

SUSTAINABILITY REPORT 2022



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Report of the Independent Auditors



VERIFICA DEL RAPPORTO DI SOSTENIBILITÀ DICHIARAZIONE DI VERIFICA VERIFICATION OF SUSTAINABILITY REPORT VERIFICATION STATEMENT

RINA SERVICES S.p.A., sulla base delle valutazioni condotte dai suoi tecnici, dichiara che il Rapporto di Sostenibilità, per l'anno 2022, dal titolo
RINA SERVICES S.p.A., on the basis of the assessments carried out by its technical personnel, declares that the Sustainability Report, for the year 2022, named

SUSTAINABILITY REPORT 2022

Revisione n.1 del 11/10/2023
Revision n.1 of 11/10/2023

predisposto dall'organizzazione
drawn up by the organisation

FAGIOLI S.P.A.

VIA G.B. FERRARIS 13 42049 SANT'ILARIO D'ENZA (RE) ITALIA

E' conforme ai requisiti forniti dalle Linee Guida GRI Sustainability Reporting Standards scelte dall'Organizzazione opzione "In accordance".
Complies with the requirements provided by GRI Sustainability Reporting Standards chosen by the Organisation "In accordance" option.

La verifica del rapporto di sostenibilità è stata effettuata secondo le modalità descritte nel documento RINA "Regolamento per la verifica dei rapporti di sostenibilità" disponibile sul sito RINA www.rina.org.
Verification of sustainability report has been performed in accordance with the methods described in the RINA document "Rules for the verification of sustainability reports" available from the RINA site www.rina.org.

Nel rapporto di verifica sono riportati i risultati della verifica e una sintesi delle attività svolte e delle evidenze oggettive acquisite.
The verification report contains the results of the verification and a summary of the activities carried out and of the objective evidence acquired.

Data di rilascio/Date of issue: 11/10/2023

Rocco Amendola
Head of Bologna Management System Certification

1.

LETTER TO STAKEHOLDERS

Dear Stakeholders,

This year I have the pleasure of presenting to you the third edition of our Sustainability Report, which represents another important milestone in our effort to share the results obtained and the goals we have set for the future, the foundations of a strategy that will guide our actions in years to come.

2022 was another year of changes for the entire world. The tense international political climate on a large scale created progressive waves that primarily impacted the energy and commodity markets at all levels. This can be considered a historic turning point and an opportunity for broad reflection on accelerating a change of pace towards a cleaner and safer energy system.

In this scenario we need also to consider that Fagioli activities are usually impacted with 1 to 2 years of delay compared to the standard economy and this late effect has been reflected in all our activities, resulting in recovery operations, and consequently, even if not so noticeable, in our economical performances.

The Fagioli Group closed 2022 with lower revenues than 2021 mainly due to the postponement of the Mozambique Project due to local riots, the conflict in Ukraine and the increase in global inflation due to the post Covid-19 pandemic which partially suspended some projects. EBITDA 2022 was however higher than 2021 and this is a positive result. The international economic context is strongly influenced by the consequences of the war in Ukraine, which led to a rise in the prices of raw materials and freight, as well as an increase in energy prices on a global level.

Anyway I would say this is a positive result obtained thanks to the resilience demonstrated by the Group and its employees who constantly and hardily worked all the yearlong, in very difficult situation, in order to satisfy clients' needs.

Referring to energy and materials, Fagioli is strongly committed towards the environment, having a large fleet of equipment. Across dozens of countries, our activities need to comply not only with the rules and requirements of the market but they are also implemented with respect for the environment. As result, even this year Fagioli energy ratio and emission ratio have excellent figures with a significant reduction compared to the previous years.

Still referring to the environment we had performed several projects in the renewable sector, finding ways to maximize efficiency for customers to make their projects more economically sustainable. This is something that we want to continue pursuing nowadays and in the future.

Sustainability also means promoting an innovative, open and inclusive corporate culture. Indeed an new project, called "Fagioli 5.0", was conceived and launched to stimulate innovation within the company through the point of view and ideas of Fagioli young professionals which target is to make Fagioli increasingly capable of attracting and retaining talents and promoting the well-being and continuous professional growth of people, enhancing that uniqueness and diversity that have always contributed to the success of the company.

The positiveness of our results have been certified trough the incredible quantity of prizes we have been awarded by the various international association of our various business sectors; this is an important acknowledgement that we are in the right direction.

While we achieved incredible results, we know that we still have a long and challenging path ahead and this Report reveals how we are passionately striving to consolidate our sustainability mindset. I thus hope you will enjoy the reading.

In closing, I would like to express my deepest gratitude to our clients, partners and employees for their unsparing support for Fagioli in overcoming many unexpected obstacles over the past year. We firmly believe that our competitiveness and sustainable growth goes hand in hand with harnessing our technological solutions to preserve the environment and contribute to building a better world.

*In the interest of sustainability, view this report in digital form only – **please do not print.***



Fabio Belli, CEO

A handwritten signature in white ink on a dark blue background, reading "Fabio Belli".

2. Fagioli 2022 Highlights: Fagioli at a Glance

The recordable injury rate decreased by -31% compared to 2021



2022 awards in 4 categories by ESTA and in 3 category "by SC&RA including the "Hat Trick"



42% of below 30 new-hires compared to the total



+6% of revenues related to energy, power and renewables market compared to 2021



Zero Spill and Zero releases of hazardous material to the environment



Energy Intensity
Energy intensity 35% lower than 2021



2,899 hours of H&S training provided (+120% compared to 2021)



Fleet Renewal project



Emission Intensity
Emission intensity 37% lower than 2021



2.2 Main Projects



AWARDS

Throughout the years, Fagioli has been involved in countless projects of high professionalism and complexity around the world. Below are reported some examples of the greatest achievements obtained by the Group in the last year.

ITALY - BMM14000 Innovative Concrete Bridge Deck Maintenance Solution (2022)

Fagioli was called for a safe execution of lifting and stand-by operations, for the maintenance work on the A7 viaduct, at Sannazzaro de' Burgondi, Pavia, Italy. Scope of work was the lifting of several bridge sections and repositioning, in order to allow the road maintenance. The lifting was performed with a tailor-made

structure composed of strand jacking system, beams, stools and SPMTs. FAGIOLI INNOVATIVE SOLUTION. Fagioli engineering department came up with the idea to create what was called "BMM 14000" a Bridge Maintenance machine system designed and assembled by Fagioli team.



AWARDS

ITALY - Installation of a 406 ton bridge in Genoa (2022)

Fagioli was contracted for the launch of the Siffredi bridge in Genoa, in a very challenging condition which compelled Fagioli to come up with high level engineering solutions in order to safely execute the whole operation .

The launch was performed with special means of transport "SPMTs", with lifting systems called "Jack Up" and with "Strand Jacks" cable recovery jacks, together with the respective accessory carpentry.

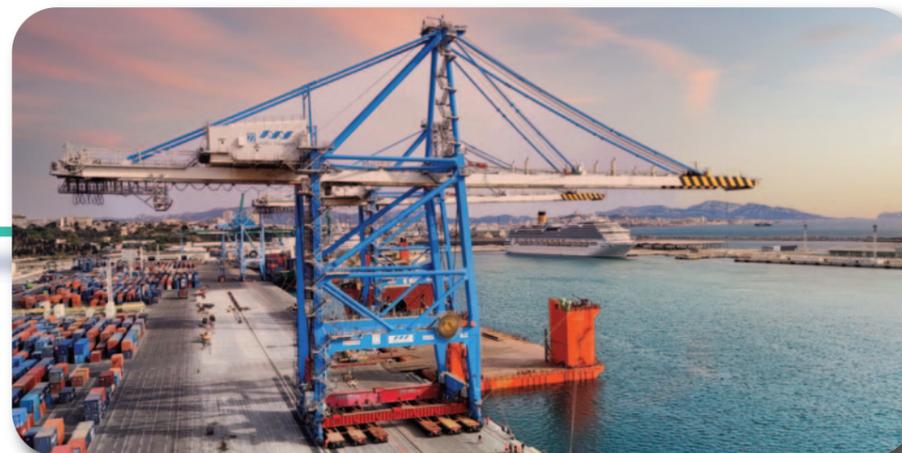


AWARDS

FRANCE - Relocation of No. 2 STS cranes from Malta to Marseille

Fagioli was involved in the repositioning of two container cranes from Malta to France weighing 1650 tons each. The operations were carried out with the use of SPMT modular trolleys (132 total axes) equipped with beams for transport and hydraulic cylinders for positioning the cranes on the ship.

The journey by sea from Malta to Marseilles was carried out on a dedicated ship, on which the two cranes were secured with an innovative "sea-fastening" system "F.A.S.T." carried out through the use of strand jacks to increase safety , specially planned and designed by Fagioli engineering department.



AWARDS

Main Projects

ITALY - Heavy Road Transport activity

Heavy Road transport activity for the Power industry of a 170 ton transformer from Legnano to Mantova by means of no. 2 x 12 axle lines modular trailers.

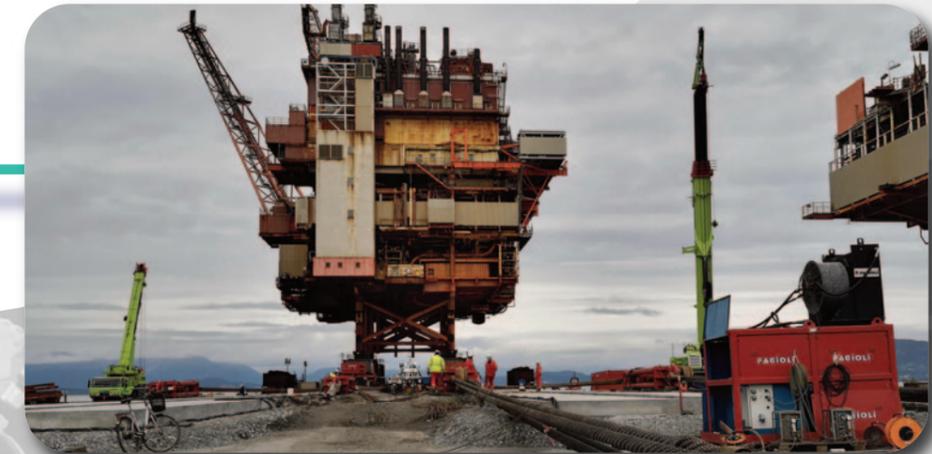
Deep engineering and survey studies were issued for the transport of a convoy with a length of about 68 m.



NORWAY - Decommissioning of Two Topsides: 18,100 – 14,100 TON

Fagioli was contracted for the load-in operations of two topsides weighing 18,400 ton and 14,100 ton for a decommissioning project executed in Norway. The two topsides were skidded onto the quay for about 150 m each by means of Strand Jacks, Hydraulic Jacks; Push & Pull skidding system units; more than 30 km of

strands wires and more than 600 m of skid tracks. Fagioli installed its equipment onto the quay and onto the barge where the topsides were transferred from ALLSEAS PIONEERING SPIRIT ship. Fagioli moved the topsides from barge to quay and to final resting position ready for the demolition operations.



CROATIA - Refinery Upgrade Project (2022)

Fagioli was called for the sea transport, heavy hauling and lifting of several heavy items weighing up to 371 ton. The items were loaded onto a dedicated barge in Italy and sea transported to Croatia. Fagioli SPMTs were used to transport the

coke fractionator and drums up to installation area. Fagioli prepared a dedicated tailing system (with strand jacks and SPMTs) in order to support a CC8800 crawler crane used to execute the final installation of the items onto their foundations.



SPAIN - Transport and Load out of a topside and a Jacket

Fagioli was called for the weighing and load out operations of a 5,500 ton jacket and a 11,250 ton topside in Spain. Hydraulic jacks (with a range capacity between 300-500-600 ton) and load cells (300 ton / 500 ton capacity) were used for the weighing operations of the two

modules. The items were then moved by means of Fagioli SPMTs for the transport and load out operations onto a dedicated barge. A total of about No. 400 axle lines SPMT were employed for these operations which were successfully executed.



about Fagioli

3.

Who We Are

"We are and strive to remain leaders in the design and engineering applied to specialized hauling, heavy lifting and hoisting activities and in the execution of complex activities of project logistics. We aim to be the best worldwide in performing these activities in compliance with all necessary safety rules and regulations"

"We are "real and trusted" partners for our Clients from the feasibility study phase to the design of innovative solutions: the success of our clients is our strength"

"Being Fagioli: reliability, innovation, efficiency, care, pro-active behavior, loyalty and continuous quest for excellence"

Mission

3.1 Vision

The World...Our Passion

HEALTH & SAFETY

Fagioli Group operates under zero accidents philosophy attitude with HSE as a priority worldwide. All the personnel is provided with the necessary tools and training to operate with the highest possible level of safety.

PROFESSIONALITY & PASSION

Fagioli Group operates professionally in providing any kind of service with its excellent skills, know-how and passion

OF BELONGING & RESPECT

Transparency, loyalty, honesty and fairness characterize Fagioli's conduct both internally and externally. The Group is actively engaged in creating a serene and inclusive work environment which every employee can feel to belong to.

*Fagioli
Values*

RESPONSIBILITY & RESOURCEFULNESS

Fagioli's employees think and act as if the company were their own. Taking responsibility and treating both people and resources with care and attention is crucial

CUSTOMER SATISFACTION

Fagioli strongly believes in a common growth based on relationships of mutual trust. The Group is very receptive to customer's needs providing safe and innovative solutions based on the highest quality standards.

3.2 Our Sustainability Commitment

Fagioli sustainability pillars, ambitions and main achievements

FAGIOLI SUSTAINABILITY PILLARS

Environmental, Social and Governance (ESG)

play a key role in the development of Fagioli's business. Faithful to its traditions, their integration in the business is reflected in the continuous research for innovative solutions developed by a highly qualified and motivated team striving for operational excellence. Doing so, Fagioli ensures world-class safety and environmental performance as the most important outcome for every activity. This is driven by its belief in the culture of caring about the well-being of its people, its clients, its contractors and the environment. These values were formalized in the Group's Code of Ethics in 2019.

"Business sustainability and H&S aspects are key features of our culture."

Fabio Belli, CEO

Over the last years, Fagioli has been strongly committed to implementing the best sustainability practices in the sector to its operations and to building on its expertise to deliver innovative solutions for the transition to a low carbon economy. Indeed in 2020 Fagioli issued its first Sustainability Report and in 2021 Fagioli issued its first certified Sustainability Report. To achieve again the ESG goals, Fagioli top management and a selection of employees, clients and suppliers, undertook each year a new materiality assessment to prioritize the topics that shape the Group's sustainability strategy and reporting. Material issues are defined as actual or potential risks and opportunities relating to the business that have a significant economic, environmental, social and cultural impact and substantively influence the assessments and decisions of relevant stakeholders. The materiality assessment is based on international standards and it involved researches on issues facing the industry and clients and benchmarking.

FOCUSING ON EMPOWERING OUR PEOPLE'S EXPERTISE AND BUILDING A STRONG SAFETY CULTURE		DEVELOPING INNOVATIVE AND OUTSTANDING SOLUTIONS TO CUSTOMERS' COMPLEX CHALLENGES IN AN ETHICAL MANNER		ADOPTING EFFICIENT SOLUTIONS AND SUPPORT RENEWABLE PROJECTS	
A Group of high qualified and motivated personnel that put safety at the forefront of their activities		Be a trusted partner for our client's and ensure high quality and innovative services		Minimizing the Group's environmental impacts and contributing to the transition to a low carbon economy	
SDGs	ACTIVITIES	SDGs	ACTIVITIES	SDGs	ACTIVITIES
8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Health and safety management Company HSE awareness campaigns "Working on the safe side" campaigns Daily tool box meeting report Safety awards for employees "Life Saving Rules" Apps to notify safety incidents and near misses Employees engagement initiatives (team building moments, induction program for new employees, SWPs sessions as part of awareness program) Welfare initiatives Employment of local forces and invest in local auxiliary equipment 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> HLPFI awards for excellence in Engineering SC&RA awards for the most innovative transport and lifting projects Client satisfaction questionnaire 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Environmental management system Waste reduction initiatives and awareness campaigns Hazardous substances and spill management awareness campaigns Spills prevention management process
4 QUALITY EDUCATION	<ul style="list-style-type: none"> Fagioli Corporate Academy Specific technical training Soft skills training HSE management training DOCEBO platform 	17 PARTNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> Supplier qualification process by assessing HSE and social performance 	13 CLIMATE ACTION	<ul style="list-style-type: none"> Use of low emission power pack units Commitment to use bio-oil as fuel for equipment and green hydraulic oil for lifting equipment Energy consumption reduction awareness campaigns

Fagioli's sustainability material topics were clustered in three pillars that form the basis of the Group strategy and reporting. More details are reported in the section "Methodological note" of this report. In the context of the development of Fagioli's sustainability strategy, the Group is keen on contributing significantly to the Sustainable Development Goals (SDGs), set in the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015. A dedicated evaluation has been carried out to identify on which SDGs Fagioli could contribute the most with its services and activities; based on the three sustainability pillars and on the activities already carried out by Fagioli, six SDGs have been identified (SDG 4 Quality Education, SDG 8 Decent work and economic growth, SDG 9 Industry, innovation and infrastructure, SDG 12 Responsible consumption and production, SDG 13 Climate action, SDG 17 Partnerships for the goals), as shown in the Figures on the left.

In 2020 the Group developed an ESG action plan to structure its path towards sustainability. As part of this action plan, in 2021 the Group structured a governance model for sustainability management.

In particular, Fagioli appointed an ESG working group coordinated by a Sustainability Manager in charge of managing and monitoring all the sustainability topics associated with the Company's business, the stakeholders' interactions and the ESG action plan implementation.

3.3 The Group and its History



A Brief History of the Company

In 1955, Mr. Giovanni Fagioli founded the transport business "Fagioli" that quickly became a leading company in the handling and transportation of goods throughout Italy. Since the first years of its life, the company has significantly invested in both the professional development of its personnel and the acquisition of new equipment to provide services of increasing complexity and innovation.

