ENGINEERING

CORPORATE SOCIAL RESPONSIBILITY REPORT **2018**

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REPORT **2018**

Using our heads

Betting on intellect. On the human intellect capable of transforming and improving the world,
but also of respecting its delicate balances and preserving its natural resources, which are becoming increasingly scarce.
"Using our heads" is the phrase in which the Vision and Mission of Engineering converge
and which affirms our approach to Sustainability.
We need to "use our heads," to look far into the future and decide to bet on talent,
thereby providing sense and value to our daily commitment to customers and society.
Engineering has chosen to bet on intellect to design
a better, sustainable future, with the awareness
that this is the path to be taken for growth and development.

ENGINEERING

INTRODUCTION

by Renato Soru

One cannot help but be proud about being part of this exemplary story of one business: from its initial steps taken at the dawn of Italian IT, with the first great challenge of the Electronic Registry of Companies at the Chamber of Commerce. A long journey, one taken without ever looking back, only focusing our gaze on the horizon to anticipate technological innovation and market needs.

Until today, a company that competes on par with the tech giants from across the Atlantic, but with its very own individual identity and spirit.

More than ten thousand professionals, present across multiple countries, the largest Italian IT consulting and services company dedicated to the digital transformation of businesses and public administration.

The awareness that the origins and destiny of hard-working peasants can be transformed, and that new languages can be adopted and new organizational and production models imagined, has created technological powerhouses and contributed to this country's competitiveness.

The spirit of those who dug the canals, reclaimed and planted apparently unusable lands, remains.

A long journey, one aimed to create value for shareholders or for the communities in which it was born and developed?

I believe that it was all for the dream of seeing a great industrial project grow and come to fruition.

All to show that success can come from even the most unlikely of origins. For the pride of doing it, to give our absolute best.

All the rest came naturally.

Creating value, and so much, for shareholders, and finally managing to attract the attention of large institutional investors, guaranteeing its further future growth. Always firmly maintaining the innovative spirit of the great Italian technology entrepreneur Olivetti, and the innate drive to take responsibility for our employees, customers and the community.

Value for shareholders and for the entire community of stakeholders, never conflicting, but rather the natural consequence of a company that has been ushered into the new era with passion, a vision of the future and ethics.

This year's Corporate Social Responsibility Report tells the story of the soul of this company. A recognition that we are now called upon not only to maximize business efficiency and profit, but more importantly to work in harmony with a world that is facing great transformations and challenges, a world in which the very survival of our society seems to be at stake. In this sense, the fact that Engineering asks all suppliers for documentation on internal occupational health and safety conditions, not limiting itself to what happens inside its own four walls, means re-

quiring transparency and alignment with its ethical values throughout the supply chain, working to contribute towards changing the world beginning at home.

The commitment to enhancing internal skills is evident on the pages of this Report, which describe the actions taken to help meet employees' professional goals as well as to ensure balance with their private lives.

A clear response to the increasingly widespread need to reconcile work and private life, in an exchange in which something is added to, instead of taken away from, both areas.

In this sense, many of the facilitations designed for employees, such as online language courses, are accessible to family members as well. There are also many occasions for fun and socializing organized for the children of employees. These are important signs that the company takes care of the well-being of its workers, who are first and foremost people, and as such experience life, the present, have connections and feelings.

Engineering's sizable, continuous investment in training, not only for its personnel but also for young and very young people for whom it has developed a variety of programs, such as partnerships with schools to teach computer literacy or courses for young people who have not yet embarked upon a career, is also without a doubt worth a particular mention. A veritable public investment, supplementing the role of the Italian government in a country where - and it is worth pointing out - an extremely high level of youth unemployment is accompanied by a second statistic indicating that one job opening out of three remains unfilled due to a lack of candidates with suitable skills.

Lastly, amongst the many solutions developed by Engineering at both the Italian and international level, I would like to highlight "Waste4Think": a European-level project developed with other businesses and meant to improve the management and reuse of waste. A positive example of the new paradigm of the circular economy which the EU is focusing on and which even Pope Francis himself endorses.

Indeed, to me it really seems that Engineering is a great example of a company that has set the very clear goal of generating profit while at the same time aiming to contribute to the collective good. A company which, ultimately, strives to shape the future in line with the best possible vision of progress, and which is gradually moving its horizon towards greater equity and greater respect for the overall balance of our human and environmental ecosystem.

Renato Soru

Businessman

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LETTER TO STAKEHOLDERS

GRI 102-14

Dear Stakeholders,

The integration of Corporate Social Responsibility into the policies, processes and activities of our company is an essential element to ensure the competitiveness and sustainability of our business. It is fundamental to provide a response to the long-term challenges of the new millennium and to create shared value with employees, customers, shareholders and citizens.

The Corporate Social Responsibility Report is prepared with the contribution of all company functions and is an occasion to strengthen our internal culture and tell the story of our approach to doing business as well as the results achieved in areas such as the management and enhancement of our people, doing business ethically, taking care of and satisfying our customers and suppliers, respect for the environment and support for the community through initiatives for social inclusion and support for cultural growth in the academic/ scientific and artistic realms.

We also integrate sustainability into our business by designing and providing services to customers that have a positive impact on significant economic, social and environmental aspects in the Information Technology sector. Indeed, our business projects contribute to transforming the world in which we live and work, and which takes care of us across all areas of digital transformation: from e-government, Industry 4.0, Smart Cities and the environment, to the construction of suitable responses to the growing need of organizations to

obtain tools and systems for digital healthcare, Cybersecurity and Security Intelligence.

These are just some of the sectors in which we are working on the front lines to contribute to our country's growth and modernization, the most noble of challenges because it has to do with people's well-being. This is why it is met in compliance with our Code of Ethics and, more generally, in keeping with all of those principles of responsibility which make our Group a point of reference on the market both in Italy and internationally.

Our experience gained in areas like Cybersecurity, the Internet of Things, Cloud Computing, Big Data, Blockchain, Artificial Intelligence and Robotic Process Automation has enabled us to bring solutions and applications to the market that are often crucial to support the digital evolution of the businesses and services making up the economic fabric of every sector: industry, banks and insurance, telecommunications and utilities, services, public administration and healthcare, both in Italy and abroad.

Over the last decade, the Engineering Group has boosted its economic and employment impact by roughly 65%, reaching a value of production of 1,180 million and employing 10,730 employees, 9,647 in Italy and 1,083 abroad, in addition to roughly 3,800 external professional resources who work with the Group on specific projects.

Today, Engineering is the Italian sector leader and plays a strategic role in the country's development, supporting the missions of more than 1,000 customers, including businesses, organizations and public administration, with innovative services and

sustainable solutions, thanks to ability to combine our well-established knowledge of their working processes with the opportunities provided by the most recent evolutions in technology.

This result has been possible thanks to the skills and quality of the work of our people, who are supported by the company with retention policies and structured paths for professional growth and continuous training, which translates into the continuous improvement of our professional competencies and the value of our human capital.
This is even more true for a company like ours, which since 1980 has dedicated a significant portion of its financial investments to research, which in the last year alone exceeded 40 million euros.

Furthermore, thanks to an organizational structure with a team of 420 researchers and data scientists, and through a network of scientific and university partners throughout Europe, the Group is capable of making a broad array of proprietary solutions available to its customers, which from year to year also increase the value of our intellectual capital.

These are just some of the topics dealt with in the 2018 Corporate Social Responsibility Report, which describes not only the many areas in which we work, but also our commitment to building a future that will make sense only if reached by taking a responsible path of development.

Michele Cinaglia
Chairman

Paolo Pandozy
Chief Executive Officer

A GROUP
THAT INVESTS IN THE FUTURE
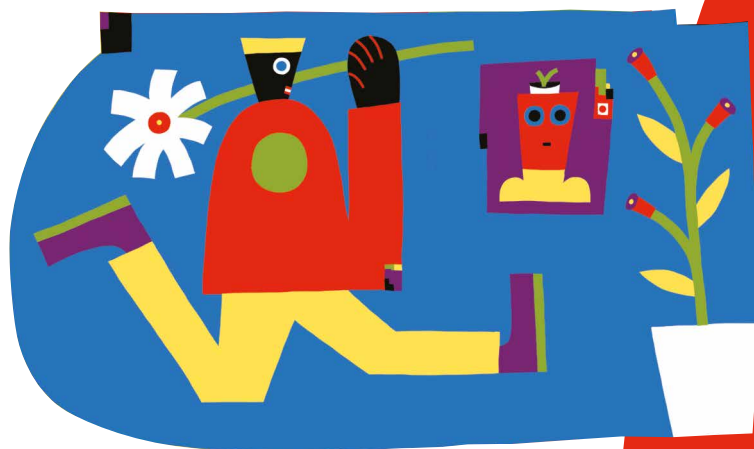
HIGHLIGHTS 2018

10,730 — employees and 3,800 collaborators

1.18 — billion euros in revenues

12% — turnover abroad

over 60 — branches throughout the world

20 — countries served

40 — million euros invested in research

80 — ongoing research projects

7 — development laboratories

420 — researchers and data scientists

280 — innovators

BEING **THE LEADING PLAYERS IN INNOVATION** MEANS NOT ONLY TRANSFORMING THE ORGANIZATIONAL AND BUSINESS PROCESSES OF COMPANIES, BUT ALSO **CONTRIBUTING TO THE EQUITABLE** GROWTH OF SOCIETY. BECOMING INTERPRETERS **OF PEOPLE'S** EXPECTATIONS AND NEEDS.

SO MANY COMPANIES, RESPONSIBLE INNOVATION

GRI 102-5

Profile
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Founded in 1980 as a software house ready to take on the challenge of being an IT business, with an Italian mind and heart but a multinational reach, today the Engineering Group is one of the main players in the digital transformation of public and private companies and organizations, with 1.18 billion in revenue and 10,730 professionals spread across more than 60 offices in Italy, Belgium, Germany, Norway, the Republic of Serbia, Spain, Sweden, Switzerland, Argentina, Brazil and the U.S.

Its leadership, achieved not only in Italy but also in international markets, is derived from its capacity to design, develop and manage innovative solutions for the business areas where digitalization is having the biggest impact, including Digital Finance, Smart Government & E-Health, Augmented City, Digital Industry, Smart Energy & Utilities, Digital Telco & Multimedia.

Italy represents the main reference market, with 88% of revenues earned in the Industry, Transport, Telecommunications, Utilities, Finance, Public Administration and Healthcare sectors, while 12% of its turnover is generated through activities carried out in more than 20 countries worldwide.

The Group can count on a well-established base of roughly 1,000 customers.

The Group's objective is to contribute to changing how the world lives and works, combining a proprietary infrastructure par excellence in Cloud Computing, which relies on 4 Data Centers located in Italy in Pont-Saint-Martin (AO), Turin, Milan and Vicenza, with specialized expertise across all of the most advanced digital technologies: Artificial Intelligence, Advanced Data Analytics, Cybersecurity, Robotics, the Digital Twin, IoT, Blockchain.

With significant investments in R&D, Engineering plays a leading role in research, coordinating 80 na-

THE ENGINEERING GROUP ACROSS THE WORLD
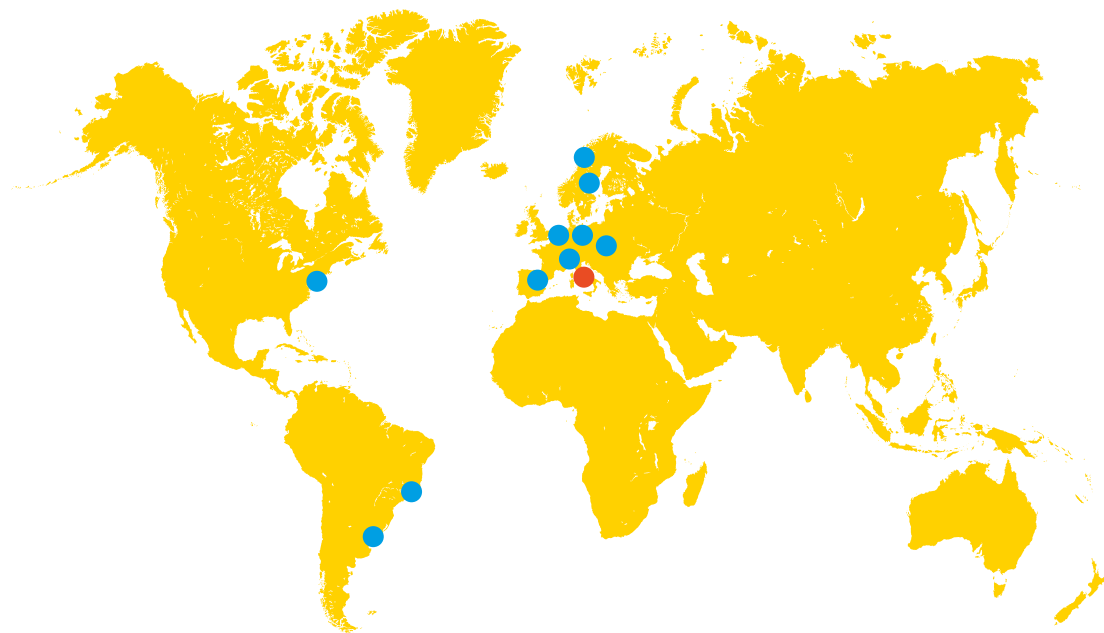
● USA, Brazil, Argentina, Spain, Belgium, Norway, Sweden, Switzerland, Germany and the Republic of Serbia   ● Italy

tional and international projects thanks to a team of 420 researchers and data scientists and a network of academic partners and universities throughout Europe.

The Company thus solidifies its leadership in the field of research and development and its capacity to make a rich offer of proprietary solutions available to its customers. In this manner, Engineering brings innovation to customers' business processes, sharing with them not only its know-how, but a particular key capable of opening the door to their future.

One of the Group's key strategic assets is its employees' know-how, to whose training it has dedicated a multidisciplinary School which has provided more than 21,000 days of training to employees and customers in the last year.

The Parent Company

The Parent Company Engineering Ingegneria Informatica S.p.A. is the center of the nervous system around which the activities of its subsidiaries active all over the world are developed.

Its duty is to provide the management and business policies to support not only their range of products but also the image of a highly innovative Group. Considering its widespread international presence, the Group has set up an efficient structure capable of coordinating all centers of operational responsibility. The Parent Company's organization model is structured as follows:

- the staff departments guarantee the efficiency and uniformity of rules and procedures by offering their services to the various Group companies

ORGANIZATION CHART (August 2019)

	CHAIRMAN **MICHELE CINAGLIA**	
Supervisory Board	CHIEF EXECUTIVE OFFICER **PAOLO PANDOZY**	Advisory Board
Processes & Internal Audit Department ANNALISA QUINTAVALLE		"Enrico Della Valle" IT & Management School FERDINANDO LO RE
Corporate Security Department IGOR KRANJEC		Marketing Department EDWARD ABBIATI
Protection & Prevention Service LEONARDO INGRAVALLE		Communication, Corporate Identity & Corporate Social Responsibility Department CONCETTA LATTANZIO
Data Protection Officer MIRELLA CARRARO		General Department of Human Resources & Organization CLAUDIO BIESTRO
Technology, Innovation & Research General Department ORAZIO VIELE		Administration, Finance & Control General Department ARMANDO IORIO

| Finance General Department GIUSEPPINA VOLPI | Public Administration & Healthcare General Department DARIO BUTTITTA | Telco & Utilities General Department VINCENZO TARTUFERI | Transport & Infrastructure Department CARMINE ROSSIN | Industry & Services Department MAURIZIO PECORI | Automation & Control Department ALFREDO BELSITO (a.i.) | Automotive Department ALFREDO BELSITO (a.i.) |

- the market departments oversee the vertical sectors (Finance, Public Administration and Healthcare, Telco & Utilities, Transport and Infrastructure, Industry and Services, Automotive, Automation and Control)
- the General Technical, Research and Innovation Department coordinates: the execution of software production processes through the Engineering Software Labs (ESL); research activities through the Research Laboratories; and the development of specialized skills, both technical and application-related, across several markets, through the Centers of Competence
- the "Enrico Della Valle" IT & Management School provides professional courses for the growth of managerial, technological and behavioral skills of both employees and customers.

The main subsidiaries in Italy

Cybertech: as one of the most important European players in IT security, with 300 specialists, it has managed projects in more than 20 EMEA area countries for over 10 years. Joining the Engineering Group in 2019, it has become its center of excellence for Cybersecurity.

Engineering D.HUB: it is the partner for outsourcing and transition to Cloud services, offering methodological standards, as well as a technological and services platform to support digital transformation in various market sectors.

Engineering 365: formerly known as MHT, it is one of Italy's reference companies in the ERP and CRM systems sector. It is a Microsoft partner with Gold ERP competency and a focus on Microsoft Dynamics solutions.

Engiweb Security: an integral part of the Engineering Software Lab organizational structure, it consists of a network of laboratories located throughout the country responsible for software design and development within system integration projects. It provides specialized know-how on the most widespread market application platforms and on the most innovative methodologies for software design, development and testing.

Municipia: it works alongside large Italian municipalities and supports more than 600 small and medium-sized municipalities with both ad hoc and parameterizable solutions, projects and support services. It plays a leading role in the digital innovation of cities, including in important European initiatives, first and foremost FIWARE.

Nexen: it focuses on advisory services for financial and insurance institutions, in the Governance, Risk, Compliance, Customer, Offering, Payments, Wealth Management, Credit, Life & No Life areas, supporting them in sales, management and governance activities.

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

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

Sogeit Solutions: it offers skills, solutions and services for the digital media and broadcasting markets.

WebResults: it is the reference point for the development of cloud applications based on the Salesforce.com platform.

CONSOLIDATION AREA (June 2019)

ENGINEERING INGEGNERIA INFORMATICA SPA
MICHELE CINAGLIA Chairman
PAOLO PANDOZY Chief Executive Officer

MUNICIPIA SPA
STEFANO DE CAPITANI
Chairman
— 100%

LG NET SRL
STEFANO DE CAPITANI
Chairman
— 76%
— 13.47%

ENGINEERING SARDEGNA SRL
VINCENZO TARTUFERI
Sole Director
— 100%

ENGINEERING 365 SRL
ALFREDO BELSITO
Chief Executive Officer
— 100%

WEBRESULTS SRL
PAOLO PANDOZY
Chairman and Chief Executive Officer
— 100%

SOGEIT SOLUTIONS SRL
RAFFAELE AMOROSO
Chief Executive Officer
— 100%

ENGIWEB SECURITY SRL
ORAZIO VIELE
Sole Director
— 100%

NEXEN SPA
GIUSEPPINA VOLPI
Chairman
— 100%

OVERIT SPA
MARCO ZANUTTINI
Chairman and Chief Executive Officer
— 95%

SOFITER TECH SRL
CLAUDIO DI FLORIO
Chief Executive Officer
— 51%

ENGINEERING D.HUB SPA
FRANCESCO BONFIGLIO
Chief Executive Officer
100% —

CYBERTECH SRL
ROBERTO MIGNEMI
Chief Executive Officer
51% —

BW DIGITRONIK AG
MARTIN VISELKA
Chief Executive Officer
51% —

PRAGMA MANAGEMENT SYSTEMS SRL
ROBERTO MIGNEMI
Chief Executive Officer
51% —

ENGINEERING INTERNATIONAL BELGIUM SA
GIUSEPPE MANGIACOTTI
Chief Executive Officer
100% —

ENGINEERING INGEGNERIA INFORMATICA SPAIN SL
VINCENZO TARTUFERI
Chairman and Chief Executive Officer
100% —

ENGINEERING SOFTWARE LAB DOO
PAOLO DI BELLA
Sole Director
100% —

ENGINEERING DO BRASIL SA
FILIPPO DI CESARE
Chairman
100% —

ENGI DA ARGENTINA SA
FILIPPO DI CESARE
Chairman
91.37% —
8.63% —

ENGINEERING USA INC
ETTORE SOLDI
Chief Executive Officer
80.5% —

ENGINEERING ITS AG
PETER EISENBACHER
Chief Executive Officer
51% —

The main subsidiaries abroad

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

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

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

Engineering ITS: headquartered in Germany and with more than 300 employees across 12 branches, it focuses its activities on IT process advisory services, on-site and near-shore software development, integration systems and managed operations. It operates through three business units: Digital Services & Solutions, Business & Strategy Consulting and Software Labs.

Engineering Software Lab: founded in 2012 as a branch of MHT (now Engineering 365), it is headquartered in Belgrade. It uses deep technological expertise and sector knowledge to provide a ready response to European projects across all market sectors.

Engineering USA: it was purchased in 2017 from Hyla Soft and operates in the United States, with headquarters in Chicago, where it specializes in the Digital Manufacturing sector with expertise in PLM (Product Lifecycle Management), MOM (Manufacturing Operations Management) and S&OP solutions and system integration services.

The Centers of Competence

- **Automation & Control**: it develops and creates Industry 4.0 compliant solutions for businesses, networks and infrastructure, allowing for the integration of processes and information and the supervision of distributed technological assets.

- **Change Management**: it operates in close contact with customers and project teams, supporting them in adopting innovative work methods required for digital transformation and project implementation, applying its well-established Change Management methodologies.

- **CRM - Customer Relationship Management**: it supports customer organizations in defining their end consumer strategies, also operating on market leader platforms and on the major Digital Marketing suites, creating proprietary application components to accelerate realization times and limit project costs, and lastly handling aspects linked to Change Management.

- **Data & Analytics**: its specialized team accompanies customers into the Digital Age, where information becomes an asset and the competitive advantage. Data Management, Data Governance, Data Visualization, Advanced Analytics with Machine Learning/DL, NLP and forecasting models are techniques and instruments used to create complete and effective analytical solutions.

- **Digital Learning & Knowledge**: it combines learning methodologies and digital technologies to offer personalized, flexible and immersive learning paths. It creates ecosystems and content for engaging and gratifying lifelong learning practices, to be used to stimulate the growth of people and the transformation of organizations.

- **ECM - Enterprise Content Management**: team of domain specialists with advisory skills, offering solutions and services to large organizations for the transformation of information into company assets and smart content. It helps customers achieve incredible results by using the appropriate technologies: Blockchain in the information certification process, Artificial Intelligence for knowledgeable data use, IoT as a provider with local branches.

- **Engineering Interactive**: it offers advisory services supporting digital evolution and designing products, services, communication and training strategies consistent with new organizational and business models. Its team of professionals with multidisciplinary experience operates in areas that range from service design to interactive learning, from social listening to digital communication, through participatory and user centered methodologies (Design Thinking, Design Sprint, LeanUX, etc.).

- **Enterprise eXcellence Center SAP**: with more than 1,100 SAP specialists and over 500 projects active throughout the world, the Enterprise eXcellence Center SAP is Engineering's global organization specialized in the design, creation and maintenance of innovative ERP and extended ERP and SAP solutions.

- **GIS - Geographic Information System**: it specializes in the design and implementation of complex cartographic information systems, integrating the geographic component into the main business decision-making processes.

- **ITS - Intelligent Transportation System**: it designs and creates control centers with the support of Smart Systems for mobility control/monitoring in cities or rural areas, for public transportation, hazardous goods and road network safety.

- **Mobile Solutions**: it designs, creates and manages multi channel and multimedia solutions with an advisory type approach. The working methodology is based on the design of the Customer Experience and calls for the use of vertical and innovative technologies. It has gained significant experience in the mobile and consumer realms.

- **Project Management Center of Excellence**: it collaborates with Project Managers in the start-up and management of large projects and contracts, for customers it performs Project Management Office activities and supports the path of Agile Transformation, it is responsible for the internal Project Management methodology and is a point of contact, in collaboration with the Training School, for professional Project Manager, PMO Specialist and Scrum Master courses.
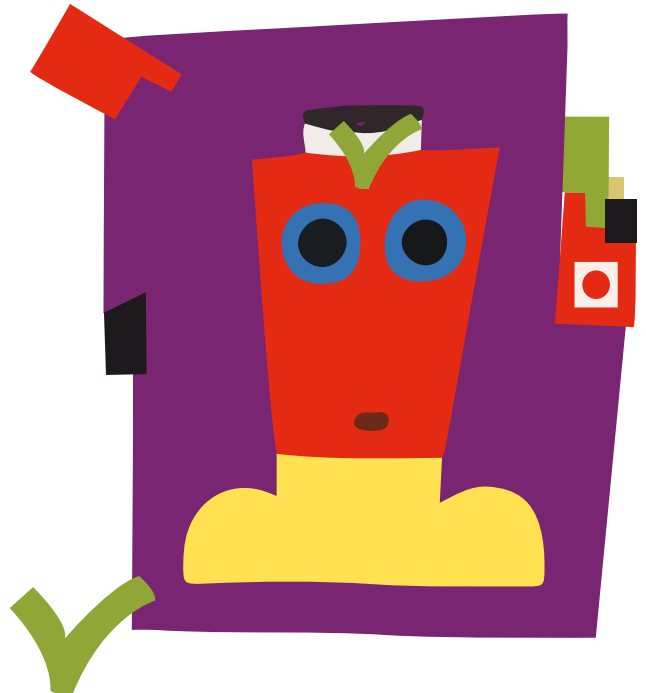
Engineering Innovation
GRI 103-2 GRI 103-3

Innovation is the process that generates value starting from ideas. Therefore, there is no innovation if at the end of the process concrete and tangible value is not generated for all players taking part in it.

For Engineering, innovating means seeking out and developing increasingly modern technological solutions capable of supporting and improving businesses and organizations across all sectors, public policies and, as a result, the lives of residents.

Investing in R&D also means obtaining the tools required to support and increase competitive capacity, to adequately meet the needs of an IT market in continuous and rapid evolution, following the trends and priorities outlined by the innovation roadmap, defined at the EU as well as the national level.

In Engineering, innovation, research and development activities embrace the challenges linked to new production and organizational paradigms, including Cybersecurity & Homeland Security Governance, e-Health, Infrastructure, Software, Energy, Industry 4.0, Mobility, Space, the Cloud, Data and Analytics, Intelligent Transport Systems, the Internet of Things (IoT), Smart Cities, Tourism and Culture.

The Research and Development Department, whose first laboratory was opened in 1987, works together with the most important European scientific organizations and with top level businesses, maintaining leadership in the software research segment thanks to the coordination of a number of national and international projects in a network with scientific and university partners throughout Europe.

In 2018, Engineering invested roughly 40 million euros in research and development, employing 420 researchers and data scientists in around 80 ongoing research projects and managing 7 development laboratories. Accredited for many years as one of the Italian businesses most active in European research, the company attracts financing made available by various research programs at the national and European level, thus attaining constant growth and results.

A link has been created between the world of research and the markets through a network of 280 "Innovators". The role of these people, who are constantly committed to the application and study of the technologies of the future and innovation activities together with customers, is that of disseminating everything new being created in Research and Innovation within the markets and vice versa, keeping research connected to the needs arising in the markets. It is a crucial link to ensure that research can result in an integrated offering of traditional and innovative technologies that better meet the needs of our customers and partners. Linking research to the offering is a distinctive feature that underscores the practicality and relevance for which the Engineering Group has always aimed.

Engineering, together with other major European companies in the ICT sector, is the founding partner of the FIWARE Foundation, a legal non-profit body aimed at promoting and developing the FIWARE platform and expanding its supporting community: developers and users, from both industry and the public sector, from large organizations, SMEs and also startups. Through the path undertaken by FIWARE, the company aims to support the creation of an open source community which promotes and sustains the development of open solutions for Smart Cities, Industry 4.0 and precision agriculture, integrating Internet of Things, Cloud and Big Data technologies with policies on Open Data, so as to lay the foundations for the development of the digital economy.

