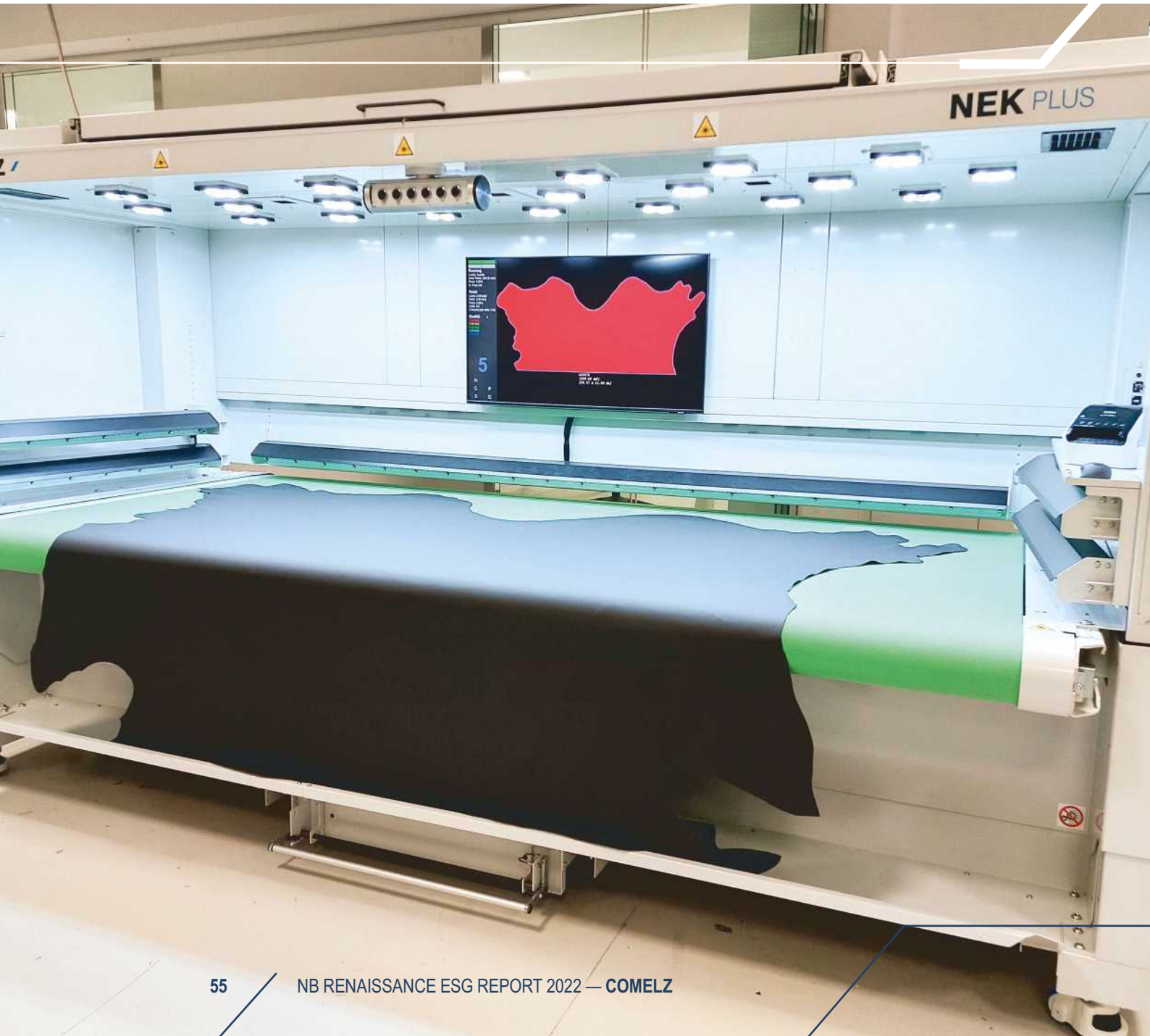
Comelz has also implemented policies and initiatives to substantiate its ESG performance presented above. Hereafter, there are a few highlights upon which the ESG Action Plan develops.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Organization, management, and control model pursuant to Legislative Decree 231/2001
- Code of Ethics
- Training on Health and Safety

### ONGOING INITIATIVES

- Sourcing of energy from in-house solar panels for the offices in Comelz S.p.A and Develer S.r.l.
- Purchase of Certificates of Origins for Comelz S.p.A's sourcing of renewable energy
- **Development of a circularity assessment for machine components**
- Request for the recognition of 3 new patents
- **Expansion of the Targa Verde to new machines**



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Establishment of an internal committee on Sustainability, with the various function leaders (i.e., Operations, HR, legal, audit etc.) | 2nd Semester 2023 |
| | | Identification of an ESG manager | 2nd Semester 2023 |
| | | Definition of MBOs tied to the achievement of ESG objectives | 2025 |
| ENVIRONMENTAL |  | Extension/ Development of a policy on product-end of life, with an analysis on products' environmental impact; and development of ISO 14021 | 2024 |
| | | Realization of a management system relative to the quantification and accounting of GHG emissions of the organization, following ISO 14064-1 | 2024-2025 |
| SOCIAL |  | Development of updated training on safety, privacy regulations and ethical behavior | 2024 |
| | | Definition and implementation of an MBO system for the Group's management | 2024 |
| GOVERNANCE |  | Promotion of activities of induction and training in the field of sustainability for management bodies and the sustainability committee | 2025 |
| | | Extension of the Code of Ethics to the Group | 2nd Semester 2023 |
| | | Development and implementation of a Code of Conduct and an ESG screening and evaluation system for all the suppliers of the Group | 2025 |
| | | Implementation of an audit plan for all suppliers | 2026 |
| | | Implementation of a self-evaluation ESG questionnaire for all the main suppliers of the Group | 2024 |





Lombardy, Italy

**CASE REPORT**
SPECIALISED
INDUSTRIALS



# Uteco

JOIN THE FLEX-CONVERTING

Uteco is a **leader in the design, engineering, and production of printing machines for flexible packaging**, employing around 300 people and selling its machines, fully produced in Italy, in over 100 countries worldwide

Involvement of stakeholders and top management in the analysis of material topics showed that **most relevant topics are related to innovation, employees' health and safety and diversity & inclusion**

Sustainability reporting has been an integral part of its operations since 2019 and is **now at its fourth edition**

**In 2022, the ESG manager was designated** and assigned to the Chief Strategy & Marketing Officer

Launch of Uteco's new machine, **ONYX GO**, more sustainable and efficient thanks to **Active Pack, the revolutionary energy and material saving system**

Use of **EB** (Electron Beam) **drying inks, a safe technology for food and the environment**. EB drying inks do not release solvent fumes and they are the most suitable for printing food packaging

## NUMBERS

**100+**
countries worldwide

**300+**
employees

**35**
years of market presence

**25,400**
$m^2$ of extension
of the production area



## COMPANY'S DESCRIPTION

Founded in 1985 and headquartered in Verona, Italy, Uteco Converting S.p.A. is a **leading player in the design, engineering, and production of printing machines for flexible packaging**.

Uteco Converting S.p.A. is the global co-leader in flexographic printing machines, with prominent positioning in the South of Europe and North America and offers a **complete range of printing machines** (rotogravure, digital and special hybrid configurations) **as well as coating and laminating solutions**.

Uteco Converting S.p.A. and its subsidiaries (hereinafter "Uteco" or "the Group") employs **more than 300 people** and sells its machines, fully produced in Italy, in **over 100 countries worldwide** through both a direct salesforce and external agents. Uteco's clients are primarily large packaging companies (converters), that print plastic film, paper, and tissue mainly for applications in the food and beverage industries.

**Uteco's vision is about supporting modern society in the development of new lifestyles that enable the innovation and the sustainability of packaging; our goal aligns with its social function and values for a better future.**

Since its entry into Renaissance, Uteco has completed two strategic add-on acquisitions: **Advanced Machinery**, a Belgian distributor of printing machines with after sales capabilities to increase geographical reach in Northern Europe, and **Vision**, an Italian company specialized in vision systems for quality control and industrial automation to internalize value-added competences.
In 2022, Uteco published its fourth Sustainability Report to continue the sustainability journey started in 2019 and to continuously improve its ESG performance.




## MATERIALITY

In 2022 Uteco conducted a materiality analysis to update its material topics and identify the related impacts generated by its business, according to the latest version of the GRI Standards. The evaluation and prioritization process led to a list of 14 material topics, listed below.

### MATERIAL TOPICS

- Innovation, research and development
- Employee health and safety
- Diversity, inclusion, well-being and employee development
- Ethics, integrity and compliance
- Human rights
- Quality, product safety and customer satisfaction
- Commitment to the environment
- Cyber-security and privacy
- Waste and discharges
- Responsible materials management
- Value creation and brand identity
- Energy consumption, emissions, and climate change
- Corporate Governance
- Supply chain management

# ESG PERFORMANCE

## ENVIRONMENTAL

Uteco operates to **minimize the impact of its activities on the environment** as it is aware of its strategic role in the sustainable development of the territory. With the goal of continuous improvement of its environmental performance, Uteco contributes to the **promotion of scientific and technological research and development**, ensuring that its products are designed to be compatible with the environment and to safeguard the health of customers, employees, and to protect the communities in which the Group operates.

**Uteco contributes to the promotion of scientific and technological research and development, ensuring that its products are designed to be compatible with the environment and to safeguard the health of customers, employees, and to protect the communities in which the Group operates.**

**During 2022 significant investments were launched aiming to reduce overall energy consumption** in all the organization's sites; in particular, throughout the year the old lighting systems were replaced with **LED bulbs in all sites**. **In 2022, Uteco consumed 19,924 GJ of energy, with a decrease of 23% compared to 2021**.
In 2022, Uteco continued to enhance its waste management thanks to its waste procedure, which defines how to classify, collect, and dispose waste produced, and thanks to its spill procedure, which defines procedures and responsibilities for the management of accidental spills of substances in the area adjacent to Uteco's plants.
**Overall, in 2022, there was a decrease of 19% in total waste generated** within the organization, compared to 2021.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | GJ | 25,985 | **19,924** | **-23%** |
| | *of which from renewable sources* | % | 1 | **1.26** | **26%** |
| 302-3 | Energy intensity | GJ/M€ revenues | 227.9 | **218.9** | **-4%** |
| 305-1 | **Direct GHG emissions** (Scope 1) | $tCO_2$ | 852 | **601** | **-29%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 975 | **818** | **-16%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | 1,421 | **1,187** | **-16%** |
| 305-4 | GHG emissions intensity (Scope 1 + Scope 2 Location Based) | $tCO_2$/M€ revenues | 16.03 | **15.59** | **-3%** |
| 306-3 | **Waste generated** | t | 1,075 | **876** | **-19%** |
| | Waste intensity | t/M€ revenues | 9.4 | **9.6** | **2%** |

Considering Uteco's strategic role in the development of its people and the community in which the Group operates, **during 2022 several initiatives were undertaken with the aim of promoting a sustainable, inclusive, and safe workplace**.

In 2022, Uteco began a **talent apprenticeship program**, aiming at hiring young talents from higher technical institutes and further develop their capabilities with continuous on-the-job training initiatives. **The Group aims to ensure continuous vocational training and professional growth**, developing, and expanding the skills of its employees in line with the evolution of the business. Moreover, **several additional human resource management initiatives were implemented** during the year, such as a referral program that rewards employees who bring new talents at all levels of the organization, a structured onboarding plan for new hires, salary benchmarking to maintain competitiveness in the industry labor market, among others.

**Uteco considers the protection of employee health and safety a fundamental condition for proper business conduct**, both from a regulatory as well as a human and ethical standpoint. **The company also has a Corporate Health and Safety Policy in place in all plants**. Moreover, Uteco has prepared a Training Plan that incorporates the training obligations of Italian legislation regarding health and safety that applies to all Group companies. In 2022, Uteco recorded a lower number of work-related injuries when compared with 2021 and previous years.

**In 2022, Uteco began a talent apprenticeship program, aiming at hiring young talents from higher technical institutes and further develop their capabilities with continuous on-the-job training initiatives.**

### EMPLOYEES BY GENDER AS OF 31.12.2022




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 330 | **351** | **6%** |
| | *of which with a permanent contract* | % | 99 | **93** | **-6%** |
| 401-1 | Rate of new employee hires | % | 16 | **18** | **13%** |
| | Rate of employee turnover rate | % | 10 | **17** | **70%** |
| 403-9 | Number of employees' work-related fatalities | No. | 0 | **0** | **0%** |
| | **Number of employees' work-related injuries** | No. | 11 | **2** | **-82%** |
| | Rate of work-related injuries | Rate | 20.1 | **3.57** | **-82%** |
| 404-1 | Average hours of training per year per employee | No. | 14.0 | **12.7** | **-9%** |
| 405-1 | **Diversity of employees as of 31.12** | | | | |
| | ***women*** | % | 15 | **16** | **7%** |
| | ***<30 years old*** | % | 13 | **14** | **8%** |

# GOVERNANCE

The corporate governance system adopted by Uteco is aimed at e**nsuring a responsible and transparent business conduct, with a view of creating value for stakeholders**.

In compliance with the provisions of the Legislative Decree no.231/2001, Uteco Converting S.p.A. adopted the **Organization, Management and Control Model**, aimed at managing and preventing the offenses included in the Decree.

The rules of conduct contained in the 231 Model integrate with those of the Code of Ethics, adopted by all the companies of Uteco Group in order to express the ethical principles and business values. The Code of Ethics is updated periodically and shared with all employees and the stakeholders who are affected by the company. With the aim of creating a model of sustainable development integrated with the company strategies, in 2021, an **Internal Committee on Sustainability** at the managerial level was defined, composed by the following functions: Field Engineering, Product Innovation; Customer service, Administration, Safety, Environment & General Service, Production, Digital, Democenter, Printing Lab & Academy.

In 2022, the Group also identified an **ESG manager**. Sustainability and ESG management responsibilities were assigned to the Chief Strategy & Marketing Officer.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27**[1] | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | **0%** |
| **206-1** | **Legal actions for anti-competitive behavior, anti-trust, and monopoly practices** | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 0 | 0 | **0%** |
| | *30-50 years old* | % | 30 | 11 | **-63%** |



## MAIN POLICIES AND ONGOING INITIATIVES

Uteco already has sustainability related policies and initiatives in place; below is a recap of the main ongoing initiatives and policies.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Identification of an ESG manager
- Institution of an Internal Committee on Sustainability
- Organization, management, and control model pursuant to Legislative Decree 231/2001 (Uteco Converting S.p.A.);
- **Group's Code of Ethics**
- **Impact assessment procedure**
- **Waste procedure**
- **Spill procedure**
- **Health & Safety Corporate Policy**
- **Supplier qualification procedure**
- Performance and Salary review process

### ONGOING INITIATIVES

- Setting up of professional, technologically advanced, motivated, and determined teams
- Proactively contribute to the development of the new frontiers of packaging, to minimize its ecological impact on the environment and in the service of preserving food for the health of consumers



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Definition of MBOs tied to the achievement of ESG objectives | 2025 |
| ENVIRONMENTAL |  | Adoption of the environmental management system certified according to the UNI EN ISO 14001:2015 standard | 2025 |
| | | Development of tools for monitoring and reporting on environmental and/or social impacts on two product categories. | 2023/2024 |
| | | Increased self-generated (photovoltaic)/purchased electricity from renewable sources. | 2024 |
| SOCIAL |  | Launch, implementation, and continuous improvement of a People Review process aimed at ensuring assessment policies, K People monitoring and people development | 2023/2024 |
| | | Adoption of the UNI EN ISO 45001:2018 certified management system for occupational health and safety management | 2025 |
| | | Adoption of the UNI EN ISO 9001:2015 certified management system for quality management | 2025 |
| GOVERNANCE |  | Definition of a Group Sustainability Policy in order to define vision and principles in the area of sustainability and outline key responsibilities at the Group level | 2024 |
| | | Promotion of induction activities and engagement of governing bodies and internal sustainability committee on sustainability issues | 2024 |
| | | Compiling the Ecovadis ESG questionnaire to achieve an assessment of Uteco Group's sustainability performance | 2023 |

## NOTES

[1] Before 2022 (effective date of GRI 2-27) there were no instances of noncompliance for environmental and socioeconomic aspects as per the indicators reported (GRI 307-1 and GRI 419-1).




Veneto, Italy

# ESG HIGHLIGHTS: FUND III

Renaissance Fund III portfolio companies have worked hard in the last year to improve their ESG performance. **Regarding certifications on environmental management systems[1], RMG, SICIT and Engineering held the certification in both years**, whereas **Hydro Holding has introduced it as an objective in the ESG Action Plan together with OverIT**.

In terms of **social performance and a quality management system[2], all the companies obtained the certification except for SICIT, which has a partial coverage of its plants, scheduled for an extension to the SICIT Group S.p.A in the ESG Action Plan 2023**. Similarly, Hydro Holding intends to extend the certification to its foreign plants in 2025. For the health and safety management system[3], SICIT and Engineering have already obtained it, while Rino Mastrotto Group and Hydro Holding intend to obtain it as part of their ESG goals 2023-2024.

In relation to the **Social and Diversity&Inclusion** aspects, **in 2022 Rino Mastrotto Group joined SICIT in formalizing related policies**, with the entry into force by 2023. **Hydro Holding has committed to define one in the first quarter of 2024**.

**In relation to the ESG manager, in 2022 Engineering was joined by OverIT and Rino Mastrotto Group with the introduction of a specific role for ESG matters.**

Rino Mastrotto Group and Hydro Holding set the example two years in a row by appointing women to their Board of Directors. In relation to the ESG manager, in 2022 Engineering was joined by OverIT and Rino Mastrotto Group with the introduction of a specific manager for ESG matters.

| | ESG HIGHLIGHTS | 2021 | 2022 Adj[4] | 2022 |
|---|---|---|---|---|
| ENVIRONMENTAL | Percentage of portfolio companies that have a UNI EN ISO 14001:2015 certified environmental management system | 60% | **60%** | **50%** |
| SOCIAL | Percentage of portfolio companies that have a UNI EN ISO 9001:2015 certified quality management system | 80% | **80%** | **67%** |
| | **Percentage of portfolio companies that have adopted a Diversity & inclusion Policy** | 20% | **40%** | **33%** |
| | Percentage of portfolio companies that have a UNI EN ISO 45001:2018 certified Occupational health and safety management system | 40% | **40%** | **33%** |
| GOVERNANCE | **Percentage of portfolio companies that have adopted a Code of Ethics** | 100% | **100%** | **100%** |
| | **Percentage of portfolio companies that have implemented the Organization Model pursuant to Italian Legislative Decree 231** | 100% | **100%** | **100%** |
| | Percentage of portfolio companies with at least one woman on the Board of Directors | 40% | **40%** | **33%** |
| | Percentage of portfolio companies that have defined ESG roles and responsibilities | 20% | **60%** | **50%** |

[4] The calculation of percentages in the ESG highlights considers the total number of investee companies at the end of the year. Thus, the percentages for 2022 consider 6 portfolio companies, while the percentages for 2021 consider 5 portfolio companies. The column "2022Adj" excludes the 2022 data of Arbo for comparison reasons. Moreover, neither 2021 nor 2022 data include Inetum and the data for 2022 does not include Neopharmed.