In the early 60's, Fagioli successfully carried out its first heavy road transports and freight forwarding projects, widening its business scope and acquiring more prestige and fame, firstly in central Italy and then throughout the Country.

During the 90s, Fagioli became a global leading Group in the heavy transport and lifting, as well as in international project logistics. Through a continuous increase of equipment and human resources, Fagioli has been more and more involved in the study and implementation of lifting and transportation of oversize structures with complex and innovative approaches both in the design and operational phases. Specialized in door-to-door engineering / project cargo transport / shipping, heavy lift and logistics, the company invested in a large number of vehicles and state-of-the-art equipment in order to satisfy the advanced engineering requirements for the main global markets: Oil & Gas (both on-shore and off-shore); Civil Construction; Power and Renewables; Shipbuilding, Heavy Industry on a worldwide basis.

Over the last years, Fagioli completed large projects all over the world, focusing on the transportation and lifting of megastructures in the following markets: power and renewables, shipbuilding, oil & gas, civil infrastructure and heavy road transport. Among others, the Group was involved in the recovery of Costa Concordia through the stabilization and refloating of the ship sunk in January 2012 in Italy. In 2018, the Morandi bridge in Genoa, Italy collapsed and Fagioli was involved in the demolition operations in 2019 and reconstruction in 2020. In 2021 Fagioli was engaged in the Elon Musk's Space X Project in the United States.



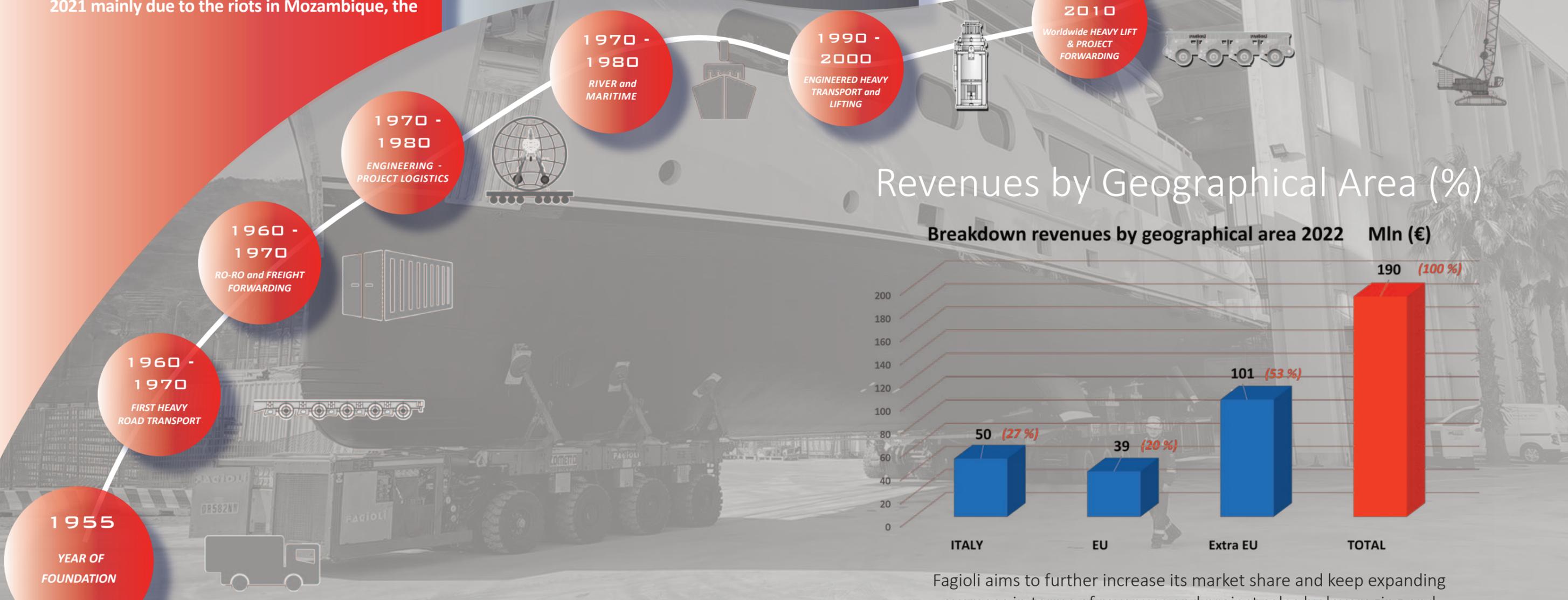
QuattroR

In 2017, QuattroR, a private equity fund, announced the acquisition of an initial 49% stake of the Group. As of 31/12/2020, the equity share grew to 71.23%. The investment of QuattroR allowed Fagioli SpA to have new financial resources to develop an important growth plan, including thorough investments in new special equipment.

The historical evolution of Fagioli Group

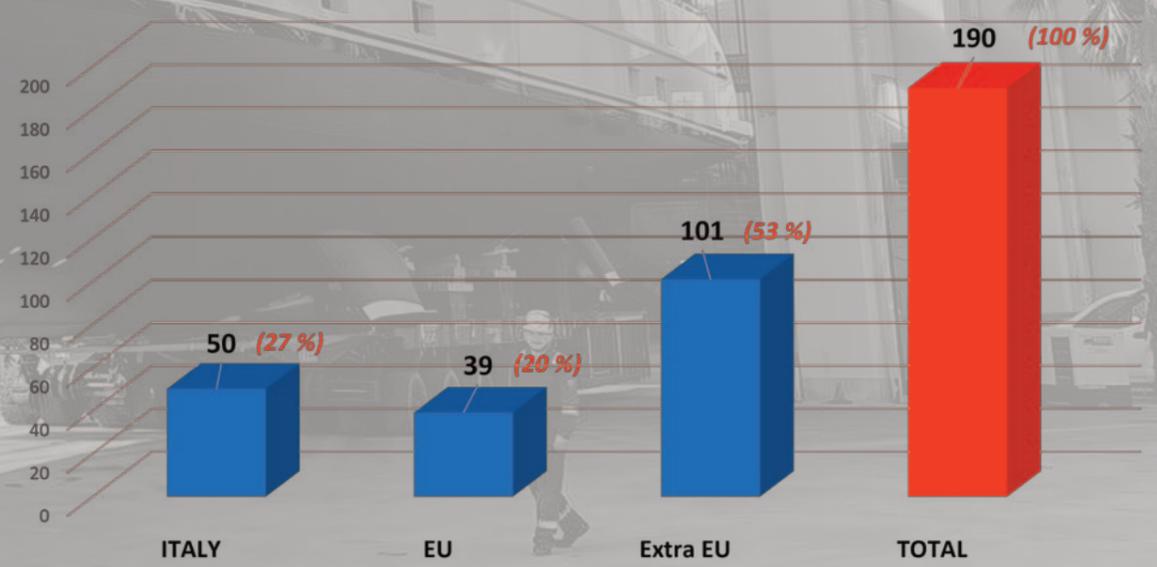
Over 60 years of experience has put Fagioli into the forefront of engineered heavy transport and lifting as well as project logistics activity and it is one of the few companies in the world that can provide both services at the same time. Today Fagioli, with a consolidated revenue of approximately 190 million euros and 525 employees at Group level, is an integrated engineered construction services & logistics contractor, offering safe and sustainable solutions to projects having a high degree of logistic and technical complexity. Fagioli Group closed 2022 with lower revenues than 2021 mainly due to the riots in Mozambique, the

increase in global inflation due to the conflict in Ukraine and the post Covid-19 pandemic. EBITDA 2022 was however higher than 2021. The international economic context is strongly influenced by the consequences of the war in Ukraine, which led to a rise in the prices of raw materials and freight, as well as an increase in energy prices on a global level. This income decrease mainly affected the Project Forwarding BU, due to the postponement of the Mozambican contract. The HRT BU was also affected by reduction in volumes after the record levels of last year.



Revenues by Geographical Area (%)

Breakdown revenues by geographical area 2022 Mln (€)



Fagioli aims to further increase its market share and keep expanding overseas in terms of revenues and project sales by leveraging and capitalizing on the competitiveness and innovation factors.

3.3.1 Fagioli's presence

Fagioli is headquartered in S. Ilario d'Enza, Reggio Emilia, Italy. The Group has other two main hubs, Fagioli Inc. located in Houston (USA) and Fagioli Asia located in Singapore. In 2022 the Company operated in 14 countries around the world: Italy, Spain, United Kingdom, Poland, Canada, United States of America, Mexico, India, Singapore, Indonesia, Thailand, France, United Arab Emirates and the last opened entity in Australia. Furthermore, to guarantee a local support to the business, the Company has more than 20 offices worldwide, mainly in EMEA, and several warehouses for storage and material handling.



In May 2022 Fagioli has sealed a 50/50 joint venture (named ALEVRO) with the Australian construction group Monadelphous listed on the Sydney stock exchange. The new company, based in Perth, in the state of Western Australia, was created by the two companies with the aim of jointly carrying out heavy lifting and transport projects in Australia in fast growing sectors such as Oil & Gas, Mining, in addition to the sector of large civil and infrastructural works.

As a matter of fact, in the next five years, Australia is expected to see a boom in new projects both in the mining sector, and in Oil & gas, for a total of over 80 billion euros. The partnership with the Monadelphous group will facilitate Fagioli's access to a large number of projects otherwise difficult to reach due to the high barriers to entry for foreign operators. Monadelphous, on the other hand, will be able to count on the unique engineering skills of Fagioli Group and on the numerous and qualified references from large international EPC (Engineering, Procurement and Construction) contractors, for which it has contributed to the realization of projects of extraordinary engineering complexity.

The establishment of Alevro represents an important step in the expansion strategy of the Fagioli group in the Asia Pacific area, where the Group has its presence with its own branch. In the development plans, Fagioli expects to double revenues in the Asia Pacific area over the next three years.

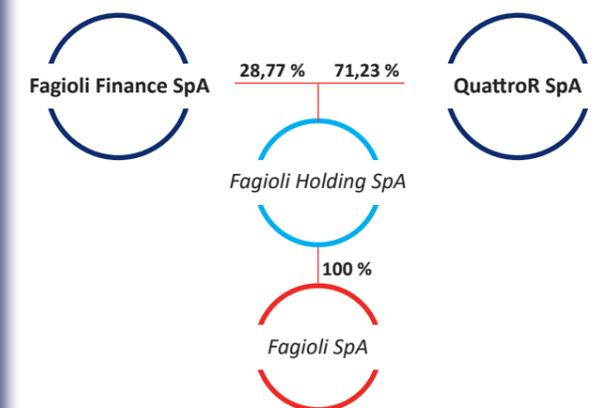
3.3.2 Fagioli's Structure

Fagioli Group is composed of the Parent Company, Fagioli S.p.A., and 27 legal entities worldwide, of which 20 are directly controlled by Fagioli Holding S.p.A. The Parent Company is based in Sant'Ilario D'Enza (Province of Reggio Emilia) and it has 15 subsidiaries, of which 5 in Italy and 10 abroad.

In 2017 QuattroR, an Italian private equity fund, acquired the control of Fagioli Holding S.p.A. and its subsidiaries (current share of 71.23%) from the previously sole shareholder Fagioli Holding S.p.A. The remaining 28.77% is owned by Fagioli Finance S.p.A.



Group Structure



3.3.3 Fagioli's services

Fagioli services cover all operations with a turn-key basis approach, from conceptual design and engineering through the groundwork, including transport and crane operations. Based on the services currently provided, the Group is organized in three main business units: Heavy Haulage and Lifting (HHL), Heavy Road Transport (HRT) and Project Forwarding (PFW). To guarantee the highest level of sophistication, Fagioli has an in-house certified engineering department for developing and proposing the best cost-saving and innovative solutions to its clients.

HHL



Heavy Haulage and Lifting (HHL)

Fagioli successfully manages the lifting and handling of oversize loads and items (such as reactors, ships, etc.). The Group performs transport activities with targeted methods and equipment, as special trailers called SPMT's (Self Propelled Modular Transporters). These particular trailers are the perfect solution for the haulage activity of loads (such as reactors, offshore platforms, turbines, modules and ships) in restricted areas or in challenging sites where standard transport equipment is not suitable. Fagioli Group and its companies are also specialized in heavy lifting, hoisting and installing activity of modules and items with weights up to thousands of tons. Fagioli owns one of the biggest SPMTs' fleet in the world and numerous lifting assets including strand jacks, tower lift system and crawler cranes.

In 2022, the Heavy Haulage and Lifting division generated the majority of revenues (66%) thanks to strong activity in APAC, EMEA and mainly in the green energy (wind farms), infrastructures and shipbuilding (Heavy Industry) in Americas area.

HRT



Heavy Road Transport (HRT)

Fagioli operates in the transport of heavy and special items for long distances. The company owns the specific equipment required for this service, such as heavy trailers to move the items that cannot be easily transported by conventional methods.

Heavy road transports services require a complex and structured organization to manage any potential issues that might affect project's execution. The engineering department is in charge of designing the most suitable transport solutions according to specific project scope and parameters. The principal activities consist of heavy road transport, river and maritime, heavy assembly and heavy rail transport.

The Business Unit is focused on transport services characterized by a high degree of technical complexity, where the Group holds a strong competitive advantage due to its unique know-how.

In 2022 the Heavy Road Transport Division had achieved a good result, reaching a volume of revenues of Euro 25.8 million.

PFW



Project Forwarding (PFW)

Fagioli's project forwarding department takes care of all individual activities concerning the handling of any kind of material that needs to be moved and safely delivered to its final destination. Thanks to Fagioli's ability to offer at the same time heavy lifting, transportation and project logistics services, the Group offers a "total supply chain" service by coordinating and controlling each shipping stage, including transport planning, insurance policies and supporting documentation.

The activity comprises the handling and shipping of material originating from all over the world, including the management of operational processes, custom clearance and related documentation.

The result obtained by the Project Forwarding unit lower than in 2021, due, as already mentioned above, to the suspension of works in Mozambique and the interruption of the order in Russia for a refinery. The main contracts include works in Nigeria, Thailand and the completion of the contract in Bahrain.

Fagioli's Services

Revenues by Business Unit (%)

Breakdown revenues by business unit	2022(MIn €)	%
Heavy Haulage and Lifting (HHL)	121	66 %
Heavy Road Transport (HRT)	26	14 %
Project Forwarding (PFW)	37	20 %
Total	184	100%

Fagioli Group operates mainly in the following markets:



- **Oil&Gas & Chemicals**- Fagioli successfully manages the complex construction of major plants for offshore and petrochemical activities by maintaining the highest levels and standards of HSE and Quality performances. In particular, for the offshore market, Fagioli can supply lifting/skidding/transport equipment to lift and move heavy loads within production site and at offshore locations. Regarding the petrochemical industries, Fagioli offers transportation and erection of heavy vessels/modules in tight spaces.



- **Infrastructure** – Thanks to its engineering capabilities, Fagioli Group is involved in projects aimed at the positioning and installation of civil structures such as bridges, air traffic tower control, etc;



- **Energy, Power and Renewables** – Fagioli carries out several lifting and transport projects for new or refurbished plants or dismantling of existing power plants.



- **LNG (liquefied natural gas)** – The Group is engaged in the development of thermal power plants thanks to its experience and competence in heavy lifting, shipping worldwide and engineering.



- **Heavy Industry Shipbuilding** – Fagioli frequently provides services for the heavy and automotive industry by working on a worldwide basis at the removal and/or repositioning of heavy industry machinery; the Group provides also skilled personnel and innovative equipment for the installation and relocation of heavy presses for the automotive field.



- **Mining** – Fagioli Group owns a vast range of equipment suitable for the transport of necessary components for the mining industry



- **Salvage and Humanitarian Aid** – A dedicated department is in charge of wreck recovering after accidents occurred at sea and it is specialist in transporting relief cargo ships to destinations throughout the world.

Revenues by main markets (as % of turnover)

Breakdown revenues by main markets	% 2019 - 2021	% 2020 - 2022	Variation	Backlog 31/12 2023
Chemicals	16%	5%	-11%	0%
Oil & Gas	19%	25%	+6%	36%
Heavy Industries	21%	22%	+1%	18%
Infrastructures	13%	16%	+3%	9%
Energy Power and Renewables	13%	19%	+6%	15%
LNG	13%	10%	-3%	22%
Others	5%	4%	-1%	0%

During the recent years, Fagioli has enhanced and reinforced its participation in renewables, LNG and infrastructure sectors. Its effort is reflected on the positive and significant variation in the revenues' breakdown for these markets, while sectors as Chemicals show a decreasing trend in the last three years.



Excellence

4.

*Empowering our people expertise
and building a strong
safety culture*

*Our People Drive
Fagioli Excellence*

4.1 Attractive working environment and talent retention

The Group's ability to attract, develop, reward and retain talented employees is central to its business strategy and vital to its future. To meet its vision, Fagioli needs people who are flexible and can adapt their talent and energy to grow with the Group, matching changes in the marketplace and the rising complexity of clients' challenges. Fagioli's goal is to hire passionate people from diverse backgrounds and ensure that it nurtures and supports their development and success. The strong relationship

with its people has been the guiding principle of the Group's way of dealing with the Coronavirus pandemic, which broke out at the beginning of 2020 and all the consequences from the Brexit (2021) and the Ukraine war (2022). In moments of serious emergency that threatened our entire societies from the very foundations, Fagioli took advantage of its flexibility, market position and proactivity, standing still without compromising the safety, health and security of its people.



For all these reasons, in 2022 an innovative project, called "Fagioli 5.0", was designed and launched to stimulate innovation within the company through the point of view and ideas of Fagioli young professionals.

The first phase of the project, had the goal to motivate Fagioli's young professionals to find new solutions in numerous areas, including the attempt to attract young engineers and operators, to support a sustainability philosophy and the strengthening of internal and external communication.