Therefore, Engineering's R&D department performs a dual role of promoting software research at international level and transferring innovation to the production cycle of its business structures. Two key words explain the laboratory approach to research

and innovation activities well: impact and sustainability. To achieve these objectives, the laboratory handles a portfolio of activities that includes:

- research activities
- Open Innovation activities
- activities on technologies experiencing rapid growth and ready to be marketed.

Every single activity delivers proof of concepts (feasibility tests), pilot projects and new products or services, supporting the transfer of technologies and skills to the business units, so as to be able to take advantage of new market opportunities to the utmost and always keep its offer in pace with the times. From the technical and functional perspective, Engineering's research and innovation activities are based on the development of new technologies and on social and service innovation:

- **Digital Defense, Aerospace & Homeland Security** - security intelligence, fight against crime and terrorism, border and external security, future security and incident management

- **Smart Government & Augmented Cities** - open government, social innovation, open data, data interoperability, Big Data for value - added public service delivery, service co-design, service mash-up, multi-modal user interfaces, IoT for Public Services (Social IoT), augmented and virtual reality for sustainable communities

- **Smart Tourism and Culture** - culture in mobility, culture and IoT, smart transport, virtual and augmented reality, gamification and crowdsourcing, collective heritage, cultural/creative ecosystems, creative industries, open culture and digital social innovation

- **E-Health** - improvement of human-computer interaction and communication models, architectures

for the integration of complementary healthcare processes, management, integration and leveraging of healthcare data, innovative monitoring, prevention and prediction services, based on IoT

- **Smart Energy and Utilities** - smart metering system, smart energy system, smart grid management and prosumers flexibility coordination in particular for decentralized approaches. Blockchain - based systems implementing energy management features such as: grid control, energetic and economic transaction handling, Data Management, Data Interoperability, ICT support to innovative storage systems

- **Digital Industry** - industrial Internet of Things, industrial analytics, cyber-physical production systems, product/process quality management, predictive maintenance, virtual enterprise environments, business servitization, virtual innovation hubs for Industry 4.0, security for critical industrial systems

- **Digital Workplace** - social software in workplaces, collective intelligence, collaborative decision-making, social business, augmented learning for education and self-empowerment

- **Smart Agriculture** - precision farming, food traceability, quality and safety, food supply chain integrity, security for marine environment and aquaculture

- **Smart Transportation** - critical infrastructure protection, disaster resilience, intelligent transport systems, multimodal logistics

- **Digital Media & Communication** - advanced multimedia search engines, social media network analysis, Big Data and media applications, fake news identification and media literacy

- **Enabling Technologies** - future clouds (semantic web, global computing), Edge Computing (mobile computing, Internet of Things), Big Data (distributed and federated storage, high performance computing), Artificial Intelligence & Advanced Analytics, Cybersecurity and privacy engineering, online trust and transparency for privacy, blockchain, Robotic Process Automation.

Research and network programs

The strategic role played by Engineering within the software research community in Europe is also shown by its involvement in international initiatives which stimulate and promote innovation in a range of areas. Indeed, Engineering takes part in several research initiatives and programs both in Italy and Europe, through public-private networks and partnerships, and working with a number of organizations in order to define strategies for the growth and competitiveness of digital companies and economies in the main emerging ICT sectors.

- **5G PPP**: Engineering is the coordinator of two projects for 5G PPP (5G-MEDIA and NRG-5), a public-private partnership co-funded by the European Commission as part of Horizon 2020. 5G PPP unites representatives of the industrial sector, SMEs and the world of research, and has the objective of strengthening European leadership in the area of advanced 5G networks.

- **AIOTI**: Engineering is a founding member of the Alliance for Internet of Things Innovation, launched by the European Commission and aiming to create a sustainable ecosystem through IoT technology and the implementation of applications, so as to accelerate sustainable economic development and growth in the global digital market.

- **BDVA**: Engineering is a founding member of the international non-profit organization BDVA (Big Data Value Association) and a coordinator of the Smart Manufacturing Industry and Smart Cities groups. The Association, which has more than 200 members distributed throughout Europe, including large, small and medium companies, universities and research centers, represents the private counterparty to the European Commission in the implementation of the Big Data Value PPP (Private Public Partnership) program.

- **ECSO**: Engineering is one of the sponsors and active supporters of the European Cyber Security Organisation, a public-private partnership on Cybersecurity active since 2018 with more than 200 active members. The objective of the initiative is to make Europe and the security industry more innovative and competitive thanks to collaboration with and support of public administration, universities, research centers and businesses.

- **EIT Digital**: Engineering is a core partner of the European Institute of Innovation and Technology, the main instrument of the European Commission to support businesses and entrepreneurs in the digital innovation process, providing them with new technologies and talent to support economic growth and improvement of quality of life.

- **EOS**: Engineering is a founding member of the European association EOS (European Organisation for Security) and coordinates the working group on Cybersecurity. EOS brings together the main European industrial and academic players in the security sector (50 members located in 15 different European countries) and offers solutions and services related to, for example, the security and monitoring of sea and land borders, transport security, Cybersecurity, critical infrastructure protection and crisis management. EOS has made a considerable contribution to the founding of ESCO, a public-private initiative dedicated to Cybersecurity.

- **FIWARE**: Engineering is one of the founding members of FIWARE, a European initiative that aims to facilitate the efficient creation and delivery of smart applications and services, leveraging the infrastructural evolution of the Internet and boosting European competitiveness in the field of Information and Communication Technology (ICT).

- **IDSA**: Engineering is a member of the European board of the International Data Space Association, where business and research take on an active role in the definition of a reliable architecture for the data economy. Its primary objective is to create an open, standard and vendor-independent solution that allows for data sovereignty, or the possibility to control and govern the sharing of private data.

- **NESSI**: Engineering is a partner of the European technological platform NESSI (Networked European Software and Service Initiative), which aims to develop a strategy for the implementation of software and services guided by a shared European research agenda. The initiative, today considered an independent think tank, has roughly 400 members, including the main IT firms, major universities and the most advanced research centers in Europe.

- **WssTP**: Engineering is a member of and contributor to the ICT working group of the Water Supply and Sanitation Technology Platform, a European platform which, inter alia, aims to promote the integrated development of the research and technologies sector at European level, ensure Europe's competitiveness and growth in the water sector, provide responses to global challenges for the coming generations and handle the integrated and sustainable management of water resources.
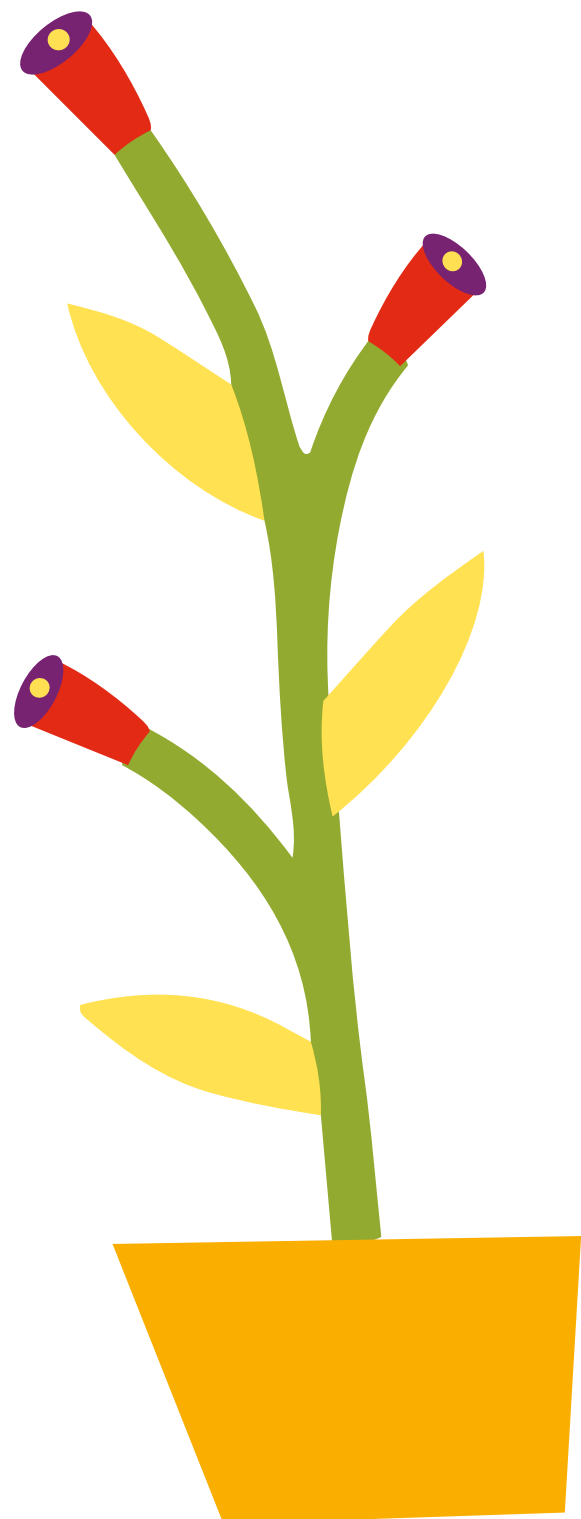
ACKNOWLEDGEMENTS AND AWARDS

→ Engineering amongst the Best Managed Companies again in 2019

For the second year running, Engineering is one of the companies that was awarded the "Deloitte Best Managed Company" (BMC) award, given to businesses that stand out due to their organizational capacities, strategy, skills and innovation, commitment and corporate culture, governance and performance, internationalization and sustainability. The companies were recognized at the headquarters of Borsa Italiana as part of the Deloitte initiative supported by ALTIS Catholic University, Confindustria and ELITE, the London Stock Exchange Group program that supports the development and growth of high-potential businesses.

→ Panorama TOP 400 2018: Engineering one of the Best Companies to Work for

For the second year in a row, a survey by the weekly publication Panorama ranked Engineering as one of the top ten Italian companies in the Internet, telecommunications and IT sector most appreciated by employees. The survey was conducted in collaboration with Statista, an online research company. The 400 Italian companies that made the list were evaluated on the basis of an independent survey given to more than 15,000 workers across 1,900 companies with over 250 employees throughout Italy.

→ Best Talent Hunter 2018 for the Best Post-Internship Hire Rate

Again this year, Engineering was awarded for the Best Post-Internship Hire Rate during the Best Talent Hunter 2018 event organized by the University of Padua Career Service Office, during which companies are recognized for the best recruiting and employer branding actions and strategies.

→ HR Innovation Award 2019 from the HR Innovation Practice Observatory of the Polytechnic University of Milan

Engineering received the HR Innovation recognition for the "Talent Attraction" category, assigned during the presentation of the Polytechnic University of Milan's HR Innovation Practice Observatory. The award reflects the important work done to fully transfer the search, selection and hiring process for new recruits to a single digital platform, the Cornerstone suite, which generated immediate results in terms of efficiency as well as environmental sustainability.

→ V edition of the BBS Biblioteca Bilancio Sociale 2018 Award

Every year, BBS Biblioteca Bilancio Sociale recognizes companies that stand out in the field of sustainability through their reporting, or the Corporate Social Responsibility Report. In 2018, Engineering received a special mention for its social commitment thanks to the project to renovate the Gianturco Circumvesuviana railway station, the stop used by the 500 employees of the Group's Neapolitan office. Thanks to the significant and extraordinary maintenance work completed, which also increased the station's safety, as well as the murals on the exterior facade of the building, the work of an acclaimed artist from the international art scene, the station was returned to residents and the community in improved condition.

→ Industria Felix 2019 Award: Lazio edition and Piedmont, Liguria and Valle d'Aosta edition

There were 45 companies recognized in Rome for the "Lazio" Industrial Felix Award. Engineering Ingegneria Informatica was assigned the Best Large Company award in the Innovative Services sector for the Lazio Region and a High Honor for its financial statements.

In the Piedmont, Liguria and Valle d'Aosta edition, Engineering D.HUB received the recognition assigned to the 7 companies that are most competitive and were recognized for their financial statements.

→ Fleet Italy Mobility Award 2018

Engineering received the Fleet Italy Mobility Award for the most efficient company mobility project, assigned as part of the Fleet Italy Awards 2018.

The project regarded the activation of corporate car sharing, which enabled a 15% reduction in fuel consumption and as a result in CO_2 emissions. Amongst the other benefits recognized were the elimination of booking registers, the keyless system for opening and closing doors, the identification of a vehicle's precise position and administrative simplification thanks to procedure digitalization.

The project also contributed towards fostering an awareness of sharing and efficiently using resources amongst employees to contribute to environmental protection and making the city more user-friendly.

THE RESULTS OF OUR COMMITMENT, THE EFFICIENCY OF OUR GOVERNANCE

1,180 million — euros in revenue

1,076.1 million — euros in economic value distributed to stakeholders

57.7 million — euros in net profit

ISO 37001 — Parent Company launched the process of certifying the anti-bribery management system

4,000 — cost centers monitored by the management control system

→ — the company Corporate Governance model meets the recommendations issued by Consob

Engineering by the numbers
GRI 103-2 GRI 203-1 GRI 203-2

Again in 2018, Engineering posted significant growth in both revenues and profitability with considerable results obtained thanks to its capacity to combine consolidated knowledge of business processes with the opportunities offered by the most recent technological evolutions.

The consolidated financial statements of the Group at December 31, 2018 show a production value of 1,180.3 million euros, up by about 15% compared to the previous year.
Adjusted EBITDA is 147.2 million euros, up by about 20%, while EBIT is 78.0 million euros, with an increase of 29.3% and a percentage profitability of 6.8%. Finally, net profit stands at 57.7 million euros, up by 17.7% compared with 2017. The evolution of the net financial position was particularly notable, declining from -138 million euros in 2017 to -70 million euros at the end of 2018.

SUMMARY OF ECONOMIC RESULTS IN THE THREE-YEAR PERIOD 2016-2018

(amounts in millions of euros)

Description	2018 12.31	2017 12.31	2016 12.31
TOTAL REVENUES	1,180.3	1,028.8	934.6
Net Revenues	1,154.9	1,001.8	907.6
Adjusted EBITDA [1]	147.2	122.9	108.4
% on net revenues	12.7	12.3	11.9
Reported EBITDA	137.3	113.5	108.4
% on net revenues	11.9	11.3	11.9
EBIT	78.0	60.3	56.0
% on net revenues	6.8	6.0	6.2
Net Profit	57.7	49.0	45.3
% on net revenues	5.0	5.2	5.0
Net Equity	615.8	584.5	486.7
Net financial position	-69.9	-138.1	177.7

[1] Adjusted EBITDA refers to EBITDA gross of the cost of stock options.

Our contribution to our country's economy
GRI 103-3

The goal of a healthy company is not only to create wealth for its shareholders, employees and suppliers, but also to generate well-being for the community and new wealth for the country. On December 31, 2018, the direct economic value generated by the Group was 1,196 million euros, 90.0% of which was distributed. The share given to the State is 28.5 million euros (2.4%).

THE MARKETS
Composition of net revenues as of December 31, 2018

Finance 20.7%
Telco and Utilities 31.6%
Industry and Services 21.9%
Public Administration and Healthcare 25.8%
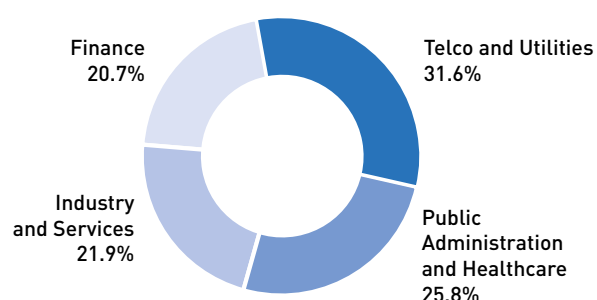
Governance, ethics and principles, the architecture of our business
GRI 102-12 GRI 102-16 GRI 102-18 GRI 103-2 GRI 103-3

The Corporate Governance system adopted by Engineering is aligned with the principles set forth in the Self-Governance Code promoted by Borsa Italiana, the recommendations issued by Consob and, more generally, international best practices. Our corporate governance rules, which include the definition of corporate bodies and offices, aim to achieve the utmost balance between needs for flexibility and promptness in decisions, the search for the clearest transparency in relations between the different centers of responsibility and external bodies, the clear identification of roles and their resulting responsibilities.
Engineering has adopted a Code of Ethics, revised in the early months of 2019 to improve its usability and readers' understanding of it, with an explanation of its value for all of the companies of the Group. The Code brings together the values deemed essential by the company to operate transparently in the markets and bases

DIRECT ECONOMIC VALUE IN 2016-2018
GRI 201-1

(amounts in millions of euros)

Description	2018 Absolute V.	2018 %	2017 Absolute V.	2017 %	2016 Absolute V.	2016 %
DIRECT ECONOMIC VALUE GENERATED*	**1,196.1**	**100**	**1,039.2**	**100**	**951.8**	**100**
DIRECT ECONOMIC VALUE DISTRIBUTED	**1,076.1**	**90.0**	**945.8**	**91.0**	**856.8**	**90.0**
Suppliers (operating costs)	445.8	37.3	388.1	37.3	351.9	36.9
Employees	589.0	49.2	518.9	49.9	467.1	49.1
Lenders	12.0	1.0	15.8	1.5	4.7	0.5
State	28.5	2.4	22.2	2.1	32.4	3.4
Community**	0.8	0.1	0.8	0.1	0.7	0.1
DIRECT ECONOMIC VALUE RETAINED	**120.0**	**10.0**	**93.3**	**9.0**	**95.1**	**10.0**

(*) Total revenues plus financial income.
(**) Includes donations and sponsorships with social impact.

business conduct on standards inspired by maximum fairness toward all stakeholders. Indeed, the Code is a compendium of binding rules and guidelines that must be followed by employees, managers, directors, members of the Board of Statutory Auditors, members of the Supervisory Body, temporary or permanent external collaborators, partners, suppliers and customers of Engineering.

The Code of Ethics is also an integral and substantial part of the organizational model that the Parent Company has adopted in compliance with the provisions of Legislative Decree 231/2001, which governs administrative responsibility for legal entities and is based on how the entities respond, in the modes and terms indicated, for crimes committed in the interest or for the advantage of the Company.
The Processes and Internal Audit Department is entrusted with the task of verifying the application of the Code of Ethics and promoting continuous improvement through the analysis and evaluation of risk control processes. With the support of the company functions concerned, the Department also supervises compliance with the rules set forth in the Code, receiving and analyzing reports of possible violations.

To maintain high sensitivity and ensure the constant enforcement of the duties set forth in the Code of Ethics, the Parent Company is committed to:
- the publication of the Code of Ethics on the company website (Internet and intranet)
- the distribution of its content and delivery of a copy to all new recruits
- a periodic program of information and training on the content and meaning of the Code of Ethics for employees of the Company.

Zero tolerance for fraud and corruption

When carrying out its activities, Engineering prohibits any action against or by third parties aimed at promoting or favoring its own interests, at obtaining an advantage, or capable of damaging impartiality and independence of judgment. Aside from being a matter that regards corporate ethics, corruption represents an absolutely intolerable obstacle to business efficiency and fair competition.

The certification process for the Parent Company's ISO 37001 - Anti-Bribery Management System began in 2018 and it is expected to be completed at the end of 2019. The international management standard, applicable to any type of public or private organization, describes the requirements for the implementation of an anti-bribery management system oriented towards continuous improvement and the adoption of measures to discourage the risks of bribery in a reasonable manner proportionate with the business segment, size and complexity of the organization.

The ISO 37001 international standard does not overlap with the bribery risk prevention instruments set forth by law (bribery prevention plans Law 190 or the Organizational Models pursuant to Legislative Decree 231), but it helps to best coordinate the overall organization with the aim of preventing bribery in an effective manner and integrated with the other company management systems.

Management control: information and transparency

A company that operates worldwide must make rigor and analysis capacity its main instruments for always keeping a finger on the pulse of any situation. This is why Engineering has been investing in the continuous improvement of its management control system for many years.

Currently, the Group's management control is capable of:

- monitoring the performance of all Departments and the efficiency of all operating activities;
- measuring the degree to which pre-established objectives are met;
- quickly analyzing any variances to understand the reasons for them;
- identifying the actions required to ensure that company objectives are met.

To guarantee the alignment of the two types of accounting (general and analytical) at net profit level each time the books are closed, the system has been prepared by integrating the information of an accounting nature used in the statutory financial statements with that of a non-accounting nature, intended for drafting the management budget.

Following this approach, also thanks to the fact that they are constantly updated, the analyses and information generated by the system offer the utmost reliability. To enable management to have homogeneous and transparent information available on general business performance, Group companies have been progressively incorporated into the system.

The Engineering control system makes it possible to rapidly share information with management, guaranteeing that they can take action by making adjustments in real time, while offering them the utmost flexibility in the evolution and adaptation of

reporting, based on company needs and domestic and international regulatory updates. Management control has been structured operatively by integrating the SAP accounting framework system with the proprietary analytical order accounting system SIAL (Work Progress Integrated System). Reporting is produced and made available to management, with different aggregation levels depending on the hierarchical level, in 6 progressive closures during a tax year. Currently, management control of Engineering allows for the fragmentation and monitoring of costs and revenues for about 25,000 orders aggregated in turn in more than 4,000 cost centers, ensuring the correctness of the data stream from both the operational and the accounting perspective. Orders and cost centers are under the direct responsibility of a manager, who ensures the quality and reliability of the data entered in the system.

Furthermore, the company also has an active Business Intelligence system, MA.R.E. (Management Reporting Engineering), which combines the information received from the various management systems within a single data warehouse, making it possible to further improve its capacity to process and analyze overall results.

CUSTOMERS AND SUPPLIERS TOGETHER IN THE SEARCH FOR QUALITY

GRI 103-2 GRI 103-3
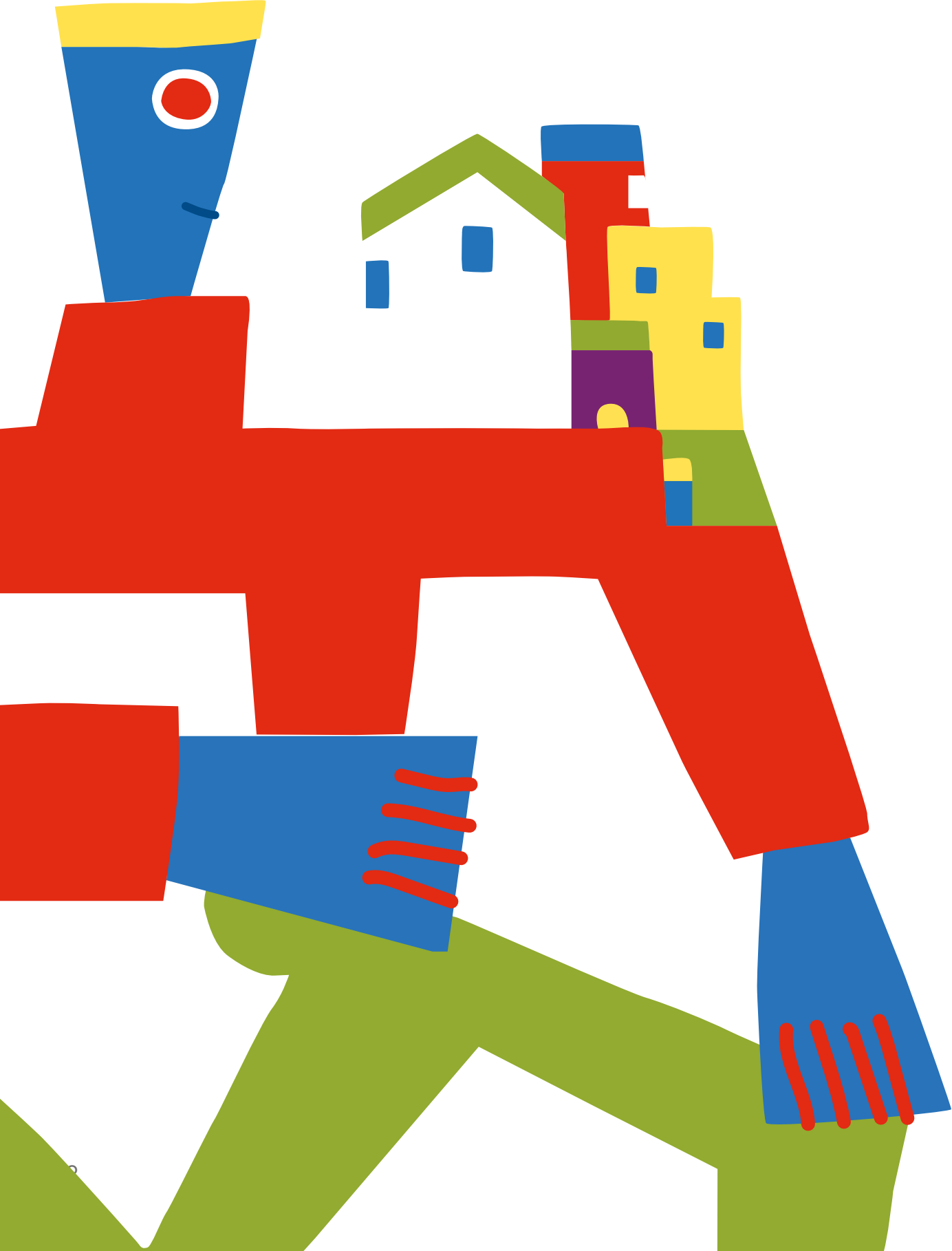
HIGHLIGHTS 2018

more than 1,000 ● customers

189 ● customers involved in the satisfaction analysis

95% ● of customers expressed some degree of satisfaction with products and services

21,000 ● customer servers managed

100% ● of suppliers viewed the Code of Ethics

ETHICS AND QUALITY ARE VALUES THAT WE SHARE WITH OUR CUSTOMERS AND SUPPLIERS. IN AN ESSENTIAL **PARTNERSHIP** TO PROGRESS TOWARDS A FUTURE WHERE **RESPONSIBILITY** BECOMES **A SHARED ENTERPRISE**.

A PATH OF CONTINUOUS IMPROVEMENT

Engineering is a company oriented towards product and service excellence in order to meet the needs expressed by the market. It accompanies its customers in implementing new business model strategies.

To accomplish this vision, the company pursues best practices and the highest standards to apply the concept of Quality in processes as well as in internal organizational models. This is why the Processes and Internal Audit Department responds to the Board of Directors and reports to the CEO.

The company has adopted a Quality Management System certified in accordance with the ISO 9001:2015 standard, which constitutes an organizational and procedural structure to support the personnel involved in the production process, and expresses the company's policy in terms of quality and its focus on customer satisfaction. The document qualifying the entire process is the Project or Service Plan, which is prepared by the Project Manager or the Service Manager when work begins and which contains all components necessary for proper quality planning, integrated with Project/Service Management aspects.

The effective application of the Quality Management System and, more generally, the level of compliance with reference regulations and company procedures, are checked through audits focusing on:
- orders completed for customers, which also involves monitoring the status and progress of projects and/or services
- centers of production, i.e. the homogeneous organizational units that manage the orders completed for customers or for other company functions
- service centers, i.e. the structures that deliver centralized services to customers and to all other corporate structures
- ˝transversal˝ processes, i.e., processes structured by service type, with particular reference to those defined in the ISO/IEC 27001 and ISO/IEC 20000 standards
- internal departments and service centers such as procurement, administration, information systems, personnel and organization, and more.

The analysis of data gathered during audits enables the Group to best understand the strengths and weaknesses of its production system. Once they are identified, possible improvement actions are presented to top management during an annual meeting, from which elements and points are identified for the plan of activities for the following year. The impartiality of the audit process is ensured by the fact that staff assigned to conduct auditing activities report hierarchically and functionally to the person responsible for the Processes and Internal Audit Department, whose position in the organization is independent of the functions that are subject to verification.

