



"A matter of head" is the title of the photograph by Giovanni Gastel that we have chosen as our cover for our first Corporate Social Responsibility Report. The photo is part of the exhibition *"Let's Change the Climate!"* hosted by the MAXXI in Rome during Earth Day 2014 and sponsored by Engineering.



C O R P O R A T E S O C I A L
R E S P O N S I B I L I T Y
R E P O R T
2 0 1 3

A matter of head

Betting on genius. Even when it is about images. On human intelligence able to transform the world and to improve it, but also to respect the delicate balances and preserve natural resources that are increasingly precious.

“A matter of head” is the sentence where Engineering’s Vision and Mission converge. The company has been operating for years in our country and in the world to make knowledge accessible and to aid the exchange of information among human beings, improve usability of services and extend the opportunities offered by technology. This sentence strongly confirms Engineering’s approach to Sustainability. It takes “a good head”, intelligence and the ability of foresight to decide to bet on talent and thus give sense and value to our daily commitment to our clients and society.

Engineering has chosen to bet on genius to plan a better, sustainable future, with the awareness that this is the best path to take for growth and development.

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Letter to the stakeholders

It is with great pleasure that we are presenting our first Corporate Social Responsibility report, that illustrates and states the activities carried out in recent years on this topic. It is a privilege and a duty to be able to share it with you in a logic of transparency, but also to enhance the many initiatives, big efforts and resources that we have invested, a sign of our strong, self-determined commitment.

The report is aimed at all our stakeholders and will be an annual appointment for listing our performances, with the aim of increasing the amount of information year after year.

This first edition already contains the most accredited international guidelines GRI-G3.1, to allow easier reading according to a metric that is now common to most large enterprises and can be compared with those of the other players in our sector.

You will find a recurring topic in the common thread of what we imagine to be the story of our being sustainable: modernization of the country.

In fact, we believe that among the various responsibilities that our company holds towards its stakeholders, there is a general one, that is a common denominator and has a decisive impact on the life of many organizations and many people: the responsibility of contributing to social and economic growth in the country through the capacity for innovation, research and economic investment.

In recent decades, we have contributed to the great processes of transformation and computerization of Italian Central and Local Public Administration, of healthcare and of hundreds of industrial companies, of banks and insurance companies and large companies in the telecommunications, energy and media sectors.

We have helped companies to be competitive in the global economy and we have accompanied their evolution with the use of advanced technologies and strategies in the Information & Communication Technology (ICT) sector.

Our corporate mission implicitly imposes upon us the duty of contributing to a sustainable development, creating opportunities and value for our clients that are an important part of the economic and institutional fabric of our country. In 2013, we generated an economic value of over 766 million Euro, redistributed in terms of wealth to our shareholders, our staff and the State through taxation, our suppliers and our country via liberal distribution, maintaining a positive financial result of 39 million Euro.

For us, corporate social responsibility is a new way of seeing the world, but above all is a new paradigm used to integrate our business model and the complexity of our organization according to social, environmental and economic ethics.

To achieve this fundamental goal, we have invested and we have organized ourselves internally to be able to generate value externally.

Our company creates value for its own shareholders with a net profit of 53 million Euro, provides work for 7,283 employees and 3,500 satellite resources by intellectual services, promoting the development of skills. We communicate with partners, clients and suppliers, following the values and principles expressed in our code of ethics and we develop solutions, services and high impact research, in order to modernize the country and the people's quality of life.

The content of continuous innovation and scientific research in ICT is the historical trait of our company, which invested 25 million Euro in research in 2013.

Engineering supports more than 1,000 large clients, to help them be constantly more innovative; this means anticipating the changes in a market that is extremely complex.

This is why we count on the best professionals and young graduates, building a company culture characterized by strong investments in people, training and personal and professional development.

As part of this logic, our training school "Enrico Della Valle" Academy was set up in 2000. It was an ambitious, unique project for Italy, to enrich internal managerial and specialized skills and to create a common matrix of cor-

porate culture, with the training of 4,367 employees and has also been at the service of our clients since 2009.

We believe that talent and passion are the strengths that drive people, organizations and society. It is on this very basis that we have constructed our way of working, to continue growing as a company, as individuals and above all, working for sustainability in our work.

We will continue to renew our skills and experiences, models and capacities for execution and will work alongside our clients to help them face new challenges successfully.

Happy Reading.



Michele Cinaglia
Chairman



Paolo Pandozy
Chief Executive Officer

Methodology note

This year, Engineering has decided to draw up its first Corporate Social Responsibility Report (hereinafter referred to as Report), according to the Guidelines (G3.1) of the International Standard GRI - Global Reporting Initiative. The choice also depends on the growing importance that the Group has taken on nationally and internationally, in addition to the sizable human capital used and the number and quality of stakeholders involved, whether they are suppliers, clients or partners. The Corporate Social Responsibility Report expresses the company's assumption of social responsibility, as defined by the European Union: "Voluntary integration of social and ecological concerns of companies in their commercial operations and in their relations with other parties" (Green Paper by the European Communities Commission 2001).

Engineering's first Corporate Social Responsibility Report refers to data, projects completed and services provided by the Organization in 2013 and reports the main economic and social impacts deriving from the Engineering projects in the world, with a particular focus on Italy, where the company carries out most of its operations and gathers most of its revenue.

The Report also gathers information about foreign subsidiaries in terms of mission, activities, and staff. The GRI Content Index on page 80 shows the standard indicators and their references within the document. Engineering intends to use the Report as a streamline, accessible communications tool that can clearly describe all the Group's most significant activities and the impact on sustainability, with the aim of providing stakeholders with a more complete and precise statement in future years.

Engineering's materiality

Accepting the requests made in the new GRI G4 guidelines, which will be mandatory from December 2015 and which foresee a focus on reporting on material topics, Engineering has started up an internal review process and sector benchmarking to identify the most important topics, in order to draw up this Report.

Engineering's contribution to the modernization of the country has been identified as one of the material topics of the organization that, thanks to its business and the projects carried on with institutional partners, guarantees greater efficiency in the Public Administration and in Healthcare, in addition to contributing to the innovation and internationalization of companies. In particular, as part of Research & Innovation, the main projects and activities were highlighted that have had a positive, direct and indirect effect on the public. The Report also contains the Group's activities and their social, economic and environmental impact, which will be focused on for the matter of materiality and perimeter of the reporting, with a view to the publication of the second Corporate Social Responsibility Report. In reference to the perimeter of the report, the information about the profile and activities of all the companies in the Group, both in Italy and overseas, and most of the data about staff. The goal for next year is include all the information about the subsidiaries overseas, for the indicators that currently refer to the Holding Company or only to Italian companies; however, the overseas companies carry a much lower weight in terms of size, if compared to the holding company's operations and do not influence the representation of data for 2013. The perimeter of reference in the text is shown for each table.

Writing the Corporate Social Responsibility Report

This Corporate Social Responsibility Report has been drawn up according to the Guidelines issued by the International standard GRI - Global Reporting Initiative (G3.1), for both the topics reported on, and for the definition and processing of the performance indicators. The level of application of the guidelines chosen is level C. For this reason, the document was drawn up and reviewed in light of the checklist proposed by the GRI, for the process of self-evaluation and for verification by the GRI technical office, which has controlled the level at which the standard has been applied.

From a methodological point of view, the construction process of the Report has involved all the top

REPORT APPLICATION LEVEL		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures <small>OUTPUT</small>	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Assured	Same as requirement for Level B	Assured
	Disclosures on Management Approach <small>OUTPUT</small>	Not Required	Externally	Management Approach Disclosures for each Indicator Category	Externally	Management Approach Disclosures for each Indicator Category	Externally
	Performance Indicators & Sector Supplement Performance Indicators <small>OUTPUT</small>	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment**	Report	Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility***	Report	Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report

* Sector supplement in final version.
 ** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines.
 *** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines.

levels and sub top levels of management for the collection and processing of performance data and indicators. The work was shared and carried out in collaboration with sector experts, such as General Administration, Finance and Control Department and the General Personnel and Organization Department.

Specifically, more than 20 interviews were initially carried out, that started up the collection of material, the drawing up of a text draft and a repetitive comparison, involvement and revision process, coordinated by the Corporate Communication and Image Department. As the interview was only the initial moment of a long path of reconnaissance,

drafting and validation, the process involved about 50 people, including references and producers of information.

Almost all the indicators brought about specific processing, not previously planned and therefore not automatic. The reconstruction of three-year data was not always easy, as clearly some data needed to be reorganized upstream for the purpose of this Report. Therefore, in some cases (e.g.: LA15 - parental leave) the information available was collected, laying the foundations for adjustment of the indicator and calculation of the rate for future statements. For further information and suggestions, it is possible to contact CSR@eng.it.

HIGHLIGHTS 2013 ENGINEERING

The **first Italian IT** player listed since 2000 in segment **FTSE Italia STAR** of Borsa Italiana

7,283 employees and more than 3,500 auxiliary resources for intellectual services

More than 1,000 large **clients**

7.2% share of the Italian ICT market

About 25 million Euro invested in **Research**

250 researchers over 70 **live projects**
6 laboratories

“Enrico Della Valle” Academy

20,200 man-days provided

300 courses in the catalog

170 certified lecturers

Data Centers

Pont Saint Martin, Turin,
Milan, Padua, Vicenza,
Rome

15,000 servers managed

7,400 m² of ICT space

230,000 workstations
managed

4 petabytes managed

In 2013

Acquisition of
T-Systems Italia,
now **Engineering.mo**

Entry of **One Equity
Partners** at 29.2%
of the share capital

National and international recognition

Presidency of the OW2
Consortium

IBC Special Award 2013
International Broadcasting
Convention

Special mention ICMT 2013

Convergence "IT Driven"
Confindustria Servizi
Innovativi e Tecnologici

Certifications

ISO 9001

ISO 14001

ISO 20000

ISO 27001

CMMI-Dev version 1.3 level 3

NATO AQAP 2110/160

*The Engineering Group
today represents
an excellence
in the Italian System,
the most important
in the Information
Technology sector*

THE GROUP'S IDENTITY

Excellence projected into the future

The organization



The Engineering Group is today one of the Italian System excellences, the most important in the Information Technology sector, with more than 800 million Euro of consolidated turnover, 7,283 employees and 3,500 auxiliary resources for intellectual services, 40 offices spread throughout Italy, the EU, the Republic of Serbia, Latin America, and one in the USA.

Thanks to its international presence, the company produces about 11% of turnover overseas and manages IT initiatives in more than 20 different countries with projects for the industry, telecommunications, finance and Public Administration sectors. It operates in the outsourcing and cloud computing market via an integrated network of 6 Data Centers located in Pont Saint Martin (AO), Turin, Padua, Vicenza, Milan and Rome, managing about 320 clients with an infrastructure that is aligned with the best technological, qualitative and security standards.

The Engineering market comprises medium-large sized clients, both private (banks, insurance, industry, services and telecommunications) and public (healthcare, local and central Public Administration and de-

fense) and also SMEs and small municipalities, to which the Group sends dedicated ranges of offers, for ERP- CRM (Enterprise Resource Planning-Customer Relationship Management) and tax collection, respectively. Engineering is also a leader in the realm of IT research with more than 70 national and international projects carried out in collaboration with a network of scientific and university partners throughout Europe. It is active in the development of cloud solutions and in open source communities, also being the president of the ObjectWeb2 Consortium (OW2). The Group operates in the software and IT services area with a market share in Italy of about 7.2% and a leading position in several vertical sectors, thanks to a wide portfolio of proprietary solutions, from banking compliance (SISBA, ELISE), to billing and CRM in the field of utilities (NET@Suite), integrated diagnostic and administration solutions in Healthcare (Areas), WFM systems (OverIT) and mobile platforms for the TLC area.

The Group's market share in Italy for system integration, application management and outsourcing is over 10%.

The Holding Company's perimeter

The Holding Company, Engineering Ingegneria Informatica SpA, carries out coordination and managerial activities on 13 other companies, has been listed in the FTSE Italia STAR of Borsa Italiana since December 2000 and capitalizes¹ more than 600 million Euro.