The initiative, currently involves a team of 15 employees of both genders with an average age

between 25 and 35, coming from different company business areas. The team operates in subgroups which periodically meet to achieve the goals agreed with the top management.

"Fagioli 5.0" Team promotes and carries out initiatives aimed at strengthening the company's attractiveness by enhancing its presence on social media, facilitating communication between the group departments, identifying new approaches and concrete actions oriented towards sustainability and corporate social responsibility.

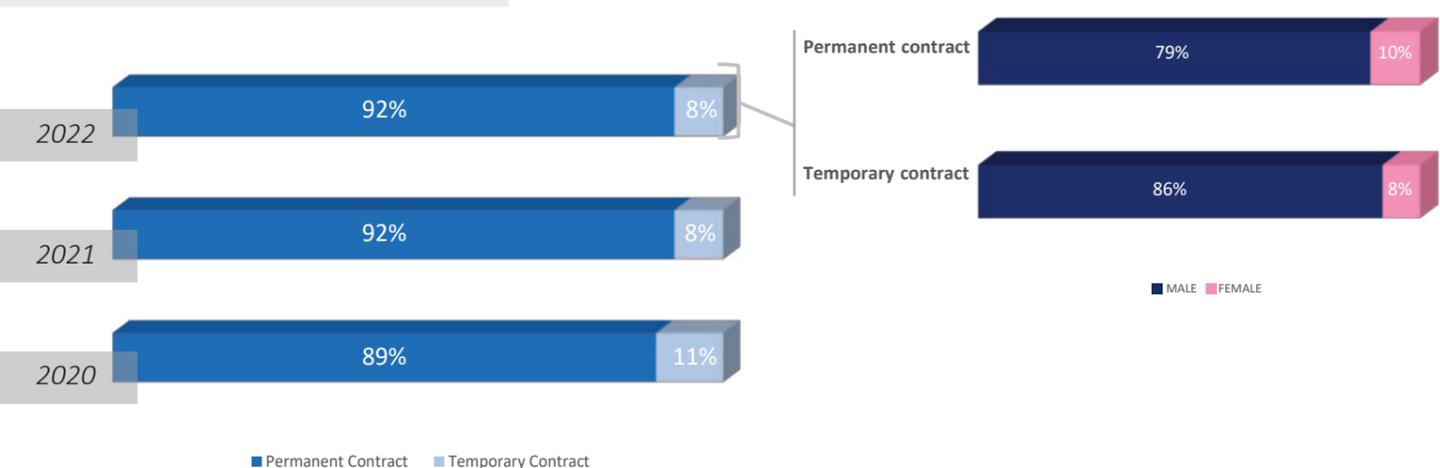
Our People As of December 31, 2022 Fagioli employed a total of 525 people, a 9% decrease compared to 2021 (588). The majority of personnel is located in Europe.

Employees by contract and by region	u.m.	2020		2021		2022	
		Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
LATAM	Head count	6	-	15	-	6	-
ASIA	Head count	70	44	135	32	90	30
US	Head count	82	-	75	-	63	-
EUROPE	Head count	299	12	301	12	313	13
OTHER (Fagioli Canada, Fagioli SpA-Abu Dhabi)	Head count	12	-	13	5	9	1
Total number of employees	Head count	469	56	539	49	481	44

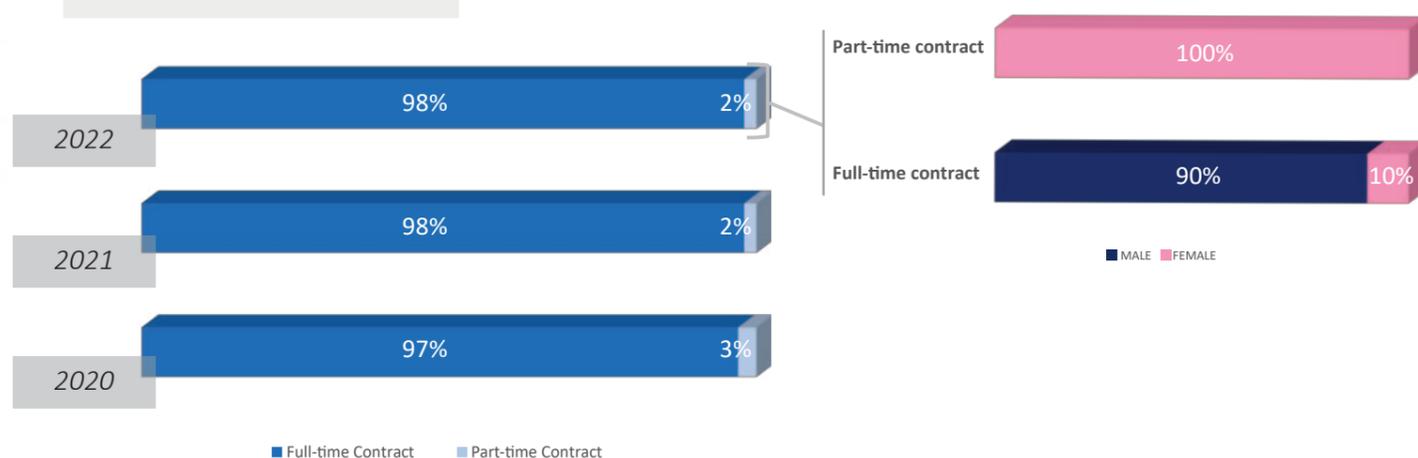
Most of Fagioli's employees has a full-time contract (98%, 516 employees) and approximately 2% has a part-time contract (all women).

The Group encourages permanent employment contracts as a guarantee of stability for its personnel, resulting in 92% of its employees having permanent contracts (481).

Employees by type of contract (permanent vs temporary) (%)

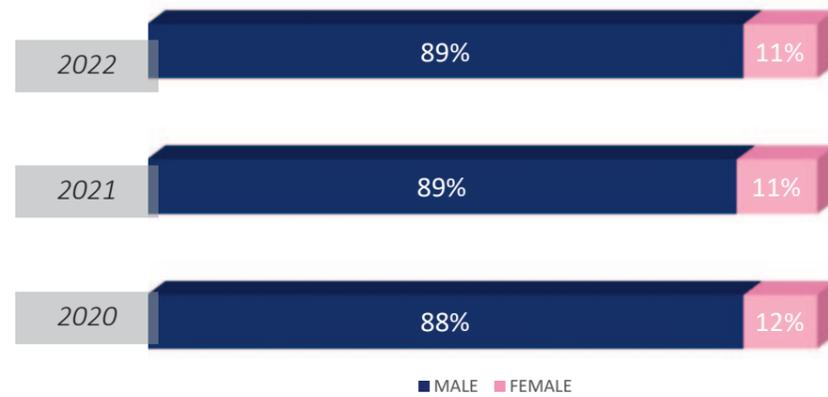


Employees by type of contract (part-time vs full-time) (%)



In terms of workforce gender and age diversity, women accounted for 11% (59) of the total workforce, equal to 2021. The predominance of employees between 30 and 50 years old (61%) has been confirmed in 2022. In the last years, Fagioli has hosted students, who were working on their dissertation or had just graduated, to carry out research projects particularly relevant to the Group's business.

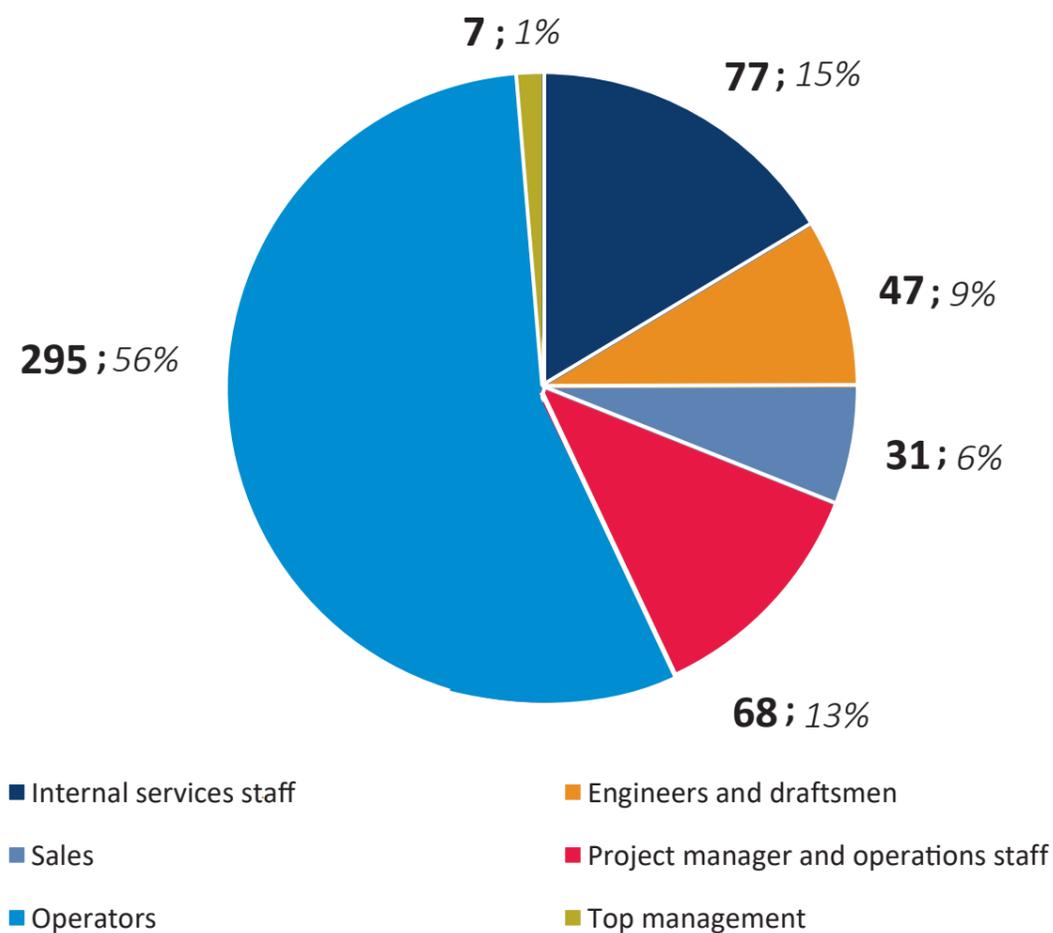
Fagioli aims at expanding the possibilities and opportunities for attracting more young, talented and enthusiastic people. Based on the past experience, the Group wants to consolidate the collaboration with the universities in order to promote a strong network between schools, universities and the business world, also at international level.



Workforce by age range	u.m.	2020	2021	2022
< 30 years old	Head count	69	91	73
30 <= x <= 50 years old	Head count	329	367	320
> 50 years old	Head count	127	130	132
Total number of employees	Head count	525	588	525

The majority of Fagioli's workforce consists of operators, project managers and operation staff.

Employees by discipline (2021), head count and percentage



Fagioli's employees by discipline and category	u.m.	2020	2021	2022
Top Management	Head count	7	7	7
Internal services Staff	Head count	86	88	77
of which directors	Head count	3	3	2
of which middle management	Head count	21	17	12
of which others	Head count	65	62	68
Engineers & draftsmen	Head count	45	47	47
of which directors	Head count	2	2	2
of which middle management	Head count	2	1	2
of which others	Head count	41	44	43
Sales personnel	Head count	32	35	31
of which directors	Head count	3	3	3
of which middle management	Head count	7	7	7
of which others	Head count	22	25	21
Project Manager & Operations staff	Head count	121	115	68
of which directors	Head count	4	4	4
of which middle management	Head count	14	14	10
of which others	Head count	103	97	54
Operators, drivers & mechanics	Head count	237	296	295
of which directors	Head count	-	-	-
of which middle management	Head count	13	15	10
of which others	Head count	221	281	285
Total number of employees	Head count	525	588	525



New Hires

New hires (169) were up by 13% compared to 2021 (149), of which 19 women and 150 male. Additionally, leavers (232) increased notably compared to 2021 (86), mainly due to the end of a project in Indonesia and one in India in which most of the employed workers had temporary contracts and where consequently terminated.

New Hires				
New hires – by gender	u.m.	2020	2021	2022
of which female	Head count	16	14	19
Hiring rate female	%	26	21	32
of which male	Head count	93	135	150
Hiring rate male	%	20	26	32
New hires – by age range				
of which < 30 years old	Head count	30	37	71
Hiring rate < 30 years old	%	43	41	97
of which 30 <= x <= 50	Head count	67	90	87
Hiring rate 30 <= x <= 50	%	20	25	27
of which > 50 years old	Head count	12	22	11
Hiring rate > 50 years old	%	-	17	8
New hires	Head count	109	149	169
Hiring rate tot	%	21	25	32

New hires (169) were up by 13% compared to 2021 (149), of which 19 women and 150 male. Additionally, leavers (232) increased notably compared to 2021 (86), mainly due to the end of a project in Indonesia and one in India.

Leavers

The chart below shows the distribution of new hires and leavers per region for 2022.

Employees Turnover by Region	New Hires		Leavers	
	Headcount	%	Headcount	%
APAC	43	25%	49	21%
AMERICAS	27	16%	46	20%
EMEA	62	37%	60	26%
INDIA	37	22%	77	33%
Total Numbers of Employees	169	100 %	232	100 %

Leavers				
Leavers – by gender	u.m.	2020	2021	2022
of which female	Head count	7	10	22
Leavers rate female	%	11	15	37
of which male	Head count	74	76	210
Leavers rate male	%	16	15	45
Leavers – by age range				
of which < 30 years old	Head count	13	19	66
Leavers rate < 30 years old	%	19	21	90
of which 30 <= x <= 50	Head count	44	49	139
Leavers rate 30 <= x <= 50	%	13	13	43
of which > 50 years old	Head count	24	18	27
Leavers rate > 50 years old	%	19	14	29
New leavers	Head count	81	86	232
Leavers rate tot	%	15	15	44

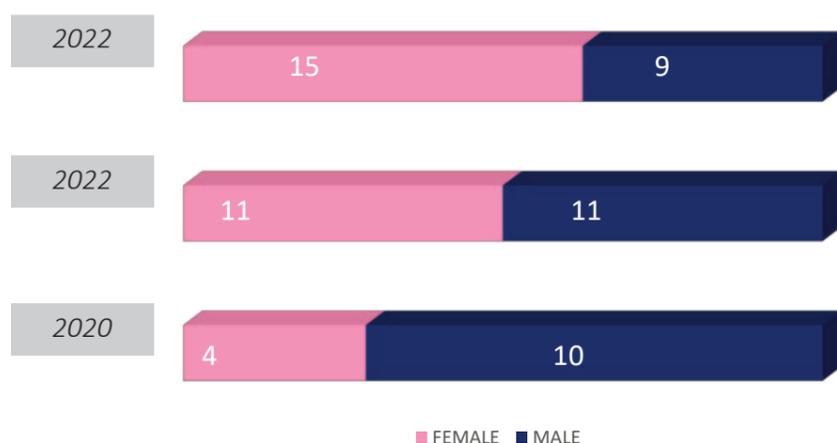
62% of Fagioli's employees are covered by a collective bargaining agreement.

Training and career development

Over the years, Fagioli has always been committed to empowering and developing the skills of its personnel. Fagioli strongly recognizes that human resources skills are a hinge factor of the companies' strategy aimed at ensuring the quality of the services offered. In this sense, the Group has always invested in several types of training, both mandatory and voluntary. As part of the strategy for the personnel's growth, at EMEA level, a performance management model and training program have been defined for each professional

within the Group.

The program was conceived to help employees realize their full potential, both in terms of soft and technical skills necessary to meet the Group's and market evolving requirements and to adapt to the technological changes. When designing this program, Fagioli considered employees' training needs and identified a set of minimum training requirements for every cluster of functions. In particular, the main training programs provided to Fagioli's employees are:



- **Health and Safety training (e.g. first aid, firefighting, etc.) to operate safely;**
- **Technical training (e.g. use of PLE, use of cranes, etc.) to acquire and keep current the technical competencies of employees;**
- **Professional training to enhance technical skills of employees;**
- **Soft skills training to foster leadership, teamwork, problem solving.**

Induction trainings are provided to all new joiners. The HR department also assigns ad hoc training programs to each new employee based on their role and the career development set for them. New entries are also accompanied by a tutor responsible for introducing the Group's policies and procedures.

In 2022, Fagioli provided a total of 5.444 training hours to its employees, and equivalent to an average of 10 hours per employee, which is higher than the previous year; the expenditure (€ 135.000 approx) has decreased proportionally to the total spent hours.



Hours of training provided per employee by gender

Hours of training provided to employees	u.m.	2020	2021	2022
By training types				
Health and Safety training	Hours/year	928	1,367	1,426.5
Technical training	Hours/year	2,624	1,302	1,624
Professional voluntary training	Hours/year	437	3,337	1,472.5
Soft skills training	Hours/year	1,124	922	921
By employees disciplines				
Top management	Hours/employee	3	5	17
Internal services staff	Hours/employee	12	13	12
Engineers and draftsmen	Hours/employee	12	6	14
Sales	Hours/employee	4	7	5
Project Manager & Operations staff	Hours/employee	7	6	10
Operators, drivers & mechanics	Hours/employee	11	14	9
Total hours of training provided to employees	Hours/year	5,113	6,627	5,444

Being part of the ESTA (European Association of abnormal road transport and mobile cranes) Fagioli is in the Committee to promote the European Crane Operators License (ECOL), which will benefit operators, companies working in the industry and clients. Indeed a pan-European license will enable operators to move around to find work more easily, something that will potentially help attract more young people into the industry.