The satisfaction of our customers
With a view to always maintaining a high level of customer satisfaction within a highly competitive market, Engineering has enforced a continuous improvement process across all company functions.
Customer satisfaction surveys based on systematic listening and the continuous involvement of customers represent tools of fundamental importance in order to measure the quality of the service offered and the strength of relationships with the company.

The goal is achieving leadership in terms of customer satisfaction. Therefore, the company performs monitoring with customer interviews carried out by the Processes and Internal Audit Department. The assessments obtained are examined and the results are provided to production, commercial and technical structures, in order to implement corrective or improvement actions.

The questionnaire is organized into questions aiming to evaluate:
• communications, commercial relations and offers;
• operational staff;
• solutions based on projects/products;
• solutions based on Managed Operation services;
• solutions based on ICT services other than Managed Operations;
• specific solutions for customers that use Evasion Research and Tax Collection Services;
• overall evaluation of the company;
• current activities and critical factors.

For each question, the customer is asked to assign a level of significance broken down as follows:
• Lack of satisfaction expressed by very unsatisfactory or unsatisfactory;
• Satisfaction expressed by adequate (neutral), satisfactory, or very satisfactory.

In 2018, the percentage of responses in the satisfaction range reached roughly 95%, compared to 94% in 2017.
In 2018, the online survey was augmented by revising the tool to improve its accessibility and graphics. In 2018, 83 direct interviews were carried out through meetings organized at customer offices, in addition to the 106 interviews performed using online questionnaires (38 in 2017).

Protecting data to protect customers
GRI 103-2 GRI 103-3 GRI 418-1

Technological innovation makes it possible to improve the efficiency and pervasiveness of IT solutions that are finding more and more applications and are continuously exposed to the risk of increasingly complex cyber attacks.
Engineering faces that risk every day, relying on sophisticated technological solutions capable of guaranteeing the highest levels of security and processes aligned with the highest international standards.
In 2018, Engineering made significant investments to extend its offering of Cybersecurity solutions and services, starting with the acquisition of Cybertech, which lays the foundation for Engineering's long-lasting leadership in this sector.
In its Data Centers, Engineering stores and manages a huge amount of highly sensitive data used for extremely critical business processes of customers active in every production sector in the country.
Engineering's integrated network of Data Centers provides high value-added Information Technology services, outsourcing services and innovative services based on the Cloud Computing model. More generally, the overall scope of the services offered includes the management of around 21,000 servers, desktop management services for 260,000 workstations, a network of 18,000 pieces of equipment, disk space of more than 10 petabytes, 3 different hybrid Cloud offerings, over 1,200 Wide Area Network lines and more than 2 million tickets serviced per year (requests for service from users).
Relying on the most modern infrastructure and the most advanced technologies, the integrated network of 4 Data Centers ensures the highest standards of security, reliability and efficiency for more than 400 customers whose data is entrusted there and managed. All of the Data Centers are fiber-interconnected and rely on Business Continuity solutions between Pont-Saint-Martin and Turin, as well as the Tri Data

Center - or the combination of Business Continuity and Disaster Recovery - in Vicenza or Milan.

Data protection and service availability can be attained only by implementing an efficient control system supported by an organizational model integrated at the Group level. To guarantee this primary objective, Engineering has established the Corporate Security Department, which is specifically entrusted with the duty of guaranteeing an adequate level of protection by guiding Cybersecurity activities and supervising the operational flows adopted. The initiatives undertaken to strengthen the control system include automatic procedures for identifying and eliminating vulnerabilities and for incident management.

Engineering's approach aims for the harmonization of technologies and processes and the awareness of human resources. The company participates in an in-depth awareness-raising program on the protection of information, which calls for specific training activities for personnel at the company's offices.

Engineering adopts a data security management system, certified externally as prescribed by the ISO 27001:2013 international certification standard (Information Security Management Systems). Since February 2005, it has also held the CMMI (Capability Maturity Model Integration) certification for its processes, procedures and internal controls related to software development. Since October 2007, the level achieved corresponds to the Maturity 3 standard of the CMMI-SE/SW model v. 1.2, updated to version CMMI-DEV v. 1.3 in 2010.

Engineering D.HUB has the ISO 20000:2011 certification for the provision of ICT services in outsourcing mode.

Suppliers, partners in guaranteeing high quality
GRI 102-9 GRI 414-1

Today, a company's success is closely linked with its supply chain management strategy and its efficiency in communicating with suppliers, which represent veritable partners with whom it can work together to reach or maintain high quality standards in the services provided to customers.

Therefore, Engineering has prepared a supplier qualification procedure which is founded on a continuous assessment methodology to ensure the ongoing effectiveness and reliability of the relationship. The company's policy on purchases requires each supplier to register in a special portal where they provide information of a technical and economic-financial nature, relating to aspects mandatory by law but still relevant to the context of Corporate Social Responsibility, in particular related to the issue of the proper management of staff, such as:

- DURC - Single Document Certifying Payment of Contributions;
- DUVRI - Single Document for the Evaluation of Interference Risks;
- DURT - Single Document Certifying Payment of Contributions i.e. the certification of fulfillment, on the part of the company, of legislative and contractual obligations vis-à-vis the Insurance Institutes INPS, INAIL and Cassa Edile;
- INPS and INAIL position: contributory position of the company or the individual freelancer;
- Employer's Liability and Third Party Liability Insurance Policy: Civil Liability Insurance toward Third parties and Contractors.

Since 2018, Engineering has developed a vendor rating system that assigns a score to suppliers based on both technical and quality aspects with respect to the documents that each of them chooses to upload in the system aside from what is required during the qualification phase.

Every time it activates a contract, Engineering requires its business partner to read the Code of Ethics adopted by the Group and sign a specific clause. Furthermore, as part of all work contracts, contractors are asked for all documents necessary for a preliminary evaluation of their technical and professional compliance with Engineering company internal procedures, as well as legislative compliance with respect to occupational health and safety according to the requirements of the Consolidated Law on Safety (Legislative Decree 81/08).

The business of Engineering does not provide for any manufacturing process but only for the provision of IT consultancy services and services related to the management and storage of customer data at the 4 Group Data Centers. Group purchases include:

- instrumental goods (primarily basic hardware, software and middleware destined both for internal use and for resale or for providing outsourcing services for clients);
- a fleet of roughly 1,300 company cars;
- mobile and landline telecommunications;
- travel;
- real estate management and maintenance;
- professional IT services;
- other consultancy services.

Engineering prepared and finalized a list of suppliers to be used for the purchase of hardware products (servers, clients and networks) and basic software in order to make procurement easier and more controlled. All suppliers of hardware components intended for the most part for Engineering customers and in part for the Group's Data Centers have prepared a written policy of procedures, on-site audits and specific reporting to guarantee that they do not use conflict minerals from the Democratic Republic of the Congo and neighboring countries.

Faster payments with Reverse Factoring

To offer greater economic protections to its suppliers, enabling them to mitigate financial risks, Engineering has adopted Reverse Factoring for a number of years now. With this procedure in place, a specialized company enters into the contract not with the lender, but with the borrower, in this case Engineering. In this manner, it can offer its suppliers (which have receivables due from Engineering) the possibility of becoming assignors, enabling them to access a loan under beneficial conditions by using the credit rating of Engineering.

Engineering has entered into an agreement with three major Italian banks (Intesa Sanpaolo, UniCredit and BNL) which governs, under agreed conditions, the payment of receivables owed to suppliers and assigned by them to the factor. By signing the factoring contract, and participating in the above-mentioned agreement, suppliers obtain the possibility to immediately access the full payment of the receivable due from Engineering for the payment of some of the lowest fees in the market. In addition, a system has been implemented that can notify the supplier both when the balance of the payment is being made and in the case of any problems or delays, so as to have the possibility of being in direct contact with the suppliers.

These Reverse Factoring agreements support the Italian supply chain, bringing benefits to both parties involved. Using this instrument, Engineering is capable of preventing the financial cost of any payment delay or dispute, becoming more attractive to possible new suppliers, reducing the price of purchasing goods and services and also supporting its supply chain. The company can also simplify administrative procedures linked to supplier accounting, optimizing treasury and cash flow planning. For their part, the suppliers have the opportunity to take advantage of new complementary financial resources, regularize

cash flows and obtain certainty with regard to collection times, limiting receivable management costs as well as financial expenses.

The value added by external professional services

To best support its customers, Engineering also relies on highly specialized external personnel who collaborate on Group projects. In 2018, roughly 3,800 subcontracted resources collaborated with the Group.

DACI - IT Consulting Purchases Department, reporting directly to the Administration, Finance and Control General Department, centralizes the procurement of professional services. This strategic decision has modified the system of interaction with numerous Engineering suppliers, reducing fragmentation and consolidating the number of external parties, thus simplifying administrative processes. This centralization has also improved the Group's bargaining power. The objectives of this strategy also include the optimization of the use of internal professional resources and the assurance that conditions for the treatment and application of rules are uniform across the entire country. The Group undertakes the responsibility to verify that the contractual process adopted by its professional service or external personnel providers is aligned with Italian labor legislation.
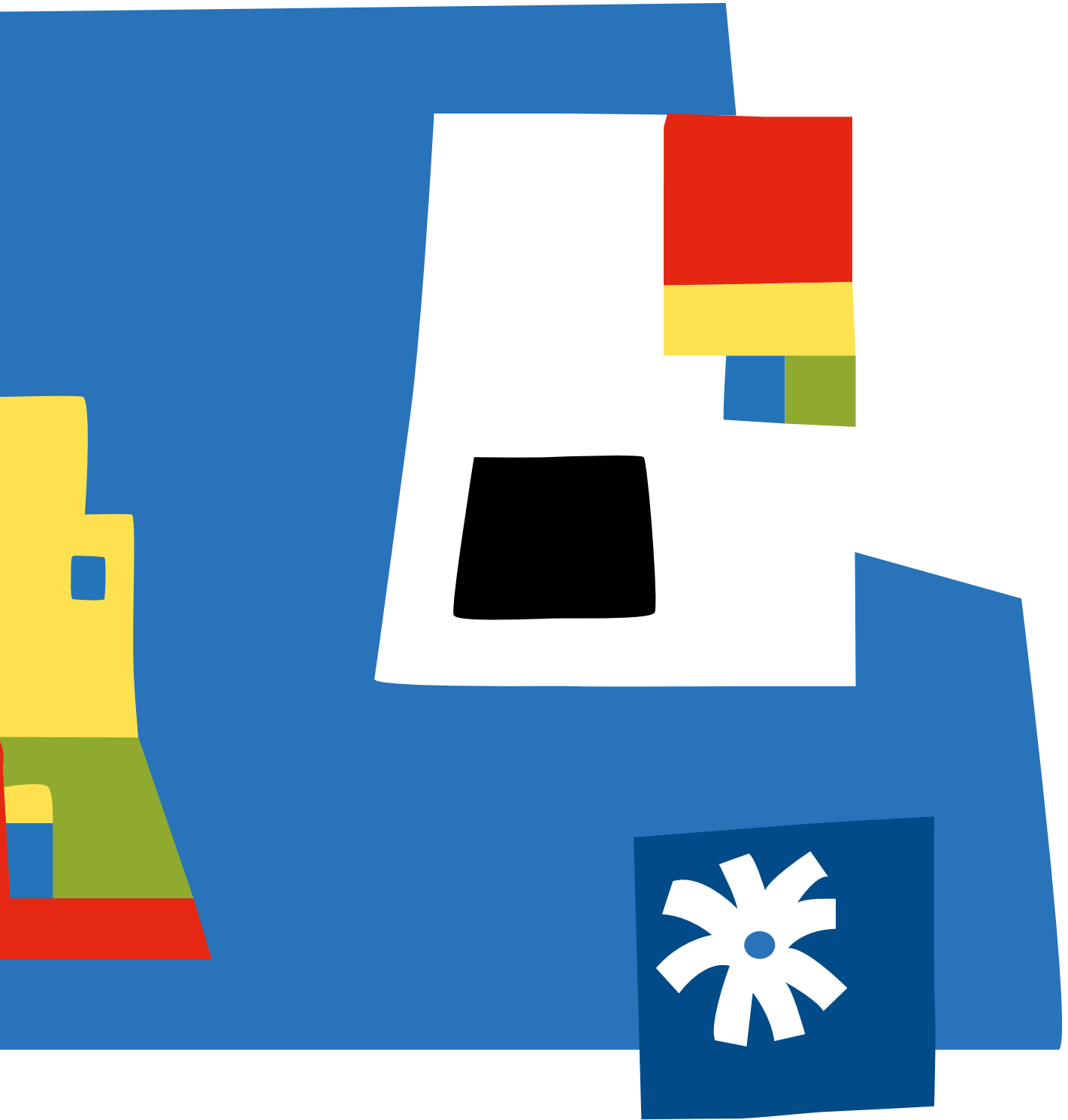
RESPONSIBILITY TO OUR PEOPLE

HIGHLIGHTS 2018

10,730 total employees (9,658 in Italy and 1,072 abroad)

908 employees hired in Italy

449 employees hired abroad

59% college graduates

95% of apprenticeship contracts turned into permanent contracts

more than 60 internal job postings

90% of employees receive performance evaluations

2,700 people in smart working arrangements (since September 2018)

16,323 days/person of internal training

WHAT IS NEEDED TO MANAGE THE FRONTIERS OF **PROGRESS? INTELLIGENCE AND TALENT**. THIS IS WHY EVERY STRATEGY MUST ALWAYS INCLUDE AN INVESTMENT IN **HUMAN CAPITAL**. ONLY BY GROWING ALONG WITH OUR PEOPLE CAN WE PURSUE **EXCELLENCE**.

THE IMPORTANCE OF INVESTING IN HUMAN CAPITAL

GRI 103-2 GRI 103-3

What makes the difference in business development processes is human capital. The expertise and experience of its people are the pillars on which Engineering continues to base its way of doing business, investing in the men and women who are part of the Group's success.

The values that orient the company's personnel management policy are solidarity, collaboration and the sharing of objectives, safety, the recognition of merit, autonomous decision-making and the principle of horizontal delegation.

In 2018, the Engineering team had 10,730[2] employees (marking a 4% increase compared to 10,273 in 2017), in addition to roughly 3,800 collaborators for external IT services, distributed throughout Italy and across the various European offices (Norway, Sweden, Germany, Belgium, Switzerland, the Republic of Serbia and Spain), and outside Europe as well (U.S., Argentina and Brazil).

Engineering's staff has grown by 457 people, by 3.5% in Italy and by 12% abroad. Women represent 31% of all employees, a significant proportion considering that most of the workforce is composed of technical and IT specialists, both high school and university graduates, which are historically male-dominated professions. Personnel retention is good and outgoing turnover was lower than 10%[3], a natural value and aligned with previous years.

In this search for quality, the Group does not overlook workers belonging to the protected categories, whose integration is continuously supported through long-term hiring and orientation programs. All of this captures Engineering's foundational values when it comes to human resources, which are solidarity, safety and the recognition of merit.

Although it is now an international business, the Engineering Group's corporate strategy focuses on the local and capillary presence of its Human Resources & Organization Department, with a physical presence in all the Group's main Italian offices: five in the north (Pont-Saint-Martin, Turin, Milan, Brescia, Padua) and five in the center-south (Florence, Ancona, Rome, Naples, Palermo). Even where it is not present with a physical office, the HRO Department ensures at least a weekly presence, which allows for a direct relationship with employees at all Italian locations.

Talent recruitment and selection: digital technology takes to the field
GRI 103-2 GRI 103-3

Knowing how to identify and attract potential talent for Digital Transformation plays a strategic role for Engineering, in light of the lack of human resources in this sector as well as the considerable number of new recruits (nearly 1,000 per year) hired by the Group over the last three years.

Recruiting, selection and orientation are therefore crucial activities for Engineering, which has deployed digital technology to best manage these matters, developing a series of new processes based on the Cornerstone Recruitment suite (provided by Cornerstone OnDemand Italia), that have generated significant and fast results.

This has been important work done to fully transfer the search, selection and new recruit monitoring process to a single digital platform through which, directly from the company's website, it is possible to:

- receive and select CVs in concert with the various managers responsible for the open positions;
- organize interviews by sharing calendars from which the appointment email is automatically sent;

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[2] figures as of December 31, 2018
[3] does not include employees that have departed due to business unit transfers.
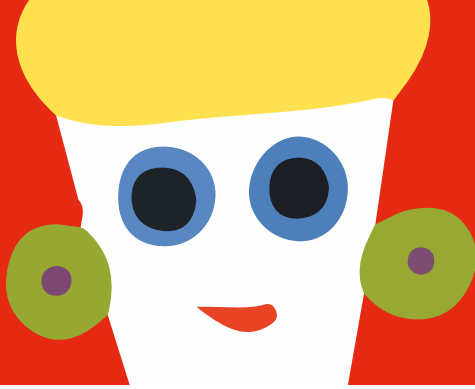
- share the assessments of the managers with those of the HRO Department, generating the hire letter and sending it to the candidate for acceptance;
- create a new company email and assign the necessary company equipment to the new recruit;
- create reports for candidate activities.

Thanks to this new recruiting process, Engineering has analyzed roughly 23,400 CVs received throughout the year and conducted nearly 6,000 job interviews, which has led to the hiring of more than 350 recent graduates.

These results were also possible thanks to ongoing relationships with schools and universities. By continuously hiring new talent, Engineering intends to invest in the most innovative sectors of Digital Transformation, with the goal of boosting its competitiveness in the market.

To that end, the Group has moved forward with a number of collaborations, both with technical institutions participating in work-study projects, as well as with universities, at which it organizes many Career Days to help students learn about the company and also holds seminars and training courses to spread greater knowledge about the digital realm.

The Group also uses hackathons for recruiting, which are challenges lasting multiple days at times, in which participants divided into teams work continuously with the goal of proposing a digital solution to the problem posed at the beginning of that event. For example, following the Orvieto hackathon organized in collaboration with Tim, 3 participants were offered an apprenticeship at one of Engineering's Italian offices.

Investing in the development of human capital to foster the Group's growth
GRI 404-3

The professional development of the individual proceeds in parallel with the success of the Company. Sure of this conviction, Engineering is committed to developing a structured, uniform and transparent process for the evolution and definition of career and development paths and the continuous growth of the skills of its human resources.

Some elements of this process are:

- the precise definition of professional profiles attributed to employees (skill mapping). The close correlation between professional profiles and their evolution through the tools offered by training is also supported by the company's IT system for requesting training modules, which filters access based on professional requirements consistent with the features of the course itself;
- a skills assessment process (8 skills shared by all, in addition to specialized skills based on professional profiles), which starting in 2020 will no longer take place once a year, but will be divided into three separate occasions: the definition of objectives when the year begins, an assessment halfway through the year and the final assessment at the end of the year. The evaluation process, which is another key element in employee growth, has progressively expanded and now covers about 90% of the staff;
- a job posting system to promote internal job rotation (more than 60 job postings were opened in 2018);
- the organization of events in which management meets and engages in open dialogue with employees at all levels;
- training courses for all employees that aim to develop specific professional skills as well as soft skills;
- the MeM (Master in Engineering Management), a Master's program for employees that demonstrate high potential, in which the Group chooses to invest in a targeted manner.

Work-life balance, benefits and welfare

Increasing the loyalty of internal resources, by leveraging their talent: this is an objective that Engineering pursues not only by providing its employees with a high-caliber workplace, but also through its incentive and welfare policies.

With the aim of guaranteeing the flexibility required by employees in cases in which frequent interaction with customers, which are often far away from each other, or project needs require them to work far from the office, the company has been trying out new and more flexible forms of work:

- telecommuting, or the possibility of working from home for entire days;
- smart working, or the opportunity for employees to carry out part of their work in a location different from the one to which they belong, in order to improve the balance between work and private life. After an initial trial phase in Milan, Rome and Genoa, smart working is gradually being extended to all of the Group's offices (there are currently 2,700 employees taking advantage of smart working).

Furthermore, of particular importance is the possibility to request part-time work when needed, a benefit which in 2018 was provided to a percentage of employees higher than that set forth in the collective labor agreement (equal to a maximum of 5%).

Some other company initiatives favoring employee work-life balance are:

- the optimization of the "Gympass," which provides employees access to all participating gyms;
- agreements with public transport companies in various cities (Rome, Florence, Milan and Naples); allowing employees to purchase tickets and passes at reduced prices or to pay for them in installments;
- an agreement with Intesa Sanpaolo for the promotion of a supplementary pension fund.

Engineering has also made a number of structural investments, such as the internal cafeteria and the lounge area at the new Rome office (see box on the next page).

As concerns the remuneration policy, there is a variable component linked to individual performance, and a performance bonus that recognizes individuals based on the overall results of the Group.

The renewal of the Metalworkers' national collective labor agreement gave Engineering the opportunity to implement new measures related to the Group's welfare plan, which currently has around 8,000 participants. Following its most recent renewal, the agreement calls for companies to make a package worth 150 euros for 2018 and 200 euros for 2019 available to workers, one that may be used for multiple welfare goods and services such as training courses, recreational activities, sports activities, in-home assistance services, healthcare services, fuel vouchers, gift cards and public transport services. In 2018, Engineering's project considerably expanded the scope set forth in the collective labor agreement, as it also offered employees the opportunity to request the conversion of their performance bonus into welfare goods and services, thus providing a definitive drive to the introduction of a structured plan.

Benefitting from the regulatory stimulus, Engineering developed a project that involved people even more, incentivizing their productivity. With the decision to offer employees the possibility to convert their performance bonus into welfare goods and services, Engineering has provided them with significant flexibility, as there is no minimum entry amount and the convertible amount could even equal the entire value of the balance. To make use of the services offered by the plan, employees rely on a platform - selected through a competitive bidding

procedure in which Edenred was chosen to manage the digital tool - where they can propose agreements with new businesses by bringing them to the attention of the provider. The results achieved in 2018 reflect the program's success. Indeed, the numbers show that 1,350 employees, out of roughly 5,500 who were eligible to receive the bonus, decided to participate in this new program. Furthermore, 920 people converted 100% of their bonus into welfare services. With the acquisition of Infogroup and the introduction of the possibility to use welfare services for the Engineering Internal Solidarity Fund (EFIS) contribution

as well, the percentage of employees that converted their performance bonus into benefits rose by 60% in 2018.

Despite the significant gains made, the welfare program at Engineering is still considered a "work in progress" by its promoters. The goal is to make employees understand that these are alternative forms of payment that work alongside their traditional paycheck, and that this is a win-win project. In fact, , the full conversion of the bonus enables the employee as well as the company to enjoy lower taxation.

THE **NEW ROME** OFFICE: THE HEADQUARTERS OF **INNOVATION**

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

This is a modern, technological four-floor building with a total of 22,000 square meters of open space, facilitating interaction and collaboration between the many teams. The structure has received the LEED certification, developed by the U.S. Green Building Council (USGBC) and given to buildings with excellent performance in terms of energy and water savings, the reduction of CO_2 emissions, the improvement in the ecological quality of the interior, materials and resources used as well as the design. The concept was designed with an aim towards a new organization of work, one founded on an interdisciplinary approach which favors openness, collaboration and integration between disciplines and people. The objective is to share and unleash the value of the strong skills and deep knowledge that the Group relies on in its various sectors and the numerous technologies it dominates more rapidly and across all levels of the organization.

The move to the new headquarters has also coincided with the launch of new smart working policies that allow all employees to work remotely with all the tools necessary to access information and share documents with the same efficiency and speed that characterize working in the office.

The new headquarters also include space for a few classrooms for the courses of the IT & Management school "Enrico Della Valle", the flagship institution of the Group's important training program. In its capacity as a company that strives to shape a sustainable future, the building pays particular attention to the environment. Indeed, the building, which is completely governed by a sophisticated control system which drastically reduces energy consumption and CO_2 emissions, also has a green space dedicated to teaching respect for nature. Even a company vegetable garden, cultivated according to the principles of organic farming, is currently being created.

Step by step towards simplification

In 2017, Engineering started a program named S.T.E.P. (Simplification and Transformation of Engineering Processes), which aims to transform the Group's Business Management System with the goal of process simplification and optimization. The mission is to simplify company processes "step by step," guaranteeing continuity even during times of change.

The ongoing process has so far led to the creation of:
- **TraM**, the platform that makes it possible use a PC or smartphone to book trains and hotels for business travel. The cost of the tickets and overnight stays are automatically included in the end-of-month report, without the employee needing to submit invoices or travel tickets;
- **Globix**, the app that enables employees to book and take a taxi without any cash advance, as the cost of the trip is automatically transferred to their end-of-month report;
- **Corporate Car Sharing**, the app that can be used to book a vehicle from the company pool for business travel.

Culture, information and free time

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

Daily information

Since 2017, all of the Group's employees have received two daily press reviews, the first containing articles in which Engineering or Group companies are expressly cited, the second including scenario and business articles, broken down into the areas of technology, the market, competitors and foreign press.

Employees also receive information through Eng-Zine, a video press review with news regarding the world of technology. The video-newspaper is distributed daily and is displayed on the monitors in Engineering branches.

The INSIDE blog

The "INSIDE" company blog was created in 2016 with the aim of creating a place for sharing and belonging. The blog presents projects, case studies, events and company initiatives with a continuous focus on innovation topics and enables the exchange of opinions, details and comments on the published articles. INSIDE is written by a group of colleagues from various Departments, but any employee can participate by flagging content of common interest.

SkiChallenge

For many years, Engineering has organized the SkiChallENGe, the company ski tournament in which Group employees, relatives and friends are invited to participate. This year, forty experts and amateurs of all ages competed in an exciting race on the trails of Pila in Valle d'Aosta.

"My brilliant invention" and the company Befana

Again in 2018, the company involved employees' children and grandchildren in the annual Christmas communication project. The project, entitled "My brilliant invention," asked children and young people to send a representation of their "invention," using any means and technique. The response was astounding: more than 2,300 images were received, including drawings, paintings, collages, constructions and creations made of modelling clay and plaster. All of the "inventions" were published online on the Intranet and each of the 2,300 children and young people who participated received a gift from the company Befana.

Christmas for the children

In 2018, employees at the Florence, Padua and Turin offices took part in a Christmas initiative that brought them to the theater with their children. The show performed in the three cities was *The Magic of Light*, in which a combination of dance, theater and a magnificent array of light creates a fantastic and fascinating new world.

Go Fluent for employees and relatives

In early 2019, the Go Fluent e-learning platform was made available free of charge to all Group employees and relatives, allowing them to study and take refresher courses in foreign languages. Developed in collaboration with the "Enrico Della Valle" IT & Management School and in line with the activities carried out in the Joint Commission on Training, the initiative is intended to facilitate the spread of basic knowledge of English and other foreign languages, which are becoming increasingly important for the company's business.

Through the Go Fluent platform, which is specialized in remote language training, it is possible to access over 5,000 multimedia training content options, including videos, articles, business how-to's and web classrooms, all offered based on the user's level of knowledge of the language.

Access to the platform is available for one year and every employee can also assign a username to a family member of their choice.

Support for education

For Engineering, education is a fundamental value, so important that it is to be shared with the entire community of employees. Based on this robust philosophy, the company works tirelessly for the social and cultural development of its employees and their families, setting aside specific resources to support and incentivize second-level scholastic education and university instruction for the most deserving,

who are identified based on principles of solidarity and in light of the household's income situation.