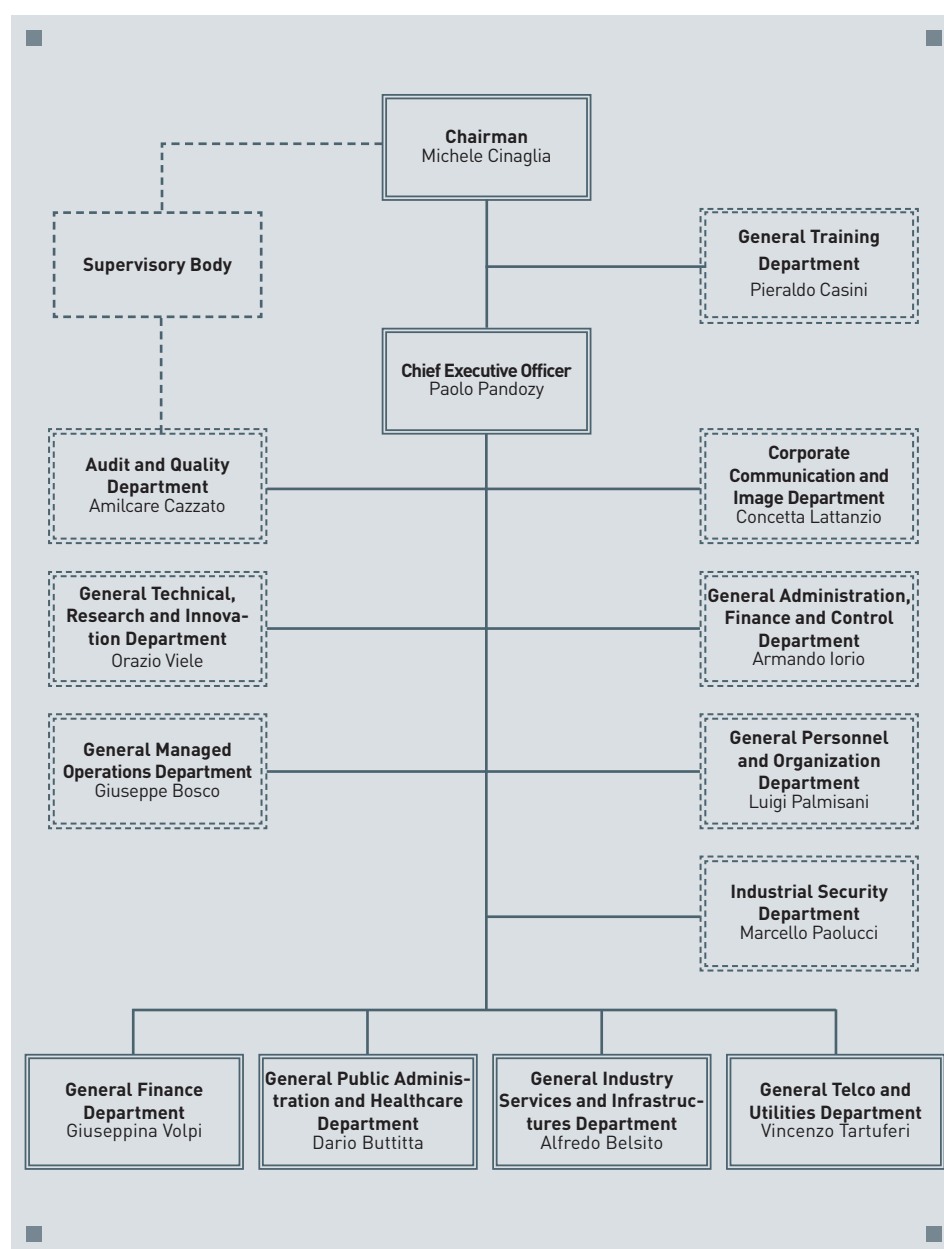
The Holding company's organization model is structured as follows:

- the staff departments offer their services to most of the Group's companies, in order to guarantee efficiency and homogeneity in rules and procedures
- four Directorate Generals oversee the vertical markets (Public Administration and Healthcare, Industry, Services and Infrastructures, Finance, Telco and Utilities)
- the Technical, Research and Innovation Department coordinates execution of software production processes through

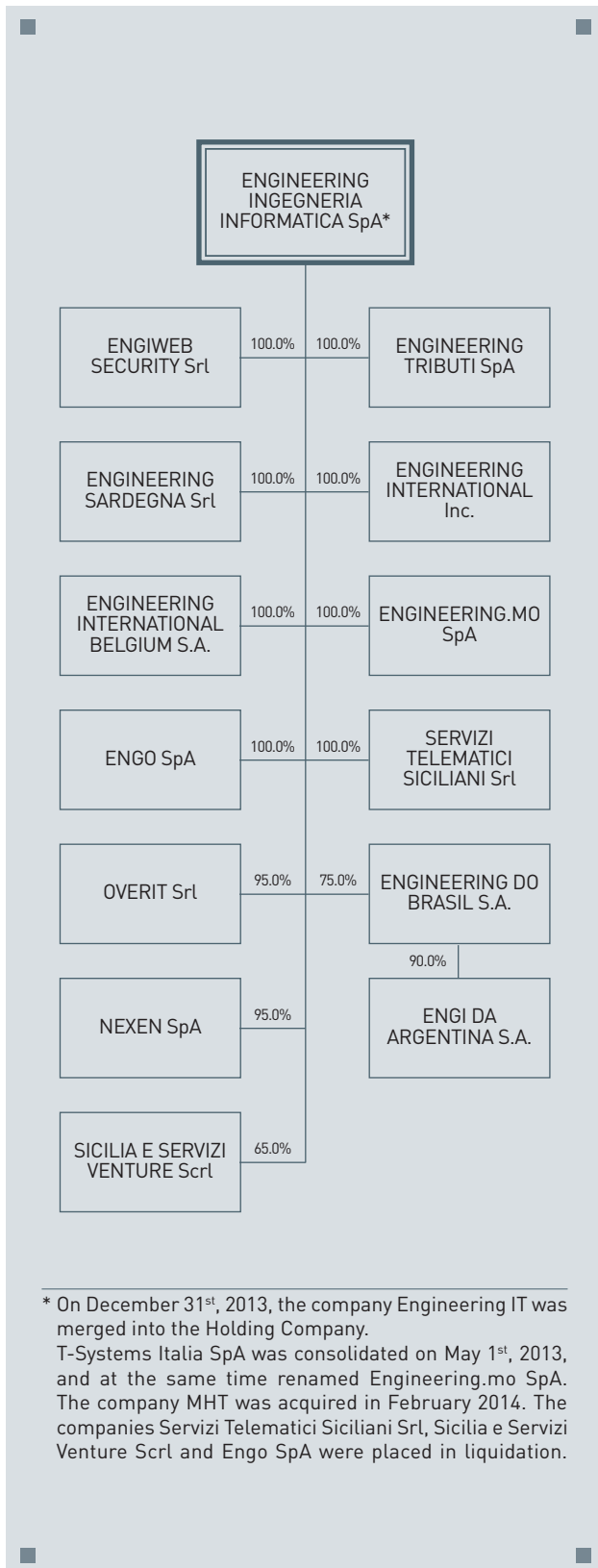
the Engineering Software Labs (ESL), research activities through the Research Laboratories and the development of specialized skills, both technical and application-related, across several markets, through the Centers of Competence

- the Managed Operations Department provides infrastructural services for all clients in the Engineering Group, more than 320 organizations and companies. It operates with an integrated network of 6 Data Centers, an asset of specialized skills, focused on hardware, OS/DB and middleware, app

- the General Training Department, reporting directly to the Chairman, provides professional courses, mainly about ICT, which are destined for the growth of managerial and behavioral skills, two thirds of which are destined for internal Engineering employees and one third for the employees of client companies.



1. On March 13th, 2014



The main subsidiaries in Italy

- **Engineering.mo**, a reference partner for application and infrastructural outsourcing services, offers state-of-the-art technological standards and a thorough knowledge of business processes in the various market sectors.
- **Engineering Tributi**, specialized in solutions for PAL and reference partner for local bodies in the management of inland revenue activities.
- **Nexen**, focused on managerial consultancy and the conception, planning and realization of organizational models to support commercial, management and governance activities in companies.
- **OverIT**, specialized in mobile business solutions, workforce management, sales force automation and Geographical Information Systems (GIS), via the application platform Geocall.
- **MHT** (acquired in 2014), one of Italy's leading companies in the ERP and CRM management systems sector, and a Microsoft partner with Gold ERP status, with a focus on Microsoft Dynamics solutions.

Subsidiaries overseas

- **Engineering International Belgium**, a technological partner for the European Community and active in international organizations and in the public and private market in the Benelux area and more generally in EMEA.
- **Engineering Do Brasil**, with offices in San Paolo, Curitiba, Belo Horizonte, Recife, Rio de Janeiro, and **Engi Da Argentina**, with offices in Buenos Aires, created to support internationalization in markets with high growth potential and development in innovative areas.
- **Engineering International**, based in Wilmington (Delaware) and New York via a Center of Competence for open source matters, for clients and operators who use the business intelligence suite SpagoBI.

History

Engineering was founded in 1980 on initiative from some managers at Cerved, the Chamber of Commerce's IT company, with which close proprietary and business relations were maintained in the early years. Originally, the company's mission lay in the production of application software for the private market, with special attention paid to industry, which was the company's reference market for several years.

The stability of the company shareholders, which has remained practically unchanged for over 30 years, has been accompanied by a strong continuity in management and a series of successful choices. The result of this strategy has been a growth in the market, solutions, of overall importance in the Italian Information Technology scenario, that the historical data of growth bear witness to.

The growth of the Group has not occurred over the years solely due to internal lines, but also via a series of acquisitions that confirm a development strategy that grasps the best opportunities offered by the market: opportunities that do not only mean expansion of the client base but also incorporation of solutions and know-how, and that confirms culture and specific capacities of evaluation and integration.

Corporate Governance

The Corporate Governance system in Engineering Ingegneria Informatica SpA and in the Group is in line with the principles of the new edition of the Self-Discipline of listed Italian companies, promoted by Borsa Italiana since 2011, in addition to the recommendations formulated by Consob and more generally, with the international best practices.

The Group's Corporate Governance system is based on the utmost balance between needs for flexibility and promptness in decisions, the search for the clearest transparency in relations between the different centers of responsibility and external bodies, clear identification of roles and consequent responsibilities.

The Board of Directors, together with the Chairman, the CEO, CFO and Directors, are the connection between the company - people, models, codes of conduct, performance - and the external company, comprising Control and Compliance Bodies, communities of shareholders and stakeholders in general. The Holding Company is the sole one amongst listed companies in the FTSE Italia STAR² segment that has adopted a one-tier system, thus foreseeing that the Management and Risk Control Committee - established within the Board of Directors - is formed by independent Directors only³.

Financial Year	Operating Revenues (millions of Euro)	Profit during period (millions of Euro)	Workforce at December 31 st (units)
1980	0.28	0.09	3
1985	9.2	0.4	306
1990	30.9	0.9	451
1995	74.4	0.3	1,191
2000	182.2	5.3	2,250
2005	388.3	19.2	3,698
2010	758.6	36.1	6,479
2013	822.8	53.0	7,283

2. "The STAR segment of the MTA - *Mercato Telematico Azionario* of *Borsa Italiana* is dedicated to medium-sized enterprises with capitalization of between 40 million and 1 billion Euro, that undertake to observe requisites of excellence in terms of: High transparency and high communicative vocation; high liquidity (35% minimum free float); Corporate Governance (the set of rules that determine company management) aligned with international standards". <http://www.borsaitaliana.it/azioni/mercati/star/segmento-star.htm>.

3. Non-executive and independent directors have the characteristics of independent directors pursuant to paragraph 3.C.1. of the Self-Discipline Code.

Consistency and composition of the Board of Directors*

	2014	2013	2012
Board of Directors (N)	10	11	11
Members of the BoD by type			
- Executive members	3	6	5
- Non-executive members (of whom independent)	7 6	5 4	6 4
Women on the BoD	1	2	2
Members of the BoD by age			
- below 35 years	-	-	-
- from 35 to 44 years	1	-	-
- from 45 to 54 years	2	3	3
- from 55 to 59 years	3	3	3
- 60 years and over	4	5	5

* The data refers to the Holding company Engineering Ingegneria Informatica SpA. The Chairman is an executive member of the Board of Directors.

In Engineering, the quota of independent directors is also higher than that foreseen by article 3 of the Code of Self-Discipline. The company publicly supplies all the documentation regarding its annual report on Governance, Code of Ethics, organizational model, regulations, protocols and prospectuses in the Investor Relations/Corporate Governance section on the website www.eng.it.

CHAPTER 1

CHAPTER 2

CHAPTER 3

CHAPTER 4

CHAPTER 5

CHAPTER 6

*Engineering considers
social responsibility to be
a further tool for creating
value for the stakeholders,
in respect of people,
the environment and
society overall*

**OUR APPROACH
TO CORPORATE SOCIAL
RESPONSIBILITY**

Engineering considers social responsibility to be a further tool for creating value for the stakeholders, in respect of people, the environment and society overall. For this reason, the Group respects and protects the principles of correctness, transparency, honesty and integrity, listed in the company's Code of Ethics, and adopts the highest standards and international guidelines for managing its activities in all the markets in which it operates. This is in the belief that increasing economic performance and consolidation of reputation with the stakeholders must go hand in hand in forming results and image for the company. Also, Engineering's business and mission contain a component of social, economic and environmental responsibility for the public. Many of the activities presume great challenges for the environment, a more efficient and effective functioning of the state and local body fabric, as also the world of healthcare and defense. All these areas have, of course, a special social importance, which Engineering guarantees without betraying the business model set on innovation, research and development and the achievement of goals over the long-term.

The approach to the public sector represents one of the most significant contributions by the Group to the modernization of the country, especially in terms of innovation and efficiency. The knowledge of business, processes and expertise in the IT sector allow the Group to work with the Public Administration, health services, small and medium enterprises and the no-profit world via projects that have the ambition of improving the quality of services and, indirectly, citizens' lives. Thanks to the capacity of working in a network with other realities, Engineering has established strategic synergies that guarantee continuity and the success of projects over time, and involve local realities in the realization of processes.

The high value of people is one of the pillars around which the growth of the company is based. For this reason, Engineering invests time and en-

ergy in the optimization and development of skills, and organizes several initiatives to increase the sense of belonging to the Group and to encourage activities by employees in cultural and sporting fields.

Like the value acknowledged to people, respect of the environment is another pillar in the Group's sustainability policies. This objective is declined through the constant commitment to limit the impact of business, especially of the Group's Data Centers, but also via sponsorship of projects and initiatives that go in the same direction. Engineering is also committed to addressing one of the biggest environmental challenges of all, that of energy, via the high level research on Smart Grids. A complex, ambitious challenge that the Group is continuing together with important European partners.

From an economic point of view, Engineering is committed to the optimization and networking of companies, exploiting new technologies and opportunities for collaboration and placing dialogue with the various stakeholders at the center. The result of this activity should create innovation and employment, support modernization of the country, improve efficiency in the Public Administration and enterprises for a higher quality of life for citizens. Engineering also invests in the communities where it operates, because I believe in the development of territories and people.

Research in academic-scientific, music, art, culture, sport areas and child support in poor countries are the main areas that the Group has supported over the years, via sponsorship and free gifts, also in collaboration with their own employees.