With regard to staff assessment and development, the Group organizes performance review sessions during which performance, career progression and any bonuses or promotions are discussed. These are an opportunity to bring to light the strategic and operational skills of personnel; identify people with present and future potential to shape Fagioli in the coming years; identify the gaps on which to focus individual and collective intervention plans. In order to have a complete view of the know-how of the Group's people and talents present in Group, all final evaluations are collected and tracked on the Group's HR portal. In 2021, 47% of Fagioli employees (276) received regular performance and career development reviews, of which 26 of them were women (39% of women employed by Fagioli). The following table reports the number of employees per discipline who received performance and career development review. No regular performance and career development reviews were performed in Fagioli S.p.A. - Abu Dhabi Office (U.A.E.), Fagioli Asia, Fagioli India and Fagioli Indonesia.

In 2022, 52% of Fagioli employees (271) received regular performance and career development reviews, 31 of them were women (53% of women employed by Fagioli). The following table reports the number of employees per discipline who received performance and career development review. No regular performance and career development reviews were performed in Fagioli S.p.A. - Abu Dhabi Office (U.A.E.), Fagioli Asia, Fagioli India, Fagioli Indonesia, Fagioli LATAM, and Fagioli Canada.

Employees receiving regular performance and career development reviews – by discipline ⁴	u.m.	2020	2021	2022
Top Management	Number (head count)	3	2	7
	%	43	29	100
Internal services Staff (HSEQ, Admin, HR, IT, Risk, Legal, etc.)	Number (head count)	31	26	41
	%	36	30	53
Engineers, draftsmen	Number (head count)	20	26	21
	%	44	55	45
Sales	Number (head count)	14	20	17
	%	44	57	55
Project Manager & Operations staff	Number (head count)	33	31	30
	%	27	27	44
Operators, drivers, mechanics	Number (head count)	159	171	156
	%	68	58	53
Total employees receiving regular performance	Number (head count)	260	276	271

Fagioli is daily committed to build up an inspiring working environment where each person can feel valued for its work and motivated to grow both professionally and personally. Fagioli takes great care to promote and provide a “social development” philosophy for its employees through several actions, such as:

- **Welfare program**

The work-welfare relation is one of the ways through which Fagioli aims not only at rewarding the talent and passion of its employees but also at creating an inclusive working environment as a way of looking after everybody's personal wellbeing. Fagioli has indeed translated this commitment into the provision of a benefit package that meets employees' needs beyond mere basic compensation. Fagioli S.p.A. implemented an online platform developed to manage workers' benefits and performance bonuses, allowing an integrated and simplified way to access all the different benefits. The welfare program consist of refunds for education-related costs, medical expenses (e.g. for complete check-up, dental visits, etc.), work life balance activities (e.g. assistance for old people, babysitting, etc.), shopping vouchers, etc. Additionally, Fagioli Spa personnel can benefit from the Italian supplementary health care fund Sanilog (fund for employees operating in the logistics, transport and shipping industry).

- **Voluntary donations**

The Group gives the possibility and opportunity to all employees to lavish voluntary donations to non-profit organizations whose aim is to support the healthcare of rare genetic diseases or other illnesses.

- **Smart working activities**

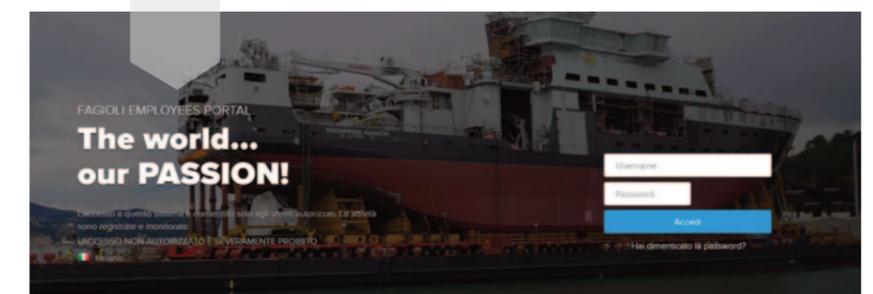
The Group encourages smart working as an effective work-life balance tool. In particular, Fagioli S.p.A. provided training on smart working to employees.

- **Team building events**

With the aim of bringing people together by encouraging collaboration and teamwork, Fagioli 5.0 group has planned numerous team building moments, the majority of which will be held during 2023. With the aim of bringing people together by encouraging collaboration and teamwork, the Human Resources department launched numerous team building moments.

Fagioli Inc regularly held “on-site” barbeques to gather all workforce to highlight topics like safety or other behavioral issues.

The HR Welfare Portal



Actions planned to be implemented in the next years:

- Extend MBO to middle management and other personnel
- Extend the HR initiatives adopted in EMEA to all the subsidiaries worldwide
- Define and implement a structured program to attract the best talent
- Launch of a survey to monitor the level of satisfaction of employees

4.2 People well-being and health and safety at work



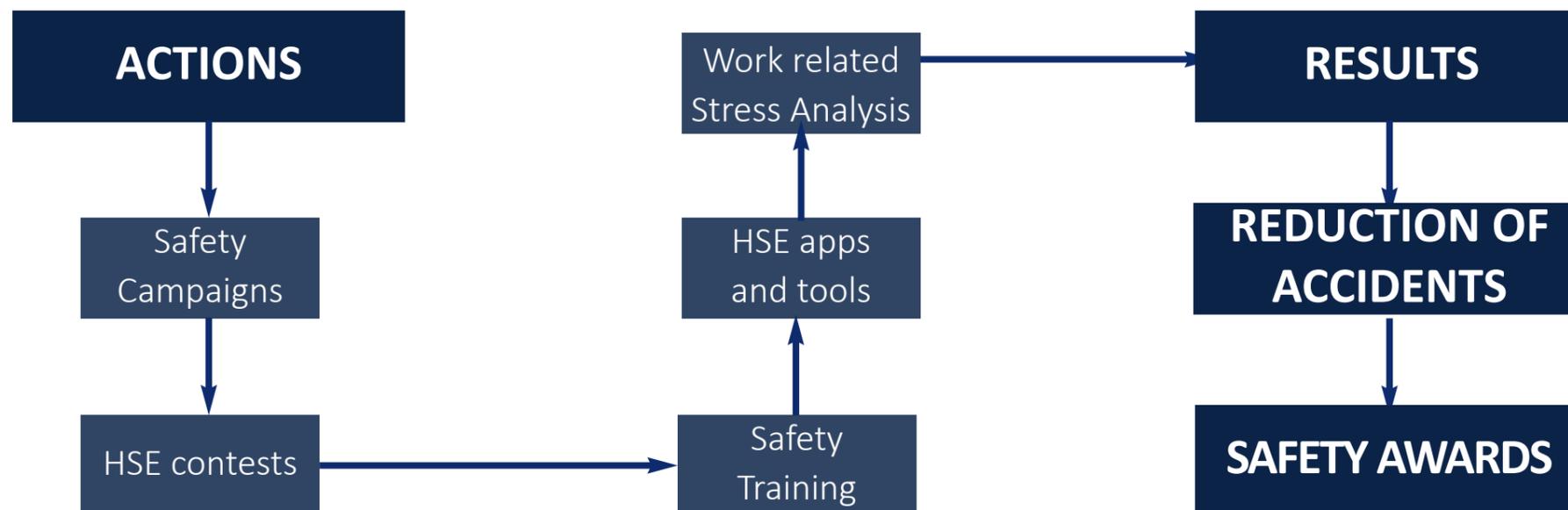
Due to the type of activities carried out by Fagioli, occupational health & safety is a key factor for its business practices and sustainability principles. The Group is strongly committed to achieve the “zero accidents” goal by promoting a culture of health and safety in all working environments and by increasing the employees and suppliers’ awareness of risks and possible damages to health and safety during all activities performed. Fagioli endorses health and safety in the workplace through the Health, Safety and Environmental department (based in Italy) which guarantees that all Group’s activities are performed in compliance with health, safety and environmental regulatory requirements and that all good practices are adopted to ensure the best results over the long term. The Group HSE department has three people that are worldwide supported by the local HSE representatives (one in US responsible for Fagioli Inc., Fagioli Canada and Fagioli Latin America, two for Fagioli India PVT Ltd and two for Fagioli Asia/Indonesia). They are all competent individuals with recognized qualifications and accreditations in compliance with legal local requirements, rules and standards. Fagioli does not believe in safety only to fulfil legal requirements or company rules: safety is the core value of all its actions. The Group wants to make sure that safety culture becomes a way of being for its people and any other persons who may be directly affected by the activities of the Company. Fagioli’s safety believes are formalized in a specific **HSE-Q Policy** that requires each business unit to comply with the Group’s health & safety principles, to implement and improve the H&S management system in compliance with international standard ISO 45001 and to act so as to reduce injuries, occupational diseases and HS risks.

To support the implementation of the Policy, Fagioli has also implemented a Health & Safety Management system at Group level, structured coherently with the activities carried out by Fagioli and certified in accordance with the international standard ISO 45001:2018 (since 2012). Fagioli regularly reviews compliance with its health and safety policy and the management system that supports it. Moreover to enforce the commitment to safety, Fagioli believes that the active participation of all workers is really important. For this reason, Fagioli promotes participation through:

- *active involvement for the identification of hazards, risks and the definition of controls;*
- *involvement in accident analysis;*
- *involvement in the analysis of near misses ;*
- *involvement in the issuing of the HSE-Q Policy and in the HSE objectives;*
- *consultation following structural changes that may modify Health and Safety conditions;*
- *involvement of the Workers' Safety Representatives.*

All workers are informed about their responsibilities regarding Health and Safety at Work, which also includes the Workers' Safety Representatives.

As part of its commitment to continuously improve safety and prevent accidents, Fagioli has developed twelve HSE rules and invests in increasing awareness about them through training, communications, and employees’ engagement.



Fagioli Safety Process

Fagioli Safety Process

Safety training is a key component of this approach. In 2022, 2.899 hours of health and safety training were provided by Fagioli to its employees. The H&S training needs are evaluated by two main factors:

1. Legal local requirements
2. Workers competence evaluation

Usually legal requirements set specific rules for the necessary trainings workers have to attend in order to be able to work in specific roles (i.e.: crane operators). Moreover training expiring period is also regulated by the legal requirements. Important to mention 22 Italian employees have been trained to be AED operators. During 2021 Fagioli SpA started the assessment of work-related stress for a selection of employees, mainly those having operational roles. The results reported the need to implement effective improvement actions to mitigate the stress for a

specific group of workers. Preventing negative effects on health and increasing one's psychophysical well-being is possible by learning to use some techniques for managing stress and applying effective strategies for recovering the mental and physical energies spent at work. Therefore workers started attending specific classes having for targets:

- Learn useful notions for an adequate self-assessment of one's health/stress state;
- Reflect in order to come up with proposals to improve one's state of health;
- Compare and share solutions to support change;
- Apply techniques for stress management and the improvement of psychophysical well-being

Those classes continued during 2022 as well and the whole process was continuously under the responsibility of a psychologist who regularly works with Fagioli.

This activity is part of the continuous workers' personal health-related monitoring as required by law. Such information are treated only by the occupational physician nominated by Fagioli SpA. who shares this information with the organization only when it can be an hazard for the organization itself and its workers.

The other Fagioli entities has systems in place to monitor workers' personal health mainly due to clients requirements for entering their job site.

Fagioli has also made available to workers the access to non-occupational medical and healthcare services through health insurance contributions. In US those insurance contributions cover the majority of the health-related services while in the other countries the insurance contributions cover a selected type of services as the country where the population lives already has access to high-quality and accessible services.

Fagioli is endlessly committed to safety. In 2022 the Group recorded 5 injuries which is considerably lower if compared to 2021 (10 injuries) and the total worked hours have decreased compared to 2021 (proportionally to the number of employees reduction).

No commuting injuries, work related ill health and fatalities have been recorded.

Employee injury rates	Unit of measurement	2020	2021	2022
Total number of work related injuries – recordable injuries	Number/year	5	10	5
of which fatalities	Number/year	0	0	0
of which serious Lost time injuries	Number/year	2	1	1
of which non serious LTI	Number/year	2	7	4
of which first aid (FA)	Number/year	1	2	0
Worked hours	Number/year	1,439,990	1,605,316	1,143,346
Recordable injury rate	Number of recordable injuries / worked hours * 1,000,000	3.5	6.2	4.4
Severity index	Days of absence / worked hours * 10,000	0.59	2.33	2.94

4.2.1 Safety 4.0

In order to reduce safety risks, Fagioli constantly strives to find practical and innovative solutions to best manage the most dangerous situations.

In this context, the Group has recently developed two applications “HSE app” (currently in use only by Fagioli S.p.A., Fagioli Inc. and Fagioli India) to send real-time notifications to the safety committee following the occurrence of accidents or near misses.

In this way, the safety committee can promptly intervene to solve the problem. The employee who made the notification also receives information on the actions taken by the Group to avoid potential future incidents.



In 2022, Fagioli S.p.A. achieved the target to receive and solve 332 notifications.



Over the years, Fagioli has focused on the reinforcement of its management systems for the evaluation and prevention of safety-related risks. The Group constantly carries out an in-depth analysis of the causes of incidents occurred, identifies corrective and mitigating actions and monitors safety KPIs. The Group has drawn up a safety process to increase the safety awareness among all employees.

In 2022 Fagioli adopted set of twelve Golden Rules in relation to HSE. Nine of these rules come from IOGP (the International Association of Oil & Gas Producers): these are rules we are already familiar with thanks to many projects we executed working side by side with some of our most important clients who apply the rules.

Three additional rules have been chosen based on our incident statistics and high risk activities.

The aim is that this campaign acts as a constant reminder and raises awareness of the risks and hazards we face at work every day, helping us to prevent future incidents.



ILO World Day



On April 28, 2022 Fagioli held in its headquarter an event linked to the “World Day for Safety and Health at work” promoted by the International Labour Organization. During the event the Life Saving Rules were presented and results of HSE App use were reported and the employee that best reported an HSE event has been awarded.

4.3

COVID-19 initiatives and effective responses



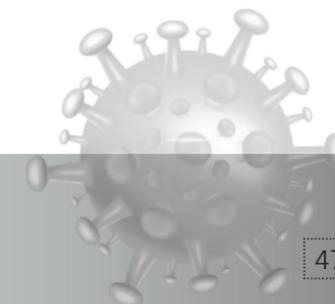
Fagioli reacted promptly to the emergency raised by the spread of Covid-19 in all its subsidiaries around the world. Since the spread of the disease, Fagioli never stopped operating due to the type of activities performed, included in the list of runnable business, and thanks to the health and safety measures implemented by the Group. Since February 2020, the Group has adopted a Covid-19 procedure based on the national laws and guidelines, in accordance to national health authorities' instructions and in collaboration with trade unions, in order to safeguard the health of its employees and guarantee the operational continuity of its business.

Even in the context of a partial recovery of the pandemic emergency and the contextual improvement of the epidemiological situation, the Group remains vigilant and ready to activate any further measures that may become necessary according to the evolution of the situation.

Actions planned to be implemented in the next years:

- Extend the Safety app to all branches. Launch a Group level training to ensure near misses are reported.
- Provide to all employees an annual report summarizing main near misses and prevention measures to be adopted.

COVID - 19



Business Management

5.

*Developing Innovative and
Outstanding Solutions To
Customers' Complex Challenges
In An Ethical Manner*

*Responsible Business
Management, Service
Quality and Innovation*

5.1

Corporate governance and business ethics

The organizational and corporate governance framework of Fagioli S.p.A. establishes specific responsibilities of the following bodies:

Board of Directors

The Board is the highest authority and ultimately responsible for the direction and oversight of Fagioli group on behalf of its stakeholders, including shareholders. The Board meets at least six times a year to review performance and consider key strategic growth plans and material issues and risks. In addition, Board subcommittees provide oversight of audit, risk and remuneration. The Board delegates its authority for the executive management and operations of the Group to the Group CEO and, through them, to the Executive Committee. The Board will ensure that systems and processes are in the place for the succession, evaluation and compensation (where applicable) of the CEO, the other Executive Directors, the members of the Executive Committee and other key members of senior management. The Board promotes executive remuneration structures and policies, appropriately aligned to the long-term sustainable success of the Group and the external market. The Board comprises a mix of individuals that ensures an appropriate range of knowledge, views and experience.

Board members have:

- Experience in dealing with strategic issues and long-term perspectives;
- Leadership experience, a superior knowledge of business principles and capacity for independent thought;
- An ability to participate constructively in deliberations; and
- A willingness to exercise authority in a collective manner.

The Board is the final accountable for the reviews and approval of the Sustainability Report and oversees the sustainability performance, targets and goals of Fagioli business and its attainment of ESG standards.

Members are:

President

The President, Mr. **Rocco Sabelli**, has operational authority in both the day-to-day and special business, including powers of attorney.



Chief Executive Officer

Mr. **Fabio Belli** has been the CEO of Fagioli for the last 14 years and has the legal representation of Fagioli.



Advisers

Mr. Barbieri Giorgio
Mr. Capurro Francesco
Mr. Cassina Stefano
Mr. Cavagnino Paolo
Mr. Speroni Anselmo

Board of Statutory Auditors and Audit Firm

The Board of Statutory Auditors is in charge of guaranteeing that the Group is compliant with the regulatory framework and the fundamentals of sound administration. It ensures also that the corporate structure, involving the organization, administration and accounting, is adequate and that the independence of the external auditors is preserved.