Scholarships

For the 2017-2018 school year, Engineering established 75 scholarships for the children of employees through a specific program. Of these, the following were provided:

- 21 scholarships with a value of 500 euros each for obtaining a high school diploma;
- 18 scholarships with a value of 1,500 euros each for obtaining a three-year university degree;
- 12 scholarships with a value of 2,000 euros each for obtaining a Master's degree;
- 3 scholarships with a value of 3,000 euros each for obtaining a Master's degree in Information Technology or another scientific subject with an innovative thesis topic useful for developing the Group's activities.
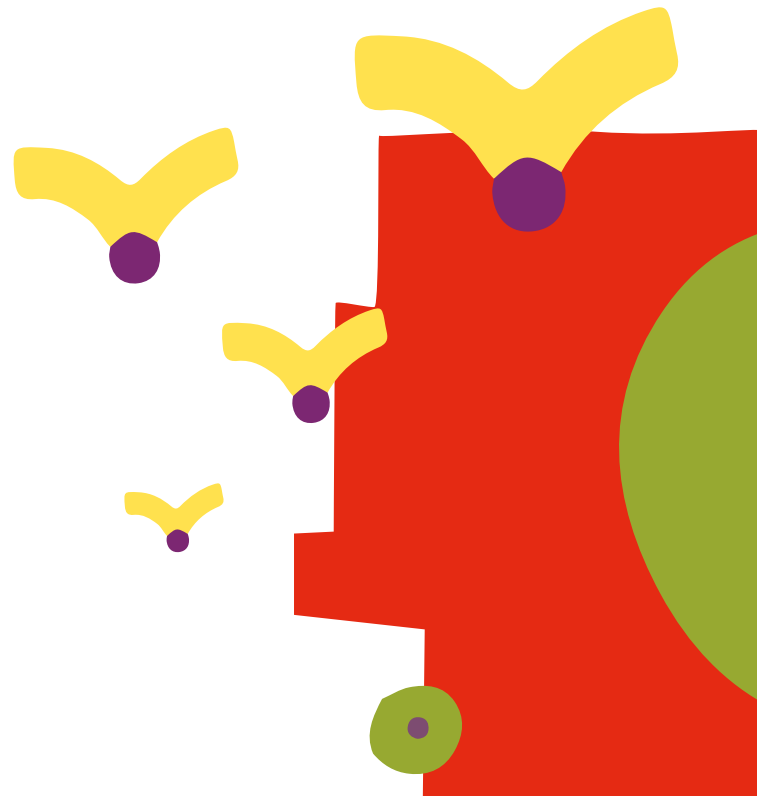
Safety at work

GRI 403-2

Reducing the possibility of accidents when carrying out duties in the office and Group Data Centers to a minimum is an aspect deemed of primary importance.

To meet this objective, the company has adopted a series of measures:

- reviewing and updating the types of risks and dangers for health and safety that can be traced to employee activities continuously;
- correctly managing, updating and communicating internal policies and procedures published in the company intranet and sent to all collaborators to ensure the correct execution of work activities in terms of accident prevention;
- providing specific training activities in the classroom and in the field for the prevention of risks in the workplace;
- executing periodic internal audits on the correct implementation of procedures.

In 2018, in agreement with the trade unions and in collaboration with the Ferentino School, the Group prepared a new Safety Plan to be launched in 2019. Compared to the previous one, this plan includes 10 pilot sessions to update workers, each of which consists of 6 hours of updates to be carried out every 5 years on the topic of wellness. Every session of the new Safety Plan, which so far has been provided to 150 of the 1,500 people who will participate in it in the future, is broken down into:

- 2 hours dedicated to the topic of wellness, during which matters such as the timing of breaks and proper nutrition are discussed;
- 2 hours regarding building ergonomics, during which employees are incentivized to engage in beneficial physical movement, for example by taking the stairs rather than the elevator to get around the building, or to use the correct posture;

- 2 hours on possible risks present in the office and on the changes taking place there.

To protect the health of its employees, the company has established the Accident Observatory, which is responsible for carrying out all appropriate tests needed for the detection of any failures in the safety management system in the area of programming, training, insufficient operating instructions, weaknesses in checks in working procedures, and inappropriate or unsafe tools, machinery or equipment.

The data gathered confirms that the number of accidents in 2018 is aligned with the results of recent years. The most frequent accidents take place while on the road in a vehicle or on a motorcycle, either during commutes or when travelling to customer offices. To minimize this risk, the company has published a dedicated guide with specific operating instructions and also has been providing employees with safe driving courses since 2009. In Italy, all Engineering employees are involved in a permanent information, training and instruction program designed and defined on the basis of the dictates of Legislative Decree 81/08 and the State-Regions agreement of 07/07/2016.

ACCIDENTS BY TYPE[4]

	2018	2017	2016
Women	20	30	32
Men	43	65	63
Total number of accidents	63	95	95
of which during commutes:	*57*	*82*	*N.D.*

ACCIDENT RATES[5]

	2018	2017	2016
Frequency index	4.61	5.97	6.47
Severity index	0.09	0.11	0.15
Incidence index	9.12	11.89	12.53
Average duration	21.55	17.92	23.03

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

	Italy 2018	Italy 2017	Italy 2016
Executives	192	112	505
Middle managers	1,648	421	3,640
Employees	10,344	10,554	12,560
Total Italy	**12,184**	**11,087**	**16,705**
of which:			
Men	8,529	7,568	10,520
Women	3,655	3,519	6,185

EMPLOYEES TRAINED BY COURSE TYPE

	2018	2017	2016
General training and refresher courses for employees	1,565	1,309	1,232
Employee training on specific risks	942	707	524
Safety Supervisor Training	206	707	492
Safety Executive Training	12	127	17
Emergency Worker Training: First Aid	157	90	59
Emergency Worker Training: Average Risk Fire Prevention	130	135	86
Prevention and Protection Service Manager and Worker Training (RSPP, ASPP)	6	6	5
Workers' Representatives for Safety Training (RLS)	38	34	34

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[4] The majority of accidents, equal to roughly 88% in the last three years, takes place commuting on the road in vehicles or on motorcycles. The scope refers to Group employees.

[5] INAIL frequency index: ratio between the number of accidents and a measure of the duration of risk exposure, both homogeneously delimited in time and space (territory, establishment, department, work area, etc.). Formula = total No. of accidents x 1,000,000/ No. of hours worked. INAIL severity index: relationship between a measure of the debilitating consequences of accidents and a measure of the duration of risk exposure, both homogeneously delimited in time and space (territory, establishment, department, work area, etc.). Formula = [days of absence (excluding the day of the accident) + days of permanent disability by convention / No. of hours worked] x 1,000.

THE "ENRICO DELLA VALLE" IT & MANAGEMENT SCHOOL

HIGHLIGHTS 2018

16,323 ● days of training/person

222 ● courses in the catalog

1,296 ● days of teaching

1,007 ● certification exams taken

340 ● participations in external seminars and courses

4,573 ● remote training courses

1,610 ● hours of webinars
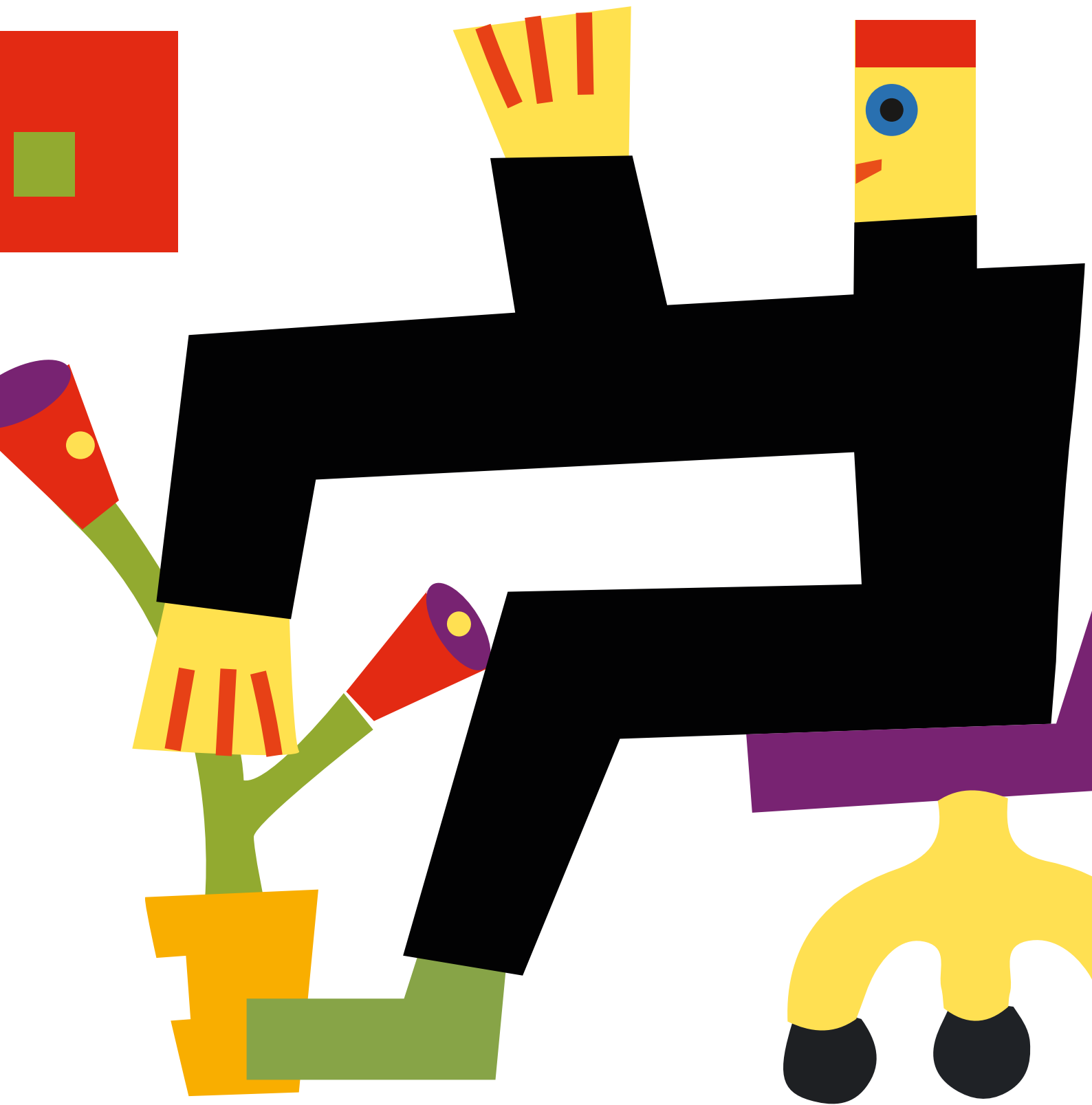
NEW TECHNOLOGIES ARE REVOLUTIONIZING THE WORKING WORLD SETTING INCREASINGLY CHALLENGING OBJECTIVES. BECAUSE ONLY THE ACQUISITION OF **NEW KNOWLEDGE AND SKILLS** CAN HELP US HANDLE THE COMPLEXITY OF PROGRESS. **TRAINING** PLAYS A STRATEGIC ROLE.

TRAINING, RESPONSIBILITY, GROWTH

Continuous training to compete in a digitalized working world
GRI 404-2

To meet the challenges of an increasingly globalized market, companies that intend to follow the path of Digital Transformation need to aim for quality, innovation and expertise.

Over the years, Engineering has designed effective professional growth plans for its personnel, providing specific training programs targeting the development of technical and management skills, as well as the acquisition of soft skills, which are becoming more and more fundamental for modern professions.

To support this strategy, in 2000 Engineering set up its own internal structure, the "Enrico Della Valle" IT & Management School, located in Ferentino, close to Rome, which was expanded in 2018 to handle the constant increase in course participation by Group employees.

The School, which makes an integrated logistics and residency system available to all course participants, is equipped with 16 computerized classrooms, a lecture hall which can host up to 140 people, a library, a testing center where professional certification exams are carried out, a renovated and expanded company restaurant and a new lounge area.

Once it had become one of the leading Italian Corporate Schools for Information Technology, School also opened its doors to the outside in order to share experience and know-how gained throughout many years of activity with Engineering's customers.

Methods, technologies and personnel development: training course areas

The courses provided by Engineering are designed on the basis of the responsibilities that different employees have within the company, the characteristics of the reference market and the objectives of the organization to which they belong.

The School's educational offering aims to develop three levels of skills: knowing (technical and specialist skills), knowing how to do (practical skills, application of technical-specialist knowledge) and knowing how to be (soft skills and personal attitudes). As a result, the courses offered, developed within a continuously updated catalogue that today includes 222 titles, is structured based on three main thematic areas:

- **Technologies**: pathways dedicated to the learning of programming processes, analysis and design of hardware and software systems (design and implementation of websites, mobile applications, complex Cloud systems, Business Intelligence and Big Data solutions, etc.);
- **Methodologies**: specific courses related to learning methodologies and capacities linked to functional areas (e.g., Project Management, Software Measurement, Demand Management, Service Management);
- **Management and personal development**: initiatives intended to favor the behavioral and managerial development of resources through the acquisition of interpersonal skills.

Aside from these are "Special Projects", training courses initiated during the year to respond to the needs of specific professional categories: apprentices, executives, project managers, high-potential employees. Amongst the training courses activated at the School, the Master Engineering in Management (MEM) is particularly significant. This year, it has been completely re-planned in English, and is expected to begin in October 2019 with the participation of roughly 60 high-potential employees, selected through group assessments, individual interviews and language exams, in all of the Group's Italian and foreign companies.

COURSE ATTENDANCE

	2018	2017	2016
Number of attendees	5,148	4,546	4,739
Person days/training	16,323	14,631	14,078

Certifying professional skills

The School prepares roughly 1,000 employees per year to take professional certification exams and, as an accredited testing center for the main international certification bodies, it can independently give certification exams for all of the most widespread technologies and methodological standards in the IT market.

Using its experience accrued for the Engineering Group and for clients whilst devising training aimed at obtaining these technical certifications, the catalog of courses presents several education solutions that have already been tested, aimed at preparing students for certification exams on the main software technologies and environments that are currently on the market.

Furthermore, since 2006, the School has been a Registered Education Provider for the Project Management Institute (PMI), a recognition that bears witness to the quality of its design and provision of courses for obtaining the PMP® (Project Management Professional) certification, which is now considered a fundamental point of reference for internal staff entrusted with the management of projects, from the planning phase to the project's conclusion.

Towards a new 4.0 training model

To achieve greater educational efficiency and guarantee the sustainability of multiple training initiatives that a company with employees distributed throughout the country like Engineering needs to launch, it is necessary to enable every employee to design a tailor-made learning path based on their personal learning/enrichment needs in terms of the content dealt with in the classroom, as well as time and place.

In 2018, 4,804 employees participated in training activities, for a total of 16,323 days of training /person (+11.5% compared to 2017). Alongside these is the increasing number of distance training initiatives provided through the Learning Management System ForENG, which is capable of offering all information linked to company training in real time and with mobility (training catalogue, individual course information sheets, training calendar). For Group employees, the platform now represents a tool for planning classroom training as well as the point from which they can access the increasing number of distance training resources made available by the School, such as:

WBT: Web Based Training, asynchronous distance training courses that guarantee flexibility of use and broad-scale distribution. In 2018, 4,573 courses were taken in WBT mode.

Webinar: synchronous and agile training that enables employees to interact directly with instructors. In 2018, 1,610 hours of webinar courses were taken.

Knowledge Community: continuously updated professional multimedia channels for sharing know-how and experience. They were developed by instructors from the School and are provided through the company's Learning Management System, ForENG, in order to facilitate access to training and professional refresher courses for all employees and to continue to maintain a firm focus on the quality of educational content.

FORTUBE: the main innovation of ForENG in 2018, was a constant and vertical (specialized content) series of professional refresher course channels, consisting of original e-learning content that can be accessed any time, even when out of the office. It was designed by internal and external instructors and focuses on the most recent new features and best practices on the main IT topics in the current day.

COMMITMENT TO THE COMMUNITY

SCIENCE

UNIVERSITY

CULTURE

ART
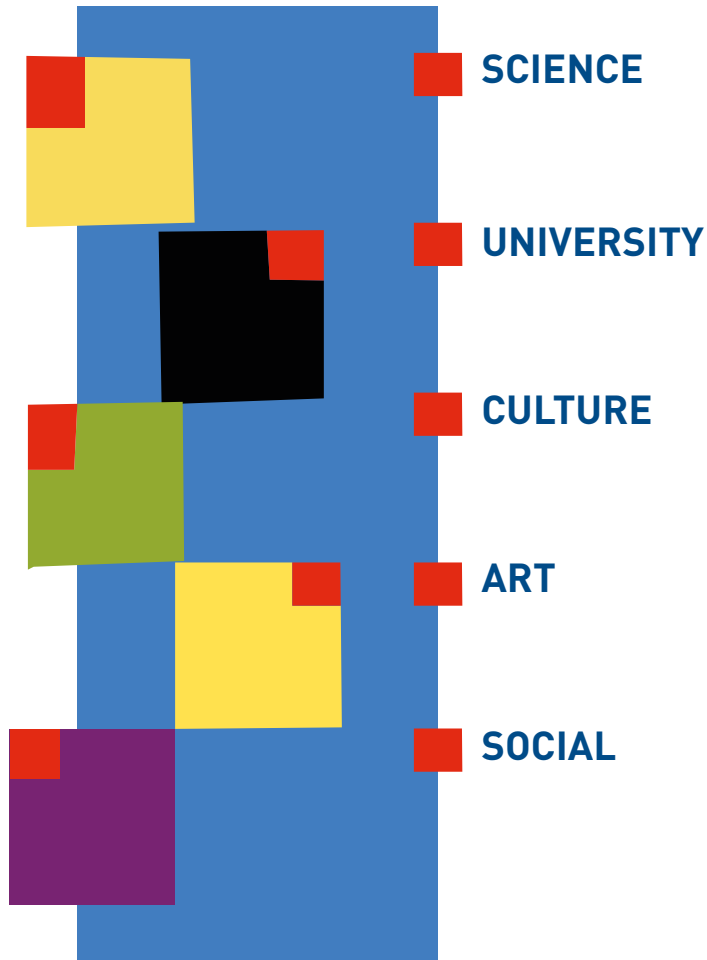
SOCIAL

WE SUPPORT EXPERIENCES AND INITIATIVES THAT CREATE CULTURAL, SOCIAL, POLITICAL AND ECONOMIC CONNECTIONS. WITH THE CAPACITY AND THE DESIRE TO INCREASINGLY BOOST **SOCIETAL ENGAGEMENT**, **OPENNESS AND INCLUSIVITY**.

PROJECTS AND INITIATIVES

NARRATING MOTHER EUROPE IN MUSIC:
ENGINEERING SUPPORTS
THE EUROPEAN SPIRIT OF YOUTH ORCHESTRA
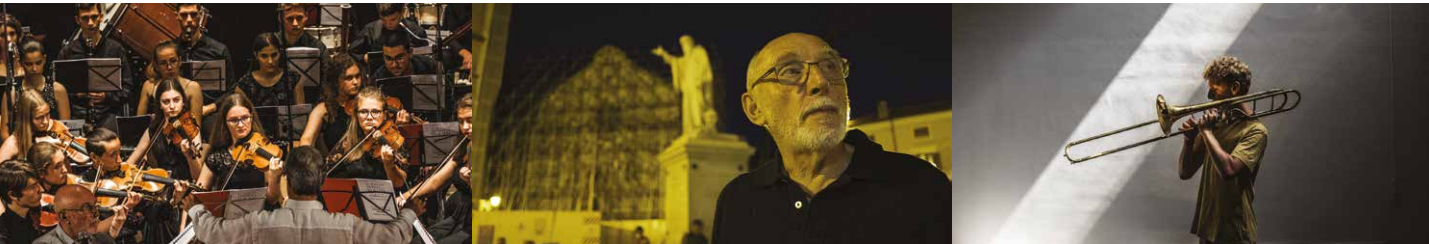
Europe needs strong representations, able to arouse emotion, which take away that aspect of boredom and tedium to which it has been relegated by certain politics, analysts, bureaucrats or the gnomes of finance. Something that proclaims what we are, what our destiny is and what it means to be Europeans.

Indeed, there are those who try to do it through music, with a symphonic orchestra that has travelled throughout the continent for more than thirty years with the same message. Faith in young people, in their ability to understand not only languages but cultures, and to express perfect unity in concert.

A beautiful metaphor for what our Europe, torn apart by self-centeredness and misunderstandings today, could be.

In its thirty years of life, the **European Spirit of Youth Orchestra** has changed names, theaters, musicians, cities and nations, but it has remained true to itself.

It is the only existing symphonic group that reforms every year with new members. It consists of boys and girls from 12 to 20 years of age who are selected from different European countries through auditions and who, after intense practice, perform concerts during their summer break from school.

It is the masterpiece of a maestro, Igor Coretti Kuret,

who has dedicated his life and personal resources to the musical education of young people, and over these last thirty years has trained nearly two thousand orchestra members, who have gone on to play in the best orchestras all over the world. A bet in which for a few years now a new element has been put into play, a narrating voice, that of the writer, which makes this orchestra even more unique within the international panorama.

Witnessing thousands of spectators spontaneously rise to their feet at the first notes of Ode to Joy, which always closes out every concert, is a thrilling experience. This reaction, which is anything but taken for granted, is almost automatic in those who have listened to a story which, in words and music, has narrated a shared homeland which is much too often not well known and even less well loved in a new way. A journey dedicated to a unique universe, made up of peoples, languages, rivers, seas and mountains, which has Italy at its center, the land which gave Europe Roman civilization, Western

monasticism, the Renaissance and so much more.

A journey that touches on a range of themes: war, roads, borders and legends, celebrating a land that has been the fatal terminus of migration for millennia. The choral evocation of existences seeks out space by crossing passes, borders, plains, rivers, fences and desolate terrain. A way unlike any other to work against the rebirth of walls and say that our Union is not at all a gift from God, but rather something that could disappear, like the empires after the Great War. Something which, to last, needs to be built day after day. Exactly like this orchestra.

Having an experience like this changes your life, and it has completely changed mine. Spending every summer with a completely different group, living for an entire month with seventy, eighty, at times ninety irrepressible adolescents full of desire to learn, seeing them get to know each other, even if they are the sons and daughters of historically enemy nations, receiving not just a music lesson, but a lesson in life *tout court*, interiorizing the commandment of listening, giving up part of their own ego to become a group, is something that regenerates you, that makes you regain your confidence in humankind. An experience that is completely "Benedictine," inspired by the patron of Europe, the saint who in the seismic lands of the Apennines was born from a

people of rebuilders and who knew how to relaunch Europe through monasteries at a time when no one would have bet one cent on Europe.

Indeed, it is no coincidence that this orchestra, born in Trieste, found its citizenship in Camerino, on the same fault line that shook Norcia, the saint's city.

In the same manner, the decision of Engineering, which chose Benedict as its own patron saint, is not at all random in choosing to support the survival of the ESYO. Behind this great company and our orchestra, there is the very spirit of connection to the land and the foundational values of a Europe seen as an alliance of peoples who do not intend to become someone else's colony. It is easy to bet on Europe when things are going well. The time to do it is now, as the dream of a union languishes.

Therefore, we aim to help narrate Europe, the mother that has guaranteed us seventy years of peace after centuries of slaughter. The Europe that remains, despite its dangers, one of the most livable lands in this sea of unhappiness that is Earth. Europe seen as our shared home, and not as a cow on which to be milked, or an enemy on which to blame our misery.

Paolo Rumiz

Journalist and writer

Research Fridays: for the citizens of the future

Another year of the training course for young people at Gonzaga Institute in Palermo has concluded. Again this year, our Palermo Research and Development Laboratory organized Research Fridays dedicated to first- and second-year STEM students.

The goal of the program, which is divided into: Citizen Science, Social Engineering and Cyberbullying sessions, is to enable students to grow as more active, aware and responsible citizens.

In the session dedicated to Citizen Science, students were engaged in exercises that involve the use of sensors to survey data from different communities, arousing their curiosity and conveying to them that research is within anyone's reach.

In the Social Engineering session, held with our partner Kaspersky, students "played" with an instrument designed to stimulate their awareness of a certain type of cyberattack.

The lessons dedicated to Cyberbullying helped not only raise student awareness of this problem, but also to explain the CREEP II (Cyberbullying Effects Prevention) project, in which the students will be involved throughout 2019.

Programming the future of young people

Once again in the 2018-2019 academic year, Engineering supported the "Program the Future" program of the Ministry of Education, Universities and Research responsible for the introduction of computational thinking in schools. With more than 2 million students involved, 31,462 teachers and over 30 million hours of coding, the project has been confirmed as a point of reference for the digital education of new citizens. Engineering made its employees available as teachers for coding activities and also provided some schools with robotics kits.

Volunteers from Engineering taught lessons in schools in a number of cities, using programming tools and environments like Scratch (to learn about coding and storytelling), AppInventor (to introduce students to how to create mobile apps), Utility 3D (to create videogames) and M-BOT (to introduce students to robotics). For the Work-Study Program, volunteers carried out a pilot at Rome's Orazio High School, a three-year project that encompasses an introduction to the digital world, a detailed course on mobile programming and educational robotics experiences.

A videogame development seminar for graduating students was also organized with the University of Salerno.

IG4U 2019: the business game for talented university students

This initiative included a business simulation platform, 9 teams of graduating Management Engineering Master's degree students, and 2 days of challenges to see who could manage a virtual company best. Engineering again supported IG4U, the university business game designed to identify and support new talent in the economic/management area.

Indeed, the Engineering HR Managers were also present at "Tor Vergata" University of Rome to act as mentors for the teams made up of students selected from nine southern Italian universities: Polytechnic University of Bari, University of Calabria, University of Palermo, University of Salerno, University of Catania, "Federico II" University of Naples, "Tor Vergata" University of Rome, "Parthenope" University of Naples and, for the first time, the University of Salento. At the end of the contest, the 45 participating students provided a fast, interesting and effective 3-minute presentation about themselves.

Race for the Cure: working alongside women in pink

#PinkEveryDay is the slogan of Engineering, which runs alongside the "women in pink".

From May 16th to 19th, 2019, Circus Maximus in Rome hosted the first stage of the 20th edition of the Race for the Cure, the main event of Komen Italy, which has fundraised for the fight against breast cancer since 2000. Every year, this event offers women who have had to face or are currently facing the disease space to tell their story and share their experiences. The event is also an occasion to involve families, schools, businesses and athletes in a long weekend of initiatives dedicated to health, sports and well-being, culminating with the traditional 5 km race and the 2 km walk. The company was present in Rome with its own team and also participated in the other two stages of the Race for the Cure in 2019: Bologna (September 20-22) and Brescia (September 27-29).

L'ospedale dei bambini a Firenze

Cresci e post@: basketball against cyber-bullying

Encouraging young people to reflect on topics linked to the use of smartphones and social networks: from the defense of privacy to the dangers of cyberbullying. This is the goal of the "Cresci e post@ - growing up without falling into the net" initiative, founded in 2017 based on the partnership between Engineering and Florence Pino Dragons Basket basketball team. In 2018, the project was embraced by the Italian Basketball Federation and focused on the boys and girls participating in the Under 14 elite regional male and Under 14 gold and silver female championships.

The new edition of the game was presented in Florence, while the spotlights of elite basketball were on the Tuscan city thanks to the Final Eight of the Italian Cup, under way at the Mandela Forum.

Again this year, Engineering managed the web platform crescieposta.it, which for three weeks gave those participating on the teams in the tournament the possibility to discuss, read and post about the dangers of the web.

Payroll giving in support of Meyer

Starting in July 2019, Payroll giving for Meyer was launched at the Florence office to support the Foundation of the Meyer Onlus Pediatric Hospital.