In April 2014, Engineering decided to support Earth Day Italia to underline its attention to environmental matters, especially financing the exhibition *Let's Change the Climate! The Heroes of the Earth*, organized by the photographers of Shoot4Change for Earth Day 2014 (some photos from the exhibition are published in this Report).

The Engineering project for children

Engineering promotes permanent help for children that live in need, continuously supporting the initiative set up by the Franciscan Missionaries to help the community of Sucre in Bolivia. The financial resources destined for this permanent project are needed to adopt children at a distance, to build structures that ensure that those in need have a roof over their heads and water. The Group has created the website www.enginfanzia.it, publicizing it amongst employees and clients, and thus allowing donors to control the progress made through this initiative in real time.



Code of Ethics, the heart of business

The Engineering Code of Ethics is the architrave of shared rules and values that articulates the life and development of business. The Code was approved in 2004 and its rules of conduct are applied to all those who, directly or indirectly, permanently or temporarily, set up a collaboration relationship or operate in the interest of the Group. They are simple but well defined rules that are applied in the carrying out of affairs and in the management of company activities. The Code of Ethics is binding for employees, executive managers, directors, members of the Management Control Committee, members of the Supervisory Body, temporary or continuous external collaborators, partners, suppliers and clients.

It is also an integral and substantial part of the organizational model that the company has adopted in compliance with the provisions set out in Legislative Decree 231/2001, that guarantees:

- periodical revisions and updates in order to make sure that the Code is always in line with the Company's and Group's evolution, in addition to always being compliant with the current laws in force
- adequate diffusion, via publication on the company website¹
- illustration of content and delivery of an updated copy to all newly recruited staff
- periodic program of information and training on the content and meaning of the Code of Ethics
- constant supervision of the correct application of the Code, via the Audit and Quality Department, that has the task of reporting any violations and proposing the corresponding corrective measures
- total confidentiality and professional protection for anyone who finds the need to report any violations of the Code, notwithstanding legal obligations.

The Engineering Group has in fact adopted an "Organization and Management Model" pursuant to the Legislative Decree 231/2001 that governs administrative responsibility for legal entities, companies and associations also without any legal status and ratifies

1. www.eng.it, section *Investor Relations/Corporate Governance*.

the principle by which the legal entities respond, in the modes and terms indicated, for crimes committed by their staff within the company structure, in the interest of or for the advantage of the company (crimes specifically indicated by the decree).

The range of crimes foreseen by the decree in question has increased over the years, requesting periodical review of the model and company protocols put in place to supervise the various activities and aimed at beating the committing of the crimes themselves. The company constantly revises the Organizational Model, helped in this task by the Supervisory Body, the existence of which is ratified by the decree.

Training on the Organization and Management Model 231*

Staff who have received training on the topic of anti-corruption in three years of reports

Division by company placement		
	total number	% of total
Executives	287	91.4
Employees	860	13.1

* Included a specific module on the topic of corruption.

Stakeholders, our partners

Talking to the stakeholders means sharing the tough but satisfying path towards innovation that Engineering has followed since it was founded. It means comparing oneself and giving a shared sense to the Group's mission, combined with the strength of a trusted relationship.

Among the various stakeholders, we can count the following examples of involvement and commitment by the Group.

The Clinical Advisory Board

Engineering's Clinical Advisory Board is a multidisciplinary, multiprofessional work group which health authorities and hospitals (Fatebenefratelli Hospital in Rome, Sant'Andrea Hospital in Roma, Torvergata University Hospital in Rome, The Rizzoli Orthopedic Institute in Bagheria, and the San Luigi Gonzaga Hospital in Orbas-

sano) also take part in, supported by technological skills developed by Engineering in the healthcare sector. The first project addressed by the Clinical Advisory Board concerns the evolution of the AREAS medical records for mobile use, adopting the paradigms of User Experience Design and of the AGILE method. The large product portfolio is integrated by and completed with the process competences in specific clinical, administrative and managerial contexts, as part of the integrated offer for electronic healthcare.

Customer Satisfaction Survey

Customer satisfaction is periodically analyzed through interviews carried out by the Audit and Quality Department. The evaluations obtained are examined by reporting any emerging situations to the production, commercial and technical departments, with the aim of undertaking corrective or improvement actions.

The interview questionnaire, drawn up and containing closed questions in order to guarantee the homogeneity of information gathering, contains 41 questions referring to the following evaluation factors:

- communications, commercial relations and offers
- operational staff
- solutions based on projects/products
- solutions based on ICT services other than managed operations
- solutions based on managed operations services
- overall evaluation of the company
- current activities and critical factors.

For each argument, the interview can state both the importance in relation to the examined context (ponderation factor) and the "score" (degree of satisfaction).

76 interviews were carried out in 2013, 77 in 2012 and 61 and in 2011.

The choice of client sample corresponds to the criteria of representation for the various company divisions, taking into account the business volume realized by each and the possible particular situations encountered in the previous period. 94% of answers are within the area of satisfaction. A figure that stays constant over time.

The stakeholders' involvement, a Group commitment

MAIN CATEGORIES OF STAKEHOLDERS	OUR MAP	THE WAY IN WHICH WE INTERACT, WE LISTEN TO THEM AND WE INVOLVE THEM
Employees	7,283 employees located in 40 branches in Italy and overseas in Brazil, Argentina, Belgium, Republic of Serbia, USA	<ul style="list-style-type: none"> • Internal communication tools (newsletter, intranet, mailing); internal and external events dedicated to employees • Constant presence of the Personnel and Organization Department in the branches
Clients	More than 1,000 national and international clients in the sectors: <ul style="list-style-type: none"> • Local and Central Public Administration (Municipalities, Regions, Ministries) • Healthcare (hospitals, LHAs) • Finance (large banking and insurance groups) • Telecommunications (all the major Italian players) • Energy (producers and distributors of energy) • Industry (more than 450 SMEs) • European and international institutions 	<ul style="list-style-type: none"> • Periodical satisfaction surveys • Continuous relations with our staff of consultants
Suppliers	More than 1,000 suppliers concentrated in the sectors: <ul style="list-style-type: none"> • Instrumental goods (in particular hardware and software) • Management and maintenance of real estate owned by Engineering 	<ul style="list-style-type: none"> • Daily relations with Purchase Department and with company departments for the activities provided. Dialogue with the main associations representing the suppliers • Portal for suppliers on the internet website PAGE (Portale Acquisti Gruppo Engineering) page.eng.it
Trade and sector associations	National associations Information sector, software, ICT	Periodical meetings, preparations and sharing of good practices, participation in work of the technical representation commissions
Financial Institutions	National and international banks and loan companies that fund the Group's main investments	Meetings with top company management
No profit world	<ul style="list-style-type: none"> • Associations for the promotion of the environment • Cooperatives/No profit organizations 	Sponsorships, gratuities, sale of goods or services, projects in partnerships, training and in-company work experience
Trade Unions	Trade unions for the metalworking industry	<ul style="list-style-type: none"> • Collective and territorial contract negotiation • Meetings with company trade union representatives
Universities and research institutes	National and European university and research institutes	<ul style="list-style-type: none"> • Development of projects in partnerships, economic support for research, training and support for the research and development of products • Company testimonials at schools
Media	<ul style="list-style-type: none"> • Newspapers, magazines, national radio and TV • Sector magazines • Newspapers and local radio and TV stations • Online publications 	Contacts on launching important projects, publication of company documents, interviews, events
Partners in projects	<ul style="list-style-type: none"> • Small and large Italian and European countries (e.g. energy sector, healthcare) • European hospitals 	<ul style="list-style-type: none"> • Coordination within projects funded by public European and national bodies • Development of projects in partnerships

LET'S CHANGE THE CLIMATE!

THE HEROES OF THE EARTH

The photographs tell stories of many Heroes of the Earth, with the hope that everyone becomes one in daily life, with their commitment to protecting the territory and people that live in it.

They are the ones that organize or manage health, low impact food production systems, guard the poisoned waste dumps, the restorers of the past that preserve threatened beauties, as far as public administrators, scientists and entrepreneurs led by the principle of the common good.

The stories told express a progressive confirmation of those environmental and social values that are now indispensable for planning to use the planet's resources in a new way.

Pierluigi Sassi, Earth Day Italia

The photos of this portfolio are a part of the exhibition *Let's Change the Climate!*, devised by Pippo Onorati and realized together with Shoot4Change and the greatest Italian photographers. The exhibition is a part of the Shoot4Planet project, born out of collaboration with Earth Day Italia. Engineering has chosen to sponsor the exhibition at the MAXXI in Rome for Earth Day 2014.

A pact of trust binds those who produce and those who consume



■ Taste with your eyes closed

photo: Francesco Zizola

It is Sustainable Agriculture, with its low emissions, the refusal to use synthetic chemicals (pesticides and weed killers) and respect for seasonal cycles, based on the agreement between 15 agricultural companies in Lazio and Tuscany and consumers in the *ZOLLE* network.

"It all arises out of the pleasure of eating good, healthy food, which comes from producers and production methods we know - say Simona Limentani and Ghila Debenedetti, creators of the organization - and are family-run agricultural firms that are the central element of what we call local agriculture by their history, environmental conditions and tradition. The food arrives in homes less than 24 hours after being harvested as the firms are nearby. We know each farmer and breeder. These are small and medium-size realities that adapt to seasonal cycles and do not force growing rhythms and animals' activities that favor the resources, varieties and traditional breeds, cultivated autonomously or exchanged locally. And when you sit down to eat you notice all this!"



■ **Wood as a teacher**

photo: Adriano Cosi

A pair of glasses, a small bicycle, a small car and *Pinocchio*. Objects that have nothing in common except for the fact that they have been made from small pieces of pine, oak and holm oak taken from piles of wood for burning or from residues of pruning. Children from schools in Rome, led by the master carpenter Antonio Venturini, have learned to give new life to blocks and branches, in the learning laboratory "Wood and recovering materials from the woods", organized by *Parco della Cellulosa*, 90 hectare in the northern outskirts of Rome. By touching and being creative, the children learn about wood and trees as the first, ancient producer of materials that have been used for thousands of years to construct items we use in daily life. Playing and handling, understanding how much a branch is different from another in flexibility, hardness, weight, smell or color, let's us understand the value of imagination and re-use.

Using my imagination, with my hands, I grow up





*A garden
is unexpectedly born,
by attacking ugliness*



■ The Green Warriors

photo: Alessandro Zanini

Combating the neglect of green areas via green demonstration attacks: planting, redesigning, or more simply, making more beautiful. Using this philosophy, the Guerrilla Gardening movement, established in Milan in 2006, tries to combat decay, taking back, redesigning and making more beautiful with plants and flowers, borders and green areas that have been abandoned or forgotten in the city. In Bologna, a network of small communities of citizens bears witness to new kinds of relationships with nature in an urban context, forming relations and exchanging knowledge. Among these are *Terre di Nettuno*, that carry out guerrilla gardening in forgotten green areas, Serena and Giusy that have designed Gramigna, a rich online map of alternative green areas, Antonio who, with a group of fellow condo dwellers, has created a hydroponic vegetable garden on the roofs of council houses, Jorge and Giovanni who have started up Senape, a small urban plant nursery in the city center and Antonio who is experimenting synergic vegetable garden techniques in the vegetable garden area of Villa Erbosca.

*One for all,
and all for the community*

■ **Union
is the driving force**

photo: Danilo Colagiuri



Melpignano, province of Lecce. Here, in July 2011, the first Cooperative of Italian Communities was founded, a unique case in Italy. The Cooperative has created a widespread network of photovoltaic systems on public and private buildings in the municipal area: 33 clean energy modules, free of charge. Each member gives a contribution: some offer their own roof, some install the panels or do maintenance work, some design or do the accounts. "This widespread system will work for at least the next twenty years - says Giorgio while walking on roofs - and then our Cooperative is carrying out a new project in line with its own ethics: installation, in association with some neighboring municipalities in Salento, with small structures for distributing drinking water. Together we will carry out an awareness-building program, delivering glass water bottles to schools and families. We know that reusing water bottles reduces packaging and plastic waste at source, with a saving for families. The public need to move back towards the public water system, which has been the first, essential collective asset for centuries and which has now absurdly been replaced by the supermarket".