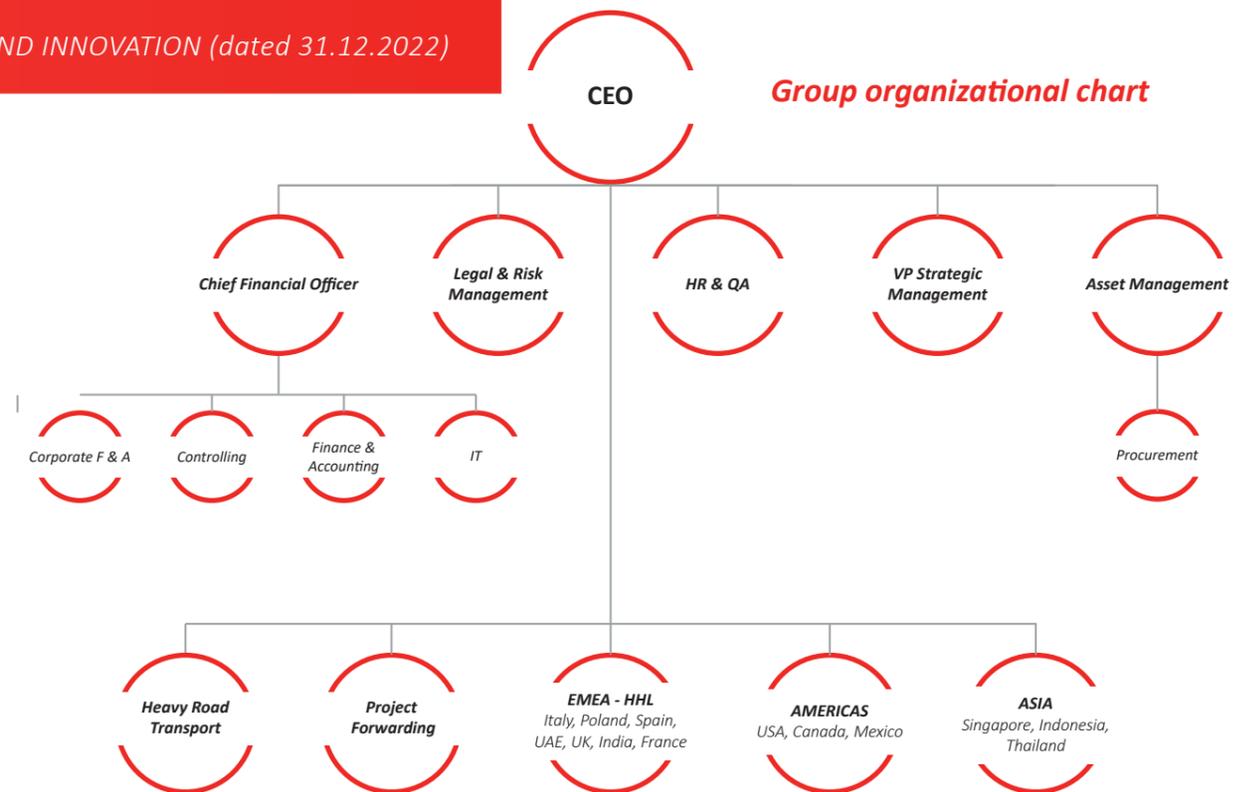
Currently, Fagioli's Board of Statutory Advisors is made up of three standing auditors and two deputies.

An independent audit firm has been appointed by the Group, Deloitte & Touche SpA, registered on the Special Register of auditing firms held by Consob.

A robust ethical system is a founding element of Fagioli's values structure. Within this framework, Fagioli decided to adopt an organizational, management and control model to prevent the crimes included within Italian Legislative Decree 231/2001. The adoption of this model is essential to ensure transparency and fairness in conducting the Group's business and to protect its trustworthiness and technical competences. The so-called "Model 231" has been adopted by the Group voluntarily – as it was not mandatory by law – and the last revision has been approved by the Board of Director in May 2019. The model establishes the rules of conduct to be strictly followed by all employees, "sensitive activities" and associated controls. The current model is structured with a "General Section" and ten "Specific Sections" covering crimes related to public administration, organized crime and terrorism, major injuries, environment, money laundering, cybercrimes, industry and commerce, copyright, individual personality, foreign workers

and racism. To oversee the correct functioning and compliance with the Model 231, Fagioli has appointed a Supervisory Board. The Model 231 has been structured by taking into account the existing management systems, aligned with the standards ISO 9001:2015 and ISO 45001:2018 and ISO 14001:2015, the procedures for internal controls, the system for delegation of authority and assignation of power. Moreover, the Model is compliant with the guidelines set by Confindustria firstly in 2002 and reviewed during the years.

All the rules set in the governance model are in line with Group's Code of Ethics, which establishes the moral and social responsibility towards the stakeholders and ensures the highest level of transparency and correctness of the business. The compliance with the Code is required to both employees and third parties (e.g. suppliers, partners).



5.2 Code of Conduct - Compliance and ethical behavior

Fagioli bases its global growth on a robust and long-lasting reputation built on strong values in terms of ethics, behavior and sustainability; these principles are shared with all Fagioli's personnel who are requested to adhere to them with a proactive attitude. Accordingly to Fagioli's sector requirements, the Code of Conduct illustrates the key principles of business ethics for the Company and it sets out the organization's ethical guidelines and best practices to follow to ensure professionalism, honesty and fairness. Working constantly in compliance with the principles of honesty and legality is an essential element for the Group's development and for maintaining relationships based on trust with customers, business partners, employees and external partners. The Code of Conduct is applicable to the entire Group and the behavior practices are shared by common values and specific peculiarities of each country in which Fagioli operates. The Group also requires all its suppliers to adopt a conduct in line with the Code of Conduct' principles. Any suspected violation or behavior conflicting with the principles and behavioral ruled of this Code can be reported through specific communication channels. The Code of Conduct is a part of the Organization,

Management and Control Model of Fagioli S.p.A. and it has been adopted by the Board of Directors with the resolution of the 20th December 2018. Its revision, monitoring and enforcement is managed by the Supervisory Body. The Board of Directors is empowered to make any amendments upon recommendations and suggestions of the Supervisory Body or a Board member. Fagioli is committed to respect the integrity of each single person, fighting against any type of discriminatory behavior with regards to age, gender, sexuality, race, nationality, religion and political beliefs.

Fagioli Code of Conduct and Ethics includes confidential information and computer security, conflicts of interest, promoting diversity and inclusion, reporting and non-retaliation, and electronic communications. Moreover it includes whistleblowing mechanisms which enable employees to seek advice and raise concerns about responsible business conduct in the organization's operations and business relationships. (For more details please refer to Fagioli Code of Conduct)

Principles of Business Ethics



The Group is keen on protecting the critical and private information regarding its projects and employees by disseminating data privacy and cyber security culture and by performing audit activities to check information security. In particular, Fagioli SpA has appointed an external Data Protection Officer (DPO) in charge of managing data privacy, data protection and GDPR requirements and it has provided dedicated training to several directors,

managers and employees. With regards to the customer privacy, no substantiated complaints concerning breaches of outside parties and/or regulatory bodies' privacy have been received. To strengthen its commitment towards a consistent ethical system, Fagioli has developed specific governance policies detailed below. These policies apply to all staff, all subsidiaries and third parties interacting with the Company:

"Anti-Money Laundering / Counter-terrorism Financing" Policy:

Fagioli has adopted a zero-tolerance approach concerning any acts or attempts in relation to money laundering/terrorist financing wherever it does business or intends to operate. The policy is relevant to the entire staff, including Management and Directors, all of its subsidiaries and third parties acting on behalf of or in the interest of the Group and its subsidiaries.

"Anti-Bribery and Corruption" Policy:

This policy aims to implement Anti-Bribery and Corruption principles and standards in order to ensure protection against these crimes at a global level. Fagioli's personnel and agents are strictly prohibited from any improper payment activity in respect of a foreign official, a domestic official, or a person doing business in the private sector. Moreover, every transaction must be recorded in the Group's book with a written description.

"Human Rights" Policy:

The Human Rights Policy describes Fagioli's commitments to comply with, and respect individuals' rights under, Human Trafficking, Forced Labour, Child Labour laws and international principles throughout the supply chain. The Policy applies to all employees and stakeholders (e.g. suppliers and clients) and describes their responsibilities to help Fagioli comply with laws and human rights standards. It requires also Fagioli to notify any concerns and issues that may violate the Human Rights Policy and other corporate documents (e.g. Code of Business Ethics).

"Trade Compliance" Policy:

A key element for the success of Fagioli Group consists in its ability to import and export products around the world. For this reason Fagioli implements a specific policy in order to be compliant with any law, regulation and policy on this topic; in particular, it is fully compliant with all applicable (UN, EU, US and other) Export Controls and Sanctions (trade & financial embargoes).

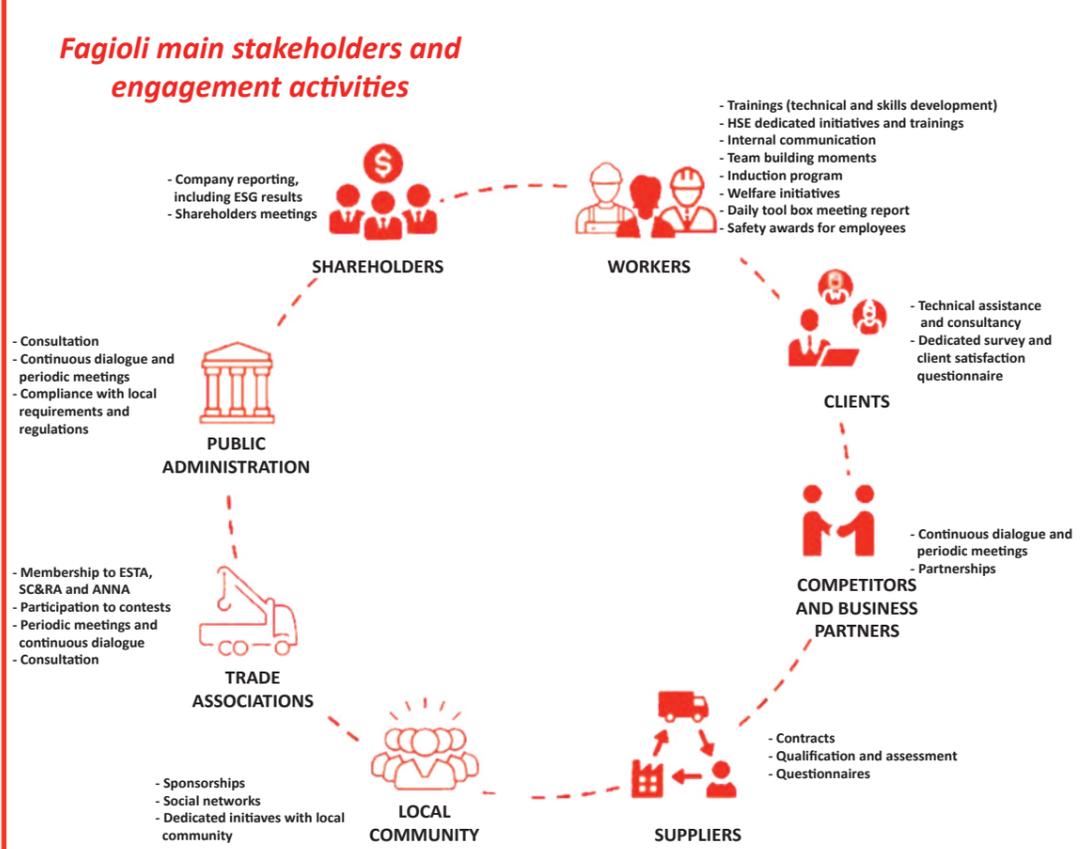
"Social Media" Policy:

Fagioli's success is based on its excellent reputation in business and in the professionalism of its employees since its foundation. In order to keep its good name and to prevent potential damages to its activity (e.g. lawsuits, missed deals), the Group established a policy targeting online activities to be respected by all the personnel both in their private and professional use of social media. This policy prohibits illegal, immoral and hostile behavior and regulates also the publishing of information related to Fagioli.

No violations to the 231 Model or breaches to the policies reported below have been recorded since its adoption. In particular, no violations of anti-corruption laws, legal action relating to anti-competitive, anti-trust and monopolistic practices have been detected. Finally, Fagioli has not been appointed guilty for any socio-economic or environmental issues.

5.3 Our stakeholders and the value generated and distributed

In its daily activities, Fagioli interacts with multiple stakeholders, recognizing the importance of establishing a strong and long-lasting relationship as a preliminary condition for the implementation of its strategy and the creation of long-term value. Indeed, the Group believes that the direct involvement of stakeholders, together with the promotion and sharing of common principles and dialogue, helps the company to better understand stakeholders' concerns and define actions to improve performance and respond to their needs. Fagioli's stakeholders have been categorized into clusters, and each of them is engaged via the most appropriate channel. The following figure presents the key stakeholders mapped by Fagioli taking into account the areas of corporate activities and the main communication channels and engagement tools used by the Group. Eight relevant categories of stakeholders have been identified. All rights, duties and responsibilities of Fagioli Group towards its stakeholders are set out in the Code of Conduct that seeks to recommend, promote or prohibit well-defined behaviors, in addition to any provisions of law.



Actions planned to be implemented in the next years:

- Extend the specific training program including the Code of Conduct, the 231 Model and corruption prevention to all personnel working in subsidiaries

Fagioli is an active member of sector associations at national and global level, such as ESTA ((European Association of abnormal road transport and mobile cranes), SC&RA (Specialized Carriers & Rigging Associations) and A.N.N.A. (Associazione Nazionale Noleggi Autogrù e Trasporti Eccezionali). The Group has participated to several contests promoted by those associations in order to improve health and safety and foster innovation within the industry. More details are provided in the following chapters.

Every year Fagioli, through its activities, generates and distributes value to its stakeholders. In 2021, the total value generated by the Group was Euro 199,674 thousands, of which approximately 95% was distributed. More than 190 million Euro were distributed in the form of payment to suppliers of goods and services (Euro 146 millions), payment to employees (Euro 38 millions), interest to capital providers (Euro 3.1 millions), taxes to Government (Euro 2.5 millions) and contributions to associations (Euro 61,000).



Fagioli CEO, Mr. Fabio Belli

Mr. Fabio Belli, CEO Fagioli was nominated as the new President of ESTA, the leading European association for the abnormal transport and lifting sector.

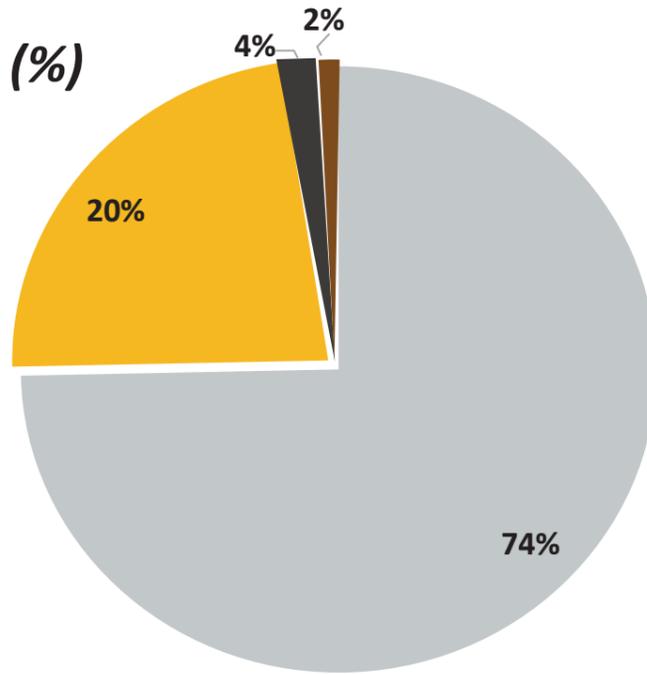
The formalization of the nomination took place during the ESTA awards night event, during the Genera Assembly of the Association which represents 18 national trade corporations for a total of over 70 affiliates / partners including government departments, regulatory associations, service companies and other organizations active in the sector.

Since the establishment of Esta in 1976, it is the first time that an Italian has been appointed President of the European association based in Leiden, the Netherlands.

Every year Fagioli, through its activities, generates and distributes value to its stakeholders. In 2022, the total value generated by the Group was Euro 189,700 thousands, of which approximately 95% was distributed. More than 182 million Euro were distributed in the form of payment to suppliers of goods and services (Euro 134 million), payment to employees (Euro 37 million), costs for amortization, depreciation and write-downs (Euro 8 million), taxes to Government (Euro 3 million).

The economic value distributed (%)

- Value distributed to suppliers
- Value distributed to employees
- Value distributed to amortization, depreciation and writes down
- Value distributed to the public administration



Moreover, Fagioli is committed to contributing to the local communities in Italy and abroad, by:

- Employing local personnel, whenever possible;
- Supporting local economic growth with structural interventions supporting transport activities;
- Investing in local auxiliary equipment to grow local economy.

Employment of local personnel



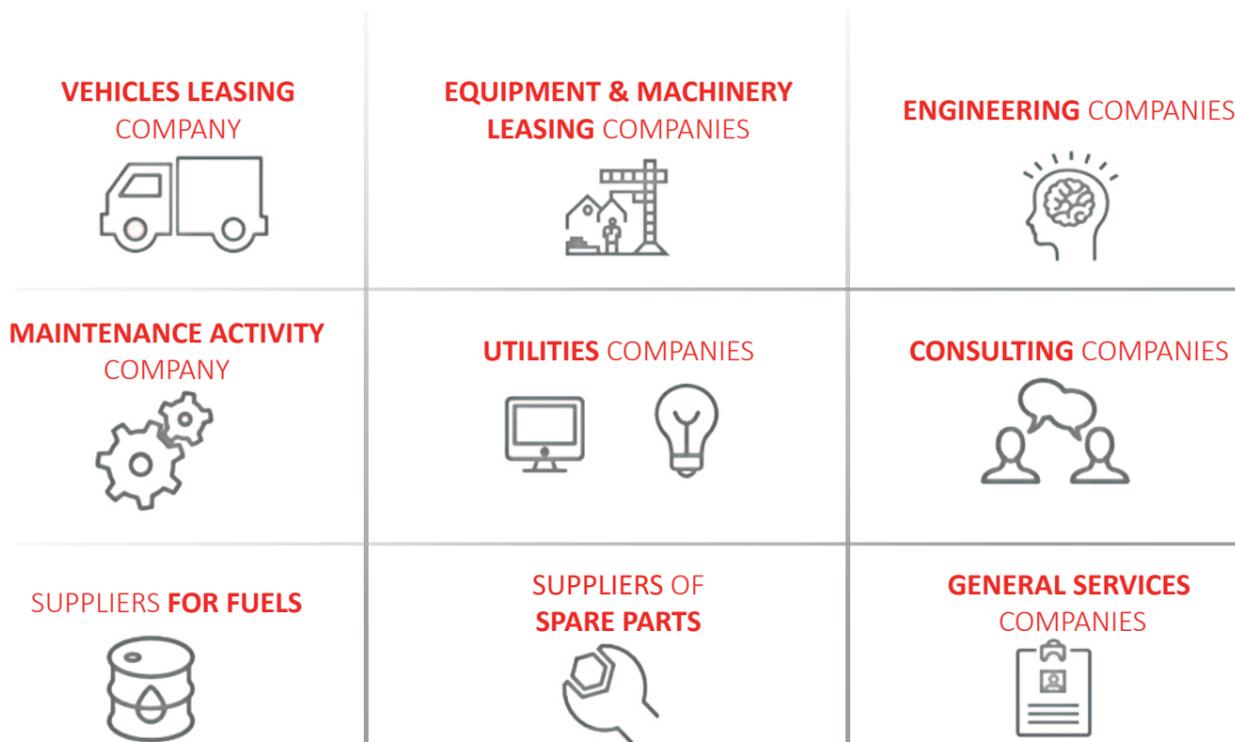
Civil Intervention



5.4 Supply Chain Management

Ensuring sustainability along Fagioli's supply chain is essential to guarantee the quality of the services provided to its customers and the compliance with the highest international standards. Thereby, Fagioli ensures that the best practices are adopted in terms of health and safety, labour practices and working conditions, environmental responsibility and sustainability of equipment / vehicles along its value chain. Suppliers are systematically monitored on services provided by taking into consideration the compliance of the equipment to high safety standards and the reliability in their delivery and performance.