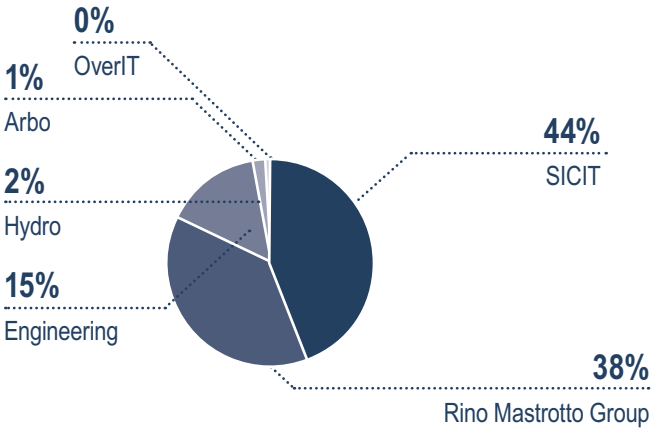


## ENVIRONMENTAL

**Fund III companies have overall improved their environmental performance.** SICIT is the company that contributes the most to the total energy consumed and to the total of Scope 1 emissions, followed by Rino Mastrotto Group. **Overall energy intensity**, understood as GJ/M€ revenues, **has been reduced of 13% within the Fund III**.

Regarding the efforts of Fund III companies in terms of reducing **GHG emissions intensity, (Scope 1 and Scope 2 Location Based emission) 2022 showed a 12% reduction in the overall emissions performance**. Due to their type of businesses and dimensions, **Rino Mastrotto Group and SICIT** mostly have an impact on the environmental performance of Fund III, specifically in terms of water, chemicals and waste. Regardless, the two companies **defined clear goals to monitor and mitigate their impact on natural resources and land**. Moreover, **Fund III companies overall, showed positive results regarding waste with a slight decrease of 3% in waste intensity.**

### 2022 FUND III - ENERGY CONSUMPTION




| GRI | ESG KPI | UoM | 2021 | 2022 Adj[4] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| 302-1 | Energy consumption within the fund | GJ | 1,034,394 | **967,922** | 981,903 | **-6%** |
| | *of which from renewable sources* | % | 22 | **22** | 21 | **0%** |
| 302-3 | **Energy intensity** | GJ/M€ revenues | 545.7 | **477.2** | 463.4 | **-13%** |
| 303-3 | Water withdrawal[5] | Ml | 2,423 | **2,759** | 2,760 | **14%** |
| | Water intensity | Ml/ M€ revenues | 1.28 | **1.36** | 1.30 | **6%** |
| 305-1 | **Direct GHG emissions (Scope 1)** | $tCO_{2eq}$ | 44,434 | **42,310** | 42,783 | **-5%** |
| 305-2 | Scope 2 – Location Based GHG emissions | $tCO_2$ | 19,231 | **17,808** | 18,579 | **-7%** |
| | Scope 2 – Market Based GHG emissions | $tCO_2$ | 6,626 | **6,147** | 7,223 | **-7%** |
| 305-4 | **GHG emissions intensity (Scope 1 + Scope 2 Location Based)** | $tCO_{2eq}$ /M€ revenues | 33.6 | **29.6** | 28.9 | **-12%** |
| 306-3 | Waste generated | t | 42,160 | **43,851** | 45,201 | **4%** |
| | **Waste intensity** | t/M€ revenues | 22.2 | **21.6** | 21.3 | **-3%** |

[4] The calculation of percentages in the ESG highlights considers the total number of investee companies at the end of the year. Thus, the percentages for 2022 consider 6 portfolio companies, while the percentages for 2021 consider 5 portfolio companies. The column "2022Adj" excludes the 2022 data of Arbo for comparison reasons. Moreover, neither 2021 nor 2022 data include Inetum and the data for 2022 does not include Neopharmed.

## SOCIAL

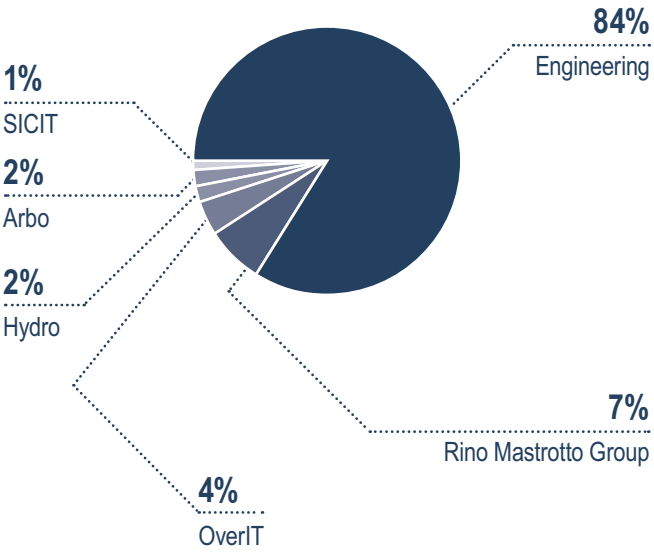
The social performance of Fund III companies mirrors the dynamic pace of the market for the years 2021 and 2022.

**The increase in the number of new employees (+27%) within the portfolio** is given by the need of OverIT to create its own structure and Engineering to acquire more workers, which represents a large part of the total of employees of companies belonging to Fund III. Accordingly, the consolidated social performance is mainly impacted.

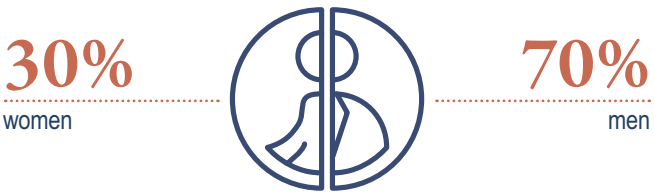
**As of 31st December 2022, the percentage of permanent contracts is close to 100% in all portfolio companies of Fund III and 1 in 3 employees is a woman.**

Overall, **the rate of employee work-related injuries from Fund III were reduced by nearly 4%**, with Rino Mastrotto Group and Hydro Holding having the highest rates, in line with their size and intense industrial processes, compared to other companies.

### 2022 FUND III - EMPLOYEES COMPOSITION




### 2022 FUND III - DIVERSITY OF EMPLOYEES




| GRI | ESG KPI | UoM | 2021 | 2022 Adj[4] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 13,747 | **14,608** | 14,976 | **6%** |
| | *of which with a permanent contract* | % | 99% | **99%** | 99% | **0%** |
| 401-1 | **Number of new employee hires** | No. | 2,032 | **2,819** | 2,909 | **39%** |
| | Rate of new employee hires | % | 15% | **19%** | 19% | **27%** |
| | Rate of employee turnover rate | % | 11% | **12%** | 12% | **9%** |
| 403-9 | **Rate of employee work-related injuries**[6] | Rate | 2.5 | **2.4** | 2.5 | **-4%** |
| 405-1 | Diversity of employees as of 31.12 | | | | | |
| | *women* | % | 30% | **30%** | 29% | **0%** |
| | *<30 years old* | % | 16% | **18%** | 18% | **13%** |

[4] The calculation of percentages in the ESG highlights considers the total number of investee companies at the end of the year. Thus, the percentages for 2022 consider 6 portfolio companies, while the percentages for 2021 consider 5 portfolio companies. The column "2022Adj" excludes the 2022 data of Arbo for comparison reasons. Moreover, neither 2021 nor 2022 data include Inetum and the data for 2022 does not include Neopharmed.

## GOVERNANCE

Fund III companies have **all implemented a Code of Ethics and 231 Model for organizational management**. While the corporate governance systems are organized in different manners within the portfolio based on the characteristics of each company and their subsidiaries, transparency and inclusivity remain principles common to all. 4% of Board Members are women, with Rino Mastrotto Group and Hydro Holding lifting the average.

**In 2022, 60% of Fund III companies have introduced an ESG manager in their internal structures and all companies committed to introduce an ESG Committee by the end of 2023.**

| GRI | ESG KPI | UoM | 2021 | 2022 Adj[4] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| **2-27**[7] | Instances of non-compliance with laws and regulations | No. | 0 | **0** | 0 | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | 0 | **0%** |
| **206-1** | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | **0** | 0 | **0%** |
| **405-1** | Diversity of governance bodies as of 31.12 (BoD of the parent companies) | | | | | |
| | ***women*** | % | 4 | **5** | 4 | **25%** |
| | *30-50 years old* | % | 33 | **32** | 31 | **-3%** |

[4] The calculation of percentages in the ESG highlights considers the total number of investee companies at the end of the year. Thus, the percentages for 2022 consider 6 portfolio companies, while the percentages for 2021 consider 5 portfolio companies. The column "2022Adj" excludes the 2022 data of Arbo for comparison reasons. Moreover, neither 2021 nor 2022 data include Inetum and the data for 2022 does not include Neopharmed.

Renaissance strives to continuously improve its commitment to ESG, enhance ESG disclosure and improve transparency and accountability to its stakeholders.

In this regard, **Renaissance's engagement in the ESG Data Convergence Initiative aims to improve understanding of ESG data across private equity GPs. The Initiative helps to highlight how the portfolio companies perform compared to peers, identifying their strengths and opportunities**.

ESG Data Convergence Initiative is an opportunity for Renaissance and the broader Private Equity industry to benchmark with other GPs in ESG data monitoring, highlighting how our portfolio companies could use ESG data to compare to peers, assessing where they excel and what are the key areas for improvement.

ESG Data Convergence Initiative

HYDRO SICIT

RINO MASTROTTO GROUP ENGINEERING THE DIGITAL TRANSFORMATION COMPANY

## NOTES

1 ISO 14001:2015
2 ISO 9001:2015
3 ISO 45001:2018
4 The calculation of percentages in the ESG highlights considers the total number of investee companies at the end of the year. Thus, the percentages for 2022 consider 6 portfolio companies, while the percentages for 2021 consider 5 portfolio companies. The column "2022Adj" excludes the 2022 data of Arbo for comparison reasons. Moreover, neither 2021 nor 2022 data include Inetum and the data for 2022 does not include Neopharmed.
5 The KPI GRI 303-3 and GRI 306-3 has not been collected for the following companies because it is not relevant for their business: Hydro Holding S.p.A. and Arbo S.p.A for GRI 303-3, OverIT for GRI 303-3 and GRI 306-3.
6 The rate of employee work related injuries has been calculated according to the GRI standards: Number of recordable work-related injuries / Number of hours worked * 1,000,000.
7 Before 2022 (effective date of GRI 2-27) there were no instances of non-compliance for environmental and socioeconomic aspects as per the indicators reported (GRI 307-1 and GRI 419-1).



**CASE REPORT**
SPECIALISED
INDUSTRIALS



HYDRO®

Hydro Holding is the largest independent manufacturer of hose fittings in Europe, operating in **5 countries** and employing around **320 people**

Sustainability reporting has been an integral part of its operations since 2019, and they are **now at the fourth edition of their Sustainability Report**

Involvement of top management and, for the first time in 2022, external stakeholders in the analysis of material topics and impacts resulted in defining **human rights, health and safety and energy consumption as material topics**

By 2024, and within the context of the ESG Action plan, the Group will **enlarge its installation of a photovoltaic system at the Ariano Irpino site and other operating sites**

As far as waste reduction is concerned, **Hydro Holding S.p.A. is committed to reuse and recycle: 100% of waste collected and recycled with oils and packaging used in several production cycles before being disposed of**

**NUMBERS**

**320**
employees

**35%**
women

**5**
countries

**6**
key application sectors

**80%**
of sales outside Italy




## COMPANY'S DESCRIPTION

**Quality, innovation, and technical excellence are among Hydro Holding's key corporate values.**

Born in 2015, Hydro Holding (hereinafter also "Group") boasts a group of extremely experienced Italian companies (fully integrated since January 2021), all specializing in the **manufacturing of high quality hydraulic fittings and cold formed ferrules, namely Tieffe** (one of the largest European producers of carbon steel fittings), **FB Hydraulic** (leader in the production of hose fittings and in assembling flexible hoses and rigid pipes), **MCS Hydraulics** (specialized in the production of stainless steel fittings) **and Raccorfer** (a cold forming technology specialist).

Hydro Holding is the largest independent manufacturer of hose fittings in Europe and enjoys a comprehensive product offering with a full range of fittings for flexible hoses, adaptors, assembled hoses and rigid pipes for high-pressure hydraulic systems with main applications in agriculture, construction, mining, material handling and transportation.

**The main objective of Hydro Holding is to understand and anticipate customer needs by developing partnerships aiming at developing specific technical solutions for serving promptly and qualitatively the customer along all the relationship phases, from the order to the after sales service.**

Hydro Holding began its sustainability journey in 2019, drafting its first Sustainability Report with reference to GRI Standards and implementing ESG performance monitoring.

**In 2022, Hydro pushed its Sustainability reporting forward by adopting 2021 GRI standard's update and applying its methodology for the identification of key ESG impacts and related material issues**. This process also considered the engagement of the Group's employees for the first time.

## MATERIALITY

For the purpose of the 2022 report, the company updated its materiality analysis in order to identify the topics and their impacts that are most affected by its activity. The evaluation process led to a list of 14 material topics for the company, which were approved by the company's management and displayed below by priority.

### MATERIAL TOPICS

- Human rights
- Worker health and safety
- Energy consumption and transition to renewable energy
- Product quality and safety, and client satisfaction
- Corporate governance and anticorruption
- Responsible management of waste and circular economy
- Training, valorization and employee satisfaction
- Climate change and emissions
- Diversity, inclusion, welfare and employee well-being
- Cybersecurity & information security
- Responsible procurement of raw materials and semi-finished products
- Innovation & R&D
- Local community engagement
- Sustainable economic growth



## Our people

Hydro Holding is inspired by employees' vision, passion and experience, paying close attention to welfare and diversity in the working environment

# ESG PERFORMANCE

## ENVIRONMENTAL

The Group pays particular attention to the impact of business activities on the environment, managing its energy consumption and emissions in a careful and responsible manner, operating with the aim of minimizing the impact.

The Group's energy consumption is mainly associated with the **purchase of electricity from the grid, which represented 86% of the total energy used in 2022**. The remaining share came respectively from natural gas consumption (12%) and self-produced electricity (2%).

Although 2022 saw an increase in energy consumption overall, **both energy intensity and GHG emissions intensity (Scope 1 + Scope 2 Location based) showed positive outcomes, with a decrease of 17% and 16%, respectively**. Following the Groups goal to transition to clean energy, its Ariano Irpino site has been equipped with a **perfectly integrated photovoltaic plant on the wave roof of the factory**. In this regard, the company has set the goal of installing an **additional photovoltaic system at the Ariano Irpino site by 2024**.

As far as waste reduction is concerned, Hydro Holding S.p.A. is committed to high-quality waste management practices. Therefore, oils and packaging are used in several production cycles before being disposed of and 100% of waste from production activities are collected and recycled.

| GRI | ESG KPI | UoM | 2021 | 2022 Adj[1] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| 302-1 | **Energy consumption within the organization** | GJ | 22,115 | **24,008** | 24,740.67 | **9%** |
| | *of which from renewable sources* | GJ | 890 | **468** | 467.6 | **-47%** |
| | | % | 4 | **2** | 2 | **-50%** |
| 302-3 | Energy intensity | GJ/M€ revenues | 364.9 | **303.1** | 271.6 | **-17%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_{2eq}$ | 169.38 | **170.02** | 170.02 | **0.4%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 1,629.69 | **1,794.11** | 1,887.63 | **10.1%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | 2,320.19 | **2,602.04** | 2,716.56 | **12.1%** |
| 305-4 | **GHG emissions intensity** (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$ /M€ revenues | 29.7 | **24.8** | 22.6 | **-16%** |
| 306-3 | Waste generated | t | 1,186 | **1,272** | 1,275 | **7%** |
| | **Waste intensity** | t/M€ revenues | 19.6 | **16.1** | 14.0 | **-18%** |

[1] "2022Adj" excludes 2022 environmental and training data (GRI 404-1) of Efeti S.r.o and Evofluid Hydraulik GmbH for comparison reasons; includes 2022 health and safety data only for Hydro Holding S.p.A..

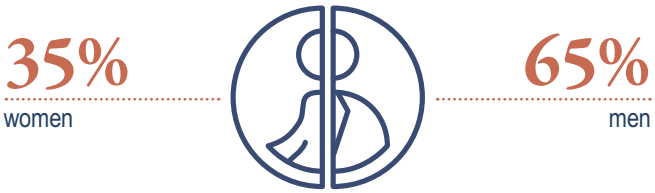
## SOCIAL

Hydro Holding implements every possible action aimed at improving the "corporate climate" and the professional and personal satisfaction of its employees. In particular, Hydro Holding S.p.A. strongly believes in its contribution to local employment, as **more than 80% of all its employees were employed by the local community, i.e. in the municipalities surrounding the production sites**.

As of 31st December 2022, the total number of Group employees was 320, plus 38 external collaborators (temporary staff). In addition, **about 78% of employees were located in the Group's Italian plants, while the remaining 22% were divided between the UK (2%), the Czech Republic (18%) and Germany (2%)**. The core principles of Hydro Holding Group are enhancing diversity and inclusion of its people, which is personified in **one of the highest percentages of female employment in the industry: women represented 35% of the Group's** total workforce as of 31st December 2022.

In the area of talent development, in continuity with 2021, also in 2022 Hydro Holding S.p.A. joined **Erasmus+**, the European Union program that enables the acquisition of valuable work experience by favoring internships abroad. Furthermore, also in 2022, Hydro Holding S.p.A. has offered **apprenticeship programs aimed at people who have a particular vulnerability and fragility**, also in terms of distance from the labor market, and who are in the care of social and/or health services.