*Moving towards beauty without destroying it,
moving along the path laid out by our fathers,
preserving it for our grandchildren*

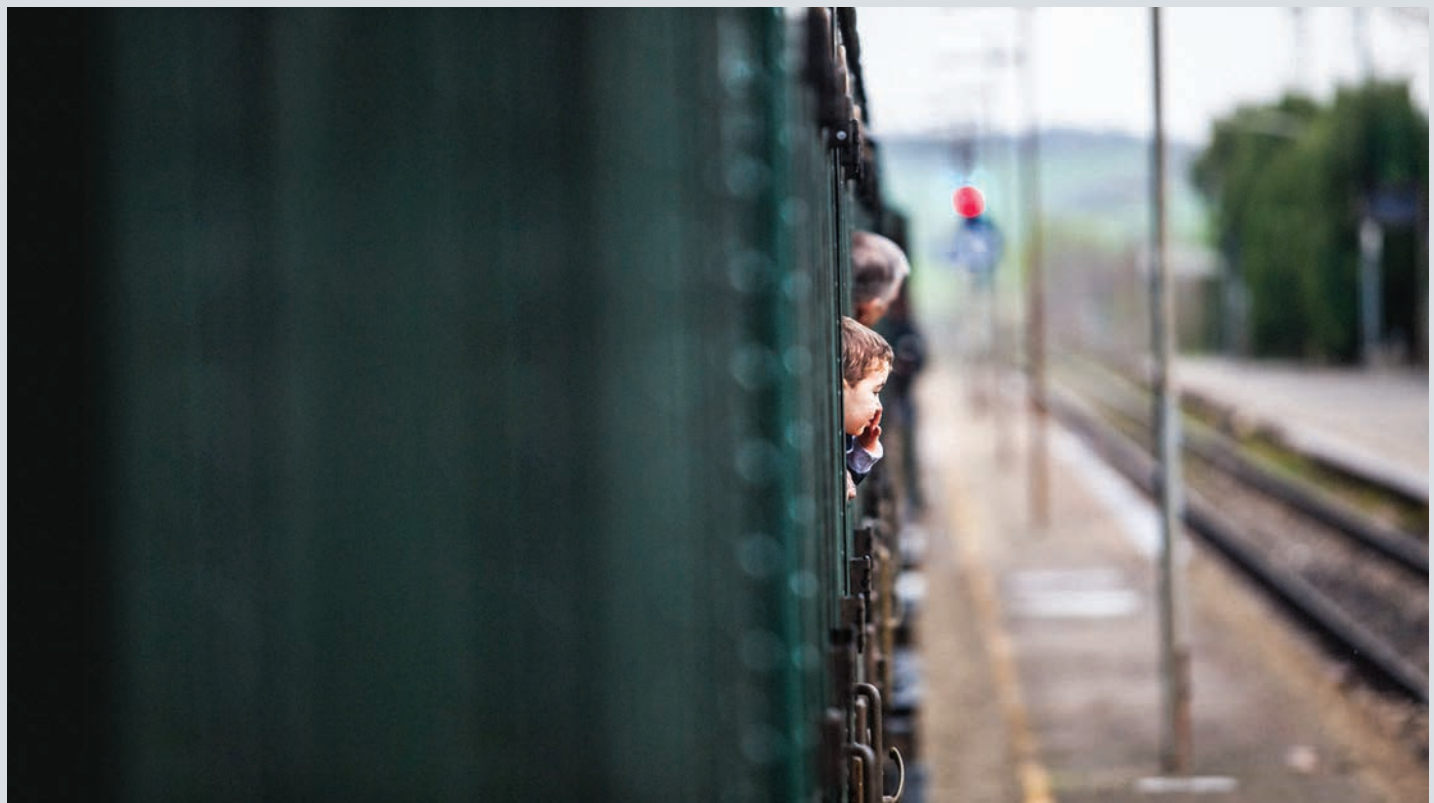


■ The train of dreams

photo: Antonio Marcello



Giancarlo Palazzi and his volunteers are the heart of TrenoNatura: a steam train that takes travelers through the Val d'Orcia, the agricultural hinterland of Siena, in its vintage compartments. The area was included in UNESCO's world heritage sites in 2004 as an "example of renaissance mastery of construction and planning of landscape that becomes an efficient, functional and fair creation in its beauty". The trip lasts the whole day and only has one departure time. Volunteers sell tickets, help the customers and show the attractions along the line that goes from Asciano to Monte Antico. The train departs from Siena and goes through small stations where it is possible to get off and take part in local fairs and events. TrenoNatura continues thanks to the many volunteers and collaboration with Rete Ferroviaria Italiana, Associazione Toscana Treni Storici Italtavopore, Trenitalia and financial support from the Province of Siena and Parco Artistico Naturale e Culturale della Val d'Orcia.



■ Let's learn from donkeys

photo: Ivano laia

Castelbuono nelle Madonie - province of Palermo. Pietro, Antonio, Nuccio and Mario lead their beloved donkeys, Rosa and Stilla, towards the narrow streets of the village to pick up the municipal waste from door to door. The Sicilian village, high on the Milocca hill, was the first in Italy to use donkeys to collect differentiated waste and make the service possible and efficient in the lanes of an old medieval village too. This virtuous initiative, devised by Marcello D'Anna, a veterinary surgeon and currently Councilor for the Environment, and by Serafina Volpe, who leads the cooperative of waste collectors, is totally self-funded by the local people and is a tangible act of sustainability policy. An agreement between local councilors and the population has made Castelbuono one of the Italian municipalities that pay most attention to the environment.



They slowly climb to collect what we no longer need, knowing that the weight they bear in the baskets carries the value of innovation.

We know how to speak the language of flowers and fruit to the earth



■ Farmers by passion

photo: Giovanni Barba

“Planting a seed, see it grow and collect the fruit was something that gave such simple, but long-lasting satisfaction. The sensation of being the keeper of that small piece of land gave me a light sensation of freedom” (Nelson Mandela. Long Walk to Freedom). Allotments of municipal land allocated to the elderly and destined for the production of vegetables, fruit and flowers. These social vegetable gardens are a rather new phenomenon in Italy, but on the increase. L’Ortaccio is one of these: it is a space comprising eighteen allotments, inside the Giardino del Principe in Succivo (CE). The elderly make themselves available to the community and carry out learning laboratories for schools, to pass on the traditional agricultural techniques to the new generations and to experiment new approaches to environmental education and sustainability. At the same time enhancing the value of abandoned land.





■ Weaving legality

photo: Margherita Mirabella

Gioiosa Jonica, in the heart of Locride, the majestic mountains that descend into the blue sea, orange and olive groves. Places of suppression and exploitation of the land, land of the *'Ndrangheta'*. Places where the social enterprises of "GOEL" refuse the *mafia* way of life and its criminal agreements to cultivate biological oranges, to weave eco-ethical fashionable clothes, to create responsible tourism and to respect the generous land of Calabria in a fully legal way. There is "*CANGIARI*", the first Italian brand of high-end ethical fashion, which produces fabrics and garments made only with biological materials and colors, finished off with fabrics made on hand looms. There are the biological "GOEL Bio" farms that oppose the *'Ndrangheta'*, such as "*A Lanterna*" opposite the lighthouse in Monasterace, hit by arson, today more beautiful than ever, or the farm "*I frutti del Sole*" that looks out over Piana di Gioia Tauro and smiles with oranges and green land. "Not only that - says Vincenzo Linarello, president of the GOEL Group - we have communities for minors and psychiatric communities, we welcome immigrants, we have invented *Aiutamundi*, a system for buying and selling without money, and also an ethical communication agency and a national network against infiltration of the criminal world. All this to prove that Ethics is not only right but also efficient".

***Weaving the threads of beauty,
defending threatened dignity,
because violence
no longer makes sense***



■ The restorer of dreams

photo: Roberta Cappelli

There was once an old village, almost abandoned, high up in the Abruzzo mountains, almost touching the sky. Life seemed like it was sleeping, the alleys were empty, it was silent, the stone houses were sound but uninhabited due to emigration. One day, just by chance, a young entrepreneur, Daniele Elow Kihlgren passed through the village. He is the son of builders, half Italian, half Swedish and he fell in love with the place and decided to give it new life. He bought most of the old buildings in the village, including stables and cellars and passionately and resolutely renovated them one by one, with care and respect, without moving a beam, without changing a lock. Using only old materials, local wood, simple mountain furniture and colors faded by time, he brought the houses, streets and small squares back to life. This was the start of the Sextantio Community Hotel in Santo Stefano di Sessanio. Today it is loved for the atmosphere of its stone architecture, the tapestries woven by young weavers and the recipes dictated by the farming calendar. People have come back, called back by new jobs, and can hope they won't have to leave again. It is as if the village has been saved by a renovator of dreams.

Life all of a sudden





From vegetable gardens of war to urban vegetable gardens given by concession

■ The Roman way of working the land

photo: Paolo Fusco

Neglected urban land given over to the art of growing vegetables. Rediscovering oneself and a way of living that seems far away from the city but that is actually part of its foundations. Surrounded by the multiform grayness of buildings, urban vegetable gardens are an important tool for protecting the land by growing fruit and vegetables. The area destined for cultivation is saved from decay or abandonment in this way, redesigned and relived in a dynamic sense of belonging and 360° protection. There are many groups of citizens, who have formed associations and who obtain permission from Rome City Council to manage abandoned land and there are now about 150 vegetable gardens and gardens in the capital city. Some examples are the vegetable gardens belonging to associations such as Insieme per l'Aniene and Orto XII, which have brought together citizens in different areas of the city, who, due to need and also for pleasure, have decided to "return to the land".



*Happy to take your weight
I can feel your unease*



■ Emotions by nature

photo: Riccardo Venturi

"I am a pack animal, docile and tolerant. I can be trained for you, but you have to be patient. Remember, I don't like sudden, unusual and inconsistent gestures and conduct. I want and give harmony. If you climb on my back, you will feel how big I am; I am strong and I have a strong pull. You can touch me and feel my breath, my skin is soft and hot. I listen to your every breath and movement. Riding me, you will learn to know me and you will develop potential: you will be stronger and more attentive. In time, we will become friends and our friendship will teach you to have positive relationships with everyone in the beauty of nature. My equilibrium will thus become yours".

La Collina Storta is not just a laboratory of the senses, with animals for children and youths on the autism spectrum, and is not just therapy. It is a center aimed at the "social well-being" of all people. It also welcomes children and youths with disabilities or difficulties. It helps them improve their quality of life and become autonomous. It is managed by Fabiana Sonnino and Paolo Andrizzi, husband and wife, who work together with the team from Mirjac ONLUS who use their almost 20-year experience to help children in difficulty. *La Collina Storta*, a learning, training, technological and ecological center with a high social value, is always ready to welcome everyone: families, children, youths and the elderly.

*I want to be the protector
of nature's cycles*



■ The custodian

photo: Gianni Berengo Gardin

"As a child, I remember the small green rice plants peeping out of the ponds, around flowering trees and the birds flying up in the sky. There were fountains around the wood, multicolored insects, the smell of the earth and fields. Then, when I suddenly became an adult, I was the lucky guardian and protectors of this place that was so diverse, moving, unspoilt and wonderful. I had become a rice producer, a farmer, a woodman, a careful guard of a complex, fragile and unique environment. I learned not to use harmful chemical products for insects and bacteria and to always leave enough water in the rice fields for them to complete their life cycle. I learned to protect the long rows of fruit trees and not pick the fruit so that there was always enough food for passing animals, and then wait for the natural rhythms of decomposition of organic materials, which is vital nourishment for mushrooms and microorganisms. I know how to protect the large wood, 200 hectares of alders, oaks, poplars and willows, that go up to the old river terrace on the River Ticino. If you stop to look, you will see one of the largest colonies of herons in Italy, and then woodpeckers, golden orioles, owls and tawny owls. My name is Dino Massignani and I am the custodian at the San Massimo Reserve".





■ A matter of head

photo: Giovanni Gastel

A model with a hat made from recycled fabrics. This picture, that portrays one of the creations by Elena Todros and Antonina De Luca, the world of High Fashion, in its continuous innovation and creation by manipulating shapes and colors, reminds us how it is possible, or more so necessary, to change our relation with materials. In the last two centuries, humanity has taken more resources from nature (wood, minerals, territories to be colonized, wild habitats) than it had done in the previous millions of years of its history. This "natural capital" has been impoverished and the planet is now risking collapse to the detriment of future generations. To achieve, and maintain in the long term, a condition of ecological equilibrium, we must change our way of producing and consuming. It is necessary to adapt to the principles of nature where waste does not exist, and everything is re-used in the continuous cycle of life. Reducing and rationalizing the flow of materials that we take from the environment, reusing items constantly using recovery and regeneration technologies, are the main priorities to save the human race and its planet.

***Recycle, recover, reuse,
to take fewer resources from nature and not
transform what we have into waste***



*Innovating
is a complex exercise
that goes way beyond
the limitations
of business*

ENGINEERING'S CONTRIBUTION TO THE MODERNIZATION OF THE COUNTRY

Being part of something important has always been our aspiration, whether it was a project, professional growth or a large, ambitious challenge. Engineering has given and wants to continue to give its own contribution to the growth of the country, the efficiency of the Public Administration, the improvement of community life and that of its citizens. It has decided to do so by making available its know-how, its skills, and its most innovative products. This commitment and this link are confirmed by figures: at least 60% of Italian healthcare is served by Engineering solutions; the Group is present with its own services and support in the main energy, telecommunication, media and utilities companies, in the main banks' accounting systems, in the tax collection systems. More than 1,000 municipalities, including the 10 largest, are served by Engineering services and solutions.

Our future starts in our towns, increasingly large urban conglomerates that only technology can make adapted to man-size. Engineering invests a lot of its own energies in the development of smart cities, cities of the future, with innovative services that increase the quality of citizens' lives through the use of enabling ICT technologies and the introduction of new organizational models. Because technology reduces distances and makes it possible for citizen and State to be close to each other. Through smart government projects, Engineering focuses on supporting the Public Administration in the integration of the mass of information about citizen-institution relations, to increase the quality of services and therefore the qualities of people's lives. Engineering offers municipalities, provinces, regions and ministries a set of technological and organizational skills that range through all areas (healthcare, work, school, tourism, environment, culture, transport...) and processes (accounting and human resources, document management and storage...).

In the private sector, Engineering collaborates with clients in the utilities, telecommunications and media sector and with companies in the industry and services sector, offering solutions to increase efficiency, effectiveness and innovation of several company processes that go from the development of

products to management of the sales force, logistics, automation, management of materials and the use of energy.

In the energy and utilities market (production and distribution of energy, gas, water and environmental hygiene and the petroleum sector), Engineering is the largest national information technology center in the sector: 950 process, product and market specialists, 30 million users in Italy managed by proprietary solutions and a market share that is 20% higher than the entire IT spending on the Italian market.

In this context, Engineering is addressing an important environmental challenge together with other players in the ICT sector, the utilities sector and various actors in the institutional and scientific-academic world. A challenge for integration of ICT in the infrastructure of energy distribution for the creation of intelligent networks (Smart Grids) that allow the use and integration of renewable energy sources in the Italian electrical system.