Fagioli works closely with several suppliers that mainly consist of:



Fagioli promotes long-term partnerships with its suppliers by creating a relationship of mutual trust in a collaborative manner. Moreover, the Group adopts a structured approach to manage the procurement process in compliance with the quality requirements of the international standard ISO 9001:2015. This process is oriented at the selection of the most reliable suppliers to work with. The suppliers are selected throughout a qualification process that includes an evaluation via a dedicated questionnaire "vendor pre qualification questionnaire". At this stage, sustainability criteria are assessed with a strict focus on compliance requirements (e.g. presence of Code of Conduct, Legislative Decree no. 231, safety training provided to employees, etc.), certifications of the management systems and health & safety statistics (e.g. number of fatalities, lost time injuries, etc.). The qualification system allows the verification of suppliers reliability,

safety culture and business ethics.

In order to ensure a high integration of sustainability along the entire value chain, Fagioli requires a transparent behaviour from all its suppliers. For this reason, it is requested for them to sign the Code of Ethics and ensure compliance during activities carried out on behalf of the Group and its subsidiaries.



5.5

Service quality and innovation for integrity and operations improvement

Rocco Sabelli,
Chairman at Fagioli and
Fagioli Holding



“Fagioli can play an important role in Italy as well as it has demonstrated with the reconstruction of the Morandi Bridge in Genoa. In particular, Fagioli shall take a primary role in the modernization and infrastructural development Italy needs without delay.”

Clients have a pivotal role and importance for Fagioli which constantly tries to satisfy their expectations. In particular, Fagioli is focusing on:

- anticipating and understanding the market and the clients needs’ evolution by i) identifying new innovative solutions to complex technical/engineering challenges ii) identifying new markets that are more technologically advanced, to be placed alongside its more traditional sectors;
- implementing its technical mastery and know-how in project development, adopting technological solutions in accordance with markets’ needs in civil, energy, shipbuilding, aeronautical and marine fields;
- guaranteeing a proper and reliable service with respect to specifications of the customers, procurement and implementing rules.

The management of clients’ relationship is performed in compliance with the ISO 9001 Quality Standards in all its stages. The communication between Fagioli and its clients is managed by the commercial department which is in charge for the monitoring of client satisfaction, with the support of the project team. Client satisfaction is essential to Fagioli Group, in order to establish long-term commercial relationships and keep its reputation for excellence. The commercial department sends periodically a satisfaction questionnaire to Fagioli’s clients to evaluate their perceptions about the Group’s performance. Currently, Fagioli is actively committed to implement a structured process for the collection of the feedback received from the clients with the identification of related KPIs.

No event of non-compliance with regulations and/or violation of voluntary codes concerning the safety of the services rendered resulting in fine, penalties or warnings occurred in the last two years.

Actions planned to be implemented in the next years:

- Implement a structured customer satisfaction rating system and KPIs to highlight any areas for improvement.

5.6 Fagioli's Commitment to Innovation

Since its foundation, Fagioli has been an innovative and research-driven company. Thanks to the continuous investments in research and development of new services, Fagioli grew from a local transport business to a national and then international Group, constantly improving and optimizing its services in terms of safety, quality and sustainability. Innovation creates a positive flow both for the Group and its customers. The uninterrupted commitment to a technological enhancement has given

Fagioli the possibility to increase its efficiency, reducing delivery times, and minimizing the environmental impacts.

This effort has been rewarded during the year by Italian and international institutions which rewarded the Group with numerous awards. These awards emphasize Fagioli’s constant commitment to the search for innovative solutions within complex engineering projects.

Awards

ESTA 2022: 4 AWARDS FOR FAGIOLI

Fagioli won in the following categories:

- **“INNOVATION”** for the vertical lifting and final installation of a 458 ton reactor.
- **“LATTICE BOOM CRANE”** for the removal of Berkan B wreck in Ravenna
- **“TRANSPORT OVER 120 TON”** for the transport of a Gas Turbine from Genoa to Turbigio power plant.
- **“TRANSPORT UNDER 120 TON”** for the transport of a 29 ton transformer to a power plant up to the mountains.

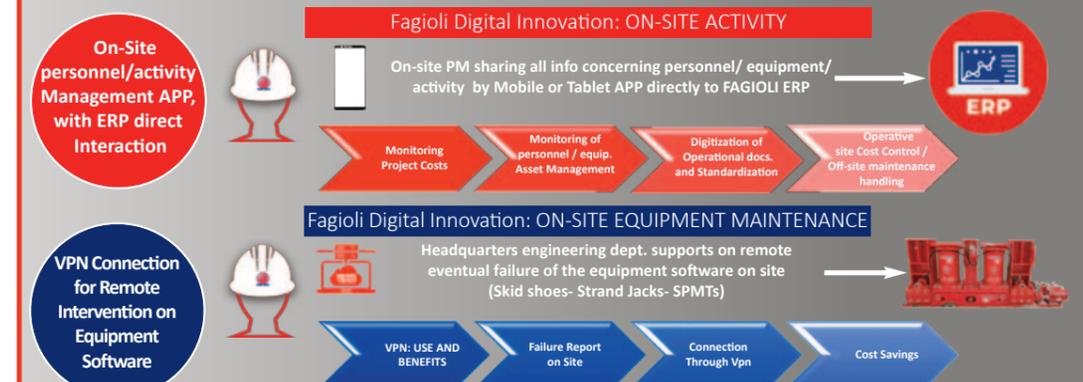


SC&RA 2022: HAT TRICK FOR FAGIOLI!

Fagioli was awarded in the following categories:

- **“RIGGING JOB OF THE YEAR OVER 2 MILLION \$”** for the for the removal of Berkan B wreck in Ravenna by means of crawler cranes and barges;
 - **“RIGGING JOB OF THE YEAR BETWEEN 750,000 \$ AND 2 MILLION \$”** for the transport, lifting and installation of a 2,800 ton bridge section of the new S. Benedetto Po bridge in Mantova;
 - **“HAULING JOB OF THE YEAR UNDER 160,000 LIBBRES”** for the transport of a 29 ton transformer to a power plant up to the mountains
- In 2019 there was the last Fagioli “hat trick” for the SC&RA.

Fagioli is also working on digital innovation, for both on site activities and equipment maintenance.



5.7 Technologies for enhancing the services quality and sustainability

In order to successfully complete the complex and challenging projects in which Fagioli is engaged, the Group is equipped with a vast and specialized fleet of various assets. The main equipment and related function are reported in the following boxes.

Heavy Haulage

SPMTs
(Self-Propelled Modular Transporters)

Worldwide

Heavy haulers used in the HHL operations to transport heavy components (e.g. reactors, offshore platforms) in sites or areas not reachable by a standard transport. Fagioli owns one of the largest fleet of SPMTs worldwide, with ultimate assets of up to 60 tons per axle capacity.



Heavy Lifting

Crawler Cranes

Worldwide

Equipment used for lifting operations. Fagioli owns both small and last-generation big cranes, engaged in the hoisting of heavy modules and components in power stations, petrochemical activity, offshore industry and civil works



Alternative lifting equipment used in Heavy Haulage and Lifting operations. In addition to the equipment described above, Fagioli has in its fleet other assets as hydraulic lifting frames of variable height (gantry systems), modular towers, hydraulic cylinders with a set of steel cables, used to pull and lift (strand jacks) and skid shoes (above 1,000 ton capacity each) for the lifting, skidding and installation of heavy items.

Heavy Lifting

Gantry Systems, Towers, Strand Jacks and Skidding Systems

Worldwide

Heavy Transport

Modular Trailers

Italy

Special modular transporters (tractors) used for heavy transport. These assets are flexible and can be used both on normal roads and in peculiar sites (e.g. restricted and uneven grounds). Fagioli owns different types of modular axle lines used in accordance to weight of load and road configuration.



Heavy Transport

Heavy Trucks

Italy

Special tractors and trucks used for heavy transport on road.



Heavy Transport

Barges

Italy

Specialized equipment for river transport. The Group has in its fleet various river barges, including river pushers, bulk cargo barges and elevator platforms for roll-on and roll-off operations. They are used in heavy transport of oversized items not deliverable by road or train.



Heavy Lifting

BMM 14000

Worldwide

BMM stands for "Bridge Maintenance Machine" and is mainly used to lift bridges deck span to allow its maintenance operation and repositioning onto its original location after the client refurbishing.



Fagioli is driving innovation within its services not only with a view of continuous improvement, but also to respond to the constant changes in the market. In particular, Fagioli is promoting a better management of lifting activities, aimed to move huge amount of weight while consuming less energy. As the transition to a low carbon economy is a common challenge

to every industry, Fagioli is responding to the need of optimizing and reducing the greenhouse gas emissions at the projects sites by renovating its fleet and by shifting the power supply of its vehicles to less carbon intensive ones, when possible.

More details are reported under chapter 6.1 Energy and greenhouse gases emissions.

Environment

6.

Adopt Efficient Solutions to Support the Transition to a Low Carbon Economy

*Environmental Awareness
and Impacts Reduction*

Environmental Management

6.0 Awareness and Impacts Reduction

Fagioli recognizes the importance of protecting and caring for the environment and of its responsibility to achieve good environmental practice and operate in a sustainable manner.

Fagioli commits to continually improve the environmental performance of its operations and services by setting goals in line with the overall strategy and sustainability framework adopted and by engaging with employees and contractors through HSE initiatives and alerts to enhance internal awareness on environmental matters. Within Fagioli's companies, Environmental Management System is managed by, Health, Safety and Environmental (HSE) department located at each company (exception is made for Fagioli Inc. where the HSEQ Manager manages also Fagioli Canada and Fagioli Latin America), in order to closely monitor and manage potential

environmental issues related to company's operations and services. Moreover, Fagioli is committed to the adoption of clear procedures and defined policies, in the implementation of environmental management systems, in compliance with environmental standards above and beyond legal obligations, and in the continuous monitoring of environmental impacts with the aim of measuring, controlling and reducing them. This is performed with periodic environmental audits to assess and identify potential critical aspects, opportunities and areas of improvement.

The Group's attention to environment is also reflected in the compliance with environmental laws and regulations.

Over the reporting period, any environmental non-compliance which led to significant fines or non-monetary sanctions was detected at Group level. Fagioli focuses its efforts especially to the environmental matters considered most relevant in relation to the activities carried out. The main Group's direct environmental impacts are related to energy consumption and greenhouse gas emissions, waste production through the supply chain and spills in the soil. Fagioli is also focusing on enhancing the positive contribution it can make to the development of renewables projects, where Fagioli built significant credentials in the last years.

6.1 Energy and Greenhouse Gas (GHG) Emissions

An efficient and proper management of energy resources and the constant monitoring of the related consumptions is fundamental for Fagioli.

Fagioli's energy consumptions mainly derive from direct consumption of non-renewables sources, especially gasoil for road transport, which account for the major share of the total direct energy consumptions. Natural gas and electricity used mainly for office lighting, heating and cooling systems and, in

a small portion for industrial processes, are the other sources of energy which contribute to the total consumptions. Overall, energy consumption accounts for 49.427,98 GJ in 2022, almost 50% less than 2021. This is a huge result mainly due to a reduction in the gasoil consumption as fuel at some big sites was provided by the clients. The total energy consumption includes heating, cooling and steam consumption, as they have no separate monitoring system but they are powered up by electricity.

The total energy consumption includes heating, cooling and steam consumption, as they have no separate monitoring system but they are powered up by electricity.

Total Energy consumption ¹	u.m.	2020	2021	2022
Total non – renewable fuel consumed	GJ	90,081.34	73,557.10	42,488.38
Natural gas	GJ	9,076.89	11,562.90	8,708.40
Gasoil	GJ	81,004.45	61,994.20	33,799.98
Energy consumption of purchased electricity				
Electricity	GJ	7,581.28	7,779.04	6,939.00
Total energy consumption	GJ	97,662.62	81,336.14	49,427.38

¹ Energy consumption data of Fagioli Mexico and Fagioli Canada offices were not available and excluded from the KPIs presented in this report, as the two entities have their offices in buildings in which all utilities are directly managed by the facility management.

In addition to direct energy consumption (i.e. offices' lighting, fuel for vehicles and engines), Fagioli consumes energy at the clients' sites. In this case, the client usually provides Fagioli with electricity and fuel for the equipment and energy consumption value are not recorded.

To be mentioned that in November 2022, thanks to the Smart Working initiative and consequent proper employees rotation, Fagioli was able to re-design Italy HQ offices by closing two floors; this in order to reduce energy consumption. The actual results of the reduction will be available in 2023.

Complying with the main international standards for the reporting of greenhouse gas emissions, GHG emissions are reported split by:

- **Scope 1** greenhouse gas emissions from sources that are owned or controlled by an organization, for example, the use of fuels for vehicles (e.g. prime mover) and equipment (e.g. crane, SPMT);
- **Scope 2** GHG emissions that result from the generation of purchased electricity, heating, cooling, and steam consumed by an organization. Scope 2 GHG emissions are evaluated by adopting the location-based and the market-based approaches. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.
- **Scope 3** GHG encompasses emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. An example of this is when we buy, use and dispose of products from suppliers. Scope 3 emissions include all sources not within the scope 1 and 2 boundaries.

In 2022, total CO₂eq emissions amounted to 3.670 tons of CO₂eq, a big reduction compared to 2021 (6.260 tons of CO₂eq) due to a slight decrease in Fagioli activities and operations during 2022, but also due to the use of gasoil in job sites that are typically provided by clients therefore, these emissions (from fuel supplied by clients) are not to be accounted within the boundaries of Fagioli. Regarding Scope 2 GHG emissions evaluated through the location based approach, in 2022 the figure is equal to 548 tons of CO₂eq.

CO ₂ emissions	u.m.	2020	2021	2022
Scope 1 emissions	tons of CO ₂ eq	6,659	5,356	2,792
Scope 2 emissions – location based	tons of CO ₂ eq	636	571	548
Scope 3 emissions (flights)	tons of CO ₂ eq	N.A.	333	330
Total CO₂ emissions	tons of CO₂eq	7,294	6,260	3,670

Restatement: 2022 CO₂ figures is different than 2021 Report due to addition of Scope 3 data which was not previously reported. Considering the above result, Fagioli Energy intensity and Emission ratio can be provided and they have been calculated considering the annual revenue as specific metric.