### EMPLOYEES BY GENDER AS OF 31.12.2022




| GRI | ESG KPI | UoM | 2021 | 2022 Adj[1] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 314 | **320** | 320 | **2%** |
| | *of which with a permanent contract* | % | 97 | **96** | 96 | **-1%** |
| 401-1 | **Rate of new employee hires** | % | 13 | **12** | 12 | **-8%** |
| | Rate of employee turnover | % | 8 | **10** | 10 | **25%** |
| 403-9 | Nr. of fatalities | No. | 0 | **0** | 0 | **0%** |
| | Nr. of work-related injuries | No. | 3 | **7** | 8 | **133%** |
| | Rate of employee work-related injuries | Rate | 6.83 | **16.78** | 15.06 | **146%** |
| 404-1 | **Average hours of training per year per employee** | No. | 4.89 | **5.02** | 4.36 | **3%** |
| 405-1 | Diversity of employees as of 31.12 | | | | | |
| | ***women*** | % | 33 | **35** | 35 | **6%** |
| | *<30 years old* | % | 15 | **16** | 16 | **7%** |
| 406-1 | Total number of incidents of discrimination | No. | 0 | **0** | 0 | **0%** |

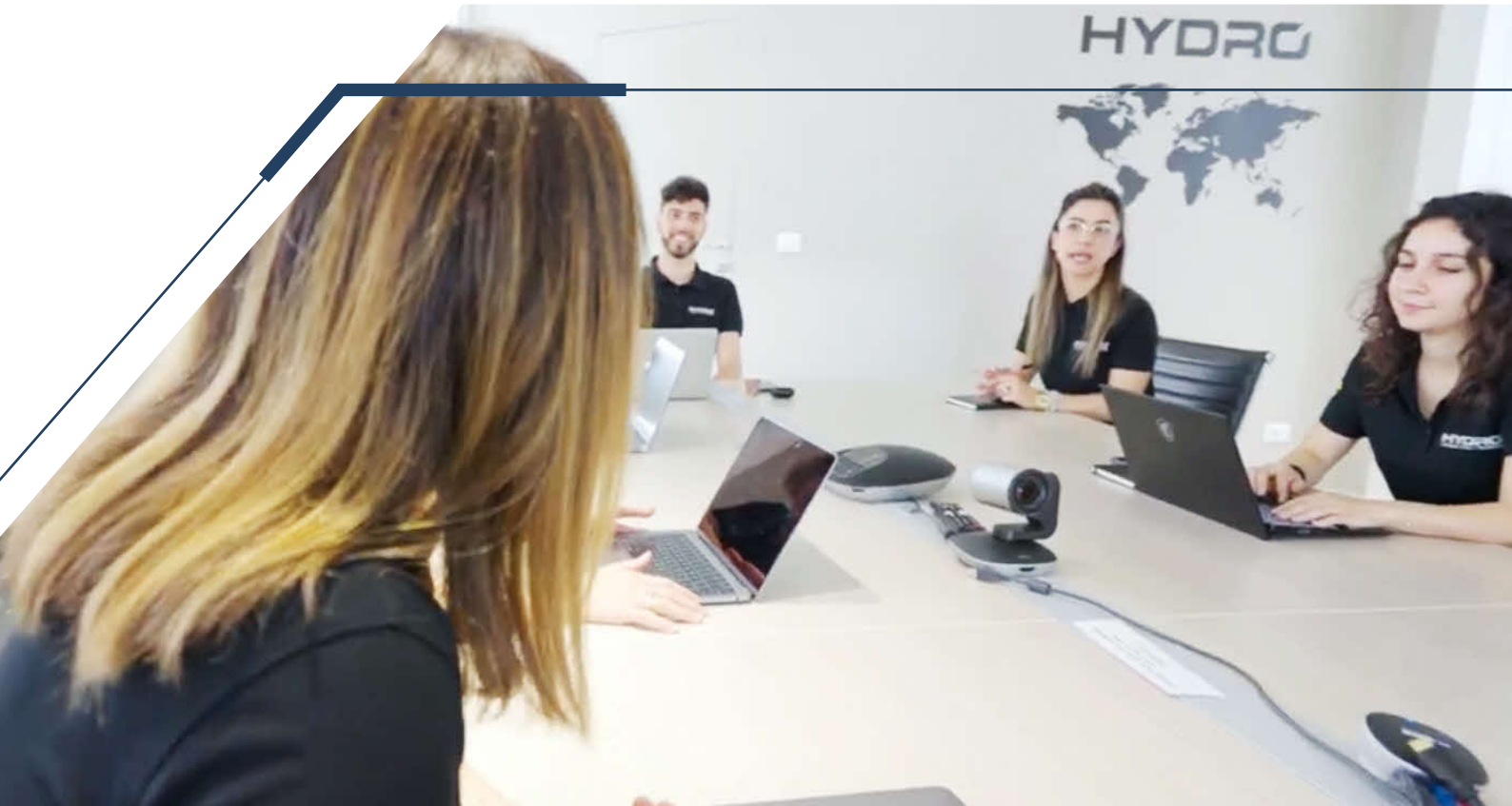
[1] "2022Adj" excludes 2022 environmental and training data (GRI 404-1) of Efeti S.r.o and Evofluid Hydraulik GmbH for comparison reasons; includes 2022 health and safety data only for Hydro Holding S.p.A..

# GOVERNANCE

The Group pays **close attention to the competitive environment in which it operates by monitoring and analyzing data relating to the performance of its reference market**. These analyses are based on **reports made available by trade associations (Assofluid)**, which take into account the performance of main Italian and foreign competitors.

Hydro Holding S.p.A. has adopted an **Organizational, Management and Control Model, pursuant to the Legislative Decree 231/2001**. The corporate governance system of Hydro Holding S.p.A., as a set of structures and rules of management and control necessary for the functioning of the Company, has been outlined in compliance with the regulations to which it is subject.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ 2022-2021 |
|---|---|---|---|---|---|
| 2-27 | Instances of non-compliance with laws and regulations | No. | 0 | 0 | 0% |
| 205-3 | **Confirmed incidents of corruption** | No. | 0 | 0 | 0% |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | 0 | 0% |
| 405-1 | Diversity of governance bodies as of 31.12 (BoD of the parent companies) | | | | |
| | *women* | % | 11 | **11** | 0% |
| | *30-50 years old* | % | 44 | **44** | 0% |
| 204-1 | **Proportion of spending on local suppliers** | | | | |
| | ***Local*** | % | 82 | 81 | -1% |
| | ***Abroad*** | % | 18 | 19 | 6% |



## MAIN POLICIES AND ONGOING INITIATIVES

As illustrated in the section above on ESG performance, Hydro Holding has already in place sustainability related policies and initiatives to corroborate its commitments to greater sustainability towards its stakeholders. Below a recap of the main ongoing initiatives and policies in place.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Organization, management, and control model pursuant to Legislative Decree 231/2001, at Hydro Holding S.p.A. level
- Group's Code of Ethics
- ISO 9001 certification (Italian plants)

### ONGOING INITIATIVES

- Definition of the Diversity & Inclusion Policy
- Implementation of anti-corruption and business ethics principles and practices in a policy extended to the Group's foreign subsidiaries
- Feasibility study for photovoltaic plant expansion at Ariano Irpino plan



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO |  | Establishment of an Internal Committee on Sustainability that will include the CEO, CCO, Supply Chain Manager, HR/HSE Manager, CFO | 2023 |
| | | Identification of an ESG manager | 2023 |
| | | Definition and introduction of MBOs at Group management level | 2024 |
| | | Definition of MBOs tied to the achievement of ESG objectives defined in the Group Action Plan | 2025 |
| ENVIRONMENTAL |   | **Extension of the quality management system UNI EN ISO 9001:2015 certification on foreign plants** | 2025 |
| | | Adoption, implementation and certification of an environmental management system according to the requirements of UNI EN ISO14001:2015 for Italian plants | 2nd Semester 2023 |
| | | Adoption, implementation and certification of an environmental management system according to the requirements of UNI EN ISO 14001:2015 for foreign plants | 2025 |
| | | Installation of a new photovoltaic system at the Ariano Irpino plant (Multispindle hub) | 2024 |
| | | Implementation of water purifiers/dispensers at all Italian plants in order to reduce plastic waste | 2023 |
| SOCIAL |    | Definition of a Group HR Manager | 2023 |
| | | **Definition of the Diversity & Inclusion Policy** | 1st Semester 2024 |
| | | Induction/training courses for ESG committee members | 2024 |
| | | Adoption,implementation and certification of an ISO 45001 Health and Safety Management System for Italian plants | 2nd Semester 2023 |
| | | Adoption,implementation and certification of an ISO 45001 Health and Safety Management System for foreign plants | 2025 |
| GOVERNANCE |   | Implementation of anti-corruption and business ethics principles and practices in a policy extended to the Group's foreign subsidiaries | 2023 |
| | | Implementation of ESG self-assessment questionnaire for suppliers | 2024 |
| | | Development and implementation of a Code of Conduct and an ESG screening and evaluation system for all Group suppliers | 2025 |
| | | Definition of an ESG audit plan on Group suppliers | 2025 |

## NOTES

[1] "2022Adj" excludes 2022 environmental and training data (GRI 404-1) of Efeti S.r.o and Evofluid Hydraulik GmbH for comparison reasons; includes 2022 health and safety data only for Hydro Holding S.p.A..





Emilia Romagna, Italy

**CASE REPORT**
SPECIALISED
INDUSTRIALS



RINO MASTROTTO GROUP

Rino Mastrotto Group (RMG) is a **leading group of distinguished value-added services and production brands serving high-end clients in the luxury goods, automotive and interior design sectors**, operating in 5 countries and employing 1,088 people

**Involvement of top management and, for the first time in 2022, employees in the analysis of material topics and impacts generated**; most relevant topics emerged were related to traceability, people wellbeing, product design, protection of animal welfare and biodiversity

**Leather Working Group certification within all Rino Mastrotto Group S.p.A.'s divisions, Nuova Osba S.r.l. and Elmo Sweden** (silver and bronze medals)

**In 2022, the continuation of products Life Cycle Assessment (LCA) studies took place** to quantify the environmental impact in each of the phases of the production cycle

Since 2019, sustainability reporting has been an integral part of its governance system, now at its 4th edition. **In 2022, the report received its first external party assurance**

**Rino Mastrotto Group S.p.A., Elmo Sweden AB and Bermas LTDA purchased the totality of their electricity from renewable sources in 2022**, amounting more than 9% of total energy consumed by the Group

**NUMBERS**

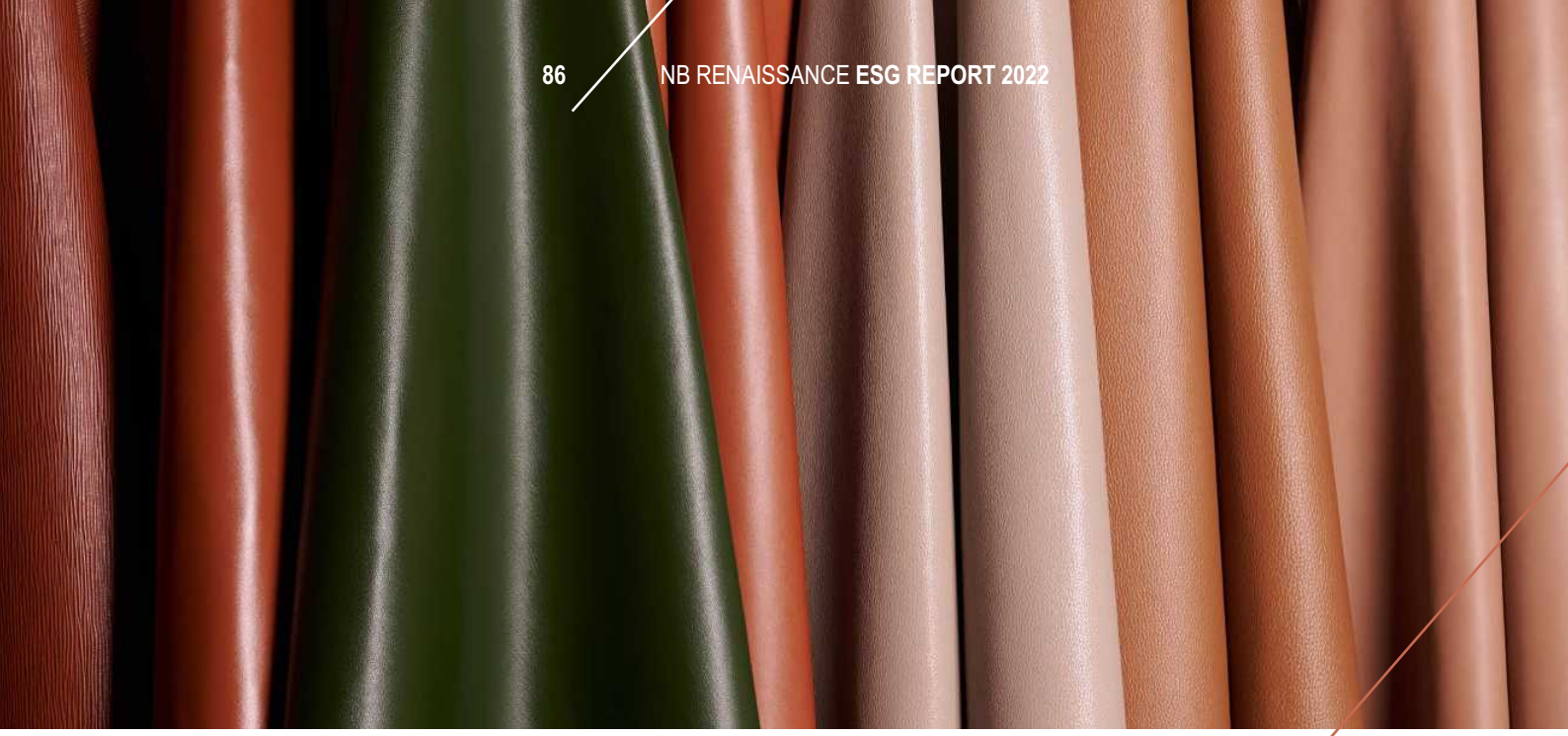
**1,088**
employees

**5**
countries with sites

**14**
operating sites

**+37%**
of energy from the grid is from renewables

**-8%**
water withdrawal



## COMPANY'S DESCRIPTION

**Founded in 1958 with headquarters in Trissino Italy**, Rino Mastrotto Group (hereinafter also "RMG") is a **leading supplier of high-quality leather, textile and value-adding services to the luxury, interior design, and automotive industries**. Rino Mastrotto Group is widely recognized as a strategic partner by many of its clients, with a distinctive technological edge, best in class level of service and a global production footprint. **The Group also offers high value add cutting, printing, and decoration services to clients, both in Italy and abroad**.

In order to achieve its sustainability path formalized in 2019 with the drafting of its first Sustainability Report, the Group adopts best-in-class ESG policies, and is an active promoter of animal welfare, production impact transparency and traceability. Rino Mastrotto Group supports the **circular economy by transforming a by-product of the meat industry into a natural, highly durable and biodegradable product**, thus avoiding the negative environmental impact of landfilling or incineration.

Rino Mastrotto Group **sells its products in around 50 countries and employs over 1,088 people, operating 14 plants** of which nine are in Italy, one in Sweden and one in Brazil, a warehouse in the US as well as a finishing plant and a cutting facility in Mexico.

Since its entry into Renaissance, Rino Mastrotto Group has completed **four add-on acquisitions of companies based in Italy: Nuova Osba**, a company specialized in the production of high-end leather for luxury shoes market, **Carroll Leather**, a leading warehouse based in the furniture district of North Carolina, **Morellino**, a high-value added provider of services such as printing and decoration services on leather and textile and, **Tessitura Oreste Mariani**, Italian excellence in the production of textile products for the high-end fashion industry.

In 2022, Rino Mastrotto Group drafted its fourth Sustainability Report in accordance with GRI Standards, to continue the sustainability journey started in 2019 and to continuously improve its environmental, social, and governance performance. Moreover in 2021 the Sustainability Report of the Group has been assured by a third party for the first time.




## MATERIALITY

During 2022, the Group has carried out a materiality analysis to identify the topics and related impacts that are most affected by its activity through preliminary benchmarking analysis on a panel of industry peers and key ESG trends. The identification of a list of 18 material topics for the Group have been approved by the Group's management and displayed below by priority.

### MATERIAL TOPICS

- Traceability of raw materials
- Well-being, training and staff development
- Research, development and promotion of sustainable product design
- Economic performance and market presence
- Protection of animal welfare and biodiversity
- Responsible supply chain management
- Made in Italy and craftsmanship
- Diversity, equal opportunity and non-discrimination
- Indirect impacts on the territory and value creation for local communities
- Chemicals and water discharge management
- Water usage for production
- Energy consumption, emissions and climate change
- Customer satisfaction, product quality and safety
- Occupational Health & Safety
- Ethics, integrity and sustainable governance
- Mindful waste management
- Respect for human rights and labor protection
- Management of other indirect emissions to the atmosphere

# ESG PERFORMANCE

## ENVIRONMENTAL

Rino Mastrotto Group's energy consumption is characterized by the use of electricity, natural gas, and diesel oil, which are used for production processes.

In 2022, there was an **overall decrease of 9%, compared to 2021, in total energy consumption within the organization**. Moreover, taking into consideration the reduction of natural gas consumption (-11% compared to 2021) and emissions from refrigerant gas leaks (-73% compared to 2021), **2022 recorded a decrease in Scope 1 emissions**.

Regarding energy sourcing and efficiency, the Group today sources from the grid **more than 37% of its energy from renewables** and has improved its energy intensity by reducing it 16% regarding 2021, with an overall performance of **GHG emissions intensity (Scope 1 + Scope 2 Location based) of 60.55 $tCO_{2eq}$/M€ revenues, 17% less than 2021**.

Additionally, it should be noted that the Scope 2 emission calculated according to the market-based method are significantly lower than by using the location-based method, due to the **high percentage of electricity purchased from renewable sources with guarantees of origin**. Indeed, with the only exception of Nuova Osba, whose energy supply comes from non-renewable sources, Rino Mastrotto Group S.p.A., Elmo Sweden AB and Bermas LTDA purchased the totality of their electricity from renewable sources.

Lastly, the Group's attention towards the responsible use of water resources at all sites has contributed to an **8% decrease of water withdrawal and 5% decrease of water discharge registered**, and an overall 11% decrease in Group's water intensity, with comparison to 2021 levels.

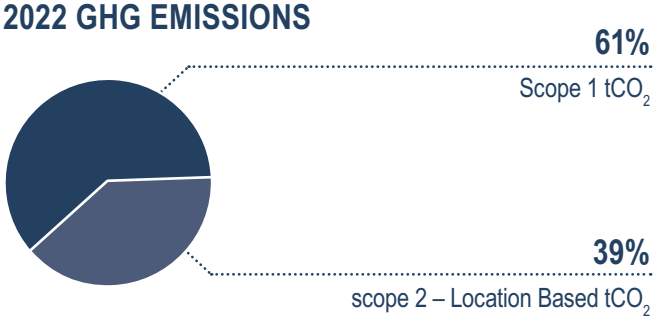
**The Group today sources from the grid more than 37% of its energy from renewables and has improved its energy intensity by reducing it 16% compared to 2021**

### ENERGY INTENSITY

GJ/M€ revenues

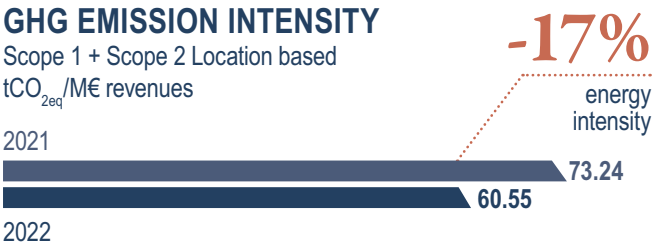



### 2022 GHG EMISSIONS



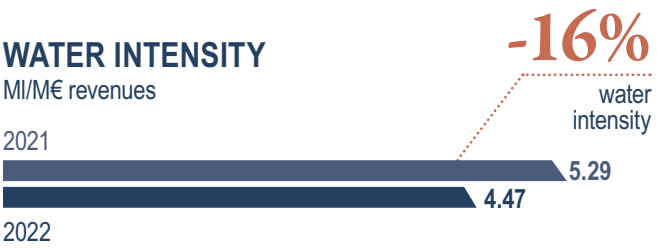

### GHG EMISSION INTENSITY

Scope 1 + Scope 2 Location based $tCO_{2eq}$/M€ revenues



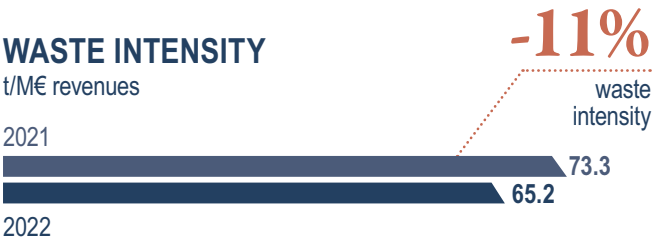

### WATER INTENSITY

Ml/M€ revenues




### WASTE INTENSITY

t/M€ revenues



| GRI | ESG KPI | UoM | 2021 | 2022 Adj[1] | 2022 | Δ 2022 Adj -2021 |
|---|---|---|---|---|---|---|
| 301-1 | Materials used by weight or volume | kg | 82,842,440 | **69,150,598** | 69,217,329 | **-17%** |
| | *of which from renewable sources* | kg | 6,985,409 | **6,422,148** | 6,483,408 | **-8%** |
| | | % | 8.43 | **9.30** | 9.40 | **10%** |
| 302-1 | Energy consumption within the organization | GJ | 400,921 | **365,986** | 368,795 | **-9%** |
| | *of which from renewable sources* | GJ | 148,967 | **137,054** | 137,054 | **-8%** |
| | | % | 37.16 | **37.45** | 37.16 | **1%** |
| 302-3 | **Energy intensity** | GJ/M€ revenues | 1,268 | **1,062** | 1,071 | **-16%** |
| 303-3 | Water withdrawal | Ml | 1,673 | **1,540** | 1,541 | **-8%** |
| | **Water intensity** | Ml/M€ revenues | 5.29 | **4.47** | 4.47 | **-16%** |
| 303-4 | **Water discharge** | Ml | 1,554 | **1,482** | 1,482 | **-5%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_{2eq}$ | 14,433 | **12,744** | 12,811 | **-12%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 8,717 | **8,113** | 8,424 | **-7%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | 415 | **465** | 895 | **12%** |
| 305-4 | GHG emissions intensity (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$ /M€ revenues | 73.24 | **60.55** | 61.65 | **-17%** |
| 306-3 | Waste generated | t | 23,160 | **22,460** | 23,694 | **-3%** |
| | **Waste intensity** | t/M€ revenues | 73.3 | **65.2** | 68.8 | **-11%** |

[1] "2022 Adj" excludes 2022 data of Tessitura Oreste Mariani S.p.A, Morellino S.r.l. (both acquired during 2022), Elmo of America INC and RMG Leather USA LLC for comparison reasons.