The initiative calls for rounding the monthly pay of employees who have expressly opted to participate down to the nearest euro (therefore donating a maximum of 99 cents), with Engineering contributing an equal amount, in proportion with the amounts donated by employees.

The amount raised at year-end will be donated to the Meyer Foundation which, due to its history and recognized service over the years, provides fundamental support to the University Hospital in its research activities on new treatments and reaching high levels of support and comfort for its young patients and their families.

With the Red Devils, inclusion takes to the field

The Red Devils, a team of athletes of different nationalities who are living in Italy as asylum seekers, have played in Varese Rugby since the 2017 season. Engineering has been the official sponsor of the team since its founding, and decided to renew its support once again in 2018, to reaffirm its focus on the real ability to make inclusion a point of strength and understanding.

The Red Devils participate in the federal C2 championship, also competing in friendly games with the Three Black Roses of Casal Monferrato, another multiethnic team which formed in 2015.

The masters of cinema

From July 13th to August 31st, ONE-Orvieto Notti d'Estate took place in Orvieto, with a schedule of events focusing on cinema, theater, music, wine and food.

The "The masters of cinema" event was promoted by Engineering, which supported the TeMa Association in its intent to enrich the city's cultural offerings.

The event included three days of free projections of films by debuting Italian directors, selected for their ability to arouse emotions and debate.

Each viewing was followed by meetings with the directors, screenwriters and critics, who talked about the professions behind the scenes of the movies.

STEMintheCity: women, art and science

Engineering and other important businesses in the public and private sector, together with the support of the United Nations, promoted the third edition of STEMintheCity. This initiative aimed to promote the spread of technical/scientific subjects and new digital technologies as a future professional opportunity for the younger generations, particularly for girls.

The numbers were significant: more than 12,000 participants (including teachers and students of all ages), 107 schools involved and more than 150 free events, including seminars, training courses, debates and role modeling sessions. There were also more than 300 speakers and instructors involved throughout the initiative. In the year marking five hundred years since the death of Leonardo da Vinci, the theme of this edition was "Art and Science," bearing witness to the link between scientific research and artistic expression, which gave birth to da Vinci's great masterpieces. In the Opening of the STEM Marathon, the concluding phase of the entire event in Milan, extraordinary women made speeches, confirming the multiple forms of female genius that make it possible to blaze new trails in various areas without ever giving up, despite roadblocks and difficulties.

#TIMBoxHackathon: young talents in Mixed Reality

On September 27th and 28th, 2018, the #TIMBoxHackathon took place in Orvieto, a competition launched by Engineering and TIM and dedicated to the development of services that can be used through the TIM Box and based on Mixed Reality technology.

There were eight teams of young engineers, designers and analysts from all over Italy who challenged themselves during the 30 hour design time limit to come up with services based on mixed and augmented reality, to be used on the TIM Box.

The winning team was awarded first prize with the "TIMReality" project. Each team member was given the opportunity to do a 6-month apprenticeship at Engineering.

When innovation becomes a work of art

Mixing art and technology to support contemporary creativity and involve the public in innovative and stimulating museum experiences. These are the objectives of the partnership between Engineering and MAXXI-National Museum of Twenty-First Century Art in Rome. This alliance between apparently distant worlds has given rise to two projects in which the technological approach expands the horizons of those who want to enjoy the beauty of art:

- Jack Contemporary Arts TV is the first international web television channel dedicated to contemporary art and its protagonists. Managed by museums and institutions dedicated to today's creativity, this is a continuously updated network that offers live streaming, video interviews and services on every type of artistic language, contributions by art bloggers and spaces for user comments.
- Chatbot, a robotic guide equipped with artificial intelligence that interacts with visitors, challenging them to always learn more. Indeed, by chatting with the museum's bot, the public can discover the building designed by Zaha Hadid, choose to be led through the thematic paths dedicated to works of art or architecture, or respond to its questions to collect Museum Coins, virtual currency that they can use to purchase tickets, catalogues, educational laboratories and museum merchandise.

Gaetano Marzotto Award: start-ups in competition

Supporting the most innovative ideas, activating a new Italian company and bringing it into the world, pushing the ecosystem of innovation: these are the goals of the Gaetano Marzotto Awards, one of the main start-up competitions in Italy. The eighth edition of the event ended on November 22nd, 2018 at the Rome MAXXI, with more than 600 attendees, 48 start-ups awarded, 2 and a half million euros in prize money, and the involvement of important Italian and international partners.

Engineering supported the initiative and recognized the start-up RainIot, which presented a project for the creation of a device capable of calculating the movement of a low-pressure front in advance with 95% accuracy.

Engineering also confirmed its support for the edition launched in 2019, which will culminate with start-ups receiving awards in 2020.

A second opportunity for people and materials

Reusing recycled materials and transforming them into fashion products thanks to the work of detainees as part of a reintegration program. This is the goal of the Socially Made in Italy project, promoted by the Alice Cooperative, in which Engineering participated by sending PVC used during events, seminars and trade shows. The materials were processed by the detainees at the Venice penitentiary, who gave them a "second life" by transforming them into grocery bags, purses and eco-friendly items with the Engineering brand.

In 2018, the company collaborated with the Rio Terà dei Pensieri Social Cooperative which organizes artisan laboratories and service activities in the prison and throughout the Venice area for detainees.

With the Cooperative, which uses PVC materials with respect for the environment and guarantees ethical and eco-sustainable products, an exclusive line of purses was created under the "Malefatte" brand, which reproduces the designs of the children of Engineering employees gathered during the "My Selfie" Christmas initiative. The money earned from the sale of the purses was used to support the activities of an orphanage in Calcutta.

Ingenium, the magazine for Digital Transformation

How is Digital Transformation changing the world we live in? How do Big Data, Blockchain, Cybersecurity or Artificial Intelligence impact our way of working and, in general, our economy? What is the Internet of Things or the Digital Twin, and how does each work? What are the newest professions in the IT sector? These are the types of questions that Ingenium, Engineering's magazine dedicated to the most innovative tech themes, seeks to answer.

Founded 30 years ago as a hard copy monograph publication and returning a few years ago in the form of a web magazine thanks to a collaboration with Tech Economy, Ingenium has always aimed to help companies and citizens understand and interpret how innovation and new technologies are radically changing our society.

The writers featured in the magazine are specialized journalists, university professors, opinion leaders and Engineering specialists, all able to provide food for thought, vision and tools for interpretation, which make the publication a place for meeting and debate on topics of innovation and on new technological scenarios.

Telethon for research on genetic diseases

Again in 2018, Engineering participated in the Telethon fundraising initiative with 3 teams. The event, organized by BNL Gruppo BNP Paribas in collaboration with the Rome Marathon, took place on December 16th in Rome and was held at the Baths of Caracalla for the second year in a row.

BNL's partnership with the Telethon Foundation, which since 1990 has secured resources to fund the best scientific research projects on muscular dystrophy and other genetic diseases, has been in place for more than 20 years and represents one of Europe's largest fundraising projects.

Aside from the Parent Company, other Group companies also supported Telethon: OverIT with a racing team at the Udine Telethon and Cybertech, sponsoring the Rome relay race.

Support for Brazilian children

Engineering do Brasil is on the side of children. In 2018, our Brazilian subsidiary supported the São Paulo AACD, one of the best orthopedic hospitals and a center of excellence in the treatment of children and young people with physical disabilities.

Engineering do Brasil asked its employees to indicate NGOs worthy of support. After receiving the suggestions, the company reviewed them to understand which were able to demonstrate with adequate documentation their commitment to projects supporting children and adolescents. At the end of the selection process, AACD, one of the most esteemed hospital complexes in the country, was chosen.

Cybertech blocks bullying

Cybertech worked alongside the Roma Volley Group, the first "de-bullied" Italian company, in winning the most important game: combatting bullying.

Together with MOIGE - the Italian Parents' Movement that has been dedicated to protecting young people and families for more than 20 years - the company launched the #MURIAMOILBULLISMO crowdfunding campaign to raise awareness and inform younger generations and their families about a phenomenon which unfortunately is becoming increasingly widespread.

Cybertech opened the doors of its Roman office to host the livestream of the campaign's official launch, then worked alongside Roma Volley Group and MOIGE to raise funds to support initiatives against bullying and cyberbullying (tournaments, meetings, communications).

Through videos, images and speeches, they talked about what bullying is and how it takes root in people and communities, in order to prevent it and provide a place where the victims of bullying and their families, through the qualified work of MOIGE specialists, can be heard.

RoboCup International 2018 with Enrico Carletto

Again in 2018, Engineering sponsored a new "adventure" in the field of robotics at the Enrico Fermi State Scientific High School in Padua. Since 2014, the company has collaborated with the school, to which it gave the Enrico Carletto NAO, the celebrated programmable humanoid robot, that the students use in challenges where they always achieve excellent results.

This year, Engineering sponsored the participation of team E-404, made up of four high school students, at the Montreal RoboCup International, a worldwide event dedicated to robotics, where the team from Padua finished in second place, just after the Indian team.

For five intense days, 4,000 young students 11 years of age and older and 5,000 robots competed to excel in sciences, technology, art and math activities through robotics.

The four students from Fermi competed in the robocup@home-education category, which featured the "workshop+competition" formula, programming a steward-robot capable of welcoming a customer at a hotel and managing orders in the cafe.

Social day: everyone volunteers for a day

Engineering supports its employees' volunteer activities, which it considers highly important for social cohesion and cultural coexistence.

On this basis, Engineering ITS has created Social Day, aimed at raising the awareness of colleagues with respect to topics such as social responsibility and environmental sustainability.

The employees of the German subsidiary receive one day per year of paid leave to be dedicated to any volunteer initiative they choose. They can volunteer in retirement homes, with the Red Cross, in hospitals or even with organizations that defend animal rights.

Sowing seeds for bees: more flowers, more bees

For Engineering ITS, the protection of animal species is of utmost importance. This is why the company is committed to protecting bees, which aside from being hard-working insects, also play a significant role in our ecosystem. Indeed, every year they pollinate millions of plants that are vital for the nourishment of people and animals.

However, every year the survival of bees is also threatened by agents like insecticides which are used in agriculture, climate change and the reduction in food sources.

To help mitigate these dangers, with the "Sowing seeds for bees" initiative, the German subsidiary sent its employees flower seeds for them to plant at home, in a pot or in their garden.

This very successful campaign not only raised employee awareness with respect to the environment, but also contributed towards the planting of more flowers, thereby supporting the survival of bees and other insects.

THE ENVIRONMENT, A GOOD TO BE PROTECTED
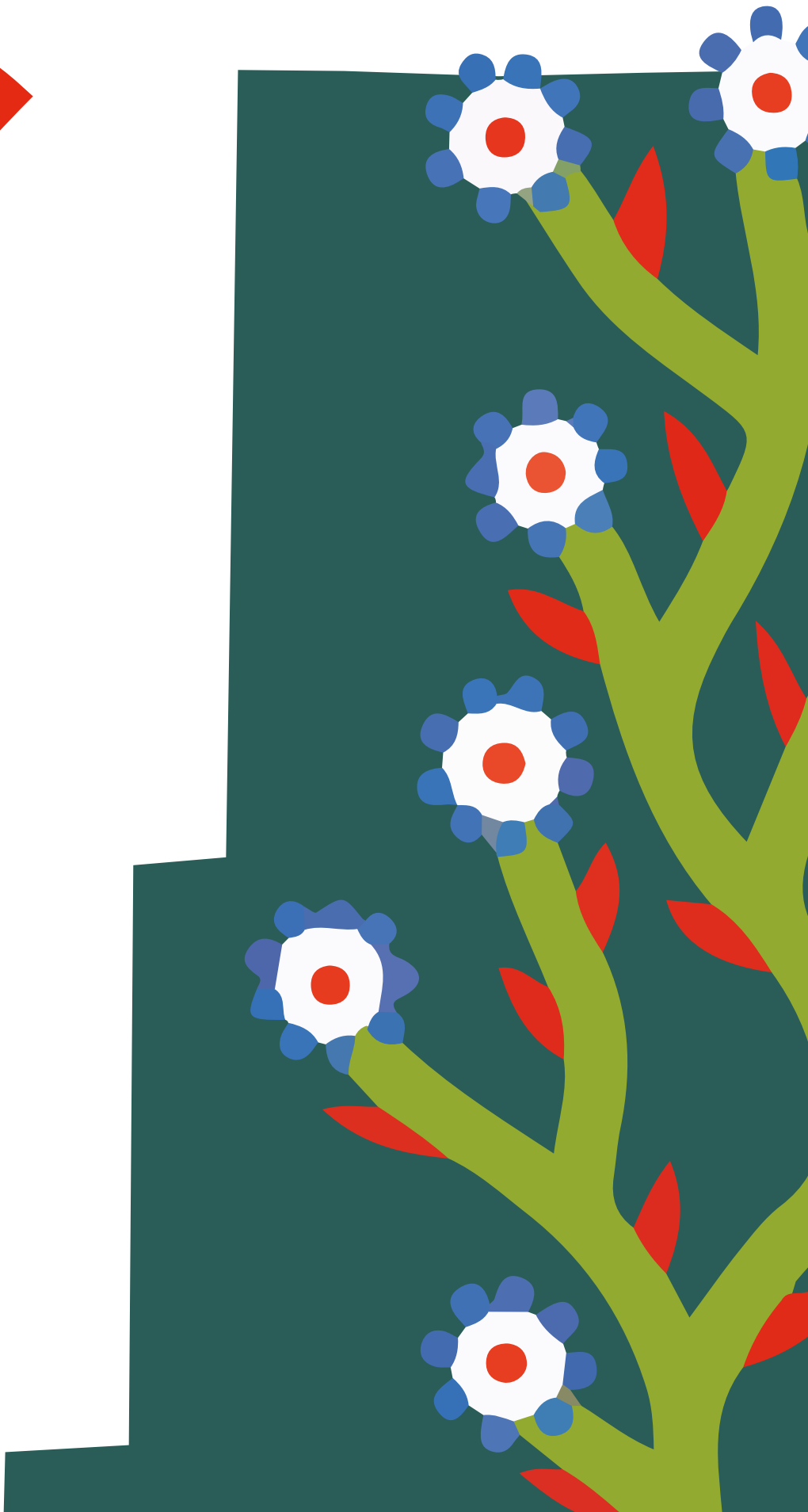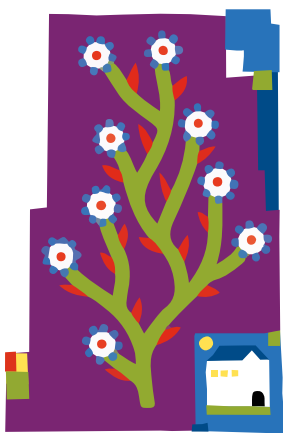
HIGHLIGHTS 2018

188,888 ● GJ total energy consumption
(-6% compared to 2017)

15,185 ● tons of CO_2 emissions

45,715,000 ● kilometers driven by the company fleet

126 ● gr CO_2 emitted per km by the company fleet
(-13% compared to 2017)

LEED ● certification of the new Rome office
(Leadership in Energy and Environmental Design)

18,790,000 ● kWh electrical energy consumption
of the Data Centers in 2018

1.65 ● PUE of the Group in 2018

INNOVATION CANNOT EXIST
WITHOUT SAFEGUARDING THE ENVIRONMENT.
ONLY BY **CREATING WELL-BEING**
THAT UNDERSTANDS HOW TO PROTECT OUR
ENVIRONMENT DO WE REALLY SUSTAIN **OUR
EVERYDAY LIVES**.
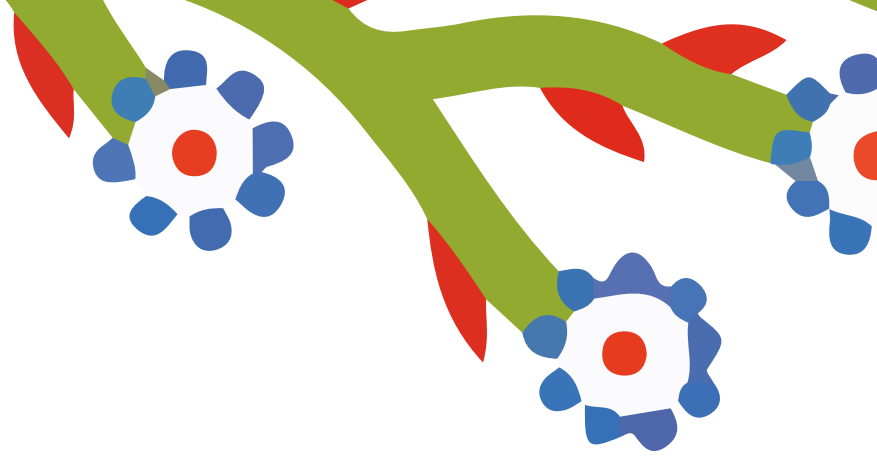
OUR SUSTAINABLE BUSINESS

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

Engineering is not a manufacturing company, so its impact on the environment is associated with its 4 Data Centers in Pont-Saint-Martin, Turin, Milan and Vicenza and its roughly 50 Group offices present in Italy and worldwide, which have an environmental footprint similar to that of urban users, mainly involving waste, power and water.

Nonetheless, the Parent Company Engineering Ingegneria Informatica has implemented its environmental management system which has been awarded certification according to the international standard ISO 14001, which also covers the Pont-Saint-Martin, Vicenza, Naples and Palermo sites and all companies that work there (the subsidiaries Municipia, Engineering D.HUB, Nexen and Webresults). The main environmental impact that can be traced to the Engineering Group's Data Centers is composed of electronic waste production and electricity consumption.

The main energy consumption in a Data Center comes from computer equipment, ranging from cooling systems to ventilation systems and electrical distribution.

The Data Centers also manage the information technology infrastructure on which the Group's Italian offices rely for their remote activities. One last element to be considered in calculating environmental impact is that deriving from atmospheric emissions resulting from the travel of personnel and the water used for cooling at the Pont-Saint-Martin Data Center.

The new Rome office (see box on page 41) which is home to roughly 20% of the Group's employees, has received the LEED certification, developed by the U.S. Green Building Council (USGBC) and given to buildings with excellent performance in terms of energy and water savings, the reduction of CO_2 emissions, the improvement in the ecological quality of the interior, materials and resources used, the design and site selection.

Pont-Saint-Martin and Vicenza: the points of excellence of Green Data Centers

The Data Center at Pont-Saint-Martin, in Valle d'Aosta, created in 1998, employs about 350 resources and houses the main service and governance hub of the Engineering Group's IT activities, managing more than 7,000 physical and virtual systems. This is an example of a state-of-the-art plant in Italy in terms of environmental sustainability. In 2011, a geothermic system inside the plant was inaugurated, which supports the cooling systems on which the Company commissioned an executive expansion project undertaken in 2016. The geothermal plant provides for the use of low-temperature water, taken at a temperature of 12 degrees from two wells specially built at 40 meters' depth, which is then further cooled to about 7 degrees. The plant sends water to the Data Center cooling systems, with positive effects on energy saving, quantified at a 12% reduction, i.e. 1.3 GWh since 2013.

WATER

	2018	2017	2016
Withdrawals of water from the ground* (millions of m³)	1.11	1.16	1.17
Discharges of industrial wastewater from cooling (millions of m³)	1.11	1.16	1.17

* The water collected is only for cooling the Pont-Saint-Martin Center and is not subjected to any industrial process other than the change in temperature; the increase in the flow rate has no significant impacts on the environment. The return temperature of the water in the Lys river complies with the regulations stipulated in the disciplinary rules of the concession of the Region of Valle d'Aosta.

In the course of 2018, investments were made for technological upgrades of machinery and disposals of hardware that will generate a significant decline in electricity consumption over the coming years.

The building has a control room, bunkers and several utilities: power plant, geothermic plant, refrigeration plants, plant management and control sys-

tem (fire, safety, electrical, technological) as well as a fire extinguishing plant for technological systems. In 2018, the Pont-Saint-Martin Data Center reached a PUE of 1.52. PUE (Power Usage Effectiveness) is the measure of energy sustainability. According to the standard definition by the international body The Green Grid, this indicates the ratio between the overall electrical consumption of a Data Center (air-conditioning, ventilation) and the consumption of the IT equipment alone. To have an efficient level of consumption, the PUE of a Data Center must be below 3. A value of 2 represents a high level of efficiency, while values around 1.5 are considered to be excellent. The Vicenza Data Center also had excellent environmental performance, and in the early months of 2017 was awarded the Uptime Institute's TIER IV certification, both for the initial phase of design and for the final phase of implementation and on site postverification. TIER IV is the highest level of guarantee that a data center can offer, with an availability of 99.99%. The Data Center is completely redundant at the level of electrical circuits, cooling and networks, and is able to maintain a high level of energy efficiency (a PUE of 1.70 in 2018) and at the same time a very high plant and system reliability thanks to free cooling solutions and structural features, like the separation of the Data Center rooms from the outside environment through isolation corridors. This architecture enables the detection and isolation of any damage to structural systems, while supporting and maintaining all IT loads and critical business systems of clients hosted in the active structure.

In 2018, foundations were laid for the initiation of work at the Pont-Saint-Martin and Vicenza Data Centers to reach a new certification level according to the TIA-942 standard of the Telecommunications Industry Association[6]. During the year, the project became executive for the Vicenza Data Center with the goal of obtaining the TIA-942-B certification by the end of 2019.

GROUP DATA CENTER ENERGY CONSUMPTION

Data Center	Pont-Saint-Martin			Turin		
Year	2018	2017	2016	2018	2017	2016
Electrical energy consumption Gigawatt/hour	11.08	11.51	11.55	1.97	1.94	1.95
Electricity consumption GigaJoules	39,900	41,400	41,600	7,070	6,960	6,990
Power Usage Effectiveness (PUE)	1.52	1.52	1.53	1.80	1.80	1.80
Data Center	Vicenza			Assago**		
Year	2018	2017	2016	2018	2017	2016
Electrical energy consumption Gigawatt/hour	3.34	3.22	3.08	2.40	2.16	2.03
Electricity consumption GigaJoules	12,034	11,592	11,088	8,640	7,776	7,308
Power Usage Effectiveness (PUE)	1.70	1.61	1.61	2.50	2.35	n/a

** For the year 2018 the Assago Data Center was sub-leased to the company Infracom which managed all engineering activities; Engineering managed only two rooms under co-lease plus a TLC room whose energy consumption is reported in the table, but for which the consumption of absolute continuity and air conditioning plants (ICT consumption) on which PUE is based cannot be estimated. In 2019, the situation described will change, as Engineering will resume management of the entire Data Center. The Rome Data Center is managed by Engineering, but is dedicated exclusively to the customer ADR which supplied electricity for the entire year 2018 under the flat rate system. The supply will be transferred to the free market system in 2019.

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6 The Telecommunications Industry Association (TIA) is an organization accredited by the American National Standards Institute (ANSI) which develops sector standards for a broad range of communication technologies. Specifically, the TIA-942-A standard establishes the rules for the design of Data Centers and lays out requirements for network architecture, electrical design, system redundancy, risk control, environmental control, energy savings and much more.

Moving people

In 2018, Engineering's personnel travelled more than 45 million kilometers throughout Italy. This significant figure confirms the company's philosophy of constantly remaining in close contact with its roughly 1,000 customers. This movement was enabled by the company fleet consisting of more than 1,300 vehicles on long-term lease.

In 2018 the vehicle fleet (1,346 vehicles) grew by 139, while the average distance travelled per vehicle declined from around 34,600 to 33,963 km per vehicle.

The company's policy on staff movements places special emphasis on fuel consumption and emission limits. Indeed, Engineering's objective is to reduce the average fuel consumption threshold, thereby ensuring a decline in CO_2 emissions and other polluting emissions as well. This target was also reached in 2018, as demonstrated by the reduction in average consumption in liters per vehicle, from 1,790 liters in 2017 to 1,698 in 2018.

The reduction in consumption also entailed a lower impact on the environment deriving from the quantity of CO_2 emissions per kilometer, which fell from 145.1 g in 2017 to 126 g in 2018. Since early 2013, a new hiring policy was approved, which foresees an obligation for the first band of cars (for middle management and employees) to limit consumption to below 4.2 liters of fuel per 100 kilometers on the combined cycle. The second level (upper middle management and executive managers) have a limit fixed at 4.6 liters per 100 kilometers. In 2017, Engineering included hybrid and full-electric vehicles on the car list for drivers who use the vehicles primarily in cities and do not travel more than 15,000 km per year. Orders for vehicles not fueled by diesel nearly doubled in 2018 compared to 2017, from 18 to 35. Engineering's objective for 2019 is to streamline the cost of the company fleet even more by drafting a dedicated Car Policy that establishes limitations relating to CO_2 emissions and will involve starting to dispose of diesel company vehicles (pool and project) in favor of hybrid: gas/electric (urban use/low mileage) and CNG/gas for those to be used in different contexts.

Our commitment to electronic waste management

GRI 103-2 GRI 103-3 GRI 302-1 GRI 305-1 GRI 305-2 GRI 306-2

The matter of collecting and disposing of electronic waste regards the Group Data Centers and the replacement of the systems inside them in particular. In 2018, the components replaced amounted to 26.24 tons, against 11.98 tons in 2017. To reduce their impact on the environment to a minimum, all electronic waste produced is first analyzed at the two Group storage centers in Rome and Pont-Saint-Martin, then transferred to specialized and certified firms for the proper recovery of materials. The sustainability of electronic waste at the Data Centers is guaranteed by the fact that it is for the most part reused in other industrial sectors. Another category of electronic waste is represented by the computers used in Group offices. To best optimize their management, Engineering has implemented a virtuous system in the Italian offices that makes it possible to limit the costs of purchasing new PCs and has a more limited impact on the environment with a lower average standard production of electronic waste related to PC replacement. For many years, the Group's Technological Infrastructure Services (SIT) office has created a dense and efficient network for the restoration of damaged computers by simply substituting components, just like in a mechanical workshop. This is an example of how an approach to sustainability can also generate a reduction of business costs.

CORPORATE FLEET DATA (ITALY)

	2018	2017	2016
Km travelled	45,715,000	41,770,000	38,826,500
Diesel consumption (tons)*	1,915	1,921	2,017
Diesel consumption (GJ)	82,220	82,484	86,452
CO_2 emissions (tons)**	5,757	6,061	6,063
gr CO_2/Km	126.0	145.1	156.2

* Data calculated by using fuel costs per year divided by the average price of diesel (2013-2016) provided by the Ministry of Economic Development.
**Diesel emission factor 3.006 tCO_2 /t fuel. Source: ISPRA - Italian National Institute for Environmental Protection and Research, database of average emission factors of road transport in Italy.

ENERGY CONSUMPTION AND CO_2 EMISSIONS OF THE OFFICES *

	2018	2017	2016
Electrical energy consumption (Kwh)	10,839,438	7,658,864	8,398,321
Electrical energy consumption (GJ)	39,022	27,572	30,233
CO_2 emissions (tons)**	3,449	2,532	2,645

* The figure does not include all the sites, just the main offices in Italy. Reported kWh value does not include the few "temporary offices" where all inclusive services are offered (including electric energy).
**2018 data conversion factor: 318.2 g CO_2/Kwh. Source: ISPRA 2018.

DATA CENTER ELECTRIC ENERGY CONSUMPTION

	2018	2017	2016
Electrical energy consumption (Kwh)	18,790,000	18,830,000	18,610,000
Electrical energy consumption (GJ)	67,644	67,728	66,986
CO_2 emissions (tons)*	5,979	6,225	5,862

* 2018 data conversion factor: 318.2 g CO_2/Kwh. Source: ISPRA 2018.