The engines of growth

Innovating is a complex exercise that goes way beyond the limitations of business. It is the search for an added value that allows the company to sell on the market, but it does so by offering a position of control, supremacy of talent and knowledge that can give its own decisive contribution to the development and modernization of the country.

Engineering has a structural inclination to innovation and among its own competitors, it is one of the few that has had a stable Research and Development structure over the years. The first research laboratory was opened in 1987 and now, in collaboration with companies, universities and national and international centers, can count on 250 researchers, more than 70 projects currently ongoing, 6 development laboratories and a full plan of investments that in 2013 amounted to about 25 million Euro.

The value of research lies in the need to transform the potential of information technology into growth opportunities for its own clients through the intangible instrument of innovation, in a continuous

alignment with the evolution of technologies, processes and business models. Thanks to this commitment, the Group holds the 25th position in the top 50 European countries, operating in all sectors, by capacity of attracting European funding¹, in addition to leading the classification of the IT sector in the industrial sector in Italy for years. Engineering's activities of innovation, research and development encompass various challenges linked to the future of the internet, intended as information system and computing environment on a global scale.

In particular, in 2013, executive projects of the new Districts and Laboratories were presented together with proposals regarding realms of IT applied to different sectors: energy, healthcare, cultural heritage, tourism, e-government.

The consortia set up to establish the new districts and laboratories see Engineering collaborate with the most important scientific realities in the country and with top level industries.

Nationally, Engineering is committed to the matter of business integration, in agreement with European guidelines, on two projects dedicated to the topic of smart cities, an innovation project of document handling processes in the field of justice and in a specific project on e-learning.

The projects set up are of various kinds. Those of a technological realm allow constant updates on the state of the art of the area through an experimental technology laboratory, supported both internally and through funding, also in consortiums with partners. The projects regarding the vertical areas of the market, mainly healthcare, cultural heritage, energy, security (cyber security and solutions for combating cyber attacks or phenomena with a high social impact such as cyber bullying), logistics and also smart cities, which connect to all e-government projects.

In the last two years of strengthening the research-

1. European Commission Fifth FP7 Monitoring Report, Table B6: Ranking of top 50 PRC organizations, published by *Il Sole 24 Ore* on October 23rd, 2013.

production-innovation triangle, an organizational evolution has formed that from 2013, and structurally from 2014, has brought about the formulation of a budget for innovation (alongside the general budget) that determines a close collaboration between innovation activity and the production process.

The close correlation between innovation and market needs is shown in the fact that currently about 80% of active projects concern application areas rather than technological ones, therefore involving the use of the application on the market and enablement of the consequent organizational model.

Internationally, the main effort has been aimed at preparatory activities with a view to the activation of the new European innovation program called *Horizon 2020* with a total budget of about 90 billion Euro. With regard to the other European research programs, an important commitment has been dedicated to the Future Internet and Cyber Security areas that have progressively become two of the main areas of research for the Group.

Trento, European crossroads for the Communities of Knowledge and Innovation: the EIT ICT Labs project

Trento is the base for the new European center of EIT ICT Labs, the network for innovation in information technologies at the European Institute of Innovation & Technology (EIT), in the Information and Communication Technology (ICT) sector.

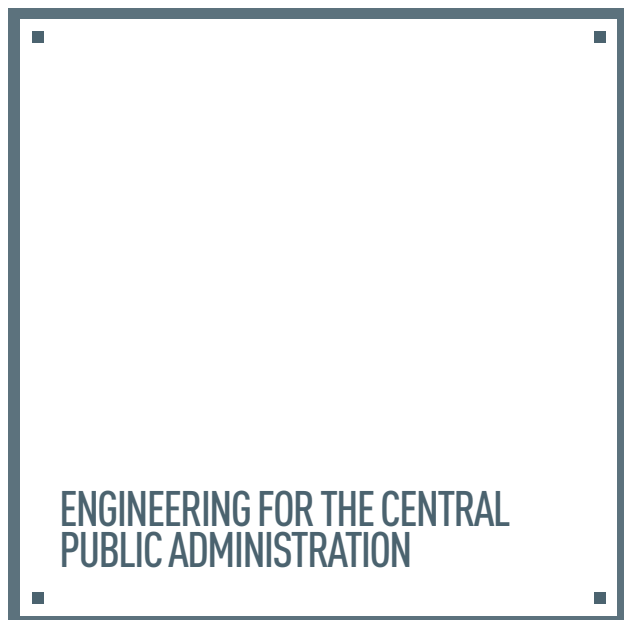
The presence of the Knowledge Innovation Communities (or KIC) places Trento and Italy amongst the main operational centers of the project, with sites already operating in Berlin, Eindhoven, Helsinki, Stockholm and Paris, reference points for leading countries of ICT innovation and training in Europe.

The center of Trento is dedicated to the Information and Communication Technologies sector and is called EIT ICT Labs. The center has succeeded in being the Italian reference center (so-called co-location center), bringing together, in the new structure named EIT ICT Labs Italy, several academic, research and industrial

partners such as: the Engineering Group, Telecom Italia, TrentoRise, Centro Ricerche FIAT (CRF), STMicroelectronics, the Italian National Research Council (Consiglio Nazionale delle Ricerche - CNR), Milan Polytechnic, Turin Polytechnic, the University of Bologna, Sant'Anna High School in Pisa.

The project is a part of the institutional picture of the Istituto Europeo per l'Innovazione (European Institute for Innovation - EIT), the most ambitious initiative launched by the European Commission in the field of technological innovation via research, innovation and training. The aim of the project is to reestablish relations between research, the economic-entrepreneurial world and training, for a virtuous integration that creates added value simultaneously in all three sectors.

The EIT ICT Italy offices are inside the University of Trento and will house 300 researchers from partners currently setting up in the area, when fully operational. The Consortium will benefit from European funds that are dedicated to project that will allow innovation processes and competitiveness among the subjects involved to be speeded up.



Our knowledge at the service of the citizens

Thinking about the State means thinking about ourselves, as developing the public machine goes hand in hand with that of each citizen. This is why Engineering has accompanied and supported change in the Italian Central Public Administration for over thirty years, staying close to the central and local governments during technological and organizational innovation.

On this path, the Group has maintained its role as strategic partner in the design, realization and evolution of information systems linked to the different management and thematic realms that cover a “key” role in the functioning of the country. Thorough knowledge of the workings of the “public machine” and functional competence together with the Group’s technological innovation capacity contribute to the evolution of the main information systems that regulate the country’s life, as for those for public finance, healthcare and justice.

Application cooperation, dematerialization of procedures, sophistication of cognitive and decision-making analyses are some of the topics that characterize progressive evolution of these information systems, in line with the deep-rooted organizational and leg-

islative innovations that accompany the Public Administration.

For a more efficient State

Nationally, Engineering collaborates regularly with the Ministry of the Economy and Finance (MEF) on fundamental finance and public accounting systems, and personnel management with the Court of Auditors and several other Bodies. The company also offers its contribution to the Ministry of Justice and the State Council, in particular on online and cooperation services.

The Group works alongside the Public Administration as a partner for the Authorities, such as the Authority for Supervision of Public Contracts (AVCP) and Consob.

The contribution in innovation that Engineering can offer to the Central Public Administration is particularly well-received in areas where the national public system meets the citizen’s demand, and therefore in pensions, via projects aimed at changing consolidated operational modes (e.g. the System for managing IT Protocol and document management at INAIL), and at the Ministry of Economics and Finance, where Engineering has carried out projects such as the IT System *IGRUE*, for the efficiency and transparency in financial relations with the European Union.

On a cultural level, the development of SAN, Sistema Archivistico Nazionale (National Archiving System) for MiBAC is important, dedicated to the diffusion and rationalization of knowledge and information about Italian archive heritage.

The IGRUE project

IGRUE is the inspectorate that, within the State General Accounting Office, manages financial relations with the European Union, with ownership of the Rotation Fund. The *IGRUE* Information System, created entirely by Engineering, supports the Inspectorate in carrying out all the institutional activities that it is responsible for and is an integrated system, behind which the vertical business applications interact via transverse support applications. The *IGRUE* Informa-

tion System is a tool of efficiency and transparency in financial relations with the European Union, that guarantees the following business applications:

- financial management is the heart of accounts operations that, by acting through current accounts opened at Banca d'Italia, allow *IGRUE* to take part in the EU Budget formation and to issue the EU and national joint-financing share for the programs managed by Italy
- monitoring of implementation data that represent the tool for controlling the efficient and effective use of the financial resources issued. The data for the projects realized with EU and national funds, coming from the information systems of administrations running the programs within which the projects are included, are gathered together, subjected to quality controls and made available for the institutional obligations towards the European Union and to feed other national databases
- monitoring of controls supports the Administrative processes concerning the topic of controls on jointly-funded projects both locally and at national level, rationalizing and systematizing control data collection, its validation at various levels, exposure of results and opinions to the EU via the institutional obligations foreseen by regulations.



A local body can become smart

Implementing the Digital Agenda, transforming proposals and algorithms into real services available to the citizens: this is the most difficult challenge that Engineering has chosen to face together with the Local Public Administration. A challenge fought together against the temptations of conservatism that the Group faces by supporting local bodies. An integrated proposal of services, consultancy and software solutions are born from this vision and global competence of the local PA's needs, as a support and realization of each IT project, ranging from a single vertical information system to development strategies for smart government and smart cities.

According to the Engineering approach, smart cities are built on the basis of the centrality of the user who accesses all local public services in a unique way, digitally or via multichannel modes: both for exercising digital citizenship rights and for the simplification and ease of company activities

In the local Public Administration market, the Group can now count a high number of large clients (municipalities, the City Councils of Rome, Milan, Bologna and Naples; the Lombardia, Veneto, Emilia-Romagna, Lazio, Campania and Sardinia Regional Councils) for which it has realized and manages 150 sizable proj-

ects thanks to its more than 500 resources exclusively dedicated to them.

Engineering also boasts acknowledged excellence in the management of local taxation, based on services and systems aimed at growing the citizen-Public Administration relationship and at the same time improving the revenue for bodies with maximum efficiency and fairness. This service ensures valid support for the Public Administrations in preventing tax evasion and today there are several municipal councils that use the Engineering solutions for spending control, revenue management and correct functioning of tax services, to guarantee funding of local public services. By setting up a Records office for Local Services and Taxation, Engineering helps the local body to achieve three fundamental objectives: fiscal equity, planning and control of economic and human resources, the possibility of placing the citizen at the center of the system, providing services and aiding fulfillment of obligations. The last goal is to prevent tax evasion rather than pursue it, placing the municipalities in the condition to tell the citizens about how much tax they must pay. Lastly, Engineering contributes significantly, via commercial direction and aiding dialogue between administrations, to the diffusion of the reuse of technological and organizational solutions for innovation. This mode speeds up the introduction of innovation in various local bodies, thanks to the acquisition of administrations' results (best practices) by the bodies that can destine funds to innovation on borders, thus saving money thanks to the expertise of the others.

The Firenze Mia Project

A mini mobile hub for e-government, an advance in relations between citizens and administration, a useful tool to make a city easier to live in. All this is *Firenze Mia*, the application promoted by Florence City Council and realized by Engineering to aid communication with the citizens.

The application allows services to be provided online and offer bodies the possibility of adding new content to the citizen's personalized civic network and the op-

erator's desk. The services are activated and configured freely by the user according to his needs and are issued via web application or via Apps that can be downloaded from the App Store or Play Store. The administration responds with personalized content on the citizen's profile, also proactively, providing services and information that is not yet requested by the user. The application therefore allows greater direct dialogue, not mediated, between the person and the local administration, in all the phases of body-user relationship.

Citizens can find institutional information connected to the council, via the functions *My folders, my deadlines, my undertakings, my administrative data and my property data*, and in relation to the city, using the function *My territory*. The city residents, once accredited, can access a number of profiled services that are freely configured according to their own preferences and interests.

The project Living Lab and Puglia@Service

Making the citizen the protagonist is the first goal of the project *Living Lab* which, through radical innovation in conception, planning, realization and issuing of services, provides a central role to the final recipient of the services.

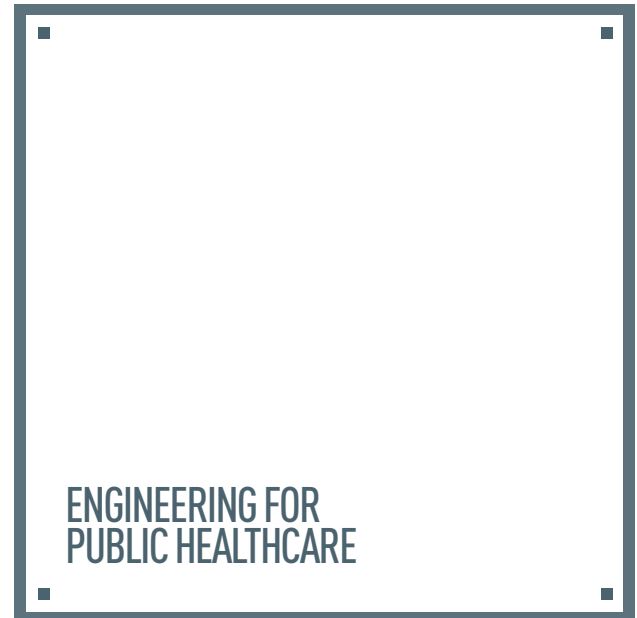
This comes under the projects of design, development and deployment of innovative services created by Engineering for tourism and Public Administration and aims at the conception and refining of a strategic, internet-driven, organizational and technological intervention, aimed at innovation for services for sustainable knowledge society.

To realize this innovation, a method had to be applied as created in the MIT (Massachusetts Institute of Technology) laboratories borrowed by European countries, characterized as user-driven open innovation and encoded as *Living Lab*. The new formulations concern the definition of a set of methodologies and technologies for services engineering generated starting with a next generation service model designed to meet inclusion, participation and customization needs.