## SOCIAL

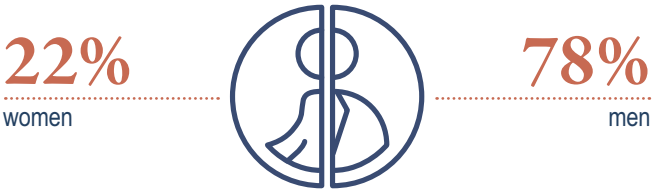
As of 31 December 2022, Rino Mastrotto Group's workforce was composed of a total of 1,088 employees. Around 97% of the total workforce had a permanent contract (in line with last year's results); moreover, the 97% of the total workforce was employed with a full-time contract.

Moreover, **25 employees, of which 16 blue collars and 3 white collars, were included in the protected categories**.

At the heart of Rino Mastrotto Group there is an approach to fair and inclusive work practices and a strong commitment to employees' development and training. **In 2022, the number of hours for training has reached a total of 9,252, an increase with respect to 2021**. Hence, during 2022 the average hours of training per year per employee has grown from 7 hours to 10, **an increase of 43% compared to 2021**.

The rate of work-related injuries has been registered at 15.77 in 2022 due to an increase in the total number of injuries. The incidents were mainly accidental, resulting from impact, dealing with high-risk chemicals, and handling machines tools incorrectly. **All accidents were documented in the company register, in accordance with current regulations**. No accidents were fatal.

### EMPLOYEES BY GENDER AS OF 31.12.2022




| GRI | ESG KPI | UoM | 2021 | 2022 Adj[1] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 949 | **952** | 1,088 | **0.3%** |
| | *of which with a permanent contract* | % | 97 | **97** | 97 | **0%** |
| 2-30 | Percentage of total employees covered by collective bargaining agreements | No. | 949 | **952** | 1,062 | **0.3%** |
| | | % | 100 | **100** | 98 | **0%** |
| 401-1 | Rate of new employee hires | % | 14 | **12** | 15 | **-14%** |
| | **Rate of employee turnover rate** | % | 15 | **12** | 11 | **-20%** |
| 403-9 | Nr. of fatalities | No. | 0 | **0** | 0 | **0%** |
| | Nr. of work-related injuries | No. | 13 | **18** | 20 | **38%** |
| | Rate of employee work-related injuries[30] | Rate | 11.69 | **15.77** | 16.01 | **35%** |
| 404-1 | **Average hours of training per year per employee** | No. | 7 | **10** | 9 | **43%** |
| 405-1 | Diversity of employees as of 31.12 | | | | | |
| | *women* | % | 22 | **22** | 24 | **0%** |
| | *<30 years old* | % | 20 | **18** | 17 | **-10%** |

[1] "2022 Adj" excludes 2022 data of Tessitura Oreste Mariani S.p.A, Morellino S.r.l. (both acquired during 2022), Elmo of America INC and RMG Leather USA LLC for comparison reasons.

# GOVERNANCE

The corporate governance system adopted by the Rino Mastrotto Group is oriented to guarantee responsible and transparent company management towards the market by creating value for the stakeholders. **The main control bodies are the Board of Statutory Auditors and the Supervisory Board pursuant to Legislative Decree 231/2001**.

Rino Mastrotto Group has also a **Code of Ethics and Conduct which is an integral part of the 231 Model**. The Code is binding on both employees and suppliers, who sign it as an integral part of their contractual obligations.

To further strengthen Rino Mastrotto Group's commitment to the identification, assessment, and management of ESG risks and opportunities, **the Group has formalized the role of an ESG Manager, responsible for the definition and implementation of the Group's ESG strategy at a global level and the monitoring of ESG performance of the Group**.

| GRI | ESG KPI | UoM | 2021 | 2022 Adj[1] | 2022 | Δ 2022 Adj-2021 |
|---|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | 0 | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | 0 | **0%** |
| **206-1** | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | **0** | 0 | **0%** |
| **405-1** | Diversity of governance bodies as of 31.12 (BoD of the parent companies) | | | | | |
| | *women* | % | 14 | **14** | 14 | **0%** |
| | ***30-50 years old*** | % | 43 | **43** | 43 | **0%** |
| **416-2** | Number of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period | No. | 0 | **0** | 0 | **0%** |

1 "2022 Adj" excludes 2022 data of Tessitura Oreste Mariani S.p.A, Morellino S.r.l. (both acquired during 2022), Elmo of America INC and RMG Leather USA LLC for comparison reasons.

# MAIN POLICIES AND ONGOING INITIATIVES

As illustrated in the section below, Rino Mastrotto Group already has set sustainability related actions, to demonstrate its commitments to greater sustainability towards its stakeholders. Below is a recap of the main 2022 initiatives and policies in place.

## MAIN POLICIES AND PROCEDURES IN PLACE

- **Formalization of an ESG Manager at Group level**
- Organization, management, and control model pursuant to Legislative Decree 231/2001 (RMG S.p.A)
- Group Code of Ethics and Conduct (approval in May 2023)
- Group Supplier Code of Conduct (approval in May 2023)
- **Group Sustainability Policy (approval in May 2023)**
- Group Environmental Policy (approval in May 2023)
- Group Social Policy (H&S, D&I, Human rights) (approval in May 2023)
- **Group Animal Welfare and Traceability Policy (approval in May 2023)**
- Environmental Management System ISO 14001:2015 (RMG S.p.A, Bermas LTDA, Elmo Sweden AB)
- Quality System compliant with ISO 9001:2015 and IATF 16949:2016 (RMG S.p.A - Calbe-Brusarosco division, Elmo Sweden, Bermas LTDA)

## ONGOING INITIATIVES

- HR development activities, for example, increased participation and involvement of women, as well as welfare actions, awareness campaigns, career opportunities (internal selection), and sports incentives (gymnastics and football in the company)
- **Bermas LTDA's partnership with "Great Place to Work" to support management to analyze and improve the working environment**
- **Implementation of the "Score Card System" to monitor customer satisfaction**
- Leather Working Group certification within all Rino Mastrotto Group S.p.A.'s divisions, Nuova Osba S.r.l. and Elmo Sweden
- Installation of energy and water monitoring instruments within the division Calbe-Brusarosco, Basmar and Pomari
- Progressive replacement of diesel forklifts in favor of state-of-the-art electric technologies and installation of a sewage sludge drying plant at the Basmar division
- Continuation of Life Cycle Assessment (LCA) studies to quantify the environmental impact of products in the Italian divisions and Elmo Sweden, Nuova Osba, Bermas LTDA
- **Continuation of wastewater analysis (within Basmar and Nuova Osba sites) in line with the guidelines of the "Zero Discharge Hazardous Chemicals by 2020" (ZDHC), extended to Galassia and Pomari divisions**
- Launch of the "Zero Waste" project at Calbe-Brusarosco division and Elmo Sweden to reduce the impact of waste during the production stages, whereby all waste is reused





## ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Establishment of an internal sustainability committee chaired by ESG manager with direct report to Rino Mastrotto Group's CEO | 2nd Semester 2023 |
| | | Assessment of the current status of MBO and subsequent introduction of performance measurement linked to ESG goals for Rino Mastrotto Group's management | 2nd Semester 2024 |
| ENVIRONMENTAL | 6, 7, 12, 13, 15 | Continue the analysis with LCA studies on product categories for Rino Mastrotto Group's tanneries | 2nd Semester 2024 |
| | | Participation in the Supplier to Zero programme of ZDHC by Rino Mastrotto S.p.A and Nuova Osba fashion divisions. | 1st Semester 2024 |
| | | Achieve 100% coverage of Group tanneries certified Leather Working Group (LWG) | 2nd Semester 2024 |
| | | **Achieving 100% electricity purchased from the grid from renewable sources for production activities** | 1st Semester 2024 |
| | | Implementing energy diagnostic initiatives for Rino Mastrotto S.p.A. with the aim of increasing energy efficiency | 1st Semester 2024 |
| | | **Measuring and quantifying Scope 3 emissions at Group level** | 2nd Semester 2024 |
| | | Definition of Group-wide carbon footprint reduction roadmap | 1st Semester 2025 |
| | | Adoption of the UNI EN ISO 50001:2018 management system for the improvement of energy efficiency for the parent company RMG S.p.A. | 2nd Semester 2025 |

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| SOCIAL | 3, 4, 5, 8, 10 | **Obtaining the social certification required by UNIC Code of Conduct and Social Accountability - ICEC for all sites certified by Leather Working Group** | 2nd Semester 2024 |
| | | Launch of additional courses and modules dedicated to sustainability issues for the Group's first lines of management, salespeople and employees, with a special focus on ESG data collection processes for the Sustainability Report | 2nd Semester 2023 |
| | | Adopting the UNI EN ISO 45001:2018 management system for managing occupational health and safety issues and KPIs for Rino Mastrotto SpA | 2nd Semester 2024 |
| GOVERNANCE | 12 | Development of a training plan for internal sustainability committee members dedicated to ESG and sustainability issues relevant to the industry. | 1st Semester 2024 |
| | | Implementation of a Group-wide whistleblowing system. | 2nd Semester 2024 |
| | | Formalization of a Governance policy at group level, with a specific focus on remuneration policies for top management linked to ESG objectives | 1st Semester 2024 |
| | | Qualification of main suppliers of raw materials according to environmental and social criteria | 2nd Semester 2024 |



## NOTES

[1] "2022 Adj" excludes 2022 data of Tessitura Oreste Mariani S.p.A, Morellino S.r.l. (both acquired during 2022), Elmo of America INC and RMG Leather USA LLC for comparison reasons.




Veneto, Italy

**CASE REPORT**
INFORMATION TECHNOLOGY
& PROFESSIONAL SERVICES



ENGINEERING
THE DIGITAL TRANSFORMATION COMPANY

Engineering is a **leading specialist provider of IT services, software development and digital platforms**, supporting blue-chip clients in digital transformation projects, operating in **20 countries**, and employing **12,546 people**

Materiality analysis has been internally updated in 2022: most relevant topics are related to **development and training of human capital, safety and privacy of client data and cybersecurity and energy efficiency, and climate change**

**Since 2013, Sustainability Reports have been drafted and published, receiving third party-assurance**

In 2022 Engineering registered a **decrease of 12% in Scope 2 location-based emissions compared to 2021 levels**

To reinforce Engineering's governance, **certification according to ISO standards have been obtained throughout the years, covering different ESG topics** (i.e., Health and Safety, Energy, Corruption, Information security, GHG emissions)

**Engineering participates in the CDP assessment to implement and communicate its progress in reducing emissions, together with Ecovadis Rating and Open-es**

**NUMBERS**

**12,500+**
employees

**70+**
companies within the Group

**14**
countries

**40+**
years of growth

**450**
researchers and data scientists




## COMPANY'S DESCRIPTION

**Founded in 1980 and headquartered in Rome, Italy**, Engineering (also 'The Group') is a leading specialist provider of IT services, software development and digital platforms, supporting blue-chip clients in digital transformation projects. Engineering Group operates in **three main areas of activity: (i) Application Transformation**: customization or development of digital-related services and new technologies; **(ii) Proprietary Solutions**: offering of cutting-edge proprietary products, including software and digital platforms; and **(iii) Managed Services & Cloud**: management and operation of IT processes and infrastructures, including through hybrid and multi-cloud.

Engineering is the leading independent player in Italy but also covers more than 20 countries worldwide (mainly Belgium, Germany, the United States and Brazil).

Since its entry into Renaissance in 2020, Engineering has completed **6 strategic add-on acquisitions to accelerate the implementation of high-value strategic initiatives in Digital**

**Digital transformation has led business and technology to be increasingly integrated: through their consulting activities, processes and services redesign, and usability design, Engineering guarantees adoption of new solutions and services at all levels, from strategy to end-users. Engineering develops proprietary solutions, but also works with market top technology providers in order to offer the best solution for their stakeholders.**

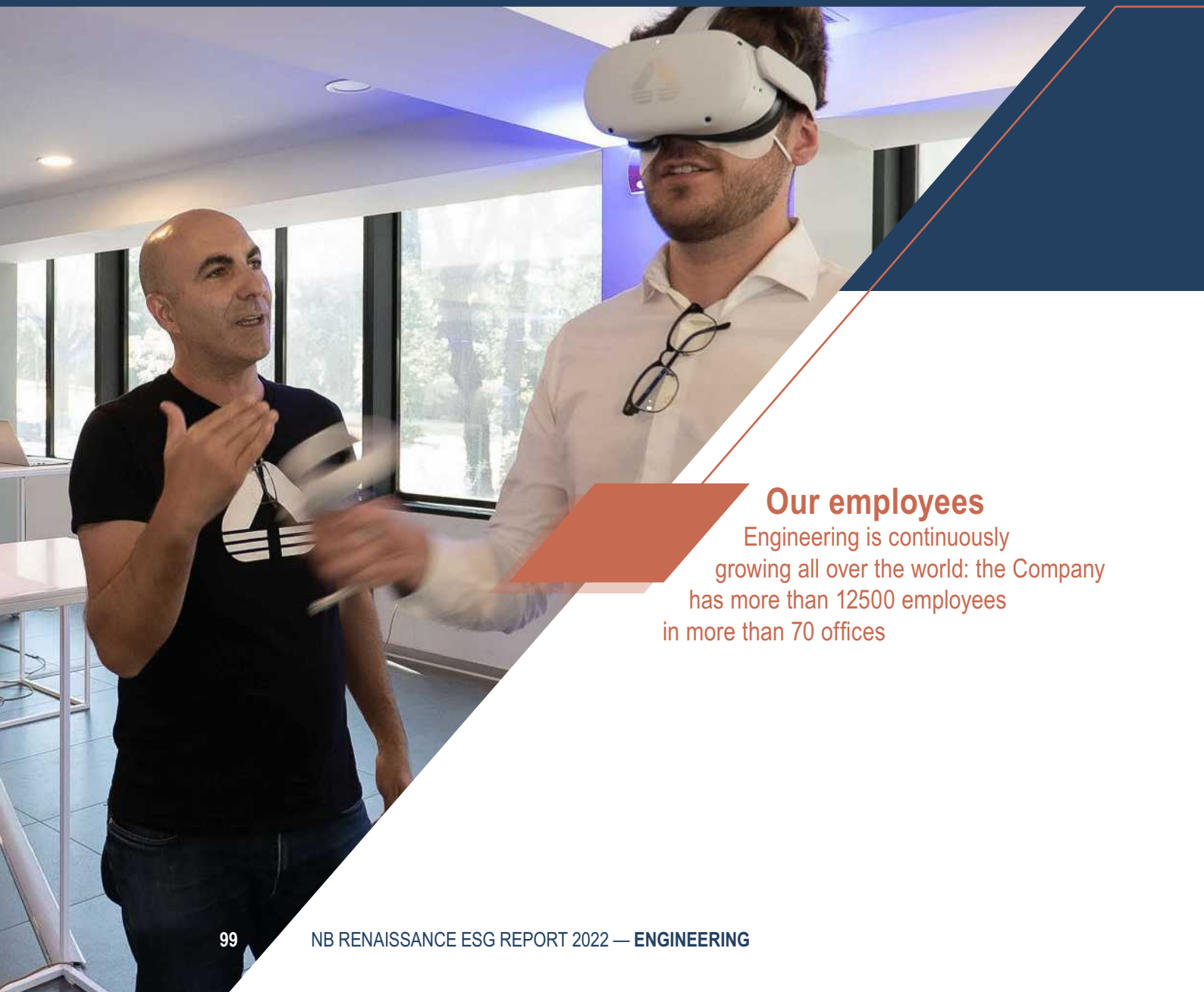
**Enabling Technology and attractive fast-growing verticals such as e-health, insurance, industry 4.0 and automation**. Engineering has been publishing an annual Sustainability Report since 2013 in accordance with the GRI Standards, which is subject to assurance.

## MATERIALITY

The Materiality analysis was the result of a structured process, which took into consideration the context in which the company works in, including accounting standards and international sustainability ratings, benchmark of the competitors, media analysis, internal documentation and interviews with company representatives and working groups. The final list of topics is listed below.

### MATERIAL TOPICS

- Development and training of human capital
- Safety and privacy of client data and cybersecurity
- Energy efficiency and climate change
- Contribution to the client's sustainable development and modernization of the socioeconomic system
- Contribution to employment
- Health, safety and well-being on the job
- Waste management
- Community support initiatives
- Diversity and equal opportunities
- Compliance, ethics and business integrity



**Our employees**

Engineering is continuously growing all over the world: the Company has more than 12500 employees in more than 70 offices

# ESG PERFORMANCE

## ENVIRONMENTAL

Given the nature of its services, **the environmental impact for which Engineering is responsible is mainly concentrated around its Data Centers** (Pont-Saint-Martin, Turin, and Vicenza, after the termination of the activities of the Assago Data Centre) **and the more than 60 Group offices which mainly impact urban utilities'** through water consumption, electricity for lighting, and natural gas for space heating.

In 2022, the Group recorded 5,451 ton$CO_2$ Scope 1 emissions and saw a **reduction of 12% in their Scope 2- location based GHG emissions compared to 2021 levels**.

In terms of waste management, Engineering entrusts electronic waste produced to specialized and certified companies for the correct recovery of materials. **The waste produced in 2022 was 81% lower compared to 2021, the reason is that the Data Center in Assago has been decommissioned**.