TOTAL CO_2 EMISSIONS AND ENERGY (ITALY)
GRI 305-1 GRI 305-2

	2018	2017	2016
Total energy consumption (GJ)	188,886	177,784	183,671
CO_2 emissions (tons) [Scope 1]*	5,757	6,061	6,063
CO_2 emissions (tons) [Scope 2]	9,428	8,757	8,508
Total CO_2 emissions	15,185	14,819	14,571

* Consumption and CO_2 emissions of the company fleet.

ELECTRONIC WASTE

	2018	2017	2016
Waste produced (tons)	26.24	11.98	39.82
of which: Transferred to specialized and certified companies for correct disposal	26.24	11.98	39.82

INNOVATION TO IMPROVE PEOPLE'S LIVES
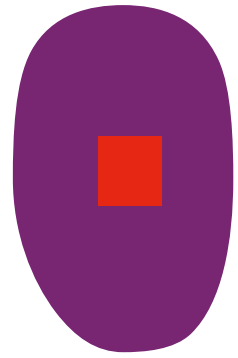
**TRANSFORMING THE WORLD
WE LIVE IN**

**TRANSFORMING THE WORLD
WE WORK IN**

**TRANSFORMING THE WORLD
THAT TAKES CARE OF US**

INNOVATION IS NOT ONLY THE APPLICATION OF **TECHNOLOGY** TO THE WORLD AROUND US. IT CAN HAVE HIGHLY IMPORTANT **SOCIAL IMPACTS**, IMPROVING THE LIFE OF PEOPLE AND CONTRIBUTING TOWARDS CREATING **SHARED WELL-BEING**.

TRANSFORMING THE WORLD WE LIVE IN

GRI 103-2 GRI 103-3

More than **2.3** million	**DIGITAL IDENTITIES ISSUED** 1 million more compared to March 2017 (Confindustria, The Digital in Italy 2018)
1 out of **3**	**ITALIAN MUNICIPALITIES** that have launched at least one Smart City project in the last three years (Internet of Things Observatory, Polytechnic University of Milan 2018)
42%	**ITALIAN CITIES WITH AN OPEN DATA PORTAL** (EY, Smart City Index Report 2018)
16.5%	**REDUCTION OF GREENHOUSE GAS EMISSIONS BY 2020** if ICT solutions were applied to urban environments (BCG and GeSi, GeSi SMARTer 2020. The Role of ICT in Driving a Sustainable Future)
353	**"ANALOGUE" ENERGY SECTOR PROJECTS** activated in 15 Italian cities (Energy&Strategy Group of the School of Management of the Polytechnic University of Milan, Digital Energy Report 2018)
345,000	**ITALIAN COMPANIES** that invested in green products and technologies in 2014-2018 to reduce their environmental impact, save energy and limit CO_2 emissions
29%	**ITALIAN MUNICIPALITIES THAT ALLOW ACCESS TO THEIR SERVICES ONLINE** using the national charter of services or through credentials provided by the Municipality (EY, Smart City Index Report 2018)

Digital technologies are drastically transforming every key sector to ensure the functioning of the country and to meet the needs of its citizens. As a result, they are revolutionizing how we interact with the world around us. Digitalization is an integral part of our lives. Even we are becoming digitalized: we rely on always-connected devices, and we transmit information in every moment of our lives with the Internet of Me (IoM). This has generated a data economy which, if understood and brought to fruition through the study of Big Data, enables a positive transformation of the cities we live in, of our homes and of the landscape around us, including how people interact with each other, how citizens interact with the public administration and how businesses interact with their customers. The development and application of sensors linked to the Internet of Things (IoT) and solutions based on Robotics and Artificial Intelligence utilize, analyze and connect millions of data points and pieces of information through increasingly complex calculation algorithms, paving the way for a series of services which, until just a short time ago, we thought of as science fiction.

The application of enabling information technologies is transforming the world we live in, freeing up knowledge and breaking up systems that kept information siloed within specific sectors, areas and socioeconomic structures. Knowledge is now a common good: a keystone for new economic and social development without precedent.

The Engineering Group, strong in its deep knowledge and understanding of "digital enablers," manages a detailed project portfolio in collaboration with a great number of technical partners and stakeholders, through which it makes a significant contribution to the Digital Transformation process in our society. This is an activity that ranges from industrial automation to the digitalization of pro-

cesses governing relations between the government and its citizens, to making the management of the administrative machine more efficient and transparent, to the development of digital platforms capable of transforming cities by putting different services in communication with each other. In this last case, transformation is possible thanks to the organization of widespread and scattered data sources within the urban ecosystem, so that the convergence of information from different IT systems can create new services and respond to problems like the management of traffic and parking lots, lines at the supermarket or public access to information about public services. All of this augments the way in which our cities and our citizens use time and space, making the places where we live increasingly "smart" and integrated, a single large digital brain called a "Smart City."

Transforming the world we live in also means leveraging the possibilities of Digital Transformation to promote and enable sustainable lifestyles for the preservation of our environmental and artistic heritage.

The Engineering Group is a direct protagonist and an active player in the creation of systems aiming to incentivize environmental sustainability, like public transport in cities, which has taken on increasing relevance because it is directly linked to the quality of life of citizens and the health of the air in cities.

An example of this includes the various platforms and portals dedicated to the municipalities and created in recent years by the company which, by using the interconnection guaranteed by smartphones and fast networks, provide citizens with real-time information about public transport through interactive maps and geolocation systems, making mobility more modern, usable and rapid.

Ecological living must also be the objective of our future homes. From this perspective, Engineering has researched and is beginning to test out smart homes in the field, with structures that exploit IoT technologies and Machine Learning for reading, controlling and interpreting consumption data from individual household appliances, in order to guide users to properly manage their energy and water requirements.

Engineering offers all of this by finding technological solutions to transform the world we live in and by paying particular attention to new lifestyle trends, social needs and environmental emergencies. In this way, we help our country become more competitive and contribute to the well-being of its citizens.

POLIS 2020 /
The platform financed by the Puglia Region to support digital participation

Polis 2020 is a project that places businesses, associations and citizens at the heart of local development.

It is a social/technical platform that provides decision-makers, citizens, businesses and public employees with the technological and methodological tools they need to become the protagonists of local trends and changes.

The project calls for the definition of a framework supporting the structured process of gathering, managing, selecting, sharing and evaluating ideas and data, to which citizens can also contribute and provide their own input.

Financed by the Puglia Region and created by Engineering in collaboration with Links Management and Technology Spa, Polis 2020 has become the place where innovative technologies and methodologies that enable transparent, sustainable administrative and decision-making processes "open" to citizens can be tried out.

By combining the concepts of e-government and Open Government, the project will help create a veritable creative and inclusive digital community.

The platform, based on the principles of "Responsible Research and Innovation," will offer interaction and opportunities for all local stakeholders by working in three primary areas:

- Civil society, favoring the participation and collaboration of the entire local area with a view to sharing goals and results;
- Governance, providing collaborative tools and support for decision-making, which will enable public decision-makers to get to know their communities and citizens in order to make informed choices based on data and facts;
- Processes, providing tools capable of enabling transparency, simplification and efficiency, as well as the participation of citizens and public employees themselves, to create a virtuous cycle of collaboration and interaction.

ECUBE /
The Enegan energy bank

Over the years, a gradual change has been taking place in the energy distribution system: we are transitioning from a unidirectional model, consisting of centralized production with widespread consumption, to a different type of model, one with increasingly widespread production linked to renewable resources, which by their nature are difficult to estimate.

Created for Enegan, ECube is the solution that facilitates the exchange of energy between customers that use storage, vehicle-to-grid and mobile batteries, and which certifies the electricity measurements of meters and the energy and economic transactions of users thanks to the use of Blockchain technologies.

The key element of the project is enacting energy exchange procedures that involve economic consideration and are compatible with domestic regulations in force, between those who provide energy and those who use it.

Indeed, ECube is an energy exchange platform ("Energy Bank") that can optimize the production, storage and use of renewable sources through Blockchain. This technology is able to record all measurements of energy produced/consumed by every individual customer with the use of smart meters, which communicate with each other using a software architecture for distributed systems called Representational State Transfer (REST), which is capable of making this information available to all nodes in the network.

The system created enables Enegan to:

- effectively use the energy produced;
- manage its customers' consumption to optimize energy use;
- obtain white certificates (Energy Efficiency Bonds), which can be traded for the achievement of energy savings in end uses of energy through initiatives and projects to boost energy efficiency;
- increase the offering of products for recharging electrical vehicles.

WASTE4THINK /
Information technology improving waste management

What would happen if citizens and companies were aware of the waste they generate, of the impact it has on the environment and on their health or the costs to manage it? And what would happen if they participated in the proposal of initiatives to improve service efficiency, if they paid waste management fees in line with the waste they generated, if they received incentives for sorting and waste prevention to reduce waste quantities and facilitate recycling?

If this took place, it is very likely that we would be able to convert the current linear model into a new model based on the principles of the circular economy, in which the origin of the problem is transformed into the solution.

The Waste4Think project was founded precisely with the goal of reducing the production of waste and increasing economic savings. Following the principles of the circular economy, it calls for trying out 20 integrated and validated eco-innovative solutions that cover the entire waste value chain.

Waste4Think seeks to design solutions based on the use of information and communication technologies that would allow for the improvement of every waste management phase, adopting a global approach and stimulating citizen participation to build more sustainable and ecological cities. Its goals are very challenging and ambitious, including a 20% increase in separated waste collection, a 10% reduction in management costs and a 10% reduction in greenhouse gas (GHG) emissions in the 4 European cities where it will first be rolled out on a trial basis: Seveso (Italy), Zamudio (Spain), Chalandri (Greece) and Cascais (Portugal).

DIGITAL ENABLER /
IoT and AI at the service of cities

Sustainability also includes monitoring what is happening in urban environments. Digital Enabler (DE) is a domain-independent Cloud solution which uses Big Data and Artificial Intelligence to help citizens, companies and public administrations improve quality of life through solutions that harness and utilize data coming from a range of different physical and virtual sources.

Engineering has created Digital Enabler for City (DE for City or City Enabler), a platform based on FIWARE's open source software components and designed to support cities in the synchronization and harmonization of IoT data at the urban level. In the last year, DE for City was installed in more than 20 cities across Europe and South America. In the course of 2019, it will be installed and accompanied by the launch of new IoT and Data services in the cities of Copenhagen, Helsinki and Antwerp as part of the third and final phase of the Pre-Commercial Procurement (PCP) SELECT for Cities.

SMART MOBILITY /
State-of-the-art mobility in the city of Pisa

When we talk about smart mobility, we are not talking only about sustainable mobility based on technologically advanced means of transport. Smart mobility is also and especially linked to the availability of citizen-friendly and low-environmental-impact mobility. The term encompasses a series of elements: technology, mobility infrastructure (parking lots, recharging networks, signage, vehicles), mobility solutions (including new mobility models) and people. By introducing smart mobility into our cities, we aim to reduce traffic, limit pollution, create uninterrupted traffic flows and strengthen economies of scale to promote accessible mobility.

Pisa is one of the most visited art cities in the world, home of Tuscany's main airport and a highly important university center of excellence. Today Pisa is also a Smart City, thanks to its adoption of a single platform for resident mobility, which digitalizes existing processes, creates new web and mobile points of contact with citizens and provides innovative services like smart parking. The city has already seen a number of benefits and advantages since the adoption of this new platform, including:

- preventing inspectors from having to perform repetitive and manual operations;
- facilitating the entry of more than 50,000 tour buses into the city;
- reducing traffic;
- managing permit procedures online (parking, restricted traffic areas).

URBAN NATURE LABS (UNaLab) /
Smart solutions for green cities

Today, cities all over the world are experiencing significant transformation. At the same time, they are dealing with sizable challenges like urban densification, extreme weather conditions provoked by urbanization, deforestation and climate change. Nature-Based Solutions (NBS) adopt an approach hinging on the management and sustainable use of nature to achieve ecological and climate resilience while creating opportunities for social and economic innovationat the same time. Through co-creation techniques with stakeholders and the implementation of living labs, the UNaLab project is driving the development of a European framework of robust and replicable nature-based solutions to make cities resilient to climate change, focusing on the ecological management of water on an urban scale, along with the adoption of green measures and inclusive and innovative urban design. In this project, Engineering is playing the role of the leading reference technological partner, in charge of providing the platform for the co-creation of nature-based solutions and guiding other partners in refining the entire ICT framework.

The three pilot cities of UNaLab are Tampere, Eindhoven and Genoa. For demonstrative purposes, they will implement urban living labs that will take on the problems found in local climates and water resources through the co-creation of nature-based solutions with local stakeholders and end users, using an innovative tool to support systemic decision-making. The solutions will then be replicated in seven more cities: five in Europe (Cannes, Prague, Basaksehir, Castellón and Stavanger) and two outside of Europe (Buenos Aires and Hong Kong).

PASSPAY CONAD /
The new payment frontier

Transforming the world we live in also means making the purchasing experience increasingly simple and rapid, enabling customers to enter a store and buy the products they want without ever taking out their wallets.

All of this is possible with PASSPAY Conad, an app designed and refined by Engineering which, thanks to an innovative recognition system, provides customers with a reserved checkout area in a supermarket's points of sale.

How can the way we shop be truly revolutionized?

The users shop by scanning the barcode of each product they decide to purchase directly with their smartphone. After they are done shopping, instead of getting in line at the cash registers, they go to a "digital payment area" managed by presence recognition software, which indicates whether the lane is free.

When the light turns green, a Bluetooth system activates and identifies the consumer using an Artificial Intelligence platform applied to a special shopping cart. Cameras and a series of sensors definitively identify each product selected by the consumer in order to autonomously manage the process of charging the customer.

Indeed, the cash register systems handle the payment, process the tax receipt and print it out, so customers can leave the supermarket with their purchases without their wallet ever leaving their pocket.

ASTRA ROCKET COMPANY /
Digital Industry for space missions

Space exploration stagnated after the achievements of the 20th century, but new players and technology are driving a renewed wave of development. Space is (once again) the next frontier, and innovation in this sector offers new possibilities in the advancement of scientific research, defense, communications, geopolitics and the global economy.

Engineering USA is helping Astra Rocket Company transform how the most efficient single-use rocket delivering payloads into Earth's orbit is manufactured. Involved in multiple NASA missions, Astra is an American start-up that designs, builds and deploys novel space instrumentation and computer models used for space weather monitoring and other applications to help mitigate potentially catastrophic disruptions to vital systems.

Before this project, the exchange of information between Astra's rocket design and rocket manufacturing teams was still being done manually. There was no single source of truth from which different divisions could go to pull the data they needed. There were no accountability checks in place to prevent human and process errors, nor was there a reliable way to ensure that the information for manufacturing was complete, accurate and up-to-date. As a result, Astra's rocket was at risk of being built slowly, over budget, incorrectly or not at all. Astra partnered with Engineering USA to eliminate these risks and implement a solution to bridge the gap between design and production. Our Digital Industry team developed and deployed an integrated digital solution to centralize, automate and standardize all data management for both engineering and production processes, enabling every-

one to make better decisions about how to get the final product efficiently and cost-effectively out the factory door. And because manufacturing drives operations, purchasing and logistics for the product, Astra now has the digital backbone they need to ensure that the most efficient rocket in Earth's orbit is made in a sustainable and cost-effective way.
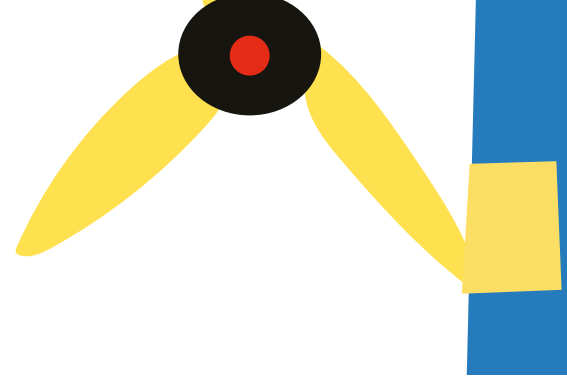
TRANSFORMING THE WORLD WE WORK IN

GRI 103-2 GRI 103-3

€2,496 Mln +16.5%
VALUE OF INVESTMENTS IN DIGITAL WORKPLACE SOLUTIONS
(Confindustria, The Digital in Italy 2018)

€2,184 Mln +19.3%
MARKET VALUE OF INDUSTRY 4.0
(Confindustria, The Digital in Italy 2018)

€18 Bn
FUNDS SET ASIDE FOR THE "NATIONAL BUSINESS 4.0 PLAN" in the 2017-2020 three-year period
(National Business 4.0 Plan)

65.2%
JOB VACANCIES IN NON-ICT AREAS which require digital skills in core and management support processes
(Digital Competence Observatory 2018)

26th place
ITALY'S RANKING in the index monitoring digital competitiveness in the 28 States of the EU
(Digital Economy and Society Index (DESI) 2018)

85%
OF INDUSTRY 4.0 TURNOVER comes from IoT components connecting machines to the network
(Industry 4.0 Observatory of the School of Management of the Polytechnic University of Milan 2018)

€1.9 bn +40%
VALUE OF IT TECHNOLOGIES equal to 60% of the Italian ITC market
(Industry 4.0 Observatory of the School of Management of the Polytechnic University of Milan 2018)

800
4.0 APPLICATIONS surveyed in Italian companies, with an average of 4 per company distributed across 3 company process areas
(Industry 4.0 Observatory of the School of Management of the Polytechnic University of Milan 2018)

In the last few years, we have witnessed an increasingly rapid evolution of new enabling digital technologies such as: Blockchain, with areas of application ranging from the energy sector to the financial sector, from the administrative realm to the media; Robotic Process Automation (RPA), which makes it possible to automate operations and processes which are simpler and more repetitive, making robots carry out the automatisms of the human operator; Augmented Reality software and tools, which can be used to overlap the surrounding reality with textual and multimedia information, thus improving workplace efficiency and safety.

It is clear, then, that digital technologies are irreversibly transforming the industrial system and the world we work in at an unprecedented speed. The impact of digitalization has disrupted every major sector of the economy and is now expanding on a global scale, Industry 4.0, or the "Fourth Industrial Revolution," is now covering the current strategies and business models of companies as much as the operating methods used by people in their work.

In this scenario, Engineering plays a leading role in the Digital Transformation of businesses. Indeed, the Group supports some of the most important companies in the Italian and foreign production sector, covering a broad range of markets delivering products and services for the energy sector, telecommunications, media, utilities and the financial world, amongst others.

This change of paradigm is also transforming public administration, with Engineering solutions offering public employees new working tools and methods for interacting with citizens, including IT platforms for electronic payments and digital handling of bureaucratic procedures, as well as portals to provide information about tourism, culture, the economy and even training courses and universities. These digital solutions automate simple and

repetitive operations, boosting work speed, eliminating the risk of human error, freeing people from repetitive activities and enabling them to concentrate on higher value-add tasks for the business. As a result, Engineering is driving the simplification and transparency of the administrative and bureaucratic machine, enacting a shared strategy with all possible players in the country's Digital Transformation: public administration, citizens, businesses, the market and the world of research.

With the mentality that the company is not merely a provider, but rather a partner on the journey towards Digital Transformation, Engineering works alongside organizations of very type to define strategies that revise working methods and allow for the adaptation of business models to ongoing transformations, while at the same time providing customers with the opportunity to increase the skills of their resources through training programs and courses.

As a veritable Information Technology consultant, Engineering assists all of its customers in achieving full compliance with new European regulations, which especially in the financial sector are requiring IT adaptations that will radically modify their existing business models.

The era of digitalization has also increased the awareness that technology can provide valuable support in controlling the forces of the physical world, triggering a virtuous path for the promotion of ethical conduct with respect for the environment. Transforming the world we work in therefore must mean considering the environment, especially in this historical period characterized by a scarcity of resources, to be a "company asset" and a public good to be preserved, one which offers value to business activities and national and international policies, with the dual objective of maintaining the well-being of future generations and sustainable economic growth.

GIUDICO /
Digital Transformation enters the Court of Auditors

Continuous regulatory developments and the need to adapt to new technologies have led the Court of Auditors to make significant investments for the Digital Transformation of its core processes and supporting systems. This is how the GiuDiCo (Giustizia Digitale Contabile [Accounting Digital Justice]) project was born, which intends to completely digitalize the operations of the sections and prosecutors of the Court of Auditors.

The end goal is to make all documentation and communications referring to accounting justice available to the various types of internal (administrative workers, magistrates, prosecutors) and external (administrations, entities, lawyers) users, in a flexible and complete manner, from the initial investigation phase to decision enforcement monitoring. In this manner, the Court of Auditors has been guaranteed full electronic management and archiving of all documents, while also improving access to digitalized processes.

This project for the Digital Transformation of public administration, carried out with the technological and methodological contribution of Engineering, has made it possible to improve justice processes as a whole, including making notification activities more efficient (through certified email and online files), giving lawyers the opportunity to consult case files without interacting with court office personnel, making the exchange of information and documents between various administration areas more efficient and allowing access to procedural information through mobile tools.

SAVE THE GRAPE /
IoT and Big Data at the service of quality at Maison Anselmet

With the digital information generated by sensors, IoT applications and Data Analytics, technology provides fundamental support to bring man closer to the environment and to nature, helping a healthier and more constructive relationship take root.

Moving within an ecosystem of open technologies and if integrated with the most advanced data gathering and interpretation tools, it is possible to transform the world we live in, generating more efficient management of raw material consumption, offering control and planning tools capable of maintaining or boosting product quality, as well as freeing up the time of people and enabling them to focus more on company differentiation and business growth strategies instead.

An excellent example of this transformation is the "Save the Grape" experience, in which Engineering collaborated with Maison Anselmet, one of the most prestigious winemakers in Valle d'Aosta. The use of Big Data Analysis has enabled the wine producer to digitally analyze the micro-climate of their vineyard and identify environmental factors that can optimize crop development, prevent the spread of plant diseases and guarantee excellent products.

The project required the creation of an infrastructure of sensors capable of gathering data in real time relating to micro-climatic changes, soil conditions, wind, humidity and water resources, then sending them to a Cloud platform for analysis. The data gathered is then processed and transformed into useful information that can be used by agronomists to improve their daily activities, allowing them to make more precise, optimized decisions based on specific plant irrigation and treatment requirements.

SISTEMA INFORMATIVO LAVORO (SIL) /
Innovation supports active policies for work

A successful job market is based on various key elements: optimal conditions for the meeting between supply and demand, the possibility to use public administration services simply and irrespective of whether users are present in physical offices, the optimization of the front and back-office processes of each administration. These are crucial factors in creating an effective link between citizens, businesses and public institutions.

Engineering, which for years has been partnering with a number of Italian public administrations to help address social issues relating to the job market, works for its customers in the management, maintenance and evolution of the Sistemi Informativi Lavoro (SIL [Job Information Systems]). SIL is a set of IT resources and organizational structures linked within a network and activated at central entities, regions, provinces and local authorities in order to create a veritable digital ecosystem for the management, reporting, processing, storage and distribution of data related to the placement and active policies for the employment and administration of each worker and company in the communities involved.

The results achieved thanks to the progressive adoption of SIL in the various administrations involved have made it possible to obtain positive outcomes over time in the following areas:

- centralization of information concerning the work domain within single applications at the regional/provincial level, resulting in the streamlining and optimization of processes managed by each public administration;
- definition and implementation of a catalogue of networked services dedicated to a self-service multi-channel front-office for citizens and compa-

nies and an administrative back-office for companies and employment centers;

- constant and prompt compliance with national regulations as well as the communication and interoperability standards required by the central public administration, favoring the rapid exchange of information between parties making up the national employment services network and with third parties (such as INPS);
- definition of rules, standards and management methods recognized as best practices in the work domain at national level;
- provision and distribution of analysis services and reporting to support operative governance and medium and long-term policies.

Within the national panorama, Engineering's experience as a technological and advisory partner for the Emilia Romagna, Calabria, Puglia, Umbria and Valle d'Aosta regions and the Autonomous Province of Trento in the management of SIL is an example of excellence in the reuse of software in public administration, the shared management of project developments and methods for incorporating national regulations, as well as effective local-central interoperability. Indeed, what has been achieved complies with the Three-Year Plan for IT in public administration, the document created by the DIA and the Team for Digital Transformation.

AURIGA /
The digitalization of practices and processes in the Municipality of Milan

A significant transformation in how public administration employees work is linked to the design of applications capable of digitalizing or re-engineering various aspects of administrative activities: from document management to the partial or full automation of the processes through which they are generated or obtained.

Starting from the experience gained in recent years in designing and developing applications for public administration, Engineering has successfully created and tested AURIGA, its own software solution for digital document management.

Thanks to its application, Municipia has supported the Digital Transformation of the municipality of Milan in the following areas:

- registration of all incoming and outgoing documents, from and to citizens, including certified email accounts;
- management of decision deeds: deeds of the executives of the municipality of Milan and executive decisions, or all deeds for municipality expenditure made by the executives;
- the sending of penalty reports via certified email.

To ensure the proper application of software by the municipality, training courses were provided to 300 employees of the sectors involved in the Digital Transformation process.

The main advantages derived from digital registration are:

- more speed in the communication and fulfilment of deeds by the public administration with respect to citizens and vice versa;
- a reduction in notification costs, due primarily to registered letters sent by the citizen or by the public administration to the citizen.

With regards to the digitalization of Decisions, instead, the main benefits have been:

- the standardization of processes (standard protocol, the same for everyone);
- increased control, traceability and visibility of municipality expenditure deeds, which become unmodifiable once they are recorded;
- the dematerialization of deeds (resulting in a reduction in the use of paper);
- elimination of the time required to publish deeds in the public portal of the entity's notice board.

TRAINING 4.0 /
In the classroom with Mixed Reality

An international point of reference in the field of automation, Nice designs and creates a broad range of products and solutions in the sector of home automation, which make it possible to develop a complete system for the integrated management of every space. The collaboration between Nice and Engineering, and the use of Mixed Reality technologies, has brought virtual rooms to life, rooms where remote training is carried out with 3D models and multimedia content in order to train partners and retailers in any part of the world. Thanks to its skills in the sector of Mixed Reality, OverIT has developed a virtual training project that enables the customer to optimally manage training activities, reducing training costs and time while increasing overall quality at the same time. All of this takes place through:

- technical data of components that are always available;
- perception of 3D objects as if they were real;
- multi-lingual support.

Within this vision of a "Digital Factory," and thanks to the use of OverIT solutions, the Training 4.0 project was implemented, putting the instructor and the technicians to be trained into contact in real time, by exploiting the potential of Mixed Reality. Training takes place in dedicated training rooms as well as through direct training sessions with users wherever they are located. On the matter of Mixed Reality, OverIT has been awarded by Microsoft, obtaining the status of "Microsoft International Partner" within the Mixed Reality Partner Program (MRPP). Program members have access to a broad range of services and tools as well to a community that regularly shares news and best practices with the Microsoft product team, all resources which help support its customers and develop all the possibilities offered by of Mixed Reality.

SECURE DRIVE /
A digital platform
for smart working at Poste Italiane

In Italian companies and in its public administration, a practice that is increasingly spreading is smart working, which we can define as "a new management philosophy based on giving flexibility and autonomy back to people in their choice of the spaces, schedules and tools to be used in exchange for greater accountability in terms of results."
Poste Italiane in also giving its employees the opportunity to take advantage of smart working, and we at Engineering are supporting their decision with Drive.
Drive is a multi-platform accessible from any device that ensures business continuity at all times, safeguarding data and driving down business costs. As the mobile world is more vulnerable than assets inside companies, Engineering is focusing on providing increasingly user-friendly tools with a high level of security.
Compared to other file-sharing software programs, Drive is:

- simple, as it has an intuitive graphics interface and offers the possibility to share user files and folders in real time with colleagues and consultants and with the utmost security;
- effective, because it fosters collaboration, even in mobility, thanks to a system of notices sent to one's smartphone, which provide continuous updates on data availability;
- secure, because all files saved in Drive are encrypted, with data linked to the concept of privacy and therefore to compliance with the General Data Protection Regulation (GDPR).