In fact, starting with the involvement of all the main play-

ers in the innovative/productive reference system, a reciprocal sharing of resources, goals and results has been activated. This virtuous approach, exploiting synergies from the interaction of all the stakeholders involved, allows solutions to be created, whether products or services, that are qualitatively better, more efficient and more sustainable. This clearly translates into an allocation of more targeted resources.

Puglia Smart Lab is the *Living Lab* by *Puglia@Service* (a Dhitech project admitted by the Ministry of Education and Research for funding provided for by PON REC 2007/2013) coordinated and directed by Engineering. Since 2013, *Puglia Smart Lab* has been a part of the European Network of Living Labs (ENoLL: European Network of Living Labs) and carries out activities in Puglia, taking part and organizing several public events that have increased visibility, and also arousing the interest of different categories of stakeholders such as public bodies, enterprises and administrations that have started up, and in some cases formalized, the adhesion processes to the *Living Lab*. There are currently more than 25 partners in the initiative. Only six months after adhering to ENoLL, *Puglia Smart Lab* has created and expanded its network of relations considerably, via the organization and participation in national and international events, placing itself as the reference point in the area for all players inclined to develop co-creation processes for innovative ideas. The project aims to create a new service culture that, starting in the regional territory, marks a discontinuity in the traditional development models of the area, guiding the transition of the Region of Puglia towards the so-called "smart territory" paradigm, intended as a multiplayer system capable of maximizing the innovation and management capacity of the present actors' knowledge assets by preparing a suitable technological and digital infrastructure, innovative capacity and management of assets of knowledge belonging to the players present. To achieve this goal, the project includes classifiable results such as the innovation of process, models, new formulations and innovative products.



Healthcare with a human face

The national Health Service is one of the pillars of welfare, the complex architecture of social support that represents an advantage for Europe and Italy. The risk today is that the health services loses its efficacy in responding to citizens' problems for an infinite series of causes, that go from reduction of public funding budgets to the multiplication of the services requested.

One essential road for helping the natural reduction of costs and together with greater efficiency of the system is that of innovation. Engineering is Italian healthcare's historical partner, and the first operator in the ICT sector, a market where it works with the aim of improving quality of services and making it safer, more efficient, more effective and accessible by all. Engineering is the first national center for an integrated offer of products, services and consultancy for electronic healthcare, with a presence in 60% of the Italian healthcare organizations (more than 170 clients and 500 dedicated resources) and twenty years' experience at all levels of healthcare governance. Engineering's support for the Italian healthcare service includes the entire organizational process, starting with the Ministry of Health's NSIS, and continuing with regional electronic healthcare

projects, and supporting local health authority (ASL) and hospitals.

This area of intervention concerns the use of technologies for improving citizens' health. A purpose that is obtained by planning and making operational architecture for the integration of healthcare processes, management, integration and evaluation of healthcare data, extraction and analysis of big healthcare data, increasing the citizen's control over the use and privacy of his data, innovative monitoring, prevention and prediction services.

AREAS, an H-ERP (Healthcare Enterprise Resource Planning) platform, is at the center of the application offer for healthcare, designed in web technology, exclusively thought for answering the needs of health organizations in hospitals and in the local area. The platform is an aid for carrying out and integrating clinical and administrative processes, born from the Group's healthcare development laboratories and has become the market's best brand.

During the current year, an important investment has been started to redesign the H-ERP platform, that will bring about the birth of AREAS 3.0 and will have the sector for supporting Transfusional Medicine (Blood Bank) via the ELIOT 3.0 solution as the first released on the market.

The *Dovesalute.Gov.it* project

Realized together with Engineering, the project has been created with the aim to simplify access to healthcare services, respond to the EU Directive on cross-border healthcare assistance and aid citizen participation via the use of interactive tools.

The new Ministry of Health web service allows citizens to have a single access point for information about services and activities for the best choice for the best healthcare structure. Searches are by keyword (e.g. by hospital area, machine, disease...) or an area search, or directly type in the name of healthcare facilities. The result of the search immediately provides the most useful data, entered directly by the healthcare facilities, such as contacts and main information about the structure. It is poss-

ible to arrange the list of results according to evaluations of the facilities/services that have been entered by citizens, and comments left can also be read. The archive of registered facilities is constantly growing, starting with the research-based hospitals (IRCCS), and then moving on to other types of healthcare facilities: hospitals, outpatients' departments, pharmacies, family doctors, emergency medical services, pediatricians, family clinics, rehabilitation centers and palliative care centers.

The *SMART HEALTH* project

Healthcare also needs a large container of information that can make the entire system more efficient. The goal of the research project *SMART HEALTH*, carried out with joint-funding from the Italian Ministry of Research, is to create a technological infrastructure that can integrate the various healthcare services for the citizen/patient, sharing all the medical/healthcare information on the second generation Electronic Healthcare File. In addition to the technology infrastructure, the project will develop several services, also on mobile devices, working at various levels to improve the capacity to control diseases, thus reducing the frequency of admittances to hospital and the duration of sick-leave from work.

The project improves integration between territorial facilities and hospital facilities, thus reducing the costs of healthcare assistance.

The *I-DONT-FALL* project

The integrated falls, preventions and detection solutions platform, integrated with hardware and software components and processed by Engineering, is aimed at preventing and detection of falls in elderly patients or those especially subject to this type of risk.

The project is supported by a 15-member consortium from all over Europe, coordinated by Engineering which also contributes with its solution AREAS. The technological partners in the project will provide their innovative solutions to be integrated into the new platform which will then be tested by several healthcare organizations on 500 users from different countries,

cultures, age groups and fall risk factors.

The platform will allow personalization of ICT solutions for the detection and prevention of falls according to the needs of target groups and relative risk factors. Basically:

- the patients, who will be over 65s, will have use of new generation sensors and walking aids that are suited to their needs for detecting and preventing potential falls
- doctors, healthcare and assistance facilities will have control panels and tools for monitoring (also in remote mode) patients' behavior, using the data transmitted from the sensors and walking aids used by the patients, in order to intervene and personalize care according to the patient's needs.

The *I-DONT-FALL* solution will contribute to extending the time that the elderly can live autonomously in their houses, improving the quality of life and that of their families.

The MC3-CARE project

Placing the citizen at the center of a new healthcare eco-system, via the collaboration and sharing of information that allows essential services to be offered to people. This is the objective of the research project Mobile Continuous Connected Comprehensive Care, realized by Engineering thanks to joint funding from the Ministry of Research and Education (MIUR).

The plan foresees the realization of an integrated technological platform for recording, synchronizing and sharing data and to access information about health and lifestyles. The service will be available on the move, combining all technological, economic and social aspects in play. The model proposed by *MC3-CARE* is therefore not only aimed at citizens-patients but is also open to all those people who want to improve their relationship with their own health and simplify and speed up interactions with social and healthcare institutions.

TELECOMMUNICATIONS AND ENERGY FOR A MORE MODERN COUNTRY

Winning the energy challenges of the future

Energy is the fuel that moves the cogs of our development. A fuel linked to nature and its resources that we cannot throw away or waste. From here the absolute importance of steps taken in terms of renewable sources (Photovoltaic, wind power, bio mass) as part of the European Plan 20-20-20, on energy efficiency and on climate change, to be realized without 2020.

Engineering has worked for several years in designing and realizing innovative solutions for Smart Grids (intended as intelligent infrastructures, enabled by innovative ICT applications, in support of the Smart City vision. These technologies are able to combine freedom of individual conduct and system efficiency, integration with distributed energy resources and security of supply, priority use of renewable sources and programming of network conditions.

In the Oil & Gas sector too, Engineering has consolidated several partnerships, with the sector leaders and with several institutional players and the academic-scientific world, to develop strategic initiatives together that favor the deregulation of the energy market.

The *Finseny* project

Engineering works with ENEL.si, Telecom Italia, Telefonica, Alcatel-Lucent, Siemens, Ericsson and other important international companies to realize the *Finseny* (Future Internet for Smart Energy) project.

The initiative is part of a scenario in which the need to produce electrical energy that can intelligently integrate all the manufacturers', consumers' and prosumers' activities is becoming increasingly urgent, in order to manage to distribute energy efficiently and sustainably, also from an economic point of view. Through the development of architectures and the definition of reference industrial standards, *Finseny* contributes to the realization of the so-called smart grids, the new generation energy networks.

In particular, *Finseny* defines new scenarios for energy consumption (intelligent buildings, electrical machinery, energy marketplaces) and innovative services for controlling, monitoring and communicating which can satisfy the need to balance demand and supply of energy in the grid, characterized by a growing share of "green" energy.

The *Finesce* project

Finesce-Future Internet Smart Utility Services is a European project which experiments the application of new IT technologies in the management of energy resources and is part of the so-called Smart Energy System.

On its part, Engineering deals with realization of the energy marketplace, designed to be a joiner of players and services that can negotiate energy prices and resources on the basis of dynamic negotiations between demand and supply, a kind of energy stock market.

This will all be experimented in the area of Terni, that has invested much in the project *Finesce* and in the adoption of Smart Energy Systems as part of an innovative strategy that aims to transform the city into a Smart City.

Via the use of innovative communication technologies and Cloud infrastructures, it will be possible to integrate the traditional distribution networks with re-

newable resources and with the domestic micro-networks, thus allowing the traditional energy systems to be developed towards more dynamic, more efficient and above all more sustainable ecosystems, the so-called "Smart Energy Grids".

The European project foresees the realization of pilot eco-systems in seven different countries of the Union, where energy resource suppliers will be transformed from essentially reactive players regarding the demands for consumption, to more proactive managers in the general economy of the energy ecosystem. In this scenario, the traditional energy consumers can also become suppliers of energy resources.

The *Ingrid* project

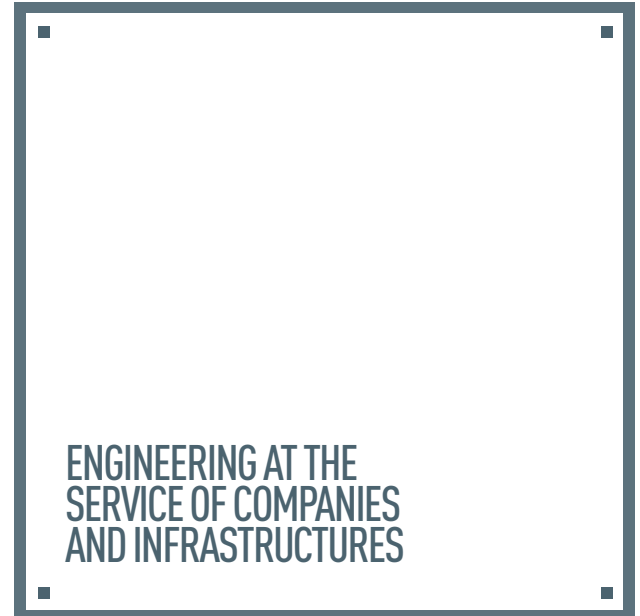
How is it possible to increase efficiency in electrical energy production by at least 20% in the presence of considerable production of renewable sources? The answer is *Ingrid*, the High-Capacity Hydrogen-Based Green-Energy Storage Solutions For Grid Balancing project, coordinated by Engineering and led by a European research consortium that foresees the realization of an electrical energy storage system based on the use of hydrogen and completely controlled by an ICT platform of management and balancing of electricity (Energy Management System).

The main innovation is combining technologies for using hydrogen stably and safely, with adaptive ICT management, monitoring, control and real time balancing technologies for the production and demand of energy in intelligent electrical grids (Smart Grids).

As a prime contractor, Engineering has responsibility for the full life cycle of the ICT Energy Management System platform, from collecting the user requisites to designing the architectural solution, up to development, implementation and interconnection with the IT systems of Enel Distribuzione, partner in the *Ingrid* project.

In particular, the Energy Management System will have the task of appropriately managing relations between all the sub-systems (Renewable Sources,

Electrical Grid, Green Energy Storage, and Electrical Mobility) and immediately re-directing energy peaks from renewable sources on the Smart Grid and/or on the electrical mobility sub-system.



Innovation to be more competitive

The thorough transformations in act in the national and international economic fabric are modifying the needs of enterprises: efficiency and effectiveness of company processes have become imperative for achieving a better economic result.

Engineering provides System & Business Integration services for more than 450 companies in the industry, services and infrastructures sector.

The Information Technology services, consultancy and solutions developed by Engineering offer an important contribution to companies who are trying to improve performance in the most important phases of the value chain. A support of value, guaranteed by intervening on the efficiency of sales and marketing processes, innovation of processes and products, planning of applications for factory automation, management of internal, process and material logistics, energy management, optimization of Information Technology costs, project management, better personnel management and of course, more efficient management of company assets.

The offer of skills is structured into solutions separated by product sector and gathers and optimizes skills, experience, models and technologies specialized in resolving a multitude of company needs,

both in Italy and overseas, in order to accompany enterprises in globalization processes. This range of interlocutors and needs allows companies to have a portfolio of cross-market skills that allows them to generate innovation and provide better efficiency to Engineering's offer.

The company has accepted these transformation by activating a better strategy in its way of operating; the 440 professionals with functional roles were helped by a dedicated Business Consulting unit, made up of process specialists. Via this unit, which is cross-market, Engineering sets the goal of improving its clients' capacity for comprehension: this allows more efficient support for the ICT functions, as the demand generated by the business functions acquires increasing importance in companies and the understanding of vertical markets allows improvement of a client's technological choices. Alongside this, there is the new offer of services of IT Governance, ICT Cost Optimization and Project & Portfolio Management addressed at the CIO and the offer of Application Selection services aimed at the business interlocutors.