**The Group has also invested in aligning its environmental management to the ISO 14001: 2015 certification and in 2022 it also obtained the ISO 14064-1:2018 certification for GHG emissions monitoring.**

**ENERGY INTENSITY**
GJ/M€ revenues




**GHG EMISSION INTENSITY**
Scope 1 + Scope 2 Location based
$tCO_{2eq}$/M€ revenues




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | GJ | 142,158 | **143,778** | **1%** |
| | *of which from renewable sources* | % | 35 | **30** | **-14%** |
| 302-3 | **Energy intensity** | GJ/M€ revenues | 107.6 | **98.5** | **-8%** |
| 303-3 | Water withdrawal | Ml | 510 | **950** | **86%** |
| | Water intensity | Ml/M€ revenues | 0.39 | **0.65** | **69%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_{2eq}$ | 4,626 | **5,451** | **18%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 6,620 | **5,851** | **-12%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | 3,315 | **3,080** | **-7%** |
| 305-4 | **GHG emissions intensity** (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$ /M€ revenues | 8.5 | **7.7** | **-9%** |
| 306-3 | Waste generated | t | 199 | **37** | **-81%** |
| | **Waste intensity** | t/M€ revenues | 0.15 | **0.03** | **-80%** |

## SOCIAL

Engineering Group counted with a workforce of 12,546 employees across the numerous offices in the world as of December 2022. To maintain a high level of professionalism and expertise, Engineering invested in attracting new talent and developing the skills of the present employees. **In 2022, the Group hired more than 2,400 new employees, considering market recruitment and leaving aside M&A of that year.**

To promote skills and competences inside the Group, Engineering provided for trainings for an average of 26 hours per capita, an increase compared to 2021. In particular, in 2022 Engineering dispensed training on anti-corruption regulation and procedures to 30% of employees. Also, **almost 100% of employees received regular performance and career development reviews in 2022**.

Safety is paramount in the activities of Engineering which is reflected in the **large amount of training hours dispensed** according to the Occupational Health and Safety Policy, and the **reduction of the rate of work-related injuries by 37% between 2021 and 2022**. Moreover, **the perimeter coverage of the ISO 45001:2018 on Health and Safety management systems has doubled from 32% to 62% of the Italian plants in 2022**.

Diversity is a core value at Engineering, as shown by the **30% of the female workforce**. In 2022, the Group introduced the role of Diversity, Equity, and Inclusion (DEI) Manager, and expressed its commitment to the Women's Empowerment Principles.

Community engagement is a fundamental component of Engineering's social strategy. The projects carried out in 2022 referred to the **ongoing Ukrainian refugee crisis (humanitarian financing) and the traineeship for young people from Libya, Egypt and Tunisia (Ymed)**.

### EMPLOYEES BY GENDER AS OF 31.12.2022



30% women

70% men

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | **Number of employees as of 31.12** | No. | 11,571 | **12,546** | **8%** |
| | *of which with a permanent contract* | % | 99 | **99** | **0%** |
| 401-1 | **Rate of new employee hires** | % | 14 | **20** | **43%** |
| | Rate of employee turnover | % | 11 | **12** | **9%** |
| 403-9 | Number of employees' work-related fatalities | No. | 0 | **0** | **0** |
| | **Number of employees' work-related injuries** | No. | 30 | **24** | **-20%** |
| | Rate of work-related injuries | Rate | 1.30 | **1.78** | **-37%** |
| 404-1 | **Average hours of training per year per employee** | No. | 21.3 | **26.4** | **24%** |
| 405-1 | Diversity of employees as of 31.12 | | | | |
| | *women* | % | 31 | **30** | **-3%** |
| | ***<30 years old*** | % | 15 | **17** | **13%** |

# GOVERNANCE

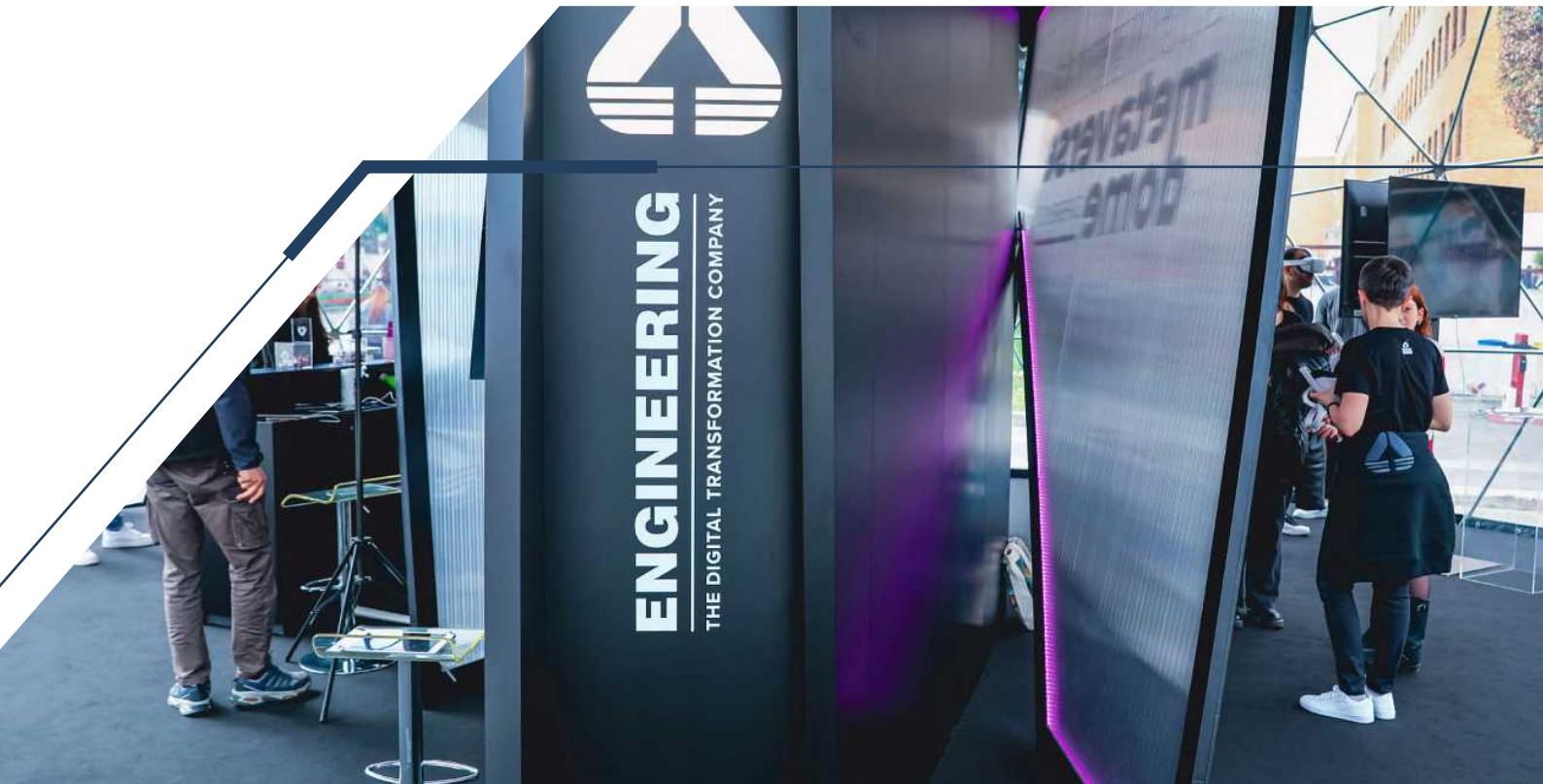
**Engineering's Corporate Governance system** is an essential element to ensure that the operations of the entire Group are oriented towards **principles of transparency, fairness, and respect**. Hence, **the social responsibility strategy is based on the 10 principles of the UN Global Compact**, which concern the areas of human rights, labor, and environment, among others.

In 2022 the Board of Directors was composed of 13 people as of 31st December 2022, of which 2 members are between 30 and 50 years old.

In accordance with Legislative decree 231/2001, Engineering adopted Model 231 which regulates the administrative ability of legal persons and on the basis of which the entities are liable, in the manner and within the terms indicated, for the crimes committed in the interest or for the benefit of the company.

**In 2022, the Code of Ethics was updated regarding significant interventions on the protection of employees and collaborators from any discriminatory event and safeguarding of human rights**.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | **Confirmed incidents of corruption** | No. | 0 | **0** | **0%** |
| **206-1** | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 0 | 0 | **0%** |
| | *30-50 years old* | % | 23 | 15 | **-35%** |



## MAIN POLICIES AND ONGOING INITIATIVES

The ESG performance of Engineering is complemented by the main policies and ongoing initiatives presented below, which lay the basis for the future commitments and reinforce the sustainability path the company had embarked on since its foundation.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Code of Ethics
- Modello Organizzativo 231/2001 (Engineering Ingegneria Informatica, Municipia, Engineering D.Hub)
- **ISO 37001:2016 certification (Engineering Ingegneria Informatica, Municipia, Engineering D.Hub)**
- **Certification SA 8000 (Engineering Ingegneria Informatica, Municipia, Engineering D.Hub, Cybertech)**
- ISO 26000:2010 and ISO 27001:2013 certification (Engineering Ingegneria Informatica, Municipia, Engineering D.Hub, Cybertech)
- ISO 45001:2018 and ISO 14001:2015 certification (Engineering Ingeria Informatica, Engineering D.Hub, Municipia, WebResults)
- ISO 14064-1:2018 (Engineering Ingegneria Informatica, Engineering D.Hub)

### ONGOING INITIATIVES

- Membership to the Foundation for Digital Sustainability
- Projects for the community: Ymed, aimed at offering young people arriving from Egypt, Libya and Tunisia the opportunity to carry out a traineeship at the plants in Veneto and Lazio and an IT Management Academy for girls and boys of San Petrignano (over 150 training hours for more than 100 girls and boys carried out by the teachers of our IT Management Academy)
- **Participation to the UNGC Target Gender Equality Accelerator programme**
- Adhesion to the Women's Empowerment Principles
- **Definition of targets to reduce waste (yearly reduction of 10% per-capita between 2023-2024)**
- Definition of a target for the reduction of energy consumption for the data center of Pont-Saint Martin, consequent to the efficiency activity of the refrigeration system (reduction of energy consumption by 5% yearly)



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Establishment of an internal committee on Sustainability, with the various function leaders (i.e., Operations, HR, legal, audit etc.) | 2nd Semester 2023 |
| | | Definition of MBOs tied to the achievement of ESG objectives | 2025 |
| ENVIRONMENTAL |  | Extension of ISO 14064-1: 2018 to the whole Italian perimeter | 2023-2024 |
| | | Adoption of an energy management system relative to energy consumption, ISO 50001 | 2023-2024 |
| | | Annual reduction of per capita waste in 2023 and 2024 (estimated 10% reduction) | 2024 |
| | | Calculation of Scope 1, 2 and 3 GHG emissions for the Group level and definition of a decarbonization plan | 2023-2024 |
| SOCIAL |  | **Definition of Group Policy on Diversity and Inclusion** | 2025 |
| | | Extension of H&S reporting to all subsidiaries | 2023-2024 |
| | | Development of managerial competences, technical and soft skills | 2023 |
| | | Cyber Security Culture – promote the culture of digital safety and with new awareness trainings for the whole staff and campaigns on cyber attacks | 2023 |
| | | User Network Security – Implementation of safety solution in terms of network access with better centralized management of workstations | 2023 |
| | | Improvement of 'safety rating'. Achievement of an 'advanced' rating (tools: ScoreCard BitSight) | 2023 |
| | | 1,900 new hires | 2023 |
| | | Identification and communication of the distinctive purpose in the support of communities and territories | 2023 |
| GOVERNANCE |  | Activation of the Social Performance Team (after having obtained the SA8000) | 2024 |
| | | Extension of the perimeter of the report Assurance to 'World' | 2024-2025 |
| | | Introduction of criteria to overcome the gender pay gap on the Board | 2024-2025 |




Lazio, Italy

**CASE REPORT**
INFORMATION TECHNOLOGY
& PROFESSIONAL SERVICES



OverIT is a company that specializes in **Field Collaboration, Mobile, and GIS solutions**, serving mainly the Energy & Utility, Oil & Gas, Telco, and Transportation industries. The Company was part of the Engineering Group until December 2021 and now operates autonomously

The executive management participated in the **first materiality reporting assessment** with key topics emerging such as: compliance, ethics, integrity and anti-corruption and sustainable supply chain

**An increase of 56% of average hours of training provided in 2022 with respect to 2021.** Training campaign aimed at reaching the largest possible number of employees, to develop specific and vertical skills aligned with the business strategy

OverIT published its **first independent Sustainability Report with reference to the GRI Standards for its 2022 performance**

Identification of a strong set of goals to be achieved within 2025, covering all ESG aspects. Between them, **the assessment and achievement of B-Corp certification**

**NUMBERS**

**4**
offices

**300+**
customers

**180,000**
field service users

**30+**
countries

**35**
average age of employees




## COMPANY'S DESCRIPTION

**Recognized as "Leader" and "Visionary" by the major IT consulting firms, OverIT is a company 100% specialized in Field Collaboration, Mobile, and GIS solutions**.

Thanks to the adoption of highly innovative technologies such as **Augmented Reality and Machine Learning** to optimize field service activities, OverIT (also the 'Company') has significantly improved the operational performance of **over 300 customers and 180,000 users**, while reducing costs.

The OverIT Next-Gen FSM Platform comes as the Company's most valuable asset, since it is the best-of-breed Field Service Management (also 'FSM') and field collaboration solution, designed to cover end-to-end the entire FSM process.

**OverIT has offices in Italy, UK, Germany, and USA**. The Company was part of the Engineering Group until December 2021, after which Renaissance and its partners spun-off the company to accelerate its international development and build a global Software-as-a-Service leader.

**The Company was part of the Engineering Group until December 2021, after which NB Renaissance and its partners spun-off the company to accelerate its international development and build a global Software-as-a-Service leader.**

**This year OverIT published its first independent Sustainability Report with reference to the GRI Standards**. For the 2023 FY, the Company will engage in the assurance of its ESG report.




## MATERIALITY

As the new GRI 2021 version entered into force, OverIT internally updated its materiality analysis. As a result, OverIT decided to report 10 material topics, reported below.

### MATERIAL TOPICS

- Compliance, ethics, integrity and anti-corruption
- Sustainable supply chain
- Reduction of energy consumption and carbon footprint
- Customer relationship and satisfaction
- Business continuity and IT security
- Data Privacy and Cybersecurity
- Talent attraction, training and people growth
- Diversity and equal opportunities
- Health, safety, and well-being in the workplace
- Support to sustainable development of customers and communities

# ESG PERFORMANCE

## ENVIRONMENTAL

To be competitive, OverIT evolved its talent acquisition strategy and formalized a **Location Flexible policy, which granted 100% flexible working choices and became part of the Company's value proposition**.

This choice resulted in a **lower physical attendance on site and a fall in electricity consumption** required by OverIT's facilities compared to the previous year.

Furthermore, before 2022, the IT infrastructure of OverIT was hybrid, namely consisting of a Cloud component (AWS), to supply services to customers, and a set of devices located in the Italian offices.

**The gradual transition to cloud and AWS regions, completed in 2022, resulted in improved energy efficiency**.

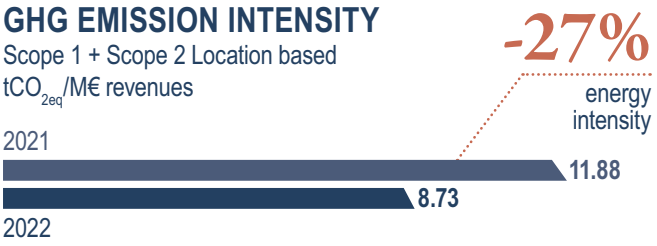
### ENERGY INTENSITY

GJ/M€ revenues

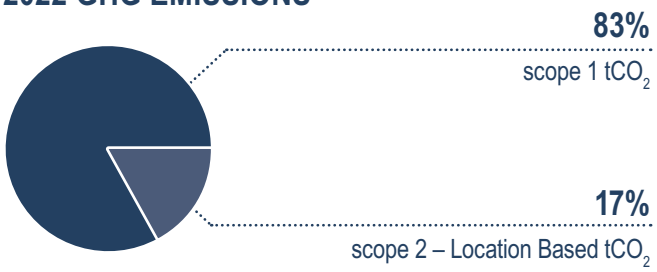



### GHG EMISSION INTENSITY

Scope 1 + Scope 2 Location based
$tCO_{2eq}$/M€ revenues




### 2022 GHG EMISSIONS




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | **Energy consumption within the organization** | GJ | 703 | **621** | **-12%** |
| | *of which from renewable sources* | % | 0 | **0** | **0%** |
| 302-3 | **Energy intensity** | GJ/M€ revenues | 16.35 | **12.49** | **-24%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_2$ | 442 | **362** | **-18%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 69 | **72** | **4%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | - | **-** | **-** |
| 305-4 | **GHG emissions intensity** (Scope 1 + Scope 2 Location Based) | $tCO_2$ /M€ revenues | 11.88 | **8.73** | **-27%** |

OverIT went through a major change in the business model, **transforming from a System Integrator into a global Software-as-a-Service (SaaS) company**. On this front, OverIT has accelerated this process during 2022, which marked also the first full year as a stand-alone company. Global expansion ambition combined with the recent status of independent entity demanded for a highly intensive hiring plan. This was why **OverIT hired 167 skilled new professionals in 2022 alone, contributing to a significant employment increase**. In this scenario, in 2022 OverIT created **several training campaigns aimed at reaching the largest possible number of employees**, to develop specific and vertical skills aligned with the business strategy.

In 2022 OverIT launched the first internal certification program in the Company's training history: **Corporate Message**. Thanks to this digital course consisting of videos, interviews, animations, and quizzes on Field Service Management and OverIT's vision, **all employees have been certified as Ambassadors**.

**In 2022 OverIT launched the first internal certification program in the Company's training history: Corporate Message. Thanks to this digital course consisting of videos, interviews, animations, and quizzes on Field Service Management and OverIT's vision, all employees have been certified as Ambassadors.**

**EMPLOYEES BY GENDER AS OF 31.12.2022**



28% women

72% men

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | **Number of employees as of 31.12** | No. | 539 | **634** | **18%** |
| | *of which with a permanent contract* | % | 94 | **98** | **4%** |
| 401-1 | Rate of new employee hires | % | 25 | **26** | **4%** |
| | Rate of employee turnover | % | 9 | **13** | **44%** |
| 403-9 | Number of employees' work-related fatalities | No. | 0 | **0** | **0%** |
| | **Number of employees' work-related injuries** | No. | 0 | **0** | **0%** |
| | Rate of work-related injuries | Rate | 0 | **0** | **0%** |
| 404-1 | **Average hours of training per year per employee** | No. | 16 | **25** | **56%** |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | % | 100 | **100** | **0%** |
| 405-1 | Diversity of employees as of 31.12 | | | | |
| | *women* | % | 27 | **28** | **4%** |
| | *<30 years old* | % | 31 | **26** | **-16%** |

# GOVERNANCE

Firmly believing in the **need to constantly raise its ethical standards, as well as the culture of transparency and integrity used in the conduct of its business**, OverIT adopted an Organizational and Management Framework (also 'OMC Framework'), pursuant to Legislative Decree no. 231 of 8 June 2001 and to international principles.

The OMC Framework defined a set of protocols to regulate the corporate structure and the management of sensitive processes, especially to reduce the risk of committing criminal offenses and incurring in conflicts of interest.