THE CASE OF BANCA POPOLARE DI SONDRIO /
RPA for the improvement of banking practices

Process automation is destined to be the new solution to boost organizational efficiency, and this is precisely what RPA software is for. Indeed, Robotic Process Automation refers to all technologies that automate repetitive, large-scale and error-prone working processes through the application of tools with smart workflows that make it possible to interact more easily and quickly with applications.

In the financial sector, the back-office cost represents a significant share of operating expenses. At Banca Popolare di Sondrio, back-office activities consist of processing paperwork and providing customer assistance. Thanks to the integration of Robotic Automation in customer file procedures, the electronic credit line management procedure has been automated.

The tool interacts with the worker by asking for the identifying data of the customer, and subsequently the request is sent to a robot which decodes the information received and prepares an automatically formatted document, representing the letter of assignment ready for approval.

In back-office activities, every bank procedure required roughly one hour of processing and consisted especially of data copying. With the integration of Robotic Automation, significant time savings have been achieved, and now around 7,000 positions per year are processed in an average of 50 seconds. This allows employees to work on other activities (customer satisfaction, cross-selling, etc.) without having to deal with manual activities, thus improving the quality of their work.

STANLEY BLACK & DECKER /
A digital backbone for Manufactory 4.0

For decades, Engineering has been committed to the advancement of the industrial and manufacturing sectors. Our Digital Industry group is continuously looking to collaborate with start-ups, tech leaders, academia, government and manufacturers who see Digital Transformation as the best way to increase capabilities, improve efficiencies and promote manufacturing in the U.S and worldwide. A global leader in the industrial tooling market, Stanley Black & Decker (SB&D) opened the doors of its new Advanced Manufacturing Center of Excellence in Hartford, Connecticut in April 2019. Called "Manufactory 4.0," the facility serves as the epicenter for the company's global "Smart Factory" and workforce upskilling initiatives. To commemorate the opening, SB&D hosted an event attended by U.S. government and manufacturing leadership. As one of the expert partners that supported SB&D's global digitalization initiative, Engineering's team was invited to participate and contribute our unique offering. To build Manufactory 4.0, SB&D was looking at all types of digital systems, including robotics, visions systems, as well as a digital backbone that could enable all these different technologies to communicate and operate in a synchronized, seamless way. Having established a strong footprint as a niche provider and system integrator for the entire spectrum of Digital Manufacturing solutions, our team was tasked to develop this digital backbone, which included a Manufacturing Execution System (MES), Production Scheduling, Manufacturing Simulation, as well as the full integration of all these systems.

TRANSFORMING THE WORLD THAT TAKES CARE OF US

GRI 103-2 GRI 103-3

€896.5 Mln
+10.8%

MARKET VALUE OF CYBERSECURITY SOLUTIONS IN ITALY
(Confindustria, The Digital in Italy 2018)

+77.8% (from 873 to 1,552)

INCREASE IN CYBERSECURITY ATTACKS
in 2014-2018
(Clusit Report 2019)

€3.13 Mln

AVERAGE COST INCURRED BY ITALIAN COMPANIES
due to data loss caused by cyber attacks
(Ponemon Institute Cost of a Data Breach 2018)

€1.6 Bn

MARKET VALUE OF DIGITAL HEALTHCARE
in Italy (1.5% of all healthcare expenditure, compared to a European average of 2-3%)
(eHealtLAb, Trends in healthcare and the role of the Digital industry standard and challenges in the Italian system 2018)

€1,120 Mln

ECONOMIC IMPACT
if 50% of residents obtained medical reports online, 25% at the pharmacy and the remaining 25% in person
(Digital Innovation in Healthcare Observatory, Healthcare and the Digital: a space to innovate 2018)

41%

RESIDENTS WHO USE HEALTH APPS OR WEARABLES
(Digital Innovation in Healthcare Observatory 2018)

7.5 Mln

ITALIAN CITIZENS WHO LIVE AND WORK IN AREAS AT HYDROGEO-LOGICAL RISK
(Ecosystem Risk 2017 Legambiente)

0.1%

SHARE OF ITALIAN GDP FOR ICT-BASED MONITORING
of the country's infrastructure aiming to prevent environmental risks
(General Status of Research and Innovation 2018)

Digital Transformation and the development of innovative technologies enable today's companies, public administrations and organizations of all stripes to take care of people, their assets and the environment around them. The protection provided by enabling solutions concerns a number of areas and ranges from IT systems used by law enforcement (security), to systems for protecting company data and assets from hacker attacks (Cybersecurity), to Internet of Things (IoT) sensors applied to agricultural processes to drive down the use of plant protection products and herbicides. In addition to these, there are also solutions for health and public healthcare, as well as for the prevention of environmental disasters.

The exponential growth in the volume and the value of information (code, text, images, infographics, videos, signals) corresponds to the increasing importance of the adoption of technologies, expertise, processes and structures to protect data, applications and infrastructure from attacks and unauthorized access. A company of the Engineering Group, Cybertech is a leader in Italy which manages around 500 projects to support customers in the implementation of IT systems, the integration of emerging technologies and the resulting redefinition of organizational management processes needed to protect both tangible and intangible assets. The company also works to spread security awareness in public administration in order to increase the knowledge of employees so they can protect their own digital identities and, as a result, the information of residents.

On the healthcare front, Engineering works alongside companies and authorities in the development of e-health solutions that favor control over clinical/support processes in terms of healthcare spending, appropriateness, prevention, planning and organization, as well as the regulation and provision of services.

Many projects are focused on the analysis of data (Big Data & Analytics), thanks to which it is now possible to considerably improve the predictive capacity of public and private workers and to obtain a quicker and more effective treatment response by leveraging patient profiling. In fact, Engineering has developed a range of IT solutions to facilitate and promote citizen access to services, such as healthcare service booking systems and the Electronic Health File, as well as numerous services to improve the efficiency of primary care through their integration within a network of primary care physicians and pediatricians. The company has also provided solutions for the digitalization of the administrative management of healthcare facilities.

In the environmental realm, there is also a very close relationship between the development of information technologies and the safety of citizens. To protect the population from climatic events, earthquakes and natural disasters, Geographic Information Systems (GIS) and IT solutions are being increasingly used to monitor and analyze data provided by networks of sensors located out in the real world. Through Big Data Analysis, Engineering also provides solutions for the environmental monitoring of dams, wells, piling or slopes, helping to predict at-risk situations (such as avalanches and rockslides) and supporting more effective management of weather and hydrogeological alert system, evacuation plans, security and energy distribution networks. Data security also means safeguarding the privacy, integrity and availability of information. Through a range of solutions, Engineering stores and manages a large volume of the data for the National Health System of Italy, the central and local public administrations and customers of all the productive sectors in the country. The company encrypts the data and information of residents and companies and makes it possible to obtain complete and reliable mapping of the risks to which every individual is exposed.

Engineering is also in frequent contact with the European Commission's Directorate-General for Migration and Home Affairs on matters linked to anti-terrorism. It is also a partner of the European technological platform Nessi, which actively contributes to crucial initiatives for the development and competitiveness of the entire European production system, such as Cybersecurity, Open Platforms supporting Digital Transformation and Artificial Intelligence. Engineering is also a member of IDSA, "International Data Space," in order to control and regulate the use and sharing of private data. Engineering's Security Intelligence (SE-CINT Lab) research unit studies technological solutions in order to discover, recognize and combat entities and groups of people intent on organizing propaganda, recruiting or radicalization activities or preparing terrorist and criminal attacks of various types. It provides Italian and European institutions and law enforcement with support in Digital Forensics and security intelligence, offering tools and services for analysis and automated reasoning to support investigations that combat criminal activity.

CUP 2.0 /
Digital booking simplifies access to healthcare in Tuscany

Today, improvement in the efficiency of healthcare and public health services represents an indispensable investment for the quality of life of residents, which is also necessary to ensure the sustainability of our overall healthcare system.
A new concept of "taking care of the patient" has emerged, which involves the innovation and digitalization of services for treatment access.
It is from this perspective and thanks to the partnership with Engineering that "CUP 2.0" was introduced in the areas of Massa Carrara, Lucca, Viareggio, Livorno, Siena and Grosseto. This is a new

online booking service that leverage the single regional "CUP" IT booking platform aimed at reducing waiting lists.

With the memo of the electronic prescription issued by their primary care physician, residents can enter their tax code and the prescription number in the new portal. The system then automatically proposes the next available appointment in line with the clinical priority criteria entered by the physician. If the user does not want the appointment proposed, they can select other dates and times, or even other healthcare facilities.

The CUP online portal also includes a "Your Appointments" section, where users can view all of bookings (and also change them), print a reminder or cancel appointments. In the current release version, it is possible to book main specialist visits and traditional radiology services. Over time, the offer for residents will be gradually expanded to include more and other healthcare services.

SECURITY AWARENESS /
Principles of Cybersecurity in the municipality of Milan

At times, and due to unknowingly imprudent behaviors, municipal employees and officials may expose the administration's data to the risk of theft or manipulation.

Spreading adequate awareness and providing correct information about Cybersecurity to all employees is therefore the most effective way to increase the security of residents' data.

It is from this perspective that Cybertech has carried out a project for the municipality of Milan to increase data security by acting on the "human factor." Teaching basic rules of IT security has made it possible to very quickly improve the level of knowledge and awareness of all municipal employees,

primarily administrative personnel, school employees and educators.

Around 14,000 municipal employees were involved in the educational project, so not only people who continuously manage sensitive data, but also those whose actions could put residents' sensitive personal information at risk.

The training courses consisted of a published series of content available online, which can be explored flexibly using the Moodle platform (one of the largest open source communities in the world) and structured to provide a practical guide on the proper use of digital tools, computers and mobile devices.

A significant focus was dedicated especially to the risks to which the user is exposed (including phishing, malware and social engineering). Internal municipal regulations on security measures and the roles of users were also reviewed.

PROTECT ID /
Innovation to protect digital identities

Digital Transformation is involving an increasing number of aspects of our existence and it is a constantly evolving process. A growing capacity for innovation is required in this context characterized by the importance of always being connected. As a result, a new world is taking shape in which the differences between physical and digital realities are being gradually erased, enabling us to take advantage of the opportunities offered by new technologies, ones capable of enabling new cognitive, economic and social paradigms, offering better and faster decision-making capacities.

Today, everyone has the possibility to experience several lives in parallel, in the real and in the virtual world. For this reason, how well we manage the protection of digital identities and personal data

online has direct impact in real life: the violation of privacy can include crimes such as defamation, cyberstalking, economic damage and many more.

Protect ID fits within this framework and, using existing models and evidence deriving from trials performed as part of the project, provides a set of models and tools that enable all the players involved in the personal data management chain to tackle the challenges linked to the privacy of digital identities. At the same time, it guarantees a high level of security in the processing of personal information, direct control over data which ensures that it is being viewed exclusively by the right people, only in the desired circumstances (privacy-enhancing), and exposing the lowest quantity of information necessary to carry out a transaction, thus protecting data from potential unlawful uses.

GEOTEC /
IoT to prevent natural disasters

The solutions offered by Digital Transformation are becoming increasingly useful to protect people by preventing environmental risks. Through a network of sensors and the collection of billions of data points and cognitive engines, they make it possible to process real-time information to improve our knowledge of climate, seismic and, in general, natural and environmental events.

Engineering do Brasil has created GEOTEC, a system that monitors dams, wells, piling, slopes and any other structure used in mineral extraction. The system analyzes data collected by sensors connected to the internet (IoT), reading GPS satellite data, inserting photos and reports, integrating with other systems and generating control dashboards. In terms of security, control over all of these geotechnical structures is essential for predictive maintenance activities, detecting anomalies in ad-

vance to mitigate the risk of structural breakdowns and preventing failures deriving from environmental transformations caused by mining and other businesses with a significant geological impact. GEOTEC is currently used in Brazil, Canada and Mozambique, and it is currently being implemented in the New Caledonia mine. It is active at a total of 1,136 mining sites. With the creation of GEOTEC, Engineering has established itself as an international pioneer in mission-critical projects, reinforcing its commitment to the development of digital innovation for the protection of the environment.

ANITA /
Big Data against illegal online trafficking

Protecting citizens also means providing law enforcement with innovative tools to effectively combat illegal online trafficking carried out by increasingly powerful and widespread criminal organizations.

The ANITA (Advanced tools for fighting illegal online trafficking) project was founded to develop a new investigation system based on knowledge and centered on the user, in order to perform a heterogenous analysis of texts, audio, video and images, both online (Surface Web, Deep Web, DarkNet) and offline.

The end goal is to provide an integrated platform able to combat illegal trafficking perpetrated online thanks to advanced research, extraction, analysis and correlation services focusing on relevant information for investigation activities. With the support of many law enforcement agencies, the platform is about to be tested in investigation activities linked to the following types of illegal trafficking:

- purchase and sale of illegal drugs online;
- new psychoactive substances (NPS), which include a broad range of molecules with particularly dangerous pharmacological and toxicological prop-

erties for consumer health, highly synthetic in nature, often completely unknown to law enforcement and therefore not included in the register of illegal drugs;

- counterfeit pharmaceuticals, or imitations of known pharmaceuticals, which represent a serious health problem for potential users who rely on unverified distribution channels;
- armed weapons of various types and munitions, including arms sold on the black market in simple assembly kits.

To combat these dangerous phenomena, ANITA combines: innovative technologies for identifying, acquiring and analyzing data sources distributed across the various levels of the internet (Surface Web, Deep Web, Darknet), including those regarding financial transactions; advanced Big Data Analytics tools for the automated analysis of large quantities of heterogenous content; effective modelling and knowledge management methodologies able to activate deductive and inductive mechanisms for investigation processes; applications of intelligence to enable users to identify patterns with specific attributes for spatial, temporal and causal correlations between events, activities and entities involved in illegal trafficking, in order to support decision-making processes.

DEFENDER /
Innovative solutions to defend energy infrastructure

The protection of Critical Energy Infrastructure (CEI) is taking on an increasingly important role. But theoretical approaches are unable to provide adequate levels of security because they are often used separately and designed based on incomplete attack models, resulting in fragmented and overly specific security management policies.

DEFENDER is a project coordinated by Engineering that aims to protect CEI and mitigate cyber and physical threats, with the following goals:

- modelling CEI as Cyber-Physical Systems to manage the potential reciprocal effects of cyber and physical threats (Distributed Large-Scale Cyber-Physical Systems);
- defining an innovative security management model that leverages the dynamic analysis of Service Level Agreements (SLA) for cost-effective management over time, adapting to the infrastructure's particularities ("no one-size fits all");
- putting people at the center of the security management process, providing them with the capacities to act as virtual sensors for the identification of threats, making them the first responders in the case of attacks (Human-In-The-Loop).

A European integration and security company with a broad portfolio of ICT applications and Cloud-based services in smart energy networks, Engineering will contribute to the collection, analysis and monitoring of data, hosting the heart of the platform and supporting the analysis and classification of cyber and physical risks, allowing for security lifecycle assessments and enabling resilience with targeted solutions.

The effectiveness of DEFENDER will be validated by

a lab simulator (RWTH in Germany) and by 4 trials in France, Italy and Slovenia covering the entire energy value chain: a combustion generation plant (ENGIE), a wind facility (CFP), an HV TSO transmission network (ELES), a DSO distribution network (ASM) and an end producer/consumer.

HERMENEUT /
The management of intangible business risks

Cyber attacks can jeopardize intangible assets such as reputation, intellectual property rights (IPR), expertise and know-how. This is due to the considerable imbalance between the efficiency of attacks and the inadequacy of defense. This is also due in part to the scarcity of quantitative information to support decision-making processes or establish investment priorities to protect security.

Promoting an economically efficient culture of risk management, Engineering has launched Hermeneut, the project that models growing cyber threats and their potential impacts on the value of intangible assets, providing individual organizations and different sectors with an innovative methodology to evaluate the specific vulnerabilities of a company's tangible and intangible high-risk assets. This methodology takes into consideration the plans of the attacker, the level of commodification, the exposure of the target organizations and human factors, making it possible to estimate the probabilities with which a potential cyber attack could exploit the vulnerabilities identified.

The objective is to help companies understand their cyber risk level and the best mitigation strategies by providing a simple and intuitive tool which, although using approximations, can provide reasonable estimates in exchange for minimal user commitment, requiring limited knowledge of cyber attack logics

and only knowledge of the situation of one's own company.

MEDICALLY ASSISTED PROCREATION (MAP) /
Digital healthcare gives birth to new life in Tuscany

Recourse to Medically Assisted Procreation (MAP) is constantly on the rise. Indeed, today in Italy, it is estimated that one couple out of five has difficulty procreating naturally.

For the couples that embark upon this path, it is of fundamental importance to be monitored throughout the journey, the majority of which takes place across multiple centers, exams and specialties. In this sense, technological development can provide considerable support.

The region of Tuscany, understanding the importance between healthcare and technology, has established the "Regional Network for the Prevention and Treatment of Infertility," which brings together all public and private centers that deal with infertility and MAP. The network makes it possible to concentrate the most innovative technologies in local hubs that can collect all specialist requests from the peripheral centers and outpatient clinics that are supporting the couples, without them needing to move from their place of residence, thus preventing practical difficulties from adding to emotional ones.

For this project, Engineering created a platform that integrates the data, specialist processes and regional systems involved in this journey, facilitating close collaboration and secure sharing of information between all healthcare professionals.

Thanks to this organizational model and the related enabling technologies, teams from various centers benefit from a single, complete system that provides an overview of the clinical situation of the couple in

need. At the same time, the couple follows a simplified path with a single point of access for all clinical, support and administrative requirements.

CURAVESTA /
"Mobile health" supporting patients at home

The progressive aging of the population and the increase in chronic diseases, especially caused by unhealthy lifestyles, have led to the need for the introduction of new treatment approaches. They have incentivized the development of diagnostic treatment supported by digital technologies, bringing the hospital closer to the patient through digital instruments capable of analyzing information and managing data, which in the future will become increasingly important in people's active decision-making.

CuraVesta is an innovative mobile health service. It is a public healthcare system supported by mobile devices like smartphones and other wireless devices that monitors the patient and provides personalized digital assistance.

Developed by Engineering ITS, the CuraVesta app offers daily at-home support, both psychological and physical, as well as the possibility to contact family members, friends and, in emergencies, physicians and nurses, at any time, with direct access to paid assistance services.

Specifically, the main functions provided by CuraVesta are:
- verbal and written communications between parties (family members, friends, as well as the different people involved in caring for the patient);
- automatic reading of sensors installed in the apartment of the person needing help and subsequent transmission of information to the appropriate people or organizations;

- set-up and control of treatment plans and medical activities;
- direct link with the physician or nurse in charge;
- communication with other people living in similar circumstances (such as through virtual games);
- an assistance function, which helps to simplify the performance of daily activities;
- the possibility of connecting patients with physicians, assistance services, consulting services and healthcare insurance companies;
- a shopping avatar, which helps patients find and purchase medications, medical equipment or food.

SHIRE (NOW TAKEDA) /
The transformation of the U.S. pharmaceutical industry

If we look at American ads from the 1950s, we are shocked by what we see. Cigarettes, morphine, cocaine, opium – all were once marketed by companies and by doctors as medicine. Over the decades, as people started realizing the harm that these drugs were doing, federal organizations stepped in, and today the production of pharmaceuticals is heavily regulated.

Patient health is now the #1 priority, but the complexity of government regulations has created many new challenges for modern manufacturers. Quality control slows everything down. New drugs take longer to be developed. Completed drugs take longer to get into the hands of patients. New technologies are much slower to be adopted. The focus on quality control is expensive too, and it drives up costs for both the manufacturers and the patients.

Engineering USA partners with Life Science, Healthcare and Pharmaceutical companies to help solve their biggest manufacturing and regulatory issues. Shire, now Takeda, is a global manufacturer focused on saving and sustaining the lives of patients with

rare diseases, like hemophilia and primary immuno-deficiency, around the globe. Over the last 7 years, Engineering's team has worked with Shire to digitalize their manufacturing processes at facilities across North America, reducing the use of paper by up to 90%. In 2018, this initiative expanded to Shire's European facilities as well. Digital manufacturing means that most quality checks happen in seconds, not hours. This speeds up production and means that higher quality medicine can be produced and delivered to patients with some of the most debilitating diseases all around the world.

APPENDIX
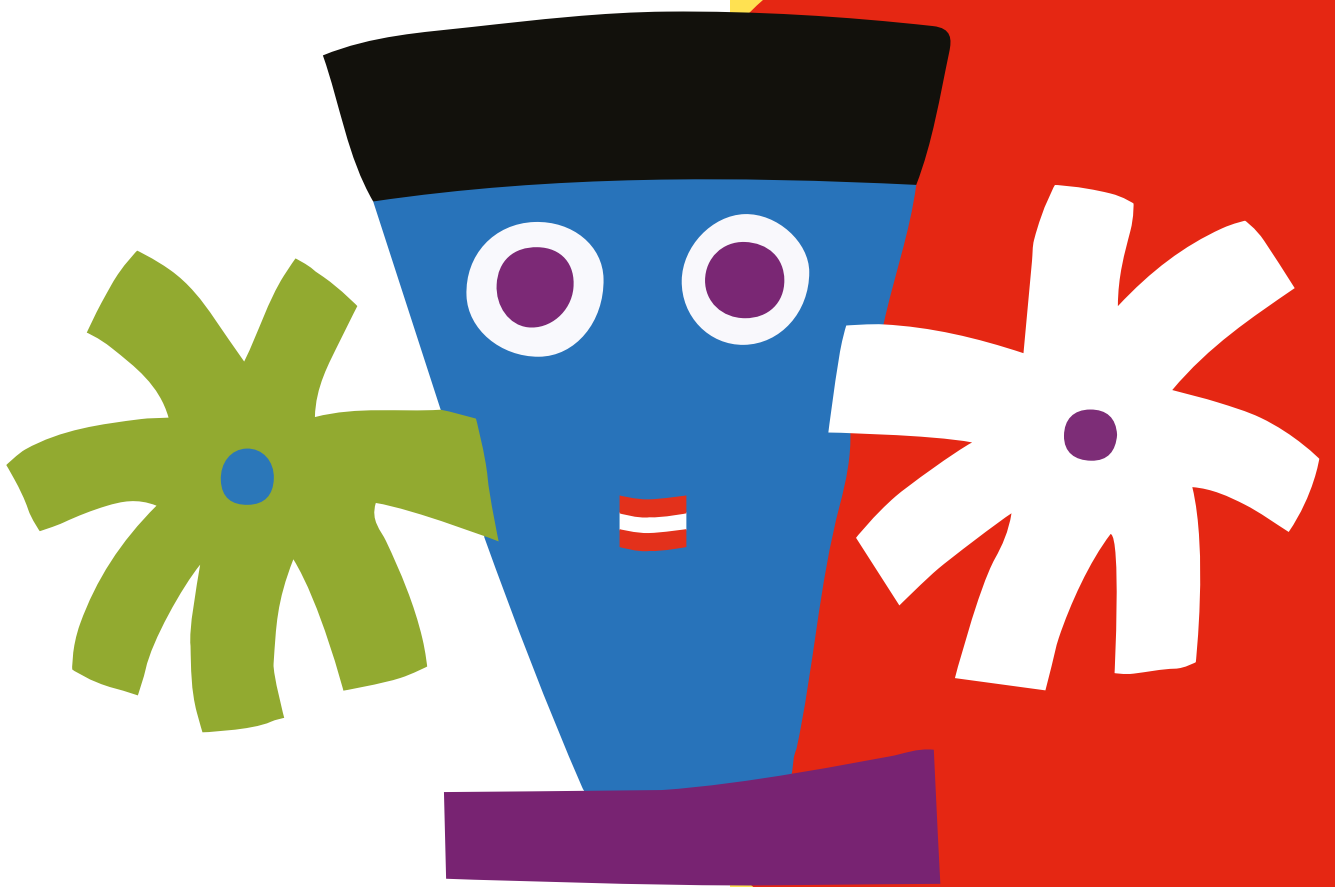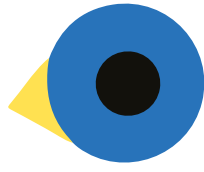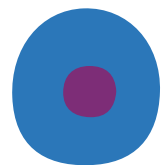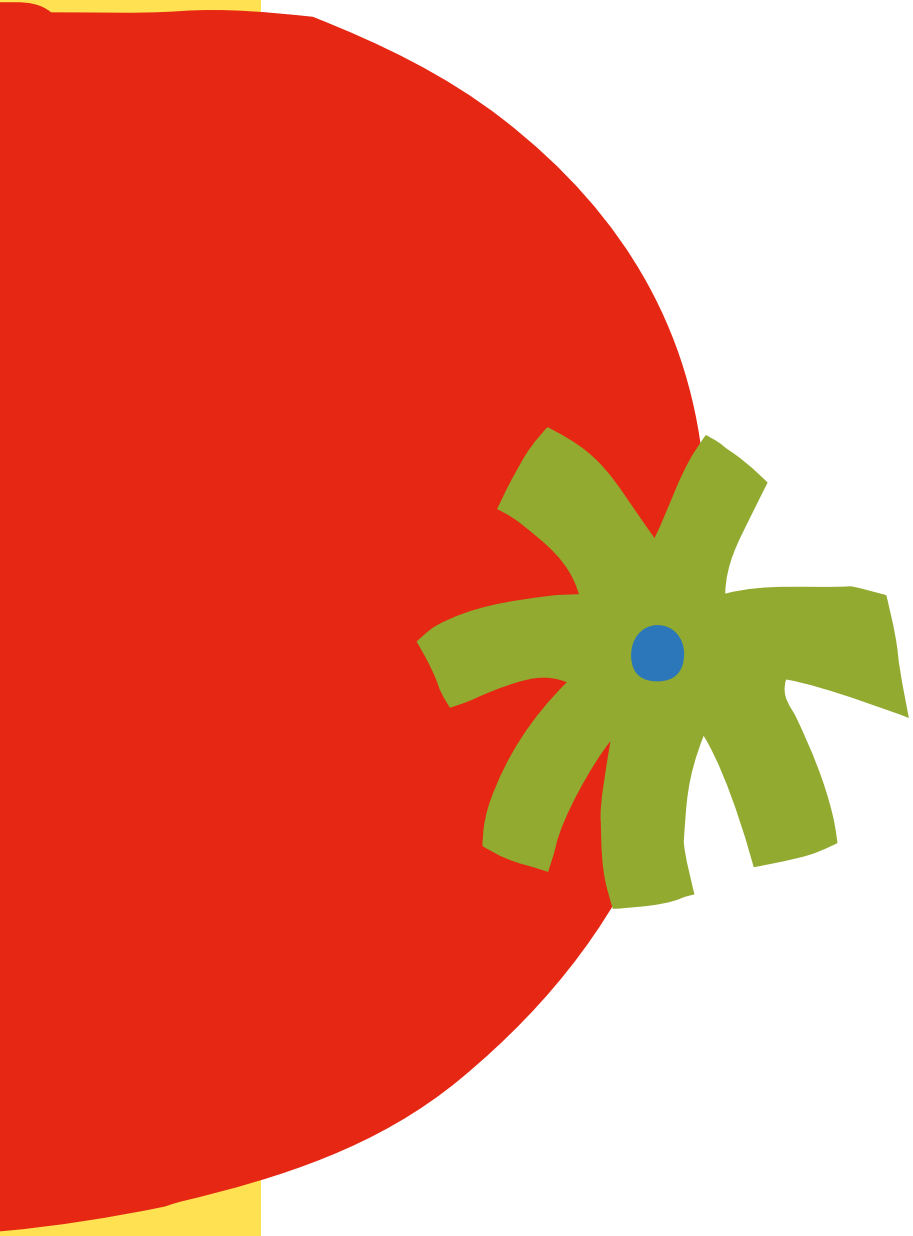
METHODOLOGICAL NOTE

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

To draft its sixth Corporate Social Responsibility Report, the Engineering Group adopted the "GRI Sustainability Reporting Standards." This report was prepared in accordance with the GRI Standards: Core option. The standard's indicators, which correspond with the material topics of Engineering, are specified at the beginning of each chapter. The complete list of standards used, with an explanation of the topics and detailed disclosures, is provided in the GRI Content Index.