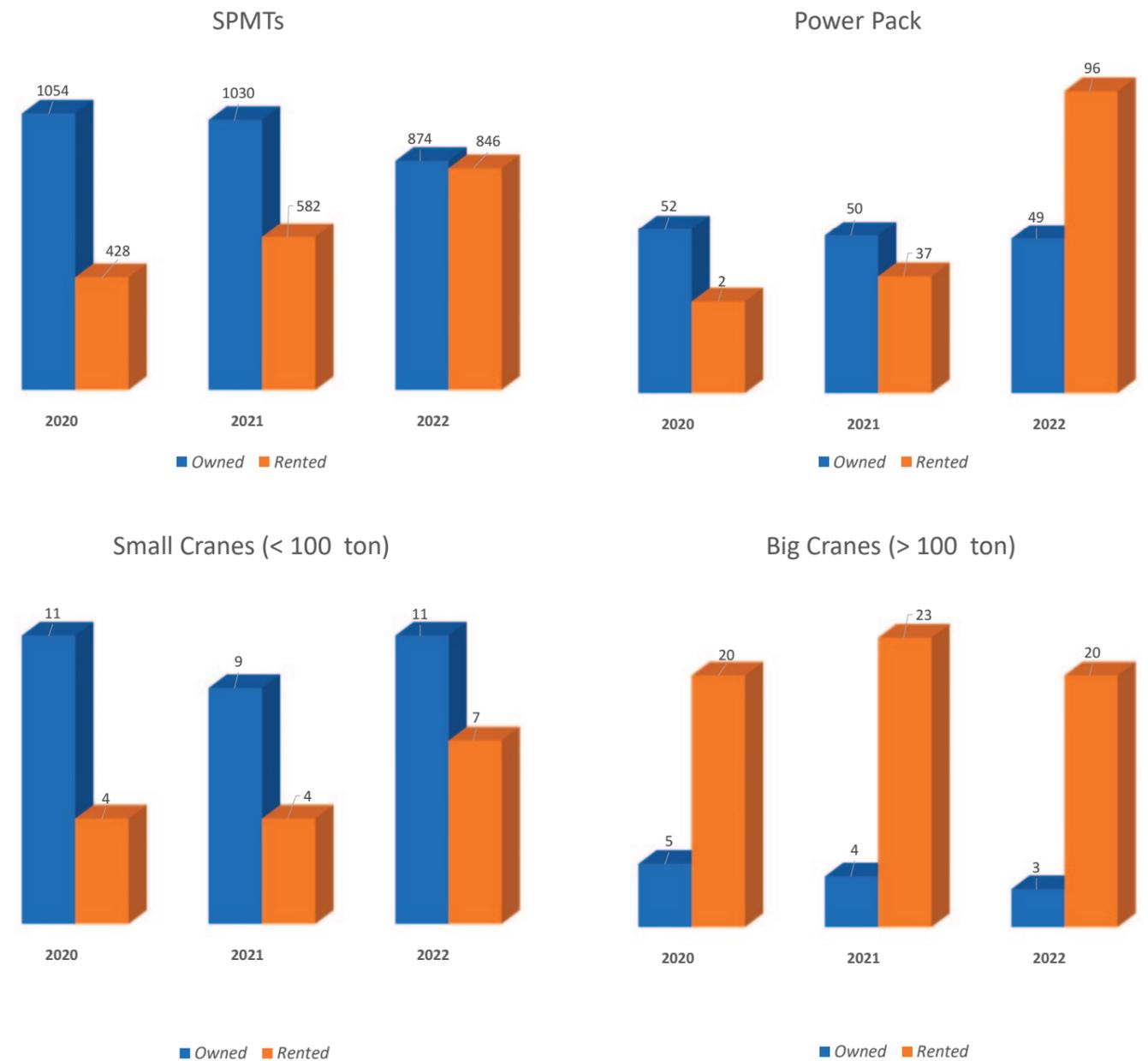
Energy intensity	u.m.	2020	2021	2022
Energy consumption within the organization	GJ/year	97,663	81,336	49,427
Revenue	k€	207,683	199,674	189,700
Energy Intensity Ratio	GJ/k€	0.47	0.407	0.261

Emission ratio	u.m.	2020	2021	2022
Total CO ₂ eq emissions	tons of CO ₂ eq	7,294	6,260	3,670
Revenue	k€	207,683	199,674	189,700
GHG Emission Intensity	tCO₂eq/k€	0.035	0.031	0.261

Restatement: 2022 CO₂ figures is different than 2021 Report due to addition of Scope 3 data which was not previously reported.

By leveraging the knowledge and technologies in place within the Group, Fagioli pursues the goal of continuously increasing environmental awareness within its companies, improving energy efficiency of processes and equipment, while reducing GHG emissions. Fagioli is aiming at reaching this objective through a project oriented at fleet and equipment renovation. The fleet modernization is being implemented through a double strategy: the selling of old assets and the increase of the leased equipment with an option to buy. From 2021 to 2022, SPMT rented assets increased by 45% and Power pack unit by 30%.

Renovation of Fagioli fleet (2020-2022) – main equipment



LOW EMISSION POWER PACK UNITS

Fagioli uses last generation of Power Pack Units (PPU) to power strand jacks in Europe and some in Asia. These PPU provide an electrical powered system, reducing the use of gasoil needed to power the equipment. These PPU can be linked together in order to get the necessary power to raise and lower the strand jacking system connected to limitless tonnage loads. Old generation PPU (powered by diesel fuel) are used as spare units in case of malfunction of the electric ones.



6.2 Prevention of spills

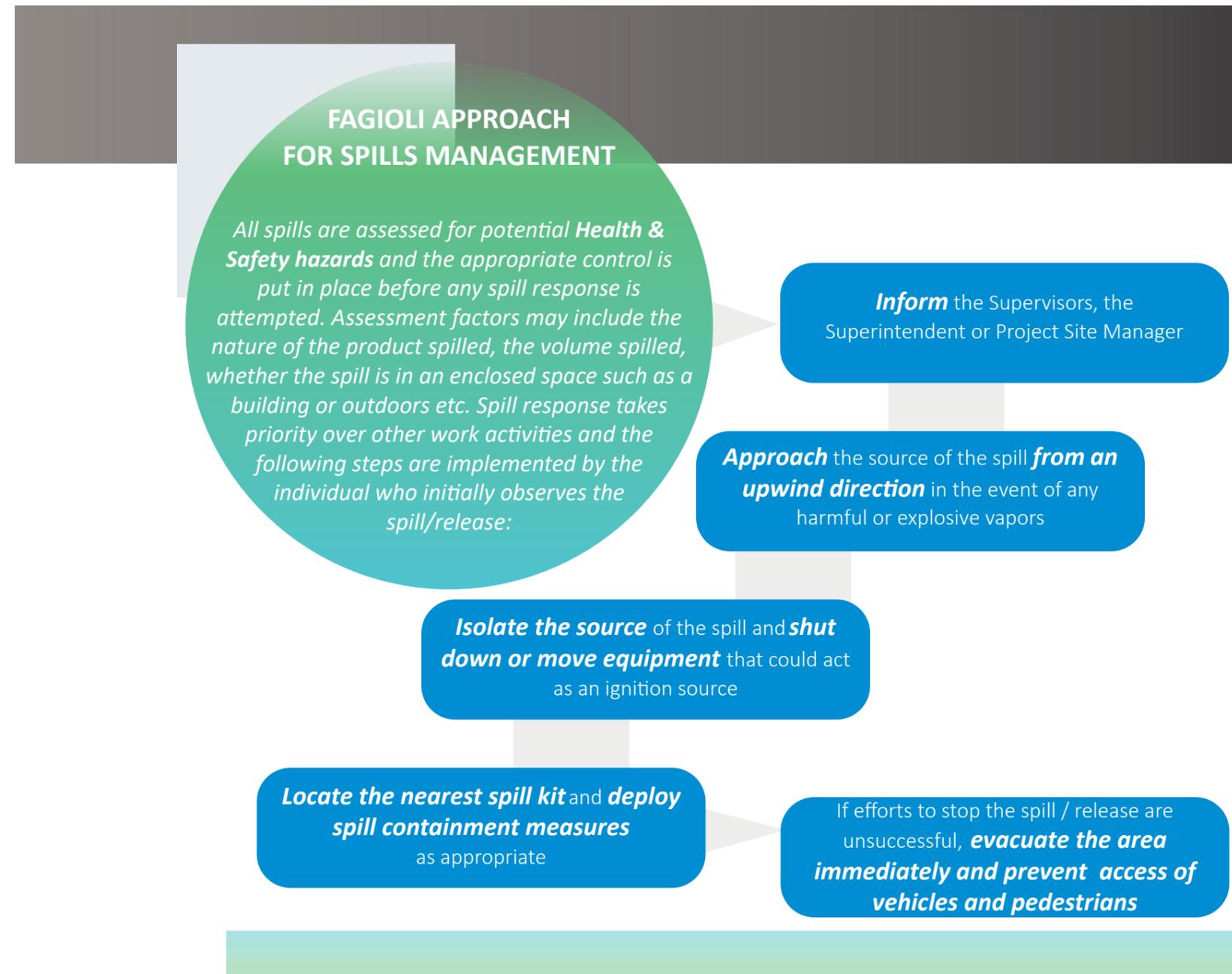
Regarding potential spills and the related environmental impact, Fagioli has implemented several actions to prevent them and manage potential leaks deriving from companies operations, such as strategically portable spill kits around the sites and awareness campaigns on the of hazardous substances management and spills. Group activities, indeed, require the implementation of various types of stationary and mobile equipment (e.g. SPMT, cranes and strand jacks), which contains considerable quantity of hydraulic oil distributed along circuits and operates at high pressure increasing the risks of leaks from the engines and connections.

Main initiatives are related to the constant monitoring and control of all equipment which, for instance, undergoes pre-site mobilization inspection and daily pre-use inspection. Sensible components and connection which are more likely to leak (e.g. minijacks, coupling of high pressure hoses, etc.) are wrapped using only oil absorbent pads checked on daily basis to allow early identification of leaks and secured with zip ties. Furthermore, small stationary equipment are contained in secondary containment (drip trays), accumulated water is drained from drip trays or, if it contains oily sheen, it is removed with absorbent pads and disposed as hazardous waste.

Fueling of equipment has the potential to cause fuel spills to the land or the marine environment, and represents a significant environmental risks in relation to Fagioli scope of work. This activity is performed with extreme care. Transfer of fuel is limited to approximately 95% of the storage capacity of the receiving equipment, tank or container. When fueling activities are executed for marine vessels or fuel trucks, marine personnel and truck operators are supervised by Fagioli personnel for the whole duration of the task.

Portable tanks, if required on site, comply with local legislation and project requirements. Tanks are mainly double walled or berm constructed for 110% containment, they feature external level gauge to monitor liquid levels and interstitial monitoring devices to detect any fuel within the double wall. Equipment being fueled must be shut down prior to fueling whenever feasible. Operator moves the fuel hose with the end wrapped in an absorbent pad until it is inserted into the inlet of the receiving equipment, tank or container, the same applies once fueling is over. When fueling, the operator or worker executing the task must ensure that a drip tray is positioned under the fueling point and that appropriate spill kit is readily available. If dispensed fuel spills on the sides of the container it shall be wiped clean with a rag or sorbent pad; contaminated rags/pads shall be disposed as hazardous waste.

Any spill to water, or spills to land whose response and clean-up require an intervention that exceed the capabilities of Fagioli workforce, are managed according to site Emergency Response Plan, if needed, by involving local authorities.



In 2022, no spill and /or releases of hazardous material occurred to the environment which is a great result compared to previous years.

	u.m.	2020	2021	2022
Total number of spills and releases of hazardous material to the environment	Number/year	6	5	0
Aggregate volume of spills and releases of hazardous material to the environment	m ³	0.121	0.360	0

6.3 Ecosystems protection

Fagioli recognizes that its activities as well as noise due to vibrations generated by Group's equipment could potentially affect wildlife. However the impact will be minimum and limited to the surrounding of the area where the activity is taking place. In particular, the main noise emissions associated with Fagioli activities are those generated by the engines of transport/lifting equipment. In order to monitor noise exposure levels of employees, Fagioli performed an assessment which highlighted that the noise generated by Group's equipment is comparable to the one of other heavy equipment commonly used in construction sites. Furthermore, at Fagioli's sites, not all of these equipment will be operating simultaneously; indeed, their operation is discontinuous and most of the time take place during daylight working hours.

In addition to noise and spills prevention and monitoring, the Group has been constantly promoting the sustainability of ecosystems by preventing environmental degradation that may results from its activities. In particular, Fagioli engineering department, in cooperation with local authorities and third party associations, is involved in the issuing of dedicated studies for the protection of the environment and natural resources. In specific and sensitive areas, it is mandatory to issue geotechnical and static civil analysis in order to safeguard the environment (forests, deserts, national parks..) and the existing civil structures (bridges, old towns...) during the passage of a heavy transport convoy. In some cases, Fagioli has been called to issue dedicated documents for the removal or the «explosion» of wrecked buildings and bridges. Moreover, especially for the above cited activities and those related to the recovering of

wrecks at sea or shore, Fagioli works in strict collaboration with third party engineering companies specialized in the risk analysis of removal / recover/ explosion activity of civil structures, in order to minimize and mitigate any potential impacts on the environment.

Another important topic in the ecosystem protection is the mobilization of the equipment from one continent to another. In those cases Fagioli has to comply with the destination countries rules and regulations, particularly for countries like Australia where they have system in place to help protect Australia's unique environment from unwanted pests and diseases (Biosecurity Import Conditions system - BICON).

6.4 Waste management and recycling

Fagioli is committed to reduce the impact of its activities on the environment and to continually improve the environmental performance as part of the overall business strategy and operating methods. In order to achieve its goal, Fagioli has developed several initiatives, such as the implementation of waste management procedures, to minimize companies' waste production, increase recycling, use appropriately regulated waste management contractors to ensure safe disposal of hazardous and non-hazardous waste. In particular, the Fagioli "Waste Management Procedure" includes an analysis of the main steps to be followed for a sustainable handling of waste material used by Fagioli operators and employees. In addition to -comply with all relevant environmental legislations and

codes of practice - observed, Fagioli is committed to comply with Client's (construction site) waste management guidelines and pollution prevention procedures and standards.

At Fagioli's, waste generation is limited mainly to office activities (e.g. paper, cardboard, cleaning products), accessories and equipment parts implemented in Fagioli operations and contaminated materials (e.g. oil filters, spare equipment). Waste generated during projects' execution is usually managed by clients. Indeed, quantities of waste produced outside Fagioli's premises (e.g. projects) are considered within the Group's metrics only when waste disposal is not included in clients' responsibility (i.e.: the Berkan B Project).

Waste production

Waste diverted from disposal by recovery operation ²	u.m.	2020	2021	2022
Total waste	tons	372.6	3,441.5	2,905.4
Waste directed to disposal (Landfill, incineration)	tons	84.19	17.3	39.92
Total hazardous and non-hazardous waste	tons	288.4	3,424.25	2,865.51
Total hazardous waste				
Of which sent to preparation for reuse	tons	-	-	0.4
Of which sent to recycling	tons	14.4	21.22	104.75
Of which sent to other recovery operations	tons	15.2	1,697.72	0
Total non-hazardous waste				
Of which sent to preparation for reuse	tons	-	-	-
Of which sent to recycling	tons	216	1650.07	2,760.36
Of which sent to other recovery operations	tons	42.8	55.24	-

² Waste disposal at Fagioli Asia, Fagioli India, Fagioli Canada, Fagioli Latam and Fagioli Indonesia offices is managed by building management

Waste production in 2022 has decreased by 16% compared to the 2021. This is mainly due to the completion of the Berkan B Project which started in 2021 and included the recovering and recycling of a ship wreck in the Adriatic sea, just off Ravenna shore.

Actions planned to be implemented in the next years:

- Develop environmental awareness campaigns at Group level, in particular focused on waste reduction and efficient energy management.
- Define a set of environmental KPIs, in order to monitor regularly environmental performance at Group level.
- Consider to implement solar panels at the Headquarter in Italy.



7.

Methodological Note



7.1

Principles and criteria for defining report quality and contents

The Fagioli Sustainability Report is intended to provide a complete overview of the Group's activities, impact, commitments and objectives in economic-financial, social and environmental terms. The path that the Group has taken aims to incorporate sustainability into the Group's commercial strategy itself, as well as into its governance, operations and financial reporting, in line with the Group's Sustainability Plan, which promotes the Sustainable Development Goals (SGD) established by the United Nations in the 2030 Agenda. The document was drawn up in accordance with the Global Reporting Initiatives (GRI) GRI Sustainability Reporting Standards: "in accordance".

Principles for defining the content and quality of the reporting

This Sustainability Disclosure has been prepared according to the principles for defining the contents of the report as required by the GRI Standards (stakeholders inclusiveness, sustainability context, materiality and completeness). Moreover, to ensure the quality of the information reported, the following principles for defining report quality have been followed (accuracy, balance, clarity, comparability, reliability, timeliness).

The Sustainability Report presents the main Fagioli Group results from the perspective of the economic, social and environmental topics identified in the materiality analysis and described in detail in paragraph 7.2 "Materiality Analysis" of this document. To identify the most pertinent issues, and therefore the content of this Report, the opinion of senior managers in the various departments was taken into account, as well as the results of a sector analysis, sustainability macro-trends and other external sources. The objective of the document is also to better inform all stakeholders about the Fagioli Group's main economic, social and environmental results.



7.2 Fagioli Materiality analysis

In order to identify Fagioli priorities for action, the issues on which further disclosure is required and the stakeholder engagement activities that require improvement, in 2020 Fagioli introduced a materiality analysis, based on the guidelines of the most commonly-used international standards such as the Global Reporting Initiative (GRI).

The objective of the analysis is to identify the key topics for Fagioli and its stakeholders, which can act as management levers to create long term value to support the Group's strategy.

The materiality analysis process is divided into three main phases:

1. IDENTIFICATION OF RELEVANT TOPICS

Topics that are potentially significant for our stakeholders and Fagioli Group are identified by analyzing internal sources (existing disclosures, internal policies and procedures) and external sources (reviews of standard setters' publications and peer/ competitor benchmarks).

2. ASSESSMENT OF RELEVANT TOPICS

Meetings with Fagioli representatives and external stakeholders to assess the importance of each aspect of the topic list identified in the previous phase.

Aggregation of the evaluation results provided by each Group representative.

Development of the materiality matrix.

3. VALIDATION AND REVIEW

Validation of the materiality matrix and topics identified by the Executive Committee. Annually, at the start of the reporting period, a review of the topics and of the materiality analysis is held. The result of the materiality analysis is summarized in the materiality matrix, which contains the following information:

- The horizontal axis shows the relevance of topics according to the Group. The right part of the matrix shows the issues for which a high level of impact in the coming years is foreseen in terms of the capacity of the company to create long-term value.
- The vertical axis indicates the priority that stakeholders attribute to the various issues.

The upper part of the matrix includes the issues which are more relevant to stakeholders in terms of the influence that each of them has on their decision-making.

The topics emerging from the analysis reflect our corporate vision and represent the pillars of our corporate responsibility strategy.

In the process followed for the 2022 materiality analysis, the potentially significant topics and categories of stakeholder under assessment were reviewed, following the guidelines of the leading sustainability reporting standards.