**As part of the OMC Framework, OverIT has introduced the so-called "Whistleblowing" discipline and created a secure multilingual digital channel for employees, as well as externals, to report any irregular conduct.**

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-2** | Communication and training about anti-corruption policies and procedures | % | 13 | **13** | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | **0%** |
| **206-1** | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 0 | 0 | **0%** |
| | ***30-50 years old*** | % | 80 | **80** | **0%** |





## MAIN POLICIES AND ONGOING INITIATIVES

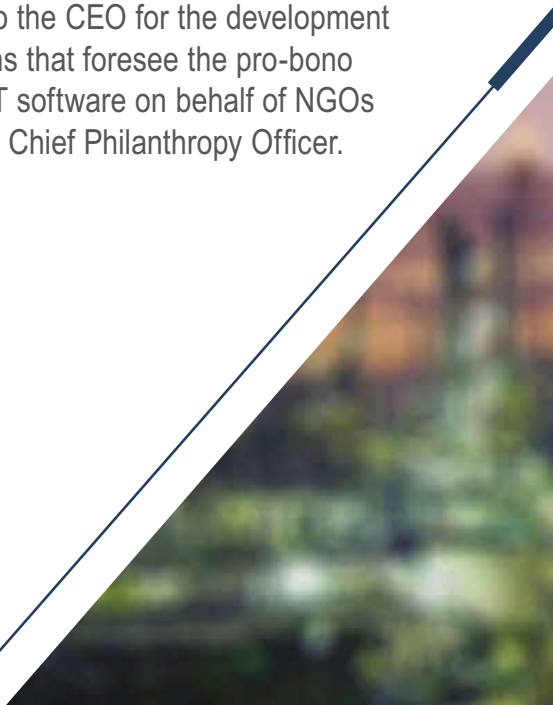
The ESG performance of OverIT was complemented by the main policies and ongoing initiatives presented below, which laid the basis for the future commitments and reinforce the sustainability path the company had embarked on since its foundation.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Code of Ethics
- Organizational and Management Framework (also 'OMC Framework'), pursuant to Legislative Decree no. 231 of 8 June 2001, 231/2001
- A CSR Specialist has been appointed to manage topics related to Sustainability
- ISO 9001: 2015 certification on quality management system

### ONGOING INITIATIVES

- Ongoing implementation of ISO 14001 and SA 8000 standards, which will be followed by the adoption of UNI PDR 125/2022 certification on equal opportunities
- Nomination of Chief Philanthropy Officer, that reports directly to the CEO for the development of give-back plans that foresee the pro-bono use of the OverIT software on behalf of NGOs identified by said Chief Philanthropy Officer.



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Establishment of an internal CSR/H&S Committee as requested by SA 8000 standard (referred as Social Performance Team) with various function leaders (i.e., ESG, HR, legal, etc.) | 2023 |
| | | Introduction of MBOs system tied to the achievement of ESG objectives, subject to results of internal assessment, discussions and ESG KPI designation | 2025 |
| ENVIRONMENTAL | | Adoption of the ISO 14001 environmental management system for the Fiume Veneto, Udine and Milan plants | 2nd Semester 2023 |
| | 7 | Adoption of a carbon accounting platform for a more accurate definition of Scope 1 and 2 baseline | 2024 |
| | 9 | **Definition of a decarbonization plan** | 2024 |
| | 11 | Completion of the transition to energy providers from renewable sources for the Milan and Udine sites (guarantee of origin certificates) | 2nd Semester 2023 |
| | 12 | Definition of targets for the reduction of energy consumption | 2nd Semester 2023 |
| | 13 | Preliminary analysis for Next-Gen FSM Platform implementation to quantify avoided emissions (Scope 4). With a firm assessment of Scope 4, OverIT customers could develop scenarios that clearly outline the potential outcomes of more sustainable solutions | 2024 |
| | | Adherence to Science Based Target Initiative and evaluation Carbon Disclosure Project | 2024 |



| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| SOCIAL | | Definition of Group Policy and long-term action plan in the field of diversity & inclusion | 2nd Semester 2023 |
| |  | **Involvement of employees with STEM backgrounds in the company as mentors within projects already initiated by partner NGOs** | 2024 |
| | | Adoption of SA 8000 standard certification on social accountability | 1st Semester 2024 |
| | | Adoption of PDR 125/2022 standard certification on equal opportunities | 1st Semester 2024 |
| | | Corporate CSR training, specific awareness sessions and meetings on unconscious bias | 2nd Semester 2023 |
| | | **Identification of internal contact points who will receive in-house introductory training on ESG criteria (preparatory step to the following year's CSR Ambassador programme)** | 2024 |
| | | Thematic workshops addressed to the contact points identified the previous year on specific skills functional to their roles in the company (e.g., ISO 14064) to make them fully CSR Ambassadors | 2025 |
| | | Participation in Salone CSR, Sustainability Leader Awards (Sole24Ore), Best Performance (Bocconi) and other events that the ESG function deems useful | 2nd Semester 2023 |
| GOVERNANCE | | **Implementation of double materiality analysis and involvement of stakeholders** | 2nd Semester 2023 |
| | | Updating of OMC Framework at the Group holding company | 2nd Semester 2023 |
| |  | **Assessment and achievement of B-Corp certification** | 2025 |
| | | Assessment of the Supplier Qualification Analysis started in 2022 to detect possible improvements (i.e., introduction of stricter ESG criteria) | 2nd Semester 2023 |
| | | Adoption of more stringent than existing ESG criteria for Supplier Qualification | 2024 |
| | | Definition of an ethical code of conduct to be signed by suppliers | 2025 |



Friuli Venezia Giulia, Italy

**CASE REPORT**
ECO-INNOVATION



SICIT

Founded in 1960, **SICIT Group was one of the first companies in the world to introduce protein hydrolysates of animal origin into the world market of biostimulants**. The company, one of the pioneers of the circular economy, using residues from the tanning industry, creates high-added-value products for agriculture (biostimulants) and plaster industry (retardants)

The activation of the photovoltaic system, installed in 2021 at the Arzignano plant for industrial use, took place in 2022. The Group is also considering installing an additional photovoltaic system in Chiampo with a capacity of 328 kW. To further lower the group's $CO_2$ emissions, SICIT signed since 2021 an **agreement with Enel Energia for the supply of 100% renewable sourced electricity certified "green" by GSE**

**Product Carbon Footprint analysis was performed for the hydrolyzed protein products** and the ESG action plan focuses, among others, on the reduction in energy consumption, waste, and raw material utilization

Sustainability reporting is seen as a core action for business management goals and operations; **the 2022 Sustainability Report will be SICIT Group's fourth edition**

Most relevant topics resulting by the materiality analysis are related to **management of the environmental impacts, innovation and employee's health and safety**

**NUMBERS**

**60+**
years

**150+**
employees

**1300+**
hours of training

**2**
production sites

**3**
cutting-edge laboratories



## COMPANY'S DESCRIPTION

Founded in 1960 in Chiampo (Vi), in the heart of leather-tanning district of the Chiampo Valley, SICIT Group S.p.A. (hereinafter "SICIT") was **one of the first companies in the world to use amino acids and peptides in the market of biostimulants for agriculture, of which it is now the world leader**.

In its plants in Arzignano and Chiampo (Vicenza), SICIT (acronym for Società Industrie Chimiche Italiane) transforms the processing residues from leather tanning into hydrolyzed proteins, mainly used as biostimulants for agriculture and retarders for plaster industry, supplying key players in the agrochemical and industrial sectors. The company also extracts from the tanning residues animal fat that can be easily used as biofuel.

**SICIT is an Italian excellence of the green and circular economy that offers a service of strategic importance for the Vicenza leather district, collecting and transforming residues into high added value products, totally biodegradable, without risks for the public health and the environment**, thus significantly limiting the production of waste.

**SICIT is an Italian excellence of the green and circular economy that collects and transforms residues into high added value products, totally biodegradable, without risks for the public health and the environment**

In order to guarantee a global presence, SICIT has a commercial network coordinated by HQ in Italy and supported by a commercial branch in the United States (SICIT USA Inc.) and 2 branches in China (SICIT Commercial Consulting Shanghai Ltd. e SICIT Technology Co., Ltd).

**The 2022 Sustainability Report will be SICIT Group's fourth one.** The company started its Sustainability reporting journey by preparing the first annual Sustainability Report in 2019, in compliance with the GRI Standards ("in accordance – core" option); all SICIT Group Sustainability Reports so far have been subject to limited assurance by an external on a voluntary basis.

## MATERIALITY

For the publication of its fourth Sustainability Report, the company has internally updated the materiality analysis to identify the topics and related impacts that are most relevant for its activity. The evaluation process led to a list of 9 material topics for the company, to be formally approved by the Board of Directors, displayed below by priority.

### MATERIAL TOPICS

- Environmental impact management
- Innovation, R&D
- Occupational Health and Safety
- Economic performance and value creation
- Employee's development and well-being
- Business ethics, Anti-corruption and regulatory compliance
- Local communities
- Product quality and safety
- Sustainable supply chain management




## Our production sites

SICIT is located in the Veneto region of Italy, at the heart of the leather-tanning district of the Chiampo Valley, and owns 2 production sites with 3 cutting-edge laboratories

# ESG PERFORMANCE

## ENVIRONMENTAL

For several years now, SICIT, in line with its Environmental Policy, has promoted the careful and responsible management of its energy consumption (mainly electricity and methane gas).

**In 2022, the total energy consumption of SICIT was 433,528 GJ (-5% vs. 2021) due to a reduction of the methane gas purchased and the installation of a more efficient evaporation plant.**
To further strengthen the commitment to the utilization of renewable energy, in 2021 the Company installed a photovoltaic system with a capacity of around 190 kW at the Arzignano plant for industrial use; the photovoltaic system was activated in June 2022.

In 2022, SICIT's Scope 1 emissions were reduced by 3% and overall GHG emissions intensity (Scope 1 + Scope 2 Location based) decreased of more than 7%.

**Scope 2 market based emissions continued to be 0, as SICIT signed an agreement in 2021 with Enel Energia for the supply of 100% renewably sourced electricity, certified "green" by GSE.**

The increase in intensity of both water withdrawals and waste production is mainly related to the different mix of volumes by production plant.

**ENERGY INTENSITY**
GJ/M€ revenues




**GHG EMISSION INTENSITY**
Scope 1 + Scope 2 Location based
$tCO_{2eq}$/M€ revenues




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | GJ | 457,447 | **433,528** | **-5.2%** |
| | *of which from renewable sources* | % | 5 | **6** | **20%** |
| 302-3 | **Energy intensity** | GJ/ton | 14.81 | **13.39** | **-10%** |
| 303-3 | Water withdrawal | Ml | 240 | **269** | **12.1%** |
| | Water intensity | Ml/ton | 0.0078 | **0.0083** | **6%** |
| 305-1 | **Direct GHG emissions** (Scope 1) | $tCO_{2eq}$ | 24,345 | **23,583** | **-3.1%** |
| 305-2 | Energy indirect (Scope 2 – Location Based) GHG emissions | $tCO_2$ | 1,800 | **1,978** | **10%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | 0 | **0** | **0%** |
| 305-4 | **GHG emissions intensity** (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$ /ton | 0.85 | **0.79** | **-7.1%** |
| 306-3 | Waste generated | t | 17,481 | **20,082** | **15%** |
| | Waste intensity | t/ton | 0.57 | **0.62** | **9%** |

## SOCIAL

SICIT safeguards and promotes the value of its human resources, considered fundamental for the pursuit of corporate targets, committing itself to avoid discrimination of any kind and ensuring equal opportunities of professional growth, offering working conditions that are respectful of individual dignity and safe and healthy working environments.

By 31st December 2022, there were **156 employees** in SICIT Group (+3.3% compared to 2021).

SICIT is committed to enhance the professional contribution of each of its employees and to build lasting relationships based on the values of loyalty, mutual trust, and collaboration. **In 2022, the Group provided more than 1,347 hours of training, of which 596 were mandatory (Health & Safety training) and 751 non-mandatory such as foreign language courses.**

The company has adopted a Health and Safety management system for workers in the workplace, in accordance with ISO 45001:2018 for both plants in Chiampo and Arzignano. During 2022, there were **no cases of work-related illness, while a total of two minor work-related injuries were recorded**. The health and safety of SICIT products has always been a central aspect of the way of doing business. SICIT Chemitech S.p.A. **Quality Control laboratory provides analytical support to the Group's activities, controlling the risks that may impact on the ineffectiveness of the service**. SICIT Chemitech S.p.A. has adopted a quality management system in compliance with UNI EN ISO 9001:2015.

**-28%**
of employees' work-related injuries

**99%**
employees with a permanent contract

**22%**
under 30 years old

### EMPLOYEES BY GENDER AS OF 31.12.2022

**17%** women



**83%** men

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 151 | **156** | **3.3%** |
| | *of which with a permanent contract* | % | 98 | **99** | **1%** |
| 401-1 | Rate of new employee hires | % | 11.9 | **10.9** | **-8.4%** |
| | Rate of employee turnover | % | 4.6 | **7.7** | **67.4%** |
| 403-9 | **Number of employees' work-related injuries** | No. | 11.25 | **8** | **-28.9%** |
| 404-1 | Average hours of training per year per employee | No. | 11.1 | **8.6** | **-22.5%** |
| 405-1 | **Diversity of employees as of 31.12** | | | | |
| | ***women*** | % | 17 | **17** | **0%** |
| | ***<30 years old*** | % | 17.9 | **21.8** | **21.8%** |

## GOVERNANCE

The Company adopted an Organizational, Management and Control Model, pursuant to the Legislative Decree 231/2001. SICIT has also a Code of Ethics which is an integral part of the 231 Model, and which identifies the responsibilities and ethical commitments of the Company towards its internal and external stakeholders.

Moreover, in order to implement Corporate Social Responsibility actions, consistent with Group guidelines, **SICIT approved six Group policies on sustainability, human rights, health and safety, environment, diversity, and anti-bribery**.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27**[1] | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | Confirmed incidents of corruption | No. | 0 | **0** | **0%** |
| **206-1** | **Legal actions for anti-competitive behavior, anti-trust, and monopoly practices** | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 0 | 0 | **0%** |
| | *30-50 years old* | % | 20 | 10 | **-50%** |



## MAIN POLICIES AND ONGOING INITIATIVES

As illustrated in the section above on ESG performance, SICIT has sustainability related policies and initiatives in place, demonstrating its commitments to furthering sustainability towards its stakeholders. Below is a recap of the main initiatives and policies:

### MAIN POLICIES AND PROCEDURES IN PLACE

#### Governance

- Organization, management, and control model pursuant to Legislative Decree 231/2001 (Updated in 2022 for the Group)
- Code of Ethics (Group)
- **Whistleblowing Procedure (Group)**
- Anti-Bribery Policy (Group)

#### Social

- UNI EN ISO 45001:2018 (certification on the two production sites of the Group: Chiampo and Arzignano)
- Health & Safety Policy (Group)
- **Human rights Policy (Group)**
- UNI EN ISO 9001:2015 (certification on the laboratory of SICIT Chemitech S.p.A.)
- Quality Policy (SICIT Chemitech S.p.A.)

#### Environmental

- UNI EN ISO 14001:2015 (certification on the two production sites of the Group: Chiampo and Arzignano)
- Environmental Policy (Group)
- **UNI EN ISO 14067:2018 for hydrolyzed proteins products (Product Carbon Footprint)**

#### ESG

- **Sustainability Policy (Group)**
- **EcoVadis rating (Group)**
- **Sustainalytics rating (Group)**

### ONGOING INITIATIVES

- SICIT has maximized discretionary rewards to its employees through offering new welfare services, in addition to loyalty and production rewards also present in previous years
- SICIT has sponsored the Plastic Free Odv Onlus project in collaboration with BeLeafing: “1,000 trees for 1,000 schools in Italy.”
- **The company has installed and commissioned a 190 kW photovoltaic system capable of producing about 262,000 kWh of electricity annually, which is used entirely to power the Arzignano plant**



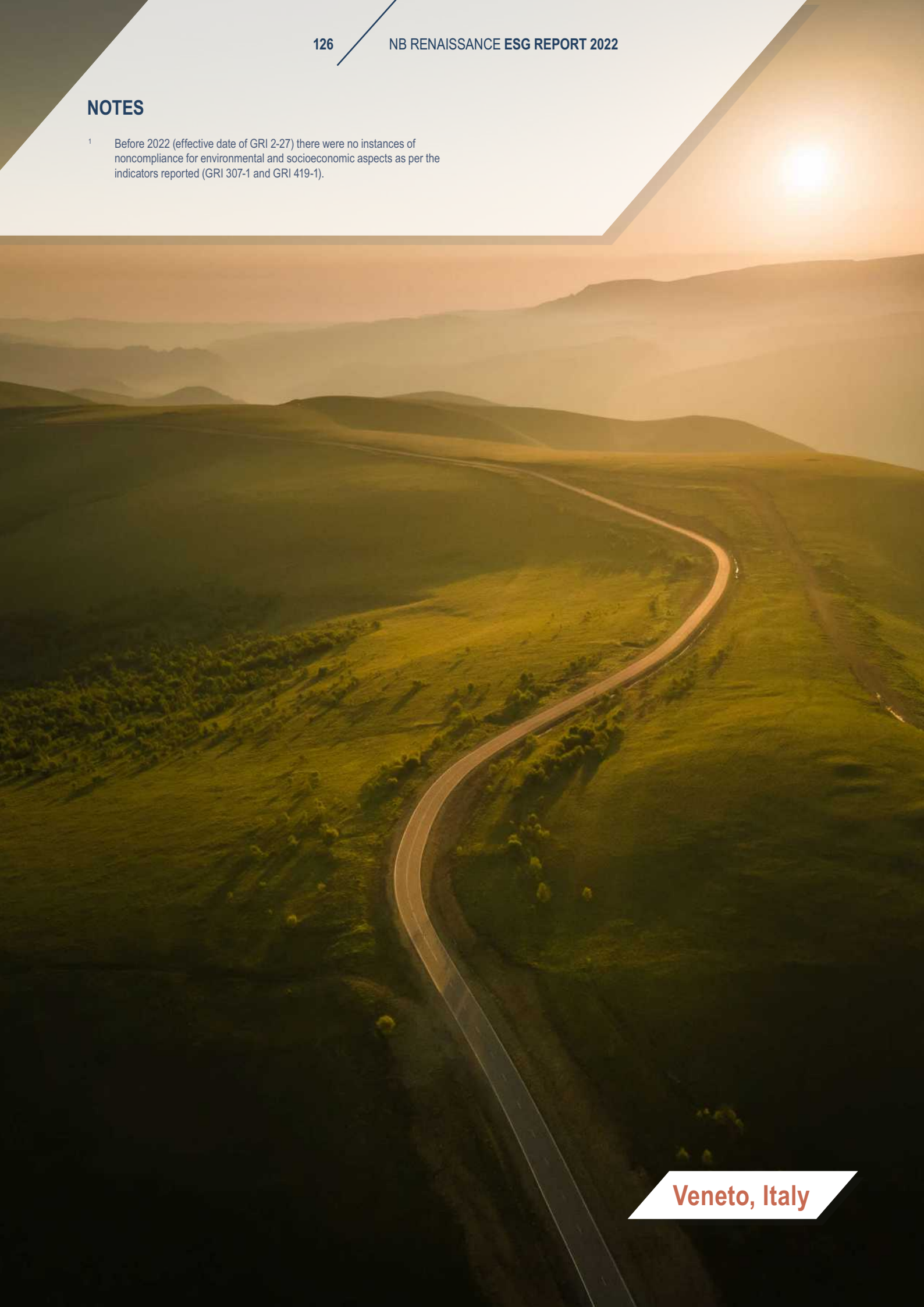
# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Establishment of an internal committee on Sustainability, with the various function leaders (i.e., Operations, HR, Finance, Environment etc.) | 2nd Semester 2023 |
| | | Identification of an ESG responsible | 2nd Semester 2023 |
| | | Definition of MBOs tied to the achievement of ESG objectives | 2nd Semester 2024 |
| ENVIRONMENTAL |  | Feasibility study for self-sufficiency project for electricity consumption | 2nd Semester 2024 |
| | | Implementation of carbon footprint of organization with Scope 3 inclusion and certification obtained | 2nd Semester 2024 |
| | | **10% reduction (compared to 2022 data) in the amount of sludge (waste) produced per kg of semi-finished product** | 2nd Semester 2026 |
| | | **15% reduction (compared to 2022 data) in the amount of ammonium bicarbonate (raw material) purchased per kg of semi-finished product** | 2nd Semester 2026 |
| | | **15% reduction (compared to 2022 data) in water discharge per kg of semi-finished product** | 2nd Semester 2026 |
| | | 5% reduction (compared to 2022 data) in methane gas consumption (and related emissions) per kg of semi-finished product | 2nd Semester 2026 |
| | | Evaluation of the possibility of using recycled/reused material (tanks and bags) for packaging | 2nd Semester 2024 |
| | | Identification of additional direct and indirect emission reduction targets (Scope 1, 2) and identification of Scope 3 emission reduction targets | 2nd Semester 2025 |
| | | Join the Science Based Target Initiative (SBTI) regarding our decarbonization strategy, to promote the best-in-class target setting approach in the market and demonstrate the Group's alignment to limit global warming to 1.5°C | 2nd Semester 2026 |

