



SUSTAINABILITY POLICY



Summary

Introduction	2
Objectives of the document	2
Our commitments	4
Scope of application	5
Reporting and communication	5
Approval and revision of the Policy	5



SUSTAINABILITY POLICY

Introduction

Tesmec Group put in place specific actions to respect and promote a more sustainable future, protecting the environment in which we operate, ensuring respect for human rights, promoting a good working climate for its employees, ensuring ethical behavior in the running of business and in the relationship with the stakeholders.

Tesmec is a company with a strong propensity for sustainable innovation and internationalization, key characteristics that have marked the history of the company and will certainly be at the core of its future developments.

The building of modern and digital infrastructure, the installation of cables and optical fibers for wider connectivity, the modernization and safety of railway networks, the rising attention to sustainable mobility, the transition to the use of renewable energy sources, as well as the growing importance of strong and efficient electricity grids (Strong & Smart Grids) cannot be separated from a sustainable development approach.

Sustainability is one of the key factors in the Group's medium-long term growth strategy. For Tesmec, investing in sustainability means being focused on quality, efficiency in resource management and continuous product and process innovation. Tesmec Group adopts a business model characterized by the integration of sustainability principles into the corporate strategy and management of environmental, social and governance aspects.

The Group intends to base its activities on increasingly sustainable and socially responsible approaches. Tesmec commitments are linked to specific priorities on which the Sustainability Policy is articulated.

Objectives of the document

The Sustainability Policy defines the principles that drive Tesmec Group in contributing to the development of a responsible business from an economic, social, and environmental point of view along the entire value chain, in order to create positive impacts and minimize negative ones, generate value both for the company and for all stakeholders.

This document represents a tool to frame the Group's commitment to sustainability, identifying strategic guidelines and defining common medium-long term objectives to which all stakeholders, internal and external, can collaborate for their achievement.

The principles that guided the drafting of this Policy are inspired by the *Sustainable Development Goals* - SDGs - framed within the 2030 Agenda action program approved by the United Nations in 2015. The targets that the Group has identified and on which it could contribute more considering its activities and its material themes are the following:



SDG3 - Health and Well-being: ensuring a healthy life to its employees and the communities in which Tesmec operates, through welfare initiatives, awareness raising activities for employees and support to nonprofit organization;

SDG 4 – Quality Education: ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all;

SDG7 - Affordable and Clean Energy: promoting initiatives to optimize the Group's energy consumption by reducing consumption and favoring the use of renewable sources;

SDG 8 - Decent work and economic growth: promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;

SDG9 - Industry, Innovation and Infrastructure: supporting infrastructure innovation to make it increasingly safe and sustainable through advanced technological solutions that contribute to a lower impact on the environment;

SDG11 - Sustainable Cities and Communities: supporting the dissemination of green technological practices and solutions for cities and environments;

SDG12 - Responsible Consumption and Production: maximizing responsible consumption and production at all Group production sites through initiatives aimed at optimizing the life cycle of products, encouraging the use of more sustainable materials and promoting the reuse and recycling of materials;

SDG15 - Life on the Land: protecting, restoring, and promoting a more sustainable ecosystem through initiatives focusing on respect, care and protection of the environment.

The protection of the environment, biodiversity and ecosystems have recently also entered the Constitution of the Italian Republic where Tesmec has its registered office. In particular, Article 9 reads: "The Republic shall promote the development of culture and scientific and technical research. It protects the landscape and the historical and artistic heritage of the Nation. IT PROTECTS THE ENVIRONMENT, BIODIVERSITY AND ECOSYSTEMS, ALSO IN THE INTEREST OF FUTURE GENERATIONS. STATE LAW REGULATES THE WAYS AND FORMS OF PROTECTION OF ANIMALS", while Article 41: "Private economic initiative is free. It cannot be carried out contrary to social utility or in such a way as to damage security, freedom, human dignity, HEALTH, ENVIRONMENT. The law shall determine the appropriate programmes and controls so that public and private economic activity can be directed and coordinated for social and ENVIRONMENTAL purposes."



Our commitments

The Tesmec Group's strategic guidelines in terms of sustainability and the ESG approach concern the following priorities:

- **Environment, focus on Products:** sizing and increasing the share of green & digital technological solutions. Addressing the product development towards an increasingly sustainable innovation with particular attention to the electrification of equipment for the minimization of the environmental impact, to the diagnostics & IoT for the increase of safety of infrastructures and to the optimization and digitalization of networks for an efficient use of energy resources
- **Environment, focus on Processes:** promoting the circular economy and integrating environmental aspects within business processes, to correctly manage the use of resources, promoting the reduction of direct and indirect environmental impacts, favoring sustainable procurement policies of products and services
- **Social, focus on Human Resources and Stakeholders:** enhancing the human capital and well-being of employees, ensuring a safe and inclusive work environment. Ensuring the development of skills and competences, through recruitment, training and professional growth based on equity and merit, fighting all forms of discrimination. Strengthening the relationship with the territory by supporting the local community through active participation in charitable and voluntary initiatives
- **Governance, focus on Sustainability governance:** designing effective governance on sustainability issues for the coordination, management and monitoring of actions planned to achieve the SDGs. Constantly committing to carrying out corporate activities in accordance with the highest ethical standards, operating in compliance with applicable laws and regulations on the subject

To improve Sustainability performance, Tesmec is committed to:

- Define a sustainability strategy that aims to generate value in the present, without compromising the ability to create value in the future;
- Increasingly integrate the principles of sustainability into research and innovation activities for the design of cutting-edge solutions, aimed at operational efficiency, reduction of environmental impact and maximum levels of safety;
- Constantly reduce the environmental impact of its processes and production cycles, improving the energy efficiency of the technologies used and reducing the use of polluting materials;
- Strengthen and consolidate the involvement of the Stakeholders to ensure overall sustainable development;
- Report on the Group's ESG performance through clear and effective reporting.

In carrying out its activities, the Group undertakes not to produce negative impacts (DNSH principle - do not significant harm) on the environmental objectives defined by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 c.d. Taxonomy Regulation.

Furthermore, Tesmec strongly believes that preventing violations and strengthening protection of human rights, especially in the workplace, is an indispensable prerogative to undertake any economic and commercial relationship. Respect for human rights is considered a key element in pursuing sustainable development.



Scope of application

The Sustainability Policy is addressed to all companies of the Tesmec Group in accordance with the Code of Ethics, the 231 Organizational Model and all other company policies.

Reporting and communication

The Sustainability Policy is published in the Sustainability section of the tesmec.com website, together with the Non-Financial Statement which reports the initiatives undertaken by the Tesmec Group in the management of environmental, social and governance aspects.

Approval and revision of the Policy

This Policy was approved by the Board of Directors of Tesmec S.p.A. on December 21, 2022. The document will be reviewed and/or amended whenever it is necessary to adapt to substantial changes in the Tesmec Group's business or sustainability strategy.