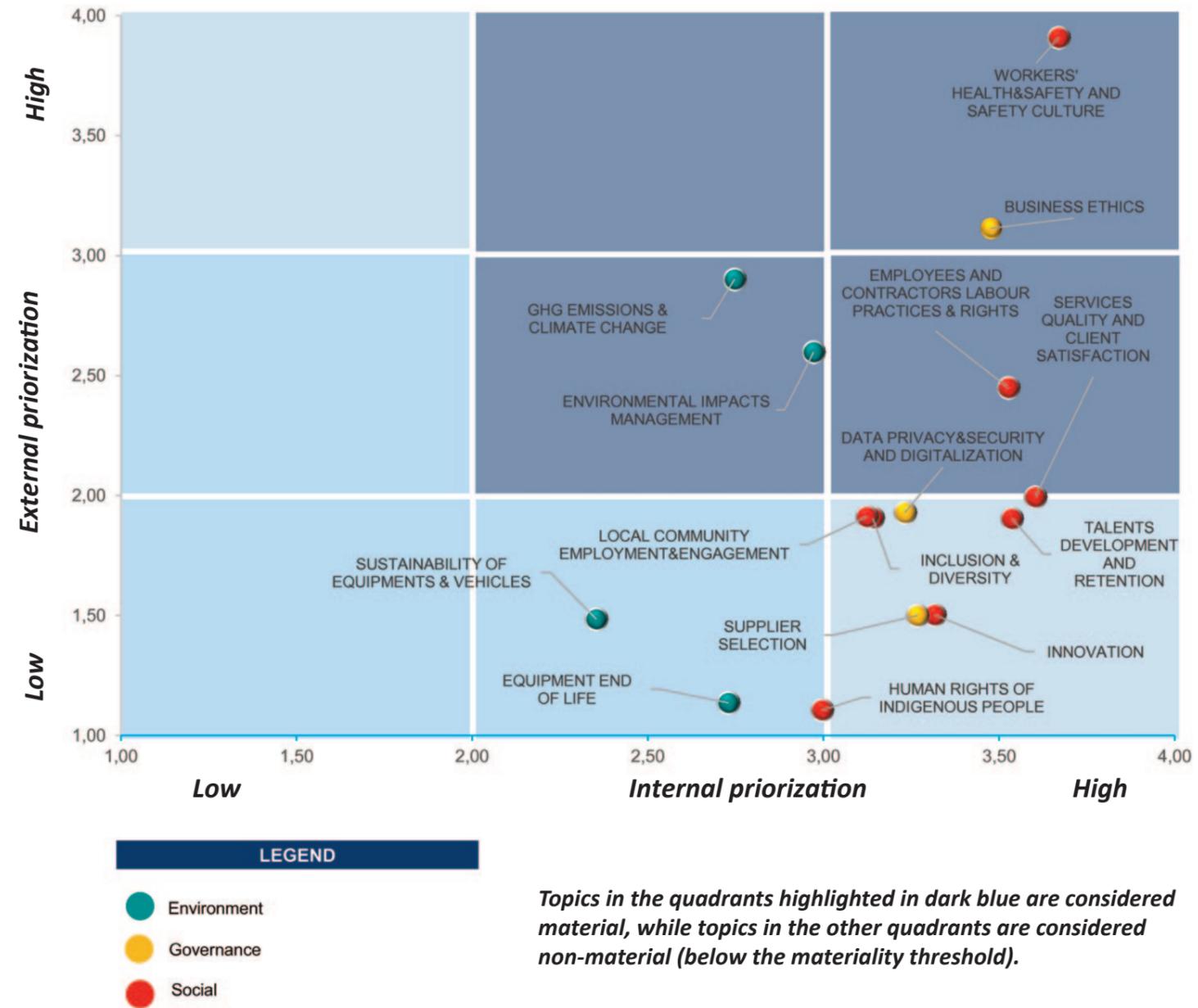
This list of relevant topics has been developed through a benchmarking analysis, a media and sector analysis and considering sustainability macro-trends. Consequently, the materiality has been defined both for the Group and its external stakeholders. The materiality has been defined based on two results:

- **An online survey**, including the relevant topics identified through a documentary analysis, submitted to a selection of Fagioli Group employees;
- **A survey**, which included the results of the online survey, submitted to the Top Management during a specific workshop.

The results of the survey have been integrated with further considerations on the basis of Group's priorities and strategic objectives. The materiality issues for external stakeholders has been also elaborated through external pressures analysis, which includes a benchmarking analysis of Fagioli's main peers and comparable companies at national and international level and an analysis of the main sector documents, aimed at collecting the most relevant aspects in the sector of reference and disclosed by peers analyzed. Additionally, stakeholders concerns and expectations were collected from Fagioli's personnel via the above-mentioned workshop and through interviews. The combined consideration of the internal and external material topics led to the identification of priority and most significant areas for the Group. The output is a list of the so-called material topics, representing all the main organization's significant economic, environmental, and social impacts and the influence on the stakeholders' decisions.

Materiality analysis process

Fagioli Materiality Matrix



Reporting Scope

The reporting scope of the present document includes Fagioli S.p.A and the following subsidiaries and branches:

- Fagioli S.p.A (Italia)
- Fagioli Inc. (USA)
- Fagioli Canada Ltd. (Canada)
- Fagioli Latin America S.A. (Messico)
- Fagioli PSC India PVT Ltd (India)
- Fagioli PSC Heavy Lift (Asia) Pte Limited (Singapore)
- Fagioli Polska Sp. Zoo (Polonia)
- Fagioli Heavy Lift Ltd, (Regno Unito)
- PT Fagioli Lifting and Transportation Indonesia (Indonesia)
- Fagioli S.p.A. - Abu Dhabi Office (U.A.E.)

Data on economic performance and the economic value generated and distributed are based on Fagioli S.p.A. Consolidated Financial Statement for the year ended in December 31, 2022. The data and information provided in the Sustainability Report refer to Fagioli Group, which in turn refers to the

entity Fagioli S.p.A. and to the companies consolidated on a line-by-line basis in the Group's Annual Financial Report for 2022. It is noted that:

- The economic data were taken from the Group's Annual Financial Report and, as such, in this document also include all the consolidated Group companies;
- The corporate data include all the companies of the Group consolidated on a line-by-line basis in the Annual Financial Report;

The data relating to health, safety and the environment (HSE) include all the companies of the Group.

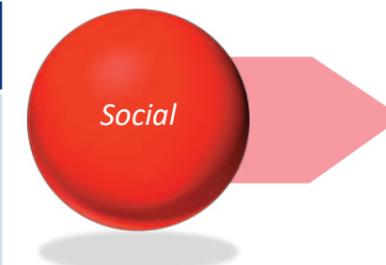
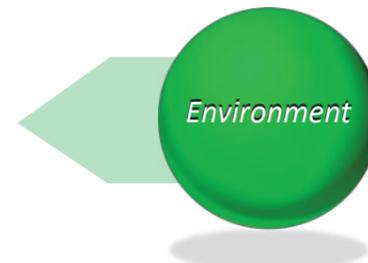
Data on environmental performance does not include Fagioli Latin America S.A., Fagioli S.p.A. – Abu Dhabi Office and Fagioli Canada Ltd. due to the type of operations, mainly related to projects development as clients are responsible for managing and monitoring energy consumption and waste management at site's level.

Fagioli Group is committed to improve the monitoring and reporting system of sustainability performance in the next years.

Sustainability commitment

MATERIAL TOPIC	COMMITMENT
Environmental Impact Management	<ul style="list-style-type: none"> • Development of ecologically sustainable services with the aim of contributing to a circular and low carbon economy • Increase employee awareness of environmental impact and promote virtuous behaviour

MATERIAL TOPIC	COMMITMENT
Business Ethics	<ul style="list-style-type: none"> • Promotion of the sustainability culture in line with the Group Values, encouraging managers to think in a sustainable manner within their sphere of influence • Maintenance of the Corporate Governance system and risk management (including sustainability risk) in line with international best practices • Adoption of preventative measures and policies geared towards the prevention of corruption in all spheres of influence • Integration of sustainability issues with stakeholders through the promotion of dialogue and listening initiatives with those involved in the Group's activities • Increasingly sustainable and responsible corporate performance, creating the conditions for development that ensures the needs and expectations of all stakeholders are met.
Supplier Selection	Promotion and support of a responsible and sustainable supply chain that shares our values and is based on long-lasting relationships founded on integrity, transparency and respect.



MATERIAL TOPIC	COMMITMENT
Workers' H&S and Safety Culture	<ul style="list-style-type: none"> • Continuous improvement of workers' health and safety conditions • Promotion of growth, training and enhancement of human capital
Local community Employment & Engagement	<ul style="list-style-type: none"> • Contribute to the development and economic growth of the countries in which the Group operates • Support local communities • Strengthen stakeholder engagement • Promote cooperation agreements with universities
Employees and Contractors Labor Practices and Rights	<ul style="list-style-type: none"> • Commitment to creating the socio-economic conditions to ensure respect for human rights throughout the value chain • Promoting the protection of human and labour rights • Promoting the professional development and talents of everyone • Strengthening communication behaviours and methods, in order to foster constant dialogue and effective team collaboration
Service Quality and Client Satisfaction	<ul style="list-style-type: none"> • Listen to needs and expectations to maximize customer satisfaction • Continuous improvement of the quality and safety of services in compliance with technical standards, in all phases of the operations process to meet the high standards required by the business

Assessing our impacts

In line with the GRI Universal Standards, we have assessed our impacts on the economy, the environment and people (including human rights). We have considered the impacts from our own operations as well as through the work we do for our clients

Material Topics	Impact	Actual/potential	Negative/positive
Business ethics	Good corporate governance will fulfil Fagioli responsibilities to its external investors, lenders, Partners, employees, suppliers and contractors, clients, regulators, society and the environment.	Actual	Positive +
	The inability of Fagioli to effectively respond to stakeholders' increased expectations on ESG performance may negatively affect client engagements, investor support, talent acquisition and retention, and regulatory compliance.	Potential	Negative -
Supplier Selection	Fagioli ability to manage its make or buy procurement strategies also through rigorous qualification processes	Actual	Positive +
	The inability of Fagioli to fully comply with contractual requirements may reduce its vendor list	Actual	Negative -
Workers' H&S and Safety Culture	The commitment to promoting a generalized cultural change in the field of safety investing energy and resources in the protection of health and safety in the workplace, adopting advanced management practices and systems is the way to safeguard Fagioli employees and any third parties involved in company activities	Actual	Positive +
	Low staff training, low individual awareness and not-so-significant widespread involvement may negatively affect people behaviour potentially resulting in higher risks of incident	Potential	Negative -
Local community Employment & Engagement	Initiatives supporting the development of local communities can stimulate and encourage the aim of creating shared value	Actual	Positive +
	Poor local development may negatively affect the business activities with the risk to systematically miss the involvement of local players, showing poor awareness of the impact on the community.	Potential	Negative -
Employees and Contractors Labor Practices and Rights	A strong commitment to ensure that each employee can express his or her potential may enhance relevant skills and competencies and promoting a growth path	Potential	Positive +
	Low investment in staff training and development, which is of strategic importance, may not guarantee constant growth in skills and know-how, at all levels	Potential	Negative -
Service Quality and Client Satisfaction	Fagioli operates through a rigorous system of measures in many areas of the value chain aimed at eliminating risks associated with the provided service	Actual	Positive +
	Our services are directly related to helping our clients provide solutions to address their ESG challenges and to operate in a more sustainable way.	Actual	Positive +
	The inability of Fagioli to create trust relationships by activating channels that listen to the needs and expectations of the customer may negatively affect the client engagement	Potential	Negative -
Environmental Impact Management	Environmental protection is at the centre of the activities of the Group, which, in carrying out its activities, is committed to making the principles of environmental sustainability its own, both in its strategic choices and in its business processes.	Actual	Positive +
	Low investments may lead to reduce energy efficiency and increase emissions of greenhouse gases and other pollutants, incorrect management of water resources and incorrect disposal of waste and waste water	Potential	Negative -

7.3 Reporting process and methodology

The Sustainability Report was drawn up by the Sustainability & QA Manager with the help of members chosen by various departments at both corporate and affiliate level. Data presented in the Report has been collected through internal interviews, online survey and with the support of specific reporting package created for the disclosure of sustainability aspects.

The present report was subject to the approval by the Chief Executive Officer.

Comparability And Clarity

To ensure the Sustainability Report is accessible to all stakeholders, this Report uses clear, complete and concise language and includes images and graphics. The disclosures presented in the Report refer to the period between 01/01/2022 and 31/12/2022.

Where possible, comparisons with the previous year are provided and progress is reviewed to better explain and highlight any significant changes.

Balance

The data is presented in an objective and systematic way. The disclosures describe the performance of the related reporting period.

The main calculation methodology and assumptions used to determine performance indicators and figures have been reported below, in addition to those already indicated in the specific Report sections. Fagioli's employees related figures are represented as Full-time equivalent (FTE) as of 31st December of the reporting periods.

Following the main calculation methodology and assumptions used to determine performance indicators and figures:

- **New hires rate:** ratio between the number of new hires and the total number of employees in the same period.
- **Turnover rate:** ratio between the number of contract terminations and the total number of employees in the same period.
- **Non serious Lost time injuries (LTI):** negative impacts on health arising from exposure to hazards at work not causing permanent disabilities or more than 40 work lost days.
- **Recordable injury rate:** ratio between total number of recordable work-related injuries and the total number of hours worked in the same period, multiplied by 1,000,000.
- **Serious Lost time injuries (LTI):** work-related injury that results in an injury causing permanent disabilities or more than 40 work lost days.

- **Severity index:** ratio between total number of serious Lost time injuries and the total number of hours worked in the same period, multiplied by 1,000,000.

For environmental data, whenever not available, the Group adopted a conservative approach in the assumptions made, resulting in the adoption of the worst environmental performance of Fagioli and its related companies. In particular, greenhouse gas emissions calculations have been carried out based on principles included in the GHG Protocol Corporate Accounting and Reporting Standard and determined as following:

SCOPE 1 GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Gasoil and Natural gas	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	Only CO2 emissions were considered

SCOPE 2 GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid-location-based approach	Electricity consumption	International Energy Agency (IEA) Emission Factors 2019 and 2020	Only CO2 emissions were considered

SCOPE 3 GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Flights purchased by Fagioli for its employees business travels	Mileage	Uvet Travel CO2 calculator, based on the GHG Protocol	Only CO2 emissions were considered

ASSURANCE STATEMENT

To ensure the reliability of the information provided and to improve the reporting process, Fagioli sustainability Report 2022 is subject to assurance by Rina Services S.p.A.

**For Further Information About This Sustainability Report Please Contact
FAGIOLI S.P.A. (ITALY) Tel: + 3905226751 – E-mail: sustainability@fagioli.com**

GRI

8.

Content Index

Content Index

GRI Module

GRI 2: GENERAL DISCLOSURES 2021

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2-3	Reporting period, frequency and contact point	7.3 7		
2-4	Restatements of information	6.1-6.4 6		
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2-6	Activities, value chain and other business relationships	3.3.1-3.3.3 3 5 5.4		
2-7	Employees	4.1 4		
2-8	Workers who are not employees	4.1 4		
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2-9	Governance structure and composition	5.1 5		
2-10	Nomination and selection of the highest governance body	5.1 5		
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2-12	Role of the highest governance body in overseeing the management of impacts	5.1 5		
2-13	Delegation of responsibility for managing impacts	5.1 5		
2-14	Role of the highest governance body in sustainability reporting	5.1 5		
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GRI Standard	Disclosure	Chapter / Paragraph	Note	Omission
2-16	Communication of critical concerns	5.1 5		
2-17	Collective knowledge of the highest governance body	5.1 5		
2-18	Evaluation of the performance of the highest governance body	5.1 5		
2-19	Remuneration policies	5.1 5		
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2-23	Policy commitments	3.1.-3.2 3 5 5.2	Refers also to Code of Conduct	
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2-25	Processes to remediate negative impacts	5.2 4.2.1 5 4 6 6.2		
2-26	Mechanisms for seeking advice and raising concerns	5.2 5	Refers also to Code of Conduct	
2-27	Compliance with laws and regulations	5.2 5 6 6.1		
2-28	Membership associations	5.3-5.6 5		
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2-29	Approach to stakeholder engagement	3.2 3 5 5.2-5.3		
2-30	Collective bargaining agreements	4.1 4	Only the regions of Italy and Rest of Europe were taken into consideration in calculating this disclosure.	

GRI Module

MATERIAL TOPICS

GRI Standard	Disclosure	Chapter / Paragraph	Note	Omission
GRI 3: Material topics				
3-1	Process to determine material topics	7.1 - 7.2	7	
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3-3	Management of material topics	7.2	7	
GRI 201: Economic Performance				
201-1	Direct economic value generated and distributed	5.3	5	
GRI 205: Anti-corruption				
205-3	Confirmed incidents of corruption and actions taken	5.2	5	Refers also to Code of Conduct
GRI 206: Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.2	5	Refers also to Code of Conduct
GRI 302: Energy				
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GRI 305: Emissions				
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GRI Standard	Disclosure	Chapter / Paragraph	Note	Omission
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GRI 403: Occupational Health and Safety				
403-1	Occupational health and safety management system	4.2	4	
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403-3	Occupational health services	4.2	4	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2	4	
403-5	Worker training on occupational health and safety	4.1	4	
403-6	Promotion of worker health	4.1	4	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	4.2	4	
403-9	Work-related injuries	4.2	4	
GRI 404: Training and Education				
404-1	Average hours of training per year per employee by category and by gender	4.1	4	
404-3	Percentage of employees receiving regular performance and career development reviews	4.1	4	
GRI 416: Consumer Health and Safety				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1 - 5.2	4 5	

NOT GRI DISCLOSURE

SUPPLIER SELECTION		Chapter / Paragraph	Note	Omission
LOCAL COMMUNITY EMPLOYMENT & ENGAGEMENT				
GRI 103: Management Approach 2016				
3-1	Process to determine material topics	3.2-5.3-7.2	3 5 7	
3-2	List of material topics	4.1-5.3	4 5	
3-3	Management of material topics	4.1-5.3	4 5	
STRUCTURAL INTEGRITY & SAFETY				
SASB - Engineering and construction services metrics				
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	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety related incidents	4.2-5.5	4 5	



SUSTAINABILITY



REPORT



2022



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SUSTAINABILITY REPORT 2022



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