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| SOCIAL |  | Defining three-year training plan consistent with the outlined career pathway | 2nd Semester 2023 |
| | | **Increase by 100% in the per capita non-mandatory training hours figure at Group level compared to 2022 data (4,8 hrs), with a minimum increase of +10% to be achieved in 2023 already** | 2nd Semester 2026 |
| | | **Definition of a welfare/well-being plan** | 2nd Semester 2024 |
| | | Identification of three ongoing projects to support local communities | 2nd Semester 2024 |
| | | **Assessment of the Group's gender diversity maturity and further definition of an improvement plan** | 2nd Semester 2024 |
| | | Formalization of a performance evaluation process | 2nd Semester 2024 |
| | | Extension of the UNI EN ISO 9001:2015 certified Quality Management System to SICIT Group S.p.A. | 2nd Semester 2024 |
| GOVERNANCE |  | Continuation of sustainability reporting (Annual Report prepared on a voluntary basis) subject to limited assurance by external auditors | 2023 |
| | | **Updating the existing risk management model (Group Risk Assessment) with incorporation of ESG risk factors** | 2nd Semester 2024 |
| | | **Inclusion of Environmental aspects as part of the evaluation of new investments and in the due diligence process, as part of acquisition transactions** | 2nd Semester 2023 |
| | | Ecovadis rating improvement from Bronze to Gold | 2nd Semester 2026 |
| | | Implement a policy for selecting the most significant suppliers including the definition of a decarbonization path as part of the selection criteria | 2nd Semester 2025 |
| | | **Involvement of the most significant suppliers in the Ecovadis evaluation process through obtaining timely data on the most significant materials** | 2nd Semester 2025 |

## NOTES

[1] Before 2022 (effective date of GRI 2-27) there were no instances of noncompliance for environmental and socioeconomic aspects as per the indicators reported (GRI 307-1 and GRI 419-1).



Veneto, Italy

**CASE REPORT**
SPECIALISED
INDUSTRIALS




# ARBO

Arbo S.p.A, is a leading Italian company in the **distribution of spare parts and accessories for heating systems, air conditioning systems and components for commercial refrigeration**

Arbo is currently implementing the ***Rivending project*, a circular economy project to collect plastic cups and bottles at the Fano site to achieve a 100% recycle and reuse target**

Sustainability is becoming a priority for the company and as such, **Arbo has published its first Sustainability Report for the 2022 reporting period**, according to the Italian Legislative Decree No. 254/2016 and the GRI Standards 2021 with the referenced claim

Both the top management and employees have been involved in the materiality assessment, where **GHG emissions, human capital development, supply chain management, business ethics and responsible governance where defined as key topics**

In terms of **GHG emissions, Scope 2** (location based) saw a **reduction of 7% compared to 2021** and also a **5% reduction in natural gas consumption** compared to previous year. The company is also **defining a clear set of targets for the purchase of renewable energy** in order to reduce its emissions starting from 2023

## NUMBERS

**50+**
years of activity

**45**
sale points throughout Italy

**25,000+**
active clients

**3,000**
available products around Italy every day




## COMPANY'S DESCRIPTION

Arbo S.p.A. (Accessori Ricambi Bonazzoli, hereinafter also "Arbo") is a joint-stock company, acquired in June 2022, and a **leader in the distribution of parts and accessories for heating systems**, founded in 1968 from an idea by Leone Bonazzoli. From 1968 to 2022 Arbo went through various phases, which represented important moments of growth, development, and expansion.

The Company's business was initially focused on spare parts for diesel and later the product's selection was enriched with spare parts for gas boilers and thermal power station components. The Company's registered office is in the city of Fano, and it also operates through **45 sale points throughout Italy**. The Company has also subsidiaries in Spain and the United Kingdom and serve an international clientele with a core group located in Italy.

**In 2022**, Arbo has embarked on a new sustainability journey and **decided to publish its first ESG report to continuously improve its performance in terms of economic, social, and environmental responsibility**.[1]

**Arbo, a leading distributor of spare parts and accessories for heating and air conditioning systems, was founded in 1968 by the intuition of Leone Bonazzoli.**

**A targeted selection of products, attention to the customer and a quick and qualified service have made possible a steady growth in the market. Today Arbo presents itself as a managerial company with a team of experts and is a point of reference for professionals in the sector. A widespread presence in the area combined with the constant commitment of its employees allows for high quality service and prompt response times.**



## MATERIALITY

For the publication of its first Sustainability Report, the company has carried out a materiality analysis to identify, for the first time, the topics and related impacts that were most affected by its activity. **The themes and impacts were subsequently evaluated by the management during a materiality workshop (8 members of Top Management involved) and by its employees with a survey (232 employees involved with 169 respondents – 73%).** This evaluation process led to a list of 10 material topics for the company, stated below.

### MATERIAL TOPICS

- Climate change, energy consumption and GHG emissions
- Responsible management of natural resources
- Human capital management and development
- Health and safety
- Diversity and Inclusion
- R&D and innovation
- Product quality and safety, and client satisfaction
- Local community engagement
- Business ethics
- Responsible supply chain

# ESG PERFORMANCE

## ENVIRONMENTAL

From an environmental point of view, there was a **decrease of 13% in energy intensity** with a slight increase in energy consumption (-6%). Moreover, the year **2022 recorded a decrease in Scope 1 emissions that amounts to around 406 tons of $CO_{2eq}$**.

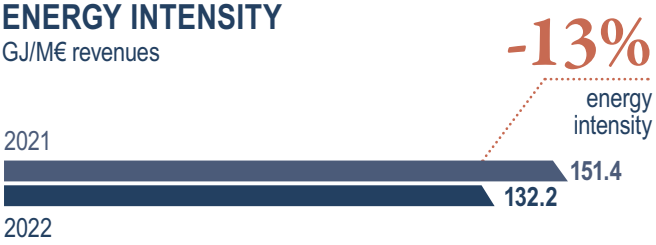
Also, t**here was a Scope 2 emission (location based) reduction of 7% compared to 2021 levels**. There was also a **5% reduction in natural gas consumption compared to 2021**.

Among the initiatives implemented to reduce $CO_2$ emissions, Arbo monitored the emissions of all company cars and vans. **In 2022, around 95% of the vehicles that make up the fleet were powered by the latest generation "Diesel" fuel**, one car was hybrid-type, and about 70% of dealers' cars were N1 trucks.

On the waste production side, Arbo is committed to build a new culture of zero waste, starting from reducing plastic packaging and water bottles and glasses.

### ENERGY INTENSITY

GJ/M€ revenues



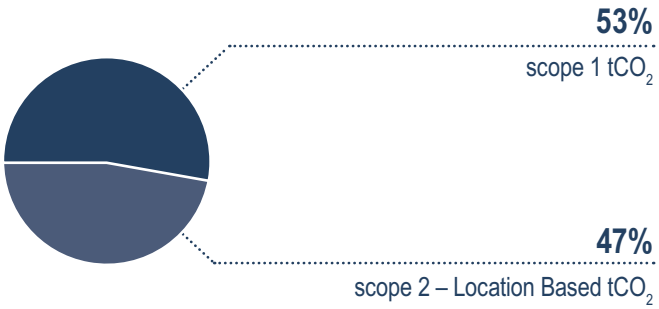

### GHG EMISSION INTENSITY

Scope 1 + Scope 2 Location based

$tCO_{2eq}$/M€ revenues




### 2022 GHG EMISSIONS




| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | GJ | 11,051 | **10,440** | **-6%** |
| | *of which from renewable sources* | % | 0 | **0** | **0%** |
| 302-3 | Energy intensity | GJ/M€ revenues | 151.4 | **132.2** | **-13%** |
| 305-1 | Direct GHG emissions (Scope 1) | $tCO_{2eq}$ | 419 | **406** | **-3%** |
| 305-2 | **Energy indirect (Scope 2 – Location Based) GHG emissions** | $tCO_2$ | 395 | **366** | **-7%** |
| | Energy indirect (Scope 2 – Market Based) GHG emissions | $tCO_2$ | 576 | **532** | **-8%** |
| 305-4 | GHG emissions intensity (Scope 1 + Scope 2 Location Based) | $tCO_{2eq}$ /M€ revenues | 11.2 | **9.79** | **-13%** |
| 306-3 | Waste generated | t | 134 | **113** | **-16%** |
| | **Waste intensity** | t/M€ revenues | 1.83 | **1.43** | **-22%** |

## SOCIAL

The whole of Arbo's employee workforce was covered by collective bargaining agreements in the tertiary-commercial sector, signaling the importance for Arbo of working conditions and fair and transparent relationships between employers and employees. **The Company considers the training of its workers to be of fundamental importance, and in this sense has set up an internal figure who deals with the preparation of training plans for the professional development of its employees**.

**As of 30th June 2022, there were 232 employees in Arbo and, compared to 2021, an increase in people employed of approximately 4% was recorded**. Also, 10 people, of which 2 employees and 8 external workers, are included in the vulnerable groups. **In 2022, the number of hours for training reached a total of 813 hours**. In addition, to contribute to the development and professional growth of employees, **performance assessments were carried out for all sales personnel, and, during the hiring phase, objectives were set linked to bonus**.

On the community engagement side, the Company has been actively engaged in supporting and sustaining initiatives for the community for years. **In 2022, Arbo signed a three-year agreement with the ONLUS Paidea**, a foundation that supports children with disabilities and their families. Through this agreement, Arbo contributed to the provision of therapies and aids to improve the well-being of children.

**232**
employees

**94%**
with a permanent contract

**14%**
under 30 years old

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| 2-7 | Number of employees as of 31.12 | No. | 223 | **232** | **4%** |
| | *of which with a permanent contract* | % | 91 | **94** | **3%** |
| 401-1 | Rate of new employee hires | % | 18 | **20** | **-11%** |
| | Rate of employee turnover | % | 13 | **17** | **31%** |
| 403-9 | **Number of employees' work-related injuries** | No. | 0.5 | **0** | **-100%** |
| 404-1 | Average hours of training per year per employee | No. | 4 | **4** | **0%** |
| 405-1 | Diversity of employees as of 31.12 | | | | |
| | *women* | % | 9 | **9** | **0%** |
| | *<30 years old* | % | 15 | **14** | **-7%** |



## GOVERNANCE

As of 30 June 2022, Arbo's Board of Directors was composed of 5 members, of which one person aged under 30, one between 30 and 50 and no women. The Company adopts an Organizational, Management and Control Model, pursuant to the Legislative Decree 231/2001 and has also a Code of Ethics which is an integral part of the 231 Model, and which expresses the ethical commitments and responsibilities of all subjects involved in company operations. As a demonstration of the well-functioning internal control system and the dissemination in all corporate bodies of the Code of Ethics, it should be noted that **in 2022, as well as in 2021, no cases of non-compliance with Laws and Regulations, Corruption and no lawsuits have been filed for anti-competitive behavior, anti-trust, and monopolistic practices**.

| GRI | ESG KPI | UoM | 2021 | 2022 | Δ |
|---|---|---|---|---|---|
| **2-27** | Instances of non-compliance with laws and regulations | No. | 0 | **0** | **0%** |
| **205-3** | **Confirmed incidents of corruption** | No. | 0 | **0** | **0%** |
| **206-1** | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No. | 0 | **0** | **0%** |
| **405-1** | Diversity of governance bodies (BoD of the parent companies) | No. | | | |
| | *women* | % | 0 | 0 | **0%** |
| | ***30-50 years old*** | % | **0** | **20** | **-** |



## MAIN POLICIES AND ONGOING INITIATIVES

Below is a recap of the main ongoing initiatives and policies in place demonstrating Arbo's commitments to ESG topics.

### MAIN POLICIES AND PROCEDURES IN PLACE

- Organization, management, and control model pursuant to Legislative Decree 231/2001
- Code of Ethics
- Sales Policy
- Privacy Procedure
- Internal Health and Safety Procedure
- Trainings on Health and Safety

### ONGOING INITIATIVES

- Initiatives for the development and support of communities and the territory, for example, support for the Paideia Foundation
- Official sponsor of "CineFortunae - Restored masterpieces by The Sea"
- Initiatives to raise awareness and reduce waste production
- Initiatives to reduce consumption of materials



# ACTION PLAN

| | SDG | OBJECTIVES | TIMELINE |
|---|---|---|---|
| CROSS-PORTFOLIO | | Establishment of an internal committee on Sustainability, with the various function leaders (i.e., Operations, HR, legal, audit etc.) | 2024 |
| | | Identification of an ESG manager | 2023 |
| | | Definition of MBOs tied to the achievement of ESG objectives | 2024-2026 |
| ENVIRONMENTAL | | Definition of target for the self-production/ purchase of renewable energy | 2024-2026 |
| | | Definition of energy intensity targets | 2024-2026 |
| |  | Implementation of a monitoring system for the Company's emissions and for waste and recycled waste | 2024 |
| |  | **Adoption of the Science Based Targets** | 2024-2026 |
| |  | **Implementation of a Carbon Footprint to monitor Scope 1, Scope 2 and Scope 3 emissions** | 2024-2026 |
| | | Rivending project, a circular economy project to collect plastic cups and bottles at the Fano site to achieve a 100% recycle and reuse target | 2023 |
| | | Increasing the use of recycled material for product packaging | 2024-2026 |
| SOCIAL | | Implementation of a management system for employee management and monitoring of training hours | 2024 |
| |  | Definition of donation targets to communities | 2024-2026 |
| |  | **Definition of a procedure for selecting and monitoring impacts generated by donations in support of initiatives in the local context** | 2024 |
| |  | Definition of Group Policy on Diversity & Inclusion | 2024 |
| | | Increase of training hours | 2024-2026 |
| | | **Implementation of a system/procedure for impact evaluation on products' safety** | 2024 |
| GOVERNANCE | | Extension of the Company's Code of Ethics to all companies of the Group | 2024 |
| |  | Development of a Commercial Code of Conduct for the management of the relation with the supply chain | 2024-2026 |

## NOTES

[1] Arbo's reporting period is 01-07 to 31-06. Stock data are calculated at 31-06.





Marche, Italy

**CASE REPORT**
HEALTHCARE




# NEOPHARMED GENTILI

Neopharmed Gentili S.p.A is a **leader in the distribution of off-patent drugs on the Italian market**, leveraging a broad and diversified proprietary product portfolio that spans eight therapeutic areas and a specialized salesforce of **over 400 pharma representatives** (the second largest in Italy)

**All employees are involved in courses on business ethics topics, including 231 Model and privacy procedures.** Moreover, each employee receives scientific training adapted to their roles and responsibilities and the Scientific Services Department also provides regular training to Medical Sales Representatives

Neopharmed monitors a **waste intensity KPI related to the kg of waste produced per tested batch, which halved between 2019 and 2021 from 6 kg to 3 kg**. Moreover, between 2021 and 2022, **the Company reduced by 26% the hazardous waste generated from its laboratories**

Thanks to the recent acquisition of the Company by Renaissance, **Neopharmed will improve the monitoring of its ESG performance, preparing its first Sustainability Report for 2023 performance**

**Since 2020, the Company monitors the gender pay gap, which has been reduced by 11% between 2021 and 2022**

**NUMBERS**

**400+**
pharma representatives

**2**
million patients impacted

**8**
therapeutic areas

**218**
employees

**43%**
women




## COMPANY'S DESCRIPTION

Neopharmed Gentili S.p.A (hereinafter also "Neopharmed") is headquartered in Milan, Italy, and is a leader in the distribution of off-patent drugs on the Italian market.

Neopharmed built its success leveraging a **broad and diversified proprietary product portfolio that spans eight therapeutic areas and a specialized salesforce of over 400 pharma representatives** (the second largest in Italy) dedicated to the active promotion of brands to General Practitioners and specialists nation-wide. **Neopharmed is a clear example of a virtuous business that has positive impact on people's lives**.

This is grounded on the **(i) low environmental impact on the back of the company's asset-light business model** that externalizes manufacturing to trusted top-tier CMOs, **(ii) positive impact on the society** thanks to a portfolio of products improving the well-being of 2 million patients mainly affected by chronic diseases, **(iii) pragmatic role within local communities** by growing awareness of healthy medicine practices through active participation and hosting of medical conferences and digital conventions (more than 12,000 spectators per year) and **(iv) adoption of governance best-in-class practices regarding compliance risk, transparency, quality and control**.

**Thanks to the recent acquisition of the Company by NB Renaissance, Neopharmed will improve the monitoring of its ESG performance, by collecting data on cross-portfolio and specific KPIs in line with NB Renaissance sustainability path. In 2024, the first Sustainability Report will be published.**

## ESG PERFORMANCE[1]

### ENVIRONMENTAL

Neopharmed's operational sites are rented assets, and the environmental impact is less relevant as the production of pharmaceuticals is not direct. All R&D and production activities are externalized; hence, **the most significant impacts are related to salesforce business travels, offices operations and the impacts related to Neopharmed supply chain**.

Therefore, the performance of Neopharmed in terms of environmental indicators refers to three main strands: **reduction of its operations' environmental footprint, monitoring of its waste and assessment of its supply chain**.

Despite that, **Neopharmed regularly monitors the chemical emissions from the testing laboratory of its partners to avoid any pollution**.

**In terms of waste management initiatives, the Company monitors waste production and ensures proper processes for office and laboratory waste treatment**.

Neopharmed monitors a waste intensity KPI related to the **kg of waste produced per tested batch, which was halved between 2019 and 2021 from 6 kg to 3 kg**. Moreover, between 2021 and 2022, **the Company reduced the hazardous waste generated from its laboratories by 26%**. Internally the Company manages office waste through specific sorting processes which involve paper, plastic, and food waste. Hazardous office waste (e.g., toners) is treated separately.

With regards to the risks along the environmental impact of the supply chain, the Operations and Logistics Department ensured that suppliers meet the Group's and the pharmaceutical industry's quality standards.

**Neopharmed defined a Responsible Procurement Policy in 2021 that has been deployed amongst all key suppliers in 2022**. **The suppliers' sustainability performance is assessed through Neopharmed's Responsible Procurement Policy and monitored through a questionnaire**. The Company believes in the evaluation of ESG performance along the value chain as a reflection in the final product. In line with this, **Neopharmed constantly monitors the number of suppliers using recyclable and recycled packaging**.

Moreover, since 2020, Neopharmed began to source more sustainable **Active Pharmaceutical Ingredients (APIs), which use less solvent in their production processes**.



## SOCIAL

Neopharmed is particularly committed to ensure the safety of its employees. The company performs annual H&S risk assessments and monitors accident frequency, severity, and absenteeism rates. In the past years, these have all been below the industry average, as there has been only 1 case of work-related injury in both 2021 and 2022. **Neopharmed annually drafts a Document for Risk Evaluation (DVR), where the organization's safety initiatives are defined and explained.**

To mitigate H&S risks and promote employee wellbeing Neopharmed has rolled out the NeoBenessere training program focusing on posture, ergonomics and movement, stress management, conscious nutrition, and safe driving. The Company also promotes initiatives for the mitigation of physical and psychological risks related to laboratory activities.

On the matter of creating a healthy work environment, **the company has defined a Diversity Policy, in line with SDGs n.10, prohibiting any form of discrimination, promoting respect for diversity within the organization, and guaranteeing equal opportunities in terms of training and professional careers development**.

In 2022, **Neopharmed's workforce counted 218 employees, of which 43% are women**. Neopharmed set specific targets to ensure that the share of women in management positions is reflective of the share of women in overall staff. In 2022, the Company recorded **103 managers of which 24% are women.** Since 2020, the Company monitors the gender pay gap, which has been reduced by 11% between 2021 and 2022.

All employees are involved in courses on business ethics topics, including 231 Model and privacy procedures. In addition, **each employee receives scientific training adapted to their roles and responsibilities** (including medical device regulation and management, laboratory data analysis, batch audit and release). Moreover, the Scientific Services Department also provides regular training to Medical Sales Representatives.

**Since 2020, the Company monitors the gender pay gap, which has been reduced by 11% between 2021 and 2022.**

To ensure the competences of its management, Neopharmed has implemented a **Performance Management System for managers and directors including salary targets and annual reviews**. To promote welfare and wellbeing in the Company, Neopharmed has implemented a **separate bonus system to the pharmaceutical reps related to quantitative sales targets**. In terms of benefits, the Company also allows flexible working hours and has signed a **work from home agreement which encourages employee wellbeing**. Moreover, for managers and directors MBOs include a Flexible Benefit System.

Neopharmed's responsibility towards clients is matched trough the c**ompliance with standards on product quality and the implementation of strict management procedures to ensure product safety**. Neopharmed has adopted a Quality Management System to guarantee product safety, quality, traceability, and conformity for patients, compliant with pharmaceutical industry quality standards. This system is internally and externally assessed on an annual basis in order to verify its correct functioning.

## GOVERNANCE

The Company has several governing bodies to ensure separation of duties: **a Board of Directors, composed of 3 members, a Vigilance Board, and a Statutory body of Auditors**. Moreover, there is an **Executive Committee composed of 2 female members and 2 male members** as of 31st December 2022. The company has also appointed a **Director of External Relations who is responsible for Corporate Social Responsibility and public affairs**.

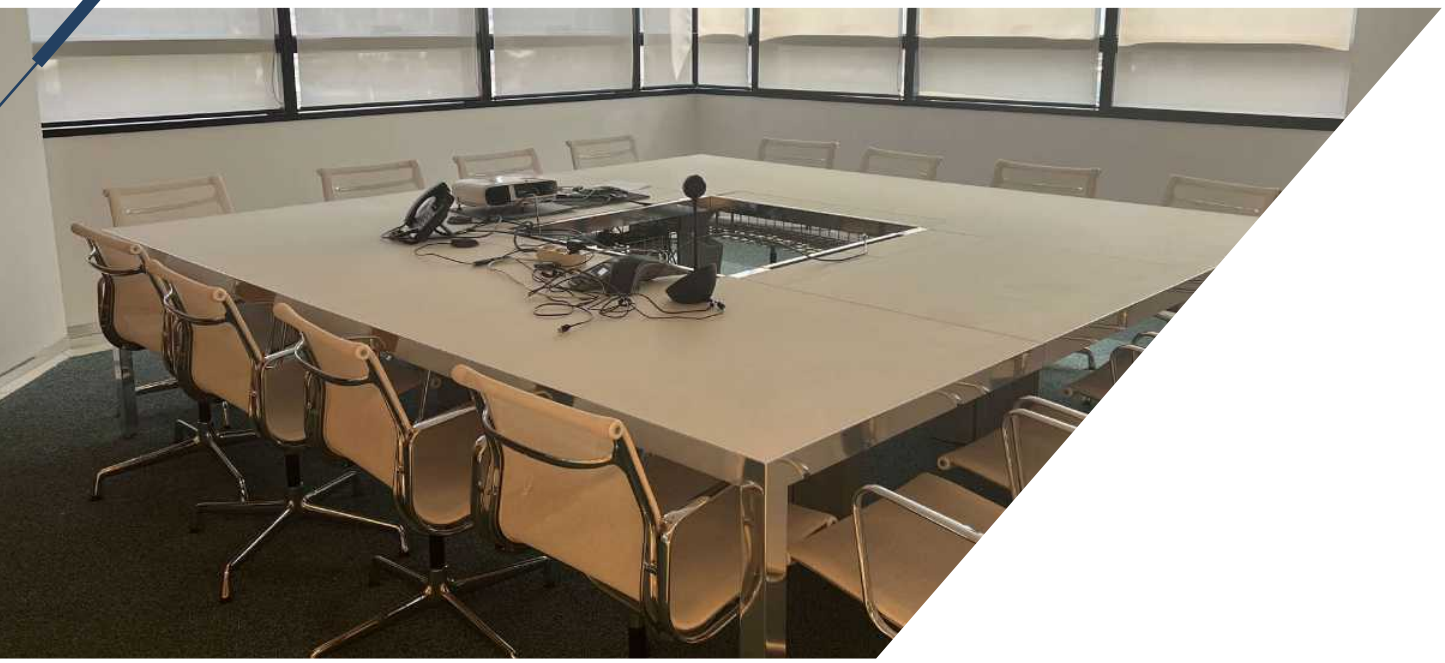
Neopharmed complies with the law governing the pharmaceutical industry, such as Farmindustria and EFPIA, and **performs regular audits and strict review procedures to ensure its alignment to the latest normative requirements**.

Neopharmed's activities are certified against national and European standards of the pharmaceutical industry and uses **EudraVigilance to manage pharmacovigilance** (the European database of suspected adverse drug reaction reports). Furthermore, **the Company's manufacturing and marketing activities respect the Legislative Decree no. 219 of 2006 "Code of Medicines"**.

With regards to data protection and cybersecurity, since 2018, Neopharmed has implemented **measures to promote its compliance with the GDPR**. In 2019, the Company performed a **Cyber Risk and security Health Check Assessment and updated its IT policy in 2020**. Due to the relevance of this topic, Neopharmed carries out **annual cybersecurity tests**, including vulnerability assessments and penetration tests on internal and external networks.

Finally, the Company has also defined an **internal Standard Operating Procedure (SOP) with the aim to assess business and quality risks in the supply chain, to monitor them and to take corrective measures when necessary** (improvement actions, increased frequency of GMP audits, etc.). Moreover, Neopharmed's activities are audited by business partners, certified authorities, and government agencies.

**The Company is externally audited every 3 years, instead laboratories are internally controlled. The medical devices line is revised every 2 years**.



## NOTES

1 The ESG Performance of Neopharmed has a different structure respect to the other Reporting Cases due to the newly acquisition of the asset. We are currently working on KPI monitoring and the ESG Plan 2023-2026 to report in our next Annual Report.



Milan, Italy

# METHODOLOGICAL NOTE

This document constitutes the first Renaissance's ESG Report, which has the main purpose to present Renaissance and its portfolio companies' main ESG achievements and communicate their future commitments in terms of sustainability. For 2019, 2020, 2021 reporting periods, Renaissance prepared an annual Spotlight. The information included in this ESG Report refers to the year 2022 (January 1 to December 31, 2022) and, where possible, comparisons are offered with the previous year/years, to enable comparability of data and information and assess overall performances.

To ensure comparability over the two years 2021 and 2022 for companies which have been subject to relevant changes in reporting scope (Hydro Holding S.p.A., Rino Mastrotto Group S.p.A.), a "2022 Adj" on a like-for-like basis has been calculated; the same methodology has been applied also at Fund level.

Entities included in the reporting scope are represented by Renaissance and its portfolio companies of Fund I and Annex (Novamont S.p.A., Comelz S.p.A., Uteco Converting S.p.A.) and Fund III (Hydro Holding S.p.A., Rino Mastrotto Group S.p.A., Engineering Ingegneria Informatica S.p.A., OverIT S.p.A., SICIT Group S.p.A., Arbo S.p.A. and Neopharmed Gentili S.p.A.). Refer to Annex I for more details about portfolio companies' reporting scope.

This document has been prepared using *"Global Reporting Initiative Sustainability Reporting Standards"* defined by the *Global Reporting Initiative* (GRI) as a guidance, referring to the most recent version of 2021 has been adopted.

For a fair representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible. Monetary values are provided in EUR. Please note that the following conversion rate was used: for March 31, 2023, 0.9195. Source: European Central Bank.

Renaissance's Board of Directors has reviewed and approved the ESG Report as of July 2023.

The periodicity for the publication of Renaissance's ESG Report is set on an annual basis. This ESG Report is also available to the public at this link: https://www.nbrenaissance.com/en/responsibility.

To earn a more comprehensive understanding of portfolio companies' ESG performances, refer to their ESG report, which will be publicly available on their website.

# ANNEX I: REPORTING SCOPE

| COMPANY | REPORTING SCOPE |
|---|---|
| NOVAMONT | The reporting scope of economic, environmental, social and governance data and information coincides with the one presented in the consolidated financial statements as of 31st December 2022 of Novamont Group, except for GRI 404-1 (which exclude Biobag Group). |
| COMELZ THE CUTTING EDGE COMPANY | The reporting scope of economic, environmental, social and governance data and information coincides with the one presented in the consolidated financial statements as of 31st December 2022 of Comelz Group. |
| Uteco JOIN THE FLEX-CONVERTING | The reporting scope of social (except for health and safety and training topics) and governance data and information coincide with the one presented in the consolidated financial statements as of 31st December 2022 of Uteco Group. With reference to economic and environmental, health and safety and training data, the reporting scope includes only the parent company Uteco Converting S.p.A., located in Italy.<br><br>For comparative reasons, the variations year-on-year have been calculated taking into consideration the same reporting scope as of 31st December 2021, except for the following GRI indicators, which for 2022 also include Vision S.r.l. (acquired in 2022), Advanced Machinery N.V. and Uteco Converting Asia Pacific PTE. LTD subsidiaries (which account approximately for 5% of total employees): GRI 2-7, GRI 401-1, GRI 405-1.<br><br>The turnover figure used for the calculation of energy, emissions, water and waste intensity refers to Uteco Converting S.p.A. |
| HYDRO | The reporting scope of economic, environmental, social and governance data and information includes the following companies: the parent company Hydro Holding S.p.A., and its subsidiaries located in the United Kingdom (Evofluid Hydraulics UK Limited), Germany (Evofluid Hydraulik GmbH) and the Czech Republic (Efeti S.r.o), except for the following GRI indicators: GRI 204-1, GRI 306-3 (excludes Efeti S.r.o)<br><br>“2022Adj” excludes 2022 environmental and training data (GRI 404-1) of Efeti S.r.o and Evofluid Hydraulik GmbH for comparison reasons; includes 2022 health and safety data only for Hydro Holding S.p.A.. |

| COMPANY | REPORTING SCOPE |
|---|---|
| RINO MASTROTTO GROUP | The reporting scope of economic, environmental, social and governance data and information coincides with the one presented in the consolidated financial statements as of 31st December 2022 of Rino Mastrotto Group.<br><br>"2022 Adj" excludes 2022 data of Tessitura Oreste Mariani S.p.A, Morellino S.r.l. (both acquired during 2022), Elmo of America INC and RMG Leather USA LLC for comparison reasons. |
| ENGINEERING THE DIGITAL TRANSFORMATION COMPANY | The reporting scope of economic, social and governance data and information coincides with the one presented in the consolidated financial statements as of 31st December 2022 of Engineering Group World (in Italy, Brazil, Argentina, Mexico, Belgium, Germany, Republic of Serbia, Spain, United States, Hungary, France, UK, Czech Republic, Switzerland, India). The reporting scope of environmental data is related to Engineering Group in Italy. Data reported does not include performance related to the company OverIT (which has done its spin-off from Engineering Group in 2022 and reports separately) and to the company Be Shaping the Future, which has been acquired by Engineering in June 2022. |
| overIT | The reporting scope of economic, environmental, social and governance data and information coincides with the one presented in the consolidated financial statements as of 31st December 2022 of OverIT Group. |
| SICIT | The reporting scope of economic, social and governance data and information coincides with the one presented in the consolidated financial statements as of 31st December 2022 of SICIT Group. The reporting scope of environmental data and information include the Group's production plants. |
| ARBO | The reporting scope of economic, environmental, social and governance data and information includes the parent company Arbo S.p.A. |



# ANNEX II: NOTE ON EMISSIONS' FACTORS

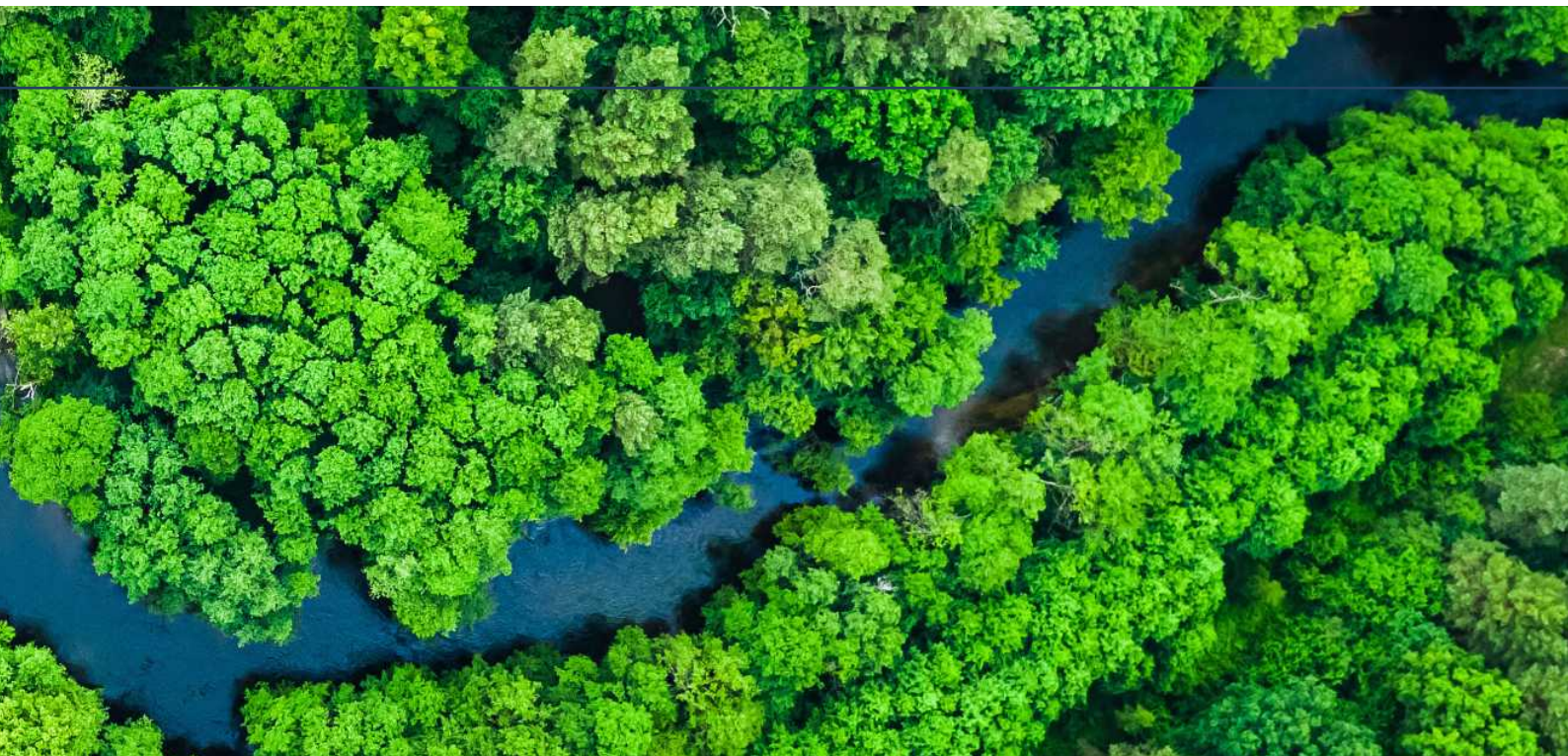
The overall GHG emissions have been calculated including Scope1 emissions and Scope 2 emissions. To calculate Scope1 emissions, direct emissions from combustion sources, including stationary, mobile, from process and fugitive sources, were considered. The emission factors used for the calculation are those published by ISPRA-National Inventory Report (for Novamont S.p.A., Uteco Converting S.p.A., OverIT, SICIT Group S.p.A.) and UK Government GHG Conversion Factors for Company Reporting-DEFRA (for Comelz S.p.A., Hydro Holding S.p.A., Rino Mastrotto Group S.p.A., Engineering Ingegneria Informatica S.p.A., Arbo S.p.A,).

For the calculation of Scope 2 emissions, emissions from energy consumption have been considered. The reporting standard used (GHG Protocol) provides two different approaches to calculating Scope 2 emissions: "Location-based" and "Market-based".
The "Location-based" method is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries. Sources used are:

- ISPRA (for Novamont S.p.A. (for which also Econinvent tool v.3.8 has been used), OverIT, SICIT Group S.p.A.);
- Terna (for Comelz S.p.A., Hydro Holding S.p.A., Rino Mastrotto Group S.p.A., Uteco Converting S.p.A., Engineering Ingegneria Informatica S.p.A, Arbo S.p.A.).

The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the portfolio companies and the electricity supplier (e.g. purchase of Guarantees of Origin), the emission factor relative to the national "residual mix" is used for the "market-based" approach. For this report, the "Marked-based approach" applied to not-renewable electricity is calculated with the following emission factor relating to the national "residual mix" and the sources are:

- AIB-European Residual Mixes for Novamont S.p.A. , Comelz S.p.A.[36], Uteco Converting S.p.A., Hydro Holding S.p.A., Rino Mastrotto Group S.p.A. for 2022, Engineering Ingegneria Informatica S.p.A., SICIT Group S.p.A., Arbo S.p.A.);
- Terna (for Rino Mastrotto Group S.p.A. for 2021.



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