Engineering's Corporate Social Responsibility Report refers to data, projects completed and services provided by the Group in the year 2018 and reports the main impacts deriving from Engineering's projects, with a particular focus on Italy, where the company carries out most of its operations and earns most of its revenue. The report also contains information about foreign subsidiaries in terms of mission, activities and staff composition, while the environmental data only refers to Italy. The economic-financial data presented in this Corporate Social Responsibility Report is the same as that published in the consolidated and separate financial statements for the year 2018, the audit of which was carried out by Deloitte according to the principles and criteria recommended by CONSOB.

For additional information, please write to the email address: **csr@eng.it**.

MATERIALITY ANALYSIS

GRI 102-47 GRI 103-1

The materiality analysis, performed for the first time in 2014 and updated in 2016, started from the identification of the issues generally recognized as important because they have been reported within the Global Reporting Initiative standard, generally considered to be representative of the perspective external to the company as identified in the context of multi-stakeholder discussions and debates at the international level. We then went on to assess the sustainability issues dealt with in business documents such as policies, internal procedures, the Code of Ethics and the previous Corporate Social Responsibility Reports. The second phase for the identification of material topics was aimed at identifying the aspects of sustainability more closely related to the business of Engineering and relevant to the field of Information Technology and its reference scenarios.

With this objective, the following were analyzed:
• the GRI (Global Reporting Initiative) document "Sustainability Topics for Sectors: What do stakeholders want to know?" as it relates to the "Software as a Service" sector;
• the SASB (Sustainability Accounting Standards Board) Materiality Map as it relates to the "Technology and Communications" sector and, in particular, the "Software as a Service" sub-sector;
• the report of the GeSI (Global e-Sustainability Initiative) "#SMARTer2030, ICT Solutions for 21st Century Challenges";
• the 2016 Yearbook of RobecoSAM, as it relates to the "IT Services & Internet Software as a Services" sector.

The list of topics that emerged in the course of the preliminary analysis was discussed, analyzed and weighed during dedicated interviews which involved all the Group's first lines (executive positions) and based on an approach that allowed the top company management to evaluate each Corporate Social Responsibility issue from an internal perspective (in relation to the company) and an external perspective (in relation to stakeholders outside the Group).

RESULTS OF THE MATERIALITY ANALYSIS

Material topics	Priority	Corresponding GRI Aspects	Scope internal relevance	External relevance
Security and privacy of customer data and Cybersecurity	High	Customer privacy	Engineering	Customers
Managing customer relations and customer satisfaction	High	-	Engineering	Customers
Development, training and enhancement of human capital	High	Personnel training and development	Engineering	
Attraction and retention of talent	High	Employment	Engineering	
Compliance, ethics and integrity	High	Employment Socioeconomic compliance	Engineering	Customers
Research, development and innovation of products and services	High	-	Engineering	
Industrial security of IT systems	High	-	Engineering	Customers
Contribution to technological development and the modernization of the community	Medium	Economic performance Indirect economic impacts	Engineering	Customers Community
Social impact of investments, products and services and digital inclusion	Medium		Engineering	Customers Community
Energy consumption and energy efficiency	Medium	Energy	Engineering	
Development of technologies and services for the environment	Medium	-	Engineering	Community
Electronic waste	Medium	Waste	Engineering	

PRIORITY DETECTED IN THE FACTORS OF MATERIALITY
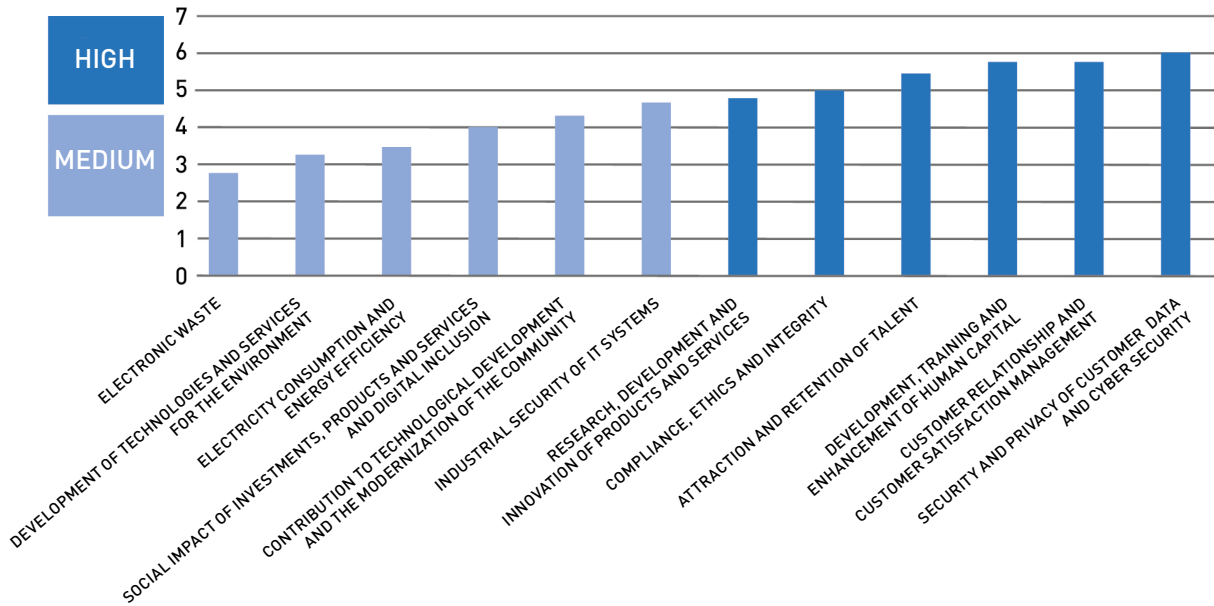
Why these topics are important for Engineering

Security and privacy of customer data and Cyber-security: Engineering stores and manages a great deal and variety of information at its Data Centers, a large volume of the data of the National Health System, the central and local public administrations of Italy and customers across all the productive sectors of the country. Data security and privacy is therefore of primary importance. In addition, the Group is actively engaged in planning and providing Cybersecurity services externally.

Managing customer relations and customer satisfaction: Engineering's activities, included within a wide-ranging offering of business integration, application and infrastructural outsourcing and strategic consulting services, are characterized to a significant extent by the fact that they need continuously to adapt to the businesses and requirements of its customers (more than 1,000), with which it is therefore necessary to maintain a constant relationship. A satisfaction survey system measures the effectiveness and quality of the company's work and strategy.

Development, training and enhancement of human capital: competition in advanced sectors in which the company operates every day means that people are the primary resource for Engineering. Therefore, the development and enhancement of human capital is one of the Group's top priorities within a context of continuous evolution which requires a particular focus on updating and developing skills and creating new professional figures (such as data scientists) through significant investments in training.

Attraction and retention of talent: the sector in which Engineering carries on business is characterized by limited availability of resources with specialized IT skills in the market. In this respect, it is important for the company to implement effective policies for attracting the best talent from the job market, also in partnership with universities. Likewise internal career development paths are designed to boost the loyalty of and retain the best resources within the company.

Compliance, ethics and integrity: considering the high number of players, often public and institutional, with which the Group interacts, and given the sensitivity of many of its projects and the information processed, Engineering is on the front lines in preventing and combating unlawful behaviors by adopting and promoting ethical business conduct and by guaranteeing the utmost compliance with laws and regulations.

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

Industrial security of IT systems: ensuring the reliability of IT systems and infrastructure is a primary objective for Engineering, which operates in the market as a system integrator and designer of cutting-edge technological platforms.

Contribution to technological development and the modernization of the community: Engineering is the top Italian company in the IT sector and is therefore by its very nature devoted to upholding a leadership role in contributing to the technological and digital development of the community in which it operates by making available its skills and experience for the benefit of the country's modernization.

Social impact of investments, products and services and digital inclusion: Information Technology

is having an increasing impact in terms of improving quality of life and social well-being, and therefore represents a possible response to citizens by customers, in particular in the public administration and healthcare sectors.

Energy consumption and energy efficiency: the main environmental impacts associated with the Group include the electricity consumption necessary to maintain the company's four Data Centers, which also manage the information technology infrastructure on which roughly all of the Group's Italian offices rely for their remote activities.

Development of technologies and services for the environment: many IT solutions are suitable for providing solutions to problems and reducing environmental impacts, and in the future they will be in increasing demand by customers from many sectors.

Electronic waste: Engineering's business does not produce large quantities of waste. The most significant item in this context is represented by electronic waste products from the management of the Group's Data Centers and is due to the replacement of plant components; another significant item consists of the computers used in the offices.

OUR STAKEHOLDERS

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

The table shows the major categories of Engineering stakeholders and the forms of involvement, the frequency and types of activities whereby the company communicates and interacts on the basis of an approach that considers the legitimacy of the relationship, closeness, power to influence and impacts related to the activities of the Group.

Main categories of stakeholders	Engineering Map	Interaction modes, listening and involvement
Employees	10,730 professionals distributed across more than 60 offices in Italy, Belgium, Germany, Norway, the Republic of Serbia, Spain, Sweden, Switzerland, Argentina, Brazil and the USA	• Internal communication tools (newsletters, intranet, mailings, blogs) • Internal and external events dedicated to employees • Constant presence of the HRO Department in the offices • "Ingenium" company magazine
Customers	Roughly 1,000 national and international clients in the sectors: • Local and Central Public Administration (Municipalities, Regions, Ministries) • Healthcare (Hospitals, LHAs) • Finance (large banking and insurance groups) • Telecommunications (all the major Italian players) • Energy (energy producers and distributors) • Industry • European and international institutions	• Periodic satisfaction surveys • Continuous relations with our staff of consultants • "Ingenium" company magazine • Events dedicated to customers
Suppliers	Suppliers concentrated in the sectors: • instrumental goods (in particular hardware and software) • management and maintenance of real estate owned by Engineering • companies that provide their personnel for IT consulting, ranging from analysis to programming in some Engineering projects • consultants and freelancers who work on specific processes or activities for some Engineering projects	• Day-to-day relations with the Purchase Department and company functions involved in the activities carried out • Dialogue with the main associations representing the suppliers • Portal for suppliers on the internet website PAGE (Engineering Group Purchase Portal) *page.eng.it* • Report of the personnel of the IT Consulting Purchases Department (DACI) which operates locally with the companies that provide professional services and with freelance consultants

Main categories of stakeholders	Engineering Map	Interaction modes, listening and involvement
Sector and category associations	National associations of the computer, software, ICT industries	Periodic meetings, preparation and sharing of best practices, participation in work within the technical and representation commissions
Financial institutions	National and international banks and credit institutions that fund the Group's main investments	Meetings with top company management
Non-profit world	• Associations for the promotion of the environment • Cooperatives/Non-profit organizations	Sponsorships, donations, sale of goods or services, projects in partnership, training and internships
Trade unions	Metalworkers' trade unions	• Collective and territorial contracts • Meetings with company trade union representatives
Universities and Research Institutes	National and European university and research institutes	• Development of projects in partnerships, economic support for research, training and support for product research and development • Company testimonials at schools
Media	• Newspapers, magazines, national radio and TV • Sector magazines • Newspapers and local radio and TV stations • Online publications	• Contacts on the occasion of the launch of important projects, publication of company documents, interviews, events • "Ingenium" company magazine
Project partners	• Small and large Italian and European companies (e.g., energy sector, healthcare) • European hospitals	• Coordination within projects funded by public European and national bodies • Development of projects in partnerships

PERSONNEL DATA

GRI 102-8 GRI 401-1

Amount of employed staff by contract type and gender at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
Permanent	6,050	2,631	8,681	6,990	3,037	10,027	7,250	3,207	10,457
Fixed-term	99	62	161	143	103	246	170	103	273
TOTAL	**6,149**	**2,693**	**8,842**	**7,133**	**3,140**	**10,273**	**7,420**	**3,310**	**10,730**

Total workforce (expressed as average staff AWU) by nature of employment relationship and gender	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
EMPLOYEES	5,748	2,417	8,165	6,657	2,792	9,449	6,868	2,920	9,788
CONSULTANTS	n.d	n.d	2,900	n.d	n.d	3,300	n.d	n.d	3779

Total amount of workforce expressed as average staff/AWU by geographical area and gender (including employees and other non-employment contract types)	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
Northern Italy	2,416	1,131	3,547	2,660	1,250	3,910	2,780	1,301	4,081
Central Italy	2,144	927	3,071	2,379	1,059	3,438	2,334	1,065	3,399
Southern Italy and Islands	753	219	972	1,032	284	1,316	1,085	303	1,388
Brazil	333	92	425	366	105	471	338	108	446
Belgium	8	7	15	6	7	13	6	7	13
Serbia	15	6	21	15	5	20	67	27	94
Argentina	13	2	15	10	2	12	8	1	9
USA	0	0	0	52	7	59	48	7	55
Germany	67	33	99	135	72	207	195	98	293
Spain	0	0	0	2	1	3	6	2	8
Great Britain	0	0	0	0	0	0	1	0	1
Romania	0	0	0	0	0	0	1	1	2
GROUP TOTAL	**5,748**	**2,417**	**8,165**	**6,657**	**2,792**	**9,449**	**6,869**	**2,920**	**9,789**

Amount of employed staff of the Group by professional category and gender at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
Executives	304	42	346	305	49	354	310	52	362
Middle managers	1,323	406	1,729	1,481	456	1,937	1,560	472	2,032
Employees	4,522	2,245	6,767	5,347	2,635	7,982	5,550	2,786	8,336
Manual workers	0	0	0	0	0	0	0	0	0
TOTAL	**6,149**	**2,693**	**8,842**	**7,133**	**3,140**	**10,273**	**7,420**	**3,310**	**10,730**

Breakdown of employed staff by age group, gender and geographical area at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
ITALY									
Age < 30 years	433	235	668	553	263	816	624	308	932
Age 30 - 50 years	4,117	1,914	6,031	4,648	2,173	6,821	4,355	2,050	6,405
Age > 50 years	1,036	361	1,397	1,216	466	1,682	1,660	650	2,310
INTERNATIONAL									
Age < 30 years	212	43	255	258	64	322	195	80	275
Age 30 - 50 years	323	134	457	421	163	584	549	212	761
Age > 50 years	28	6	34	37	11	48	37	10	47

Amount of protected category staff at 12/31 by contract type	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
ITALY	236	139	375	266	155	421	289	183	472
INTERNATIONAL	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d

Amount of permanent staff by professional category and gender at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
Executives	300	42	342	301	47	348	302	50	352
Middle managers	1,318	406	1,724	1,476	454	1,930	1,558	472	2,030
Employees	4,432	2,183	6,615	5,213	2,536	7,749	5,390	2,685	8,075
Manual workers	0	0	0	0	0	0	0	0	0
TOTAL	**6,050**	**2,631**	**8,681**	**6,990**	**3,037**	**10,027**	**7,250**	**3,207**	**10,457**

Amount of permanent staff by employment type at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
Full Time	6,012	2,152	8,164	6,943	2,479	9,422	7,343	2,686	10,029
Part Time	38	479	517	47	558	605	77	624	701

Recruitment of new employees by age group, gender and geographical area at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
ITALY									
Age < 30 years	223	109	332	291	119	410	292	167	459
Age 30 - 50 years	839	226	1,065	793	355	1,148	321	115	436
Age > 50 years	218	42	260	123	63	186	39	9	48
TOTAL*	**1,280**	**377**	**1,657**	**1,207**	**537**	**1,744**	**652**	**291**	**943**
INTERNATIONAL									
Age < 30 years	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d
Age 30 - 50 years	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d
Age > 50 years	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d
TOTAL**	**n.d**	**n.d**	**563**	**n.d**	**n.d**	**416**	**n.d**	**n.d**	**449**
GROUP TOTAL	**n.d**	**n.d**	**2,220**	**n.d**	**n.d**	**2,160**	**n.d**	**n.d**	**1,392**

Employees leaving by age group, gender and geographical area at 12/31	MEN 2016	WOMEN 2016	TOTAL 2016	MEN 2017	WOMEN 2017	TOTAL 2017	MEN 2018	WOMEN 2018	TOTAL 2018
ITALY									
Age < 30 years	82	26	108	63	38	101	93	51	144
Age 30 - 50 years	661	159	820	214	82	296	278	115	393
Age > 50 years	225	44	269	103	24	127	59	18	77
TOTAL	**968**	**229**	**1197**	**380**	**144**	**524**	**430**	**184**	**614**
INTERNATIONAL									
Age < 30 years	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d
Age 30 - 50 years	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d	n.d
Age > 50 years	n.d	n.d	n.d	n.d	n.d	205	n.d	n.d	n.d
TOTAL	**n.d**	**n.d**	**317**	**n.d**	**n.d**	**205**	**n.d**	**n.d**	**321**
GROUP TOTAL	**n.d**	**n.d**	**1514**	**n.d**	**n.d**	**729**	**n.d**	**n.d**	**935**

Strikes and industrial disputes	2016	2017	2018
Hours of strike over total hours worked	0.03%	0.00%	0.08%
Rate of trade unionism of employees	10.31%	11.69%	11.48%

* The 2017 figure consists of: 809 new hires; 713 external corporate acquisitions; 53 external company business unit acquisitions; 169 external company business unit lease, while in 2018 35 people were hired due to new corporate acquisitions and 908 were hired from the job market.

** The 2017 figure consists of: 313 new hires; 103 corporate acquisitions from external companies. In 2018, recruitment abroad was all carried out from the job market.

GRI CONTENT INDEX - CORE OPTION

GRI 102-55

In the Content Index Service, the GRI Service revised the GRI Content Index which is clearly presented and the references to all disclosures included are aligned with the appropriate sections in the body of the Report.

GRI 101 - FOUNDATION 2016

GRI 102: General disclosures 2016	Description	Page, references and notes
General disclosures		
Organizational profile		
102-1	Name of the organization	Methodological note Page 94
102-2	Main activities, brands, products and/or services	Profile Page 12
102-3	Location of headquarters	Piazzale dell'Agricoltura 24 - Rome
102-4	Location of operations	Profile Page 12
102-5	Ownership and legal form	So many companies, responsible innovation Page 12
102-6	Markets served	Profile Page 12
102-7	Scale of the organization	Profile Page 12
102-8	Information on employees and other workers (including specific changes) broken down by employment and contract type, geographical area and gender	Personnel data Page 102 Responsibility to our people Page 36
102-9	Supply chain	Suppliers, partners in guaranteeing quality Page 32
102-10	Significant changes in the reference period (scale, structure, ownership, supply chain)	Profile Page 12

GRI 102: General disclosures 2016	Description	Page, references and notes
Organizational profile		
102-11	Modes of application of the precautionary principle or approach	The precautionary approach referred to in principle 15 of The Rio Declaration of the United Nations is applied by Engineering to protect the environment from the development to the introduction of new services and in the planning of operational activities.
102-12	Subscription or adoption of codes of conduct, principles, and charters related to sustainability	Governance, ethics and principles, the architecture of our business Page 25
102-13	Membership of domestic or international associations and organizations	Our stakeholders Page 100
Strategy		
102-14	Statement from the senior decision-maker (for example, CEO, Chairman or equivalent position) on the importance of sustainability for the organization and its strategy	Letter to stakeholders Page 8
Ethics and integrity		
102-16	Description of the values of the organization, the principles, standards and rules of conduct, such as codes of conduct, codes of ethics	Governance, ethics and principles, the architecture of our business Page 25
Governance		
102-18	Governance structure of the organization, including committees reporting directly to the highest governance body, including those with responsibilities on economic, environmental and social matters	Governance, ethics and principles, the architecture of our business Page 25
Stakeholder engagement		
102-40	List of stakeholder groups with which the organization is involved	Our stakeholders Page 100
102-41	Indication of the percentage of total employees covered by collective bargaining agreements	100% of employees in Italy (therefore more than 95% of the total workforce) are covered by the National Collective Labor Contract - CCNL. With regard to overseas subsidiaries, there is no collective labor contract in Belgium, but instead there is a Commission Paritaire, that for our company is number 218; with regard to Engineering Do Brasil, there is only one type of contract in Brazil and Engineering adheres to the current laws in force.

Stakeholder engagement		
102-42	Principles for identifying and selecting the main stakeholders with whom to undertake engagement activities	Our stakeholders Page 100
102-43	Approach to the stakeholder engagement activity, specifying the frequency by type of activity developed and by each group of stakeholders	Our stakeholders Page 100
102-44	Indication of the stakeholder groups that have raised key issues and indication of reports	Our stakeholders Page 100
Reporting		
102-45	List of entities included in the consolidated financial statements and entities not included in the sustainability report	Methodological note Page 94
102-46	Process and explanation of the definition of sustainability report content and topic boundaries	Methodological note Page 94
102-47	List of all material aspects identified in the process of defining the content of the report	Materiality analysis Page 95
102-48	Effect of any changes in the information included in previous sustainability reports and reasons for such restatements	There has been no significant change.
102-49	Significant changes in measurement objective, scope or methods used in the report, compared to the previous reporting period	There has been no significant change.
102-50	Reporting period of information provided (for example tax year, calendar year)	Methodological note Page 94
102-51	Date of publication of the most recent corporate social responsibility report	2018 (Report 2017)
102-52	Reporting interval (annual, two-yearly...)	Annual
102-53	Useful contacts and addresses for requesting information about the sustainability report and its contents	Methodological note Page 94
102-54	Compliance with the GRI Standards "core or comprehensive" option	This report was prepared in accordance with the GRI Standards: Core option.
102-55	GRI Content Index	GRI Content Index Page 104
102-56	Indication of the policy of the organization and current practices for the purpose of obtaining the external assurance of the report	This report has not been subject to external review

TOPIC SPECIFIC DISCLOSURE

GRI Standard	Disclosure	Page, references and notes
GRI 200 Economic Standard Series		
Economic performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Engineering by the numbers Page 24
	103-3 Evaluation of the management approach	Our contribution to our country's economy Page 25
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Direct economic value in 2016-2018 Page 25
Indirect economic impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Transforming the world we live in Page 72 Transforming the world we work in Page 78 Transforming the world that takes care of us Page 84
	103-3 Evaluation of the management approach	Transforming the world we live in Page 72 Transforming the world we work in Page 78 Transforming the world that takes care of us Page 84
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Engineering by the numbers Page 24
	203-2 Significant indirect economic impacts	Engineering by the numbers Page 24
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Governance, ethics and principles, the architecture of our business Page 25
	103-3 Evaluation of the management approach	Governance, ethics and principles, the architecture of our business Page 25
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	In the years 2016, 2017 and 2018, there were no confirmed cases of corruption within the Engineering Group

GRI 300 Environmental Standard Series		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Our sustainable business Page 66
	103-3 Evaluation of the management approach	Our sustainable business Page 66
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Our sustainable business Page 66
Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Our commitment to electronic waste management Page 68
	103-3 Evaluation of the management approach	Our commitment to electronic waste management Page 68
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	Our commitment to electronic waste management Page 68
GRI 400 Social Standards Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Talent recruitment and selection: digital technology takes to the field Page 38
	103-3 Evaluation of the management approach	Talent recruitment and selection: digital technology takes to the field Page 38
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Personnel data Page 102
Personnel training and development		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	The importance of investing in human capital Page 38
	103-3 Evaluation of the management approach	The importance of investing in human capital Page 38

Personnel training and development		
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Continuous training to compete in a digitalized working world Page 48
	404-3 Percentage of employees receiving regular performance and career development reviews	Investing in the development of human capital to foster the Group's growth Page 39
Customer privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Protecting data to protect customers Page 31
	103-3 Evaluation of the management approach	Protecting data to protect customers Page 31
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints of breaches of customer privacy and losses of customer data occurred
Socioeconomic compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Governance, ethics and principles, the architecture of our business Page 25
	103-3 Evaluation of the management approach	Governance, ethics and principles, the architecture of our business Page 25
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	During the last three years there were no penalties or definitive criminal convictions or plea bargains that imposed an obligation on the part of Engineering to "do/not do" (e.g., bans) due to non-compliance with laws or regulations

Material topics not linked to GRI topics		
Managing customer relations and customer satisfaction:		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
GRI 103: Management Approach 2016	103-2 The management approach and its components	Customers and suppliers together in the search for quality Page 28
	103-3 Evaluation of the management approach	Customers and suppliers together in the search for quality Page 28
Research, development and innovation of products and services		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Engineering Innovation Page 18
	103-3 Evaluation of the management approach	Engineering Innovation Page 18
Industrial security of IT systems		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Protecting data to protect customers Page 31
	103-3 Evaluation of the management approach	Protecting data to protect customers Page 31
Social impact of investments, products and services and digital inclusion		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Transforming the world we live in Page 72 Transforming the world we work in Page 78 Transforming the world that takes care of us Page 84
	103-3 Evaluation of the management approach	Transforming the world we live in Page 72 Transforming the world we work in Page 78 Transforming the world that takes care of us Page 84

Development of technologies and services for the environment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality analysis Page 95
	103-2 The management approach and its components	Transforming the world we live in Page 72
	103-3 Evaluation of the management approach	Transforming the world that takes care of us Page 84
		Transforming the world we live in Page 72
		Transforming the world that takes care of us Page 84

Other specific disclosures not linked to material topics*		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes and if they are included in collective bargaining agreements	The minimum notice period regarding corporate restructuring/reorganization is determined based on the law of the countries in which the Group operates and based on what is set forth in the sector national agreement and the level I and II union agreements
GRI 403: Occupational Health and Safety 2016	403-2 Rate of accidents in the workplace, illness, lost working days, absence and total number of deaths, divided by geographical area	Safety at work Page 44
GRI 414: Supplier Social *Assessment* 2016	414-1 Percentage of new partner suppliers analyzed in terms of labor practices and actions undertaken	Suppliers, partners in guaranteeing quality Page 32
GRI 305: Emissions 2016	305-1 Total direct emissions of greenhouse gases (GHG)	Our commitment to electronic waste management Page 68
	305-2 Total indirect emissions of greenhouse gases (GHG)	Our commitment to electronic waste management Page 68
GRI 307: Environmental Compliance 2016	307-1 Monetary value of the main monetary and non-monetary penalties due to non-compliance with environmental laws or regulations	In the last three years, there have been no environmental incidents or leakages of hazardous substances at the Group's offices and Data Centers that could compromise human health, the soil, vegetation or surface and ground water. In 2018 there were no disputes, fines or penalties due to non-compliance with environmental laws and regulations.

* GRI disclosures are also included here that are not currently linked to topics that surpassed the materiality threshold for Engineering (CO_2 emissions, Occupational Health and Safety, Environmental Compliance and Correct Labor Practices) but which the company in any event monitors as they could become material topics in the future.

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Publication printed on natural, ecological X-Per Premium White Fedrigoni paper