One important role in the industrial market is played by Facility Management and Data Center Outsourcing (cloud computing, application-as-a-service and infrastructure-as-a-service) services, that allow a better control and reduction of operational costs and investments for companies, and also a simplification of managerial burdens and availability of a modular processing capacity.

Special undertaking is invested in research and selection of state of the art solutions in technological terms, which can provide a real competitive advantage with clients, such as big data, digital marketing and CRM solutions, and MES applications, GIS solutions. while mobile.

The BIVEE project

BIVEE is a European research project that aims to develop a service-oriented platform, for management of the innovation and cooperation process for small and medium enterprises. Inside, topics of

open innovation and continuous improvement of production phases in a view of shared development between different enterprises are handled, in order to optimize management of information, knowledge and resources, translating them into competitive advantage. The aim is to combine the main players capable of relaunching competitiveness of our production system, making innovation the qualifying factor. For this project, Engineering is in partnership with six European subjects and three Italians (CNR-Iasi, Loccioni Group, University of the Marche).

The Agrevolution project

Agrevolution is busy realizing an innovative ICT platform aimed at providing services for the aggregation and integration of production process in enterprise networks. In particular, the project will be able to offer innovative services at three different levels: aggregation of enterprises into networks, management of networks, evolution of networks.

From a technological point of view, the platform proposes implementation of innovative technologies in the realm of architectures oriented at services. In addition, *Agrevolution* promises a technological evolution of web services, web 2.0 technologies, artificial intelligence, smart systems, data mining, automatic text analysis and business analytics. The ICT platform is an aggregation element free of territorial dynamics that will allow the creation of virtual collaboration networks, increasing the competitive capacity of participating enterprises. The potential consequences for the process are in terms of access to new markets (globalization), recovery of efficiency and negotiating power via aggregations into purchase and sales groups (e.g. in relation to Mass Organized Distribution), development of new projects, products and services, creation of new brands (collective trademarks), launch of new distribution channels, integration of logistics.

The *Ecomouv* project

The French government approved a law in 2008 to discourage use of polluting transport systems in favor of more sustainable means, via the establishment of a tax the proceeds of which should be used mostly to fund new initiatives in favor of sustainability.

Ecomouv is a taxation system for heavy goods vehicles of more than 3.5 tons on the French road network, proportional not only to the vehicle's polluting characteristics (power, number of axes, EURO class), but also based on the kilometers actually traveled.

Thanks to the development of a satellite technology that is state of the art on a European scale, Engineering and the *Ecomouv* Consortium have won the tender contract. In fact, Engineering has designed a particular GPS positioning device (on board unit) that can determine the route traveled by the vehicle and send it by GSM/GPRS cell network to an information system, that calculates the tax due and collects it via a safe payment method (prepaid deposit or credit card).

The *Collect* system distributed to owners of heavy goods vehicles and the Consortium's Management Information System were realized by Engineering. *Collect* has configuration functions that allow it to memorize rates for the various stretches of road in question, collect data in real time from the various OBU (more than 500,000 transactions/second) and calculate the tax due for each vehicle in advance.

The *Ecomouv* system, already tested, is awaiting the final go ahead from the French Government.

ENGINEERING SUPPORTING THE BANKING AND INSURANCE SECTOR

Banks and insurance: a new way for finance

The duration of a complex economic period has forced and is still forcing financial institutions to favor the search for organizational and infrastructural solutions that allow a combination of evolution of services offered with the optimization of costs. In this light, the investments referring to areas that contribute more to making processes efficient are priority.

Also, the financial sector is characterized by the maturation of important new legislation, regarding the alignment to Basel 3 requirements, adaptations of a fiscal and accounts nature and the evolution of European directives.

Engineering realizes integrated services for the banking and insurance market and has more than 170 of the main national and international banks and insurance companies in its client portfolio.

Over the years, the company has developed its own vertical business skills and products, and can now provide excellent services starting from the strategic context to operations. In a sector where attention to limiting costs is now a priority and increasing, the solutions realized by Engineering allow progressive results of efficiency to be achieved. In the banking area, Engineering is a state of the art player with a full offer that goes from widely diffused solutions/products,

with peaks of 80% penetration in Italy in governance and compliance sectors, to the realization of complex projects and the provision of qualified consultancy services, also for the most demanding clients.

In the non-banking financial area, Engineering is a partner that can combine a streamline, fast, flexible approach with a complex offer that can support strategic plans for small-medium companies, that operate in a fragmented market that is characterized by strong competitiveness, high inclination towards outsourcing no-core activities and constant research for innovative and performing solutions, that facilitate the development of business.

In the insurance area, Engineering concentrates on management of portfolio of damage and life insurance policies, technical accounts and accidents. Also, the offer also provide specific solutions for the compliance sector for the keeping of insurance register and for managing anti-laundering and complaints, in addition to solutions dedicated to estimates and integration with mobile devices.

*At December 31st, 2013
Engineering has generated
more than 766 million Euro
of distributed direct economic value,
an important contribution
to the wealth and economic
development of the country*

THE ECONOMIC VALUE

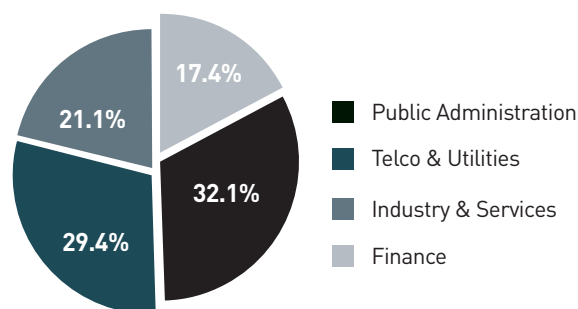
2013: growing results

2013 was an important year for Engineering as - although in an extremely difficult, competitive market - especially positive economic and asset results were achieved, that can be summarized as follows¹:

- operating revenues that for the first time, in more than 30 years of the company's history, exceed 800 million Euro, with an increase of almost 7% on the previous year
- an important growth in the industrial margin, with the EBITDA that exceeds 100 million Euro, a growth of almost 9% on the previous financial year
- a growth in net profit that reaches 6.6% of net income and an absolute level that represents the best historical result for the Group. It is 53 million Euro, with an increase of 25.7% compared to the previous financial year
- a net equity that amounts to almost 400 million Euro
- a very strong financial position (+39 million Euro).

The economic performance reinforces the Group's solidity and position in the domestic market and puts it in the best conditions to be able to continue the in-

Percentage composition of net revenues - 2013



ternationalization and acquisition processes.

The result of the subsidiary Engineering do Brasil must be underlined in this sense, which grew by 54.7% over the year, with a business volume exceeding 47 million Euro, net of a disadvantageous exchange.

The composition of net revenue by sector, as shown in the graph above, sees a prevalence of Public Administration and an important development in the Telco and Utilities market, now close to representing 30% of the Group's revenues.

Summary of economic results in the three-year period 2011-2013

Description (amounts in millions of Euro)	2013	2012	2011
Operating revenue	822.8	770.0	775.7
Net revenue	800.1	754.5	758.1
EBITDA	100.8	92.6	76.4
% of net revenue	12.6	12.3	10.1
EBIT	53.0	64.1	50.4
% of net revenue	6.6	8.5	6.7
Net profit	53.0	42.2	29.8
% of net revenue	6.6	5.6	3.9
Net equity	394.1	342.4	310.4
Net financial assets	39.0	-28.6	-45.1

1. The Engineering Group's consolidated financial statement at December 31st, 2013 was written, starting in 2005, in compliance with the evaluation and measurement criteria established by the International Accounting Standards - IAS or International Financial Reporting Standards - IFRS) in addition to the relative interpretations of the IFRIC (International Financial Reporting Interpretation Committee) and SIC (Standing Interpretation Committee) issued by the International Accounting Standard Board and approved by the European Union according to the procedure contained in article 6 of Regulation (EC) nr. 1606/2002 of the European Parliament and subsequent amendments and in observation of the provisions contained in the Consob regulation Nr. 11971. The perimeter of the Group's consolidation includes the shareholdings illustrated in Chapter 1 of this Corporate Social Responsibility Report.

Management control

Engineering's management control comprises a planning and verification system used to analyze efficiency of operational activities, to measure the degree to which preset goals have been reached, to analyze differences in order to learn of the causes and to identify actions to ensure achievement of company objectives.

The Group's companies have been progressively incorporated into the system and have adopted the same data-monitoring scheme, allowing the management to have prompt and homogeneous information about the group's industrial progress.

The system adopted by Engineering has been prepared by fully integrating accounting information that feeds into the statutory financial statement with non-accounting information, destined for the processing of the management financial statement, in order to guarantee reconciliation and alignment at each financial year end, as a net result, of the two accounts (general and analytical).

In this way, all the analyses that the system provides, aimed at learning internal management facts, are fully reliable and constantly updated analytical information.

Flexibility of the system allows reporting to be evolved or adjusted, without investment and rapidly, depending on company needs and updates of the national and international legislation.

Management control has been structured operatively

by integrating the SAP accounts system with the proprietary order analytical accounts system (SIAL - Sistema Integrato Avanzamento Lavori).

Report management is produced and made available, with different aggregation levels depending on the hierarchical level, in six progressive closures during a tax year.

Currently, management control, realized with aggregation criteria from the particular to the general, carries out cost and revenue monitoring, guaranteeing correctness of data flows both from an operational and accounting point of view, of about 18,000 orders that are in turn aggregated into about 1,200 centers of cost. Each order and each center of cost is under the direct responsibility of a manager, thus guaranteeing the quality and above all the correctness of the data entered into the system.

A wealth that returns to the country

At December 31st, 2013, Engineering generated more than 766 million Euro of distributed direct economic value, an important contribution to the country's wealth and economic development. Company revenue is not exclusively a perquisite of the shareholders, but is redistributed in terms of wealth produced. This includes staff remuneration, taxes paid to the State, payments to suppliers and finally the gratuities, i.e. the issuing of money, assets and know-how in favor of projects for society and activities for the territory and local communities.

EC1 - Engineering Group. Direct economic value

Description (amounts in thousands of Euro)	2013		2012		2011	
	Absolute	%	Absolute	%	Absolute	%
Generated direct economic value	825,614	100	772,206	100	777,857	100
Distributed direct economic value	766,083	92.79	706,774	91.53	727,630	93.54
Suppliers (operational costs)	310,576	37.62	301,523	39.05	326,788	42.01
Employees	403,477	48.87	370,281	47.95	366,754	47.15
Backers	8,572	1.04	5,842	0.76	5,311	0.68
Shareholders and Partners	8,000	0.97	6,500	0.84	5,500	0.71
State	35,087	4.25	22,261	2.88	22,926	2.95
Communities	370	0.04	368	0.05	351	0.05
Withheld direct economic value	59,532	7.21	65,432	8.47	50,227	6.46

The paths of development

Engineering's significant growth in recent years is based on an intentionally and consistently pursued strategy that is carried out in four basic directions, which will continue to guide development in future years.

- internationalization
- consolidation of the domestic market
- research and optimization of skills
- efficiency.

Internationalization is a process that the company intends to increase, also further to the positive results that have been achieved so far today. In South America, in particular, the Group's presence is growing significantly, via the subsidiaries Engineering do Brasil and Engi da Argentina, which achieve increasingly positive results. The Group is also accompanying its own clients overseas in a growing number of projects. One of the results of this process is, for example, the establishment of Engineering International Inc. based in Delaware (USA).

In the midterm, the path of internationalization will see a development for both external lines, with targeted acquisitions, and internal lines.

In the Italian market too, consolidation of the Group's competitive positions and the growth in the market share will not only take place via the acquisitions - if clear opportunities should arise - but also via the expected growth in some key sectors of the economy in our country. In particular, the most important expected developments concern:

- taxation, with realization of state of the art solutions in big data
- healthcare, with evolution of the AREAS platform
- local Public Administration, with smart city solutions, favoring the development of re-use
- utilities, in the development of the platform dedicated to the sector and integration of skills in outsourcing and big data
- industry, with cloud, mobility and CRM solutions, in automation and control
- finance, with consolidation of Compliance & Governance solutions for the reinforcement of vertical

components of the service platform.

Suppliers, an added value

The Group's suppliers are selected via a qualification procedure that allows the characteristics to be placed as a common factor for the entire Group and are continuously evaluated.

Each supplier undertakes to adhere to the Group's Code of Ethics.

The suppliers are an important, essential production factor for Engineering that, in observance of the free market conditions, commits to a fair and homogeneous treatment, also in terms of payment conditions.

More efficient purchases

The purchases managed by Engineering mainly concern:

- instrumental goods (in particular basic hardware and software, middleware destined for internal use and for resale or aimed at providing outsourcing services for clients)
- the company car fleet (1,200 vehicles)
- telecommunications
- travel
- management and maintenance of real estate.

Company policy on purchases is carried out according to some guidelines, consolidated over time:

- framework agreements stipulated with the main operators of different sectors, in order to guarantee the best quality and price terms for the company
- the selection of suppliers is generally linked to the specific characteristics of the internal and external clients' requests, on behalf of whom purchases are often made (think, for example, of software licenses or the servers required for outsourcing); the degree of loyalty among suppliers is very high, as is also the choice to use consolidated companies from the same area as our branches wherever possible
- total transparency of contractual conditions and in particular, guarantee of regularity of payments by the company
- control of results and monitoring of supplies. The process of qualifying suppliers is managed via a dedicated

internet portal, that allows the company to be contacted at any time and that also contains all the regulations (Code of Ethics, purchasing conditions, supplier's manual) that are essential knowledge.

Quality in first place

Engineering has invested significantly for several years in quality, an area that concerns all the companies in the Group without exception, and is headed from an organizational point of view by the Audit and Quality Department (DAQ) reporting to the Chief Executive Officer. The investment is about 1.9 million Euro per year and is increasing.

