

TESMEC

SUSTAINABILITY POLICY

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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 has a strong propensity for sustainable innovation and internationalization, key characteristics of history and business model and development of the Group.

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 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 sustainable and socially responsible approach. Tesmec commitments are linked to specific priorities in 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 mitigate negative ones, generate value both for the company and for all stakeholders.

This document is a tool to frame the Group's commitment for a sustainability development, identifying strategic guidelines, defining medium-long term objectives to which all internal and external stakeholders, are called to contribute.



The principles that guided the drafting of this Policy are based on the Sustainable Development Goals - SDGs - an integral part of the 2030 Agenda action program approved by the United Nations in 2015.

Considering its business model, activities and relevant sustainability issues, the Tesmec Group has identified some SDGs as priorities in terms of commitment and contribution to achieving them:



SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Quality education: providing quality, fair and inclusive education, and learning opportunities for all.



SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all

Clean and accessible energy: promoting initiatives to optimize the Group's energy consumption through the reduction of energy consumption and the preference for the use of renewable sources



SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Decent work and economic growth: encouraging sustainable, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. Protect the right to work and promote a healthy and safe working environment for all workers.



SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Industry, innovation, and infrastructure: supporting infrastructure innovation, to make it safer and more sustainable through advanced technological solutions that achieve a lower impact on the environment.



SDG 10 Reduce inequality within and among countries

Strengthen and promote the social, economic, and political inclusion of all, regardless of age, sex, disability, race, ethnicity, origin, religion, economic status or otherwise. Ensure equal opportunities and reduce inequalities in outcomes.



SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable

Sustainable cities and communities: support the dissemination of green practices and technological solutions for cities and environments.



SDG 12 Ensure sustainable consumption and production patterns

Responsible consumption and production: optimising consumption and responsible production at all Group production sites, through initiatives aimed at improving the product life cycle, encourage the use of more sustainable materials and promote the reuse and recycling of materials.



SDG 13 Take urgent action to combat climate change and its impacts

Integrate climate change measures into policies, strategies, and planning.

Tesmec Group's 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 a 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 Stakeholder:** 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 integrated into the business model, that aims to generate value in the present, without compromising the ability to create value in the future;
- 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 is committed to making its substantial contribution to the objective of mitigating the impacts of climate change, part of the environmental objectives defined by the European Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020), committing itself, at the same time not to cause significant damage (principle DNSH - do not significant harm) to the other five environmental objectives indicated by the same Regulation, in compliance with the social safeguard criteria that guide the conduct of the business.

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 sustainability reporting, which reports the initiatives undertaken by the Tesmec Group in the management of environmental, social and governance aspects, together with the related performances.

Approval and revision of the Policy

This Policy was approved by the Board of Directors of Tesmec S.p.A. on March 8, 2024. The document will be reviewed and/or amended whenever it is necessary to adapt to changes in the Tesmec Group's business or sustainability strategy.