One of the strategic goals for Quality policies is customer satisfaction, considered to be an essential condition to guarantee the enterprise's success.

Engineering's Quality Management System is an organizational and procedural system aimed at improvement by progressive goals of support for the staff working in the production process, and is the expression of the values that are spread throughout the entire company. The software production processes and provision of other services by the group are controlled and monitored by involving the whole company structure in order to guarantee ready action if any critical factors are identified. The Auditing and Quality Department constantly checks the actual application of the Quality Management System, by carrying out a series of planned audits.

In 2013, 221 audits were carried out on orders completed for clients, within which there is also monitoring of the status and progress of projects and on centers of cost, i.e. on the homogeneous organizational units that managed the orders carried out for clients or for other departments in the Group².

International certifications

Since 1994, the Engineering Quality Management System has obtained ISO 9001 certification. In 2002, this certification was updated to the ISO 9001:2000 standards, while now the update is at level ISO 9001:2008. Engineering obtained CMM certification in February 2005, for the processes, procedures and internal controls on software production. Since October 2007, the level achieved corresponds to the standard Maturity 3 of the model CMMI-SE/SW v.1.2, then updated to the version CMMI-DEV v. 1.3 in 2010.

The company branches with Data Centers that provide outsourcing services for clients have ISO 27001:2013 certification (Information security management systems). These locations are the ones in Pont Saint Martin (AO), Turin, Milan, Vicenza and Rome Fiumicino.

The acquisition of T-Systems Italia has brought with it ISO 20000:2011 certification for the provision of ICT services in outsourcing, certification that will be extended to the entire perimeter of the activities provided by the Group. The 3 Data Centers acquired, in Vicenza, Milan and Rome, correspond to the Uptime TIER II standards and together with the 3 already active Engineering Data Centers (Pont Saint Martin, Padua and Turin, all TIER III) they contribute to one of the most advanced and reliable technological infrastructures in Italy for the delivery of managed operations, business continuity and disaster recovery services.

In 2013, the branches in Naples and Palermo received certification for the environmental management system according to the international standard ISO 14001.

2. The Companies to which the 221 audits carried out in 2013 refer to are:

- Engineering – Ingegneria Informatica SpA (EII)
- Engineering Tributi SpA (ETR)
- Engineering Sardegna Srl (ESA)
- Engineering.mo SpA (EMO).

The other audits carried out by other subsidiaries are excluded from the count, which are carried out by dedicated internal departments.

*Finding talents on the market,
training them and keeping them
are three moments of a unique
industrial philosophy that aims
at individual excellence
and collective participation*

THE PEOPLE

Our people, our assets

The competition in state of the art sectors like the ones that the company deals with every day imposes constant challenges that require the value of man and his best qualities. Finding talents on the market, training them and keeping them are three moments of a unique industrial philosophy that aims at individual excellence and collective participation.

Engineering's employees are the company; they are the engine that drives its success and, together with their know-how and history, power the ambitions for growth.

Engineering protects the well being of its human resources via constant attention to work organization, shared solidarity, security and other initiatives all aimed at company cohesion.

The company believes that the optimization of merit is essential for focusing on the evolution of internal resources and promotes personal growth paths within high-level training. This is the perimeter within which we have built a management model of cross-section human resources which has been repeated in all the group's national and international offices, with the goal of creating loyalty among internal resources and growing the sense of belonging.

A Group of men and women

The Engineering workforce comprises 7,283 people, spread over the whole of Italy, its European offices (Belgium and the Republic of Serbia) and non-European offices (Argentina, Brazil and United States). They are highly educated (54% are graduates) and specialized men and women. In spite of the economic situation still being uncertain, the company has recently continued its own growth policy, also in the number of its resources. The total number of staff grew by 439 people in 2013. Of these, 286 come from the acquisition of T-Systems Italia (now Engineering.mo) and the others are the new people that the company has employed in its foreign subsidiary, Engineering Do Brasil SA.

In Italian, there are also 3,500 auxiliary resources for intellectual services.

In Italy, net of the contribution from Engineering.mo, there were 339 new recruitments.

In this picture, the Group has provided proof of the acknowledged value of the workforce, investing a lot in stabilization processes. More than 90% of apprenticeship contracts have been converted into permanent contracts, the umpteenth proof of the attention given to recruitment processes and the integration of staff.

The choice made by Engineering in its relationship with its own employees is one of proximity. A closeness that is also physical, which aims to let the company's presence, support and pride of working all together for a common goal, all be felt. This philosophy has become a company strategy that has focused on territorial and widespread presence of the Personnel Department. Basically, the Business Unit that deals with human resources is physically present in all the Group's main offices: 5 in the north (Pont Saint Martin, Turin, Milan, Brescia, Padua) and 5 in the Center-South (Florence, Ancona, Rome, Naples, Palermo). Even where no office actually is present, the Personnel Department guarantees an almost weekly presence, and this allows a direct relationship with employees in all territories, as well as the possibility of meeting with representatives of the department itself.

We respect work, we reward merit

Rewarding merit is an assumption that doesn't end with theory, but that is constantly transformed in the Group's practices in managing its resources. The process of optimization can be found in the remuneration policy adopted by Engineering and in the decision that many of the remunerations are added to by a variable bonus, linked to individual performance. The same principle is the one that inspired the establishment of a result bonus that optimizes the individual according to the overall results obtained by the Group.

As it is convinced that the professional development of the individual travels the same path that leads to the Group's growth and success, the company has undertaken to define the professional profiles attri-

buted to each employee. This is a map of skills drawn up to have a clear picture of the trades and skills that can be used and to build a homogeneous, transparent process of career development with the people involved.

The definition of professional profiles aims at declining three levels of skills: knowing (technical and specialized skills), knowing how to and knowing how to be (behavioral skills). According to the development needs of the profiles, the company defines the training paths for its own human resources, and then shares them.

In this point of view, the correlation between the professional profile and training has become even stricter since 2014, as the IT request system for courses filters access to solely admitted profiles and therefore consistent.

In accordance with the picture described, the evaluation path for employees enacted each year aims at assessing and defined performance goals for the following year, as well as goals for the increase of skills and professional development. The evaluation process uses a renewed model that has been implemented over the years and includes, where necessary, also a training path for the assessors. Through self-diagnosis, the person being evaluated becomes an active and proactive part, not without positive consequences on the diffusion of a culture of the value of merit, skill and continuous improvement. The evaluation process started in 2006 has progressively expanded, to now reach coverage of about 70% of the staff.

Again, consistently with the attention aimed by the company at the development of skills, the establishment of the MEM (Engineering Masters in Management) can be pointed out, a master's course for those talents, i.e. the persons identified from various Divisions of the market, as people with high potential on whom the group choose to invest in a targeted manner.

Engineering with families

Behind every person there is a family, and for us, the family is the center around which the sense and value of the company are also built up.

A closeness that finds its proof in the several non-work support policies that have been put in place in recent years. Amongst these, the matter of health is surely the most relevant, as about 90% of the employees adhere to E.F.I.S. - Associazione Engineering Fondo Interno di Solidarietà¹, a fund that allows the staff and their families to access an important tool for healthcare support and assistance, that aims to provide additional treatment to that of the National Health Service and reimbursement of the costs incurred by the members for health services, within the terms



1. Following the trade union agreement in February 2010 and "in implementation of one of the most qualifying and significant points of the Additional Contract of 28th July 2009".

foreseen in the Fund Regulations. Remaining on the topic of company support, Engineering has signed a number of agreements and facilitations so that all the workers can access various types of agreements for personal purchases in financial and consumer areas.

Also, in certain moments of the year, such as the Christmas holidays, initiatives are organized in all the branches for the families, with particular attention paid to children. *Un disegno per Natale*, a competition for the selection of the best drawing on the topic of Christmas, to be used as a Christmas card for the year 2013, and *Esploriamo il futuro*, an event open to children that have taken part by drawing *how they see adults*. The initiative has obtained great consent and the contribution of more than 400 drawings, drawn by children from 20 months to 13 years of age, all rewarded with a Christmas present. All the drawings appeared on the monitors of all the offices and on the company website, as well as on the Intranet.

Let's give a value to our passions

Engineering favors the participation of its own people and sporting and cultural events via a series of initiatives:

1. support of the internal skiing tournament *ski-challENGe* in Pila (AO), which Group employees, their relatives and friends take part in
2. contribution to costs for the internal teams: the 5 a side football team in the Rome offices (that takes part in a team tournament between ICT sector companies) and the *RunnENG* team of marathon runners in the Assago office (that took part in the *RELAY CITY MARATHON* in Milan)
3. the establishment in 2012, of a team of 25 people amongst employees, clients, and technical staff for participation in the historical regatta *Barcolana* in Trieste.

Engineering has worked for nine years on *Progetto Cultura*, an initiative aimed at all the Group's employees who have personal passions linked to literature, music, painting and figurative arts generally.

As part of the project, Engineering has covered the costs of:

- publication and printing of a volume of poems or prose for each author (500 free copies to the author)
- setting up of exhibitions (paintings, photographs, illustrations)
- production of music CDs.



Since 2005, 17 volumes have been published (also by ex-employees). The full literary chain is now on show in the Enrico Della Valle Academy library. Of the other activities, we can mention: the setting up of an exhibition during a company convention, the use of illustrations for an internal communications campaign, realization of a photography exhibition for International Women's Day, production of a music CD presented during a public Christmas event in the

city of Siena. Support for culture also comprises publication activity that Engineering dedicates to the diffusion of *EngZine*, a video press review with news regarding the world of technology, extrapolated from worldwide media. Diffusion of the video-newsletter is on a daily basis, via email sent to all employees and via the monitors in the Engineering office reception areas.

Training specialists

Training is a matter that is very important to the Group, and has brought about the establishment of a dedicated department, that corresponds directly to the President of Engineering. In a scenario where knowledge and competence have become strategic production factors for companies, training in the classroom and therefore the continuous updating of competences, are essential, even more so for a company that bases its own strong points on the market in the quality of its own software planning, analysis and development activities. Special attention is also paid to collecting individual training needs and planning development paths of professional skills in line with the professional profile of each employee.

With this view in mind, Engineering has invested 7 million Euro just in the last year for training and the development of professional skills of its own employees.

The "Enrico Della Valle" Academy

Opened in June 2000, the Fabbrica della Conoscenza was born out of the ambitious project to increase internal managerial and specialized skills, dedicating time and resources to the optimization of human, cultural and professional assets in the Group. Named after one of its founders, Enrico Della Valle, the School provides certified training on site, at the clients' premises, and at residential courses at the site in Ferentino (Frosinone), guaranteeing one of the most complete training offers in IT that is available on the national panorama. The services provided range from training on standard manager

and specialist courses in Information Technology, to the preparation of personalized development paths that can cover both vertical and behavioral skills. Special attention is aimed by the Academy at certification of professional skills in both the methodological and technical areas.

The Academy focuses on high quality training via 300 courses available in the catalog and 40 professional certification paths for all areas of Information Technology.

Alongside the experience of specialized training, a specific competence in behavioral and managerial training has been developed; this has allowed the Academy to integrate technical content with that linked to soft skills, designing and realizing full training paths for clients that are made to measure for the development of people and teams. This cultural growth has been accompanied by an ambitious infrastructural program. In January 2014, a project was started up for the realization of a residential campus and in the next two years, buildings will be completed for about one hundred residents, with a modern canteen for 250 people, sports areas and offices.

Doors open to knowledge

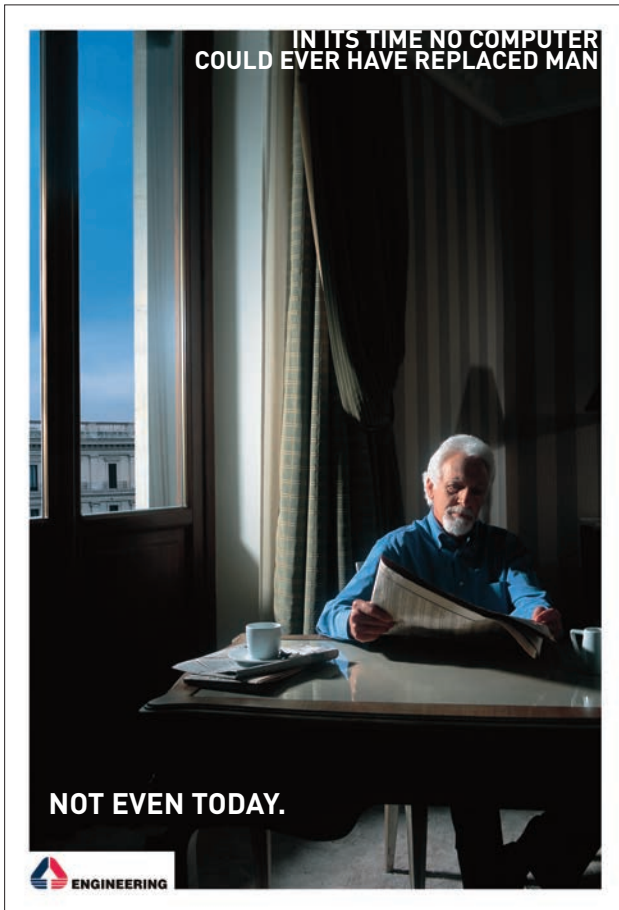
The exchange of knowledge cannot have obstacles or barriers: an important part of the value resides in it being shared. Since 2009, Engineering, via the "Enrico Della Valle" Academy, has extended its managerial and specialized training not only to internal employees, but also the external market and therefore to clients.

In addition to the traditional mode, carried out at the School but also at client premises, the "Enrico Della Valle" Academy operates with e-learning distance courses and blended courses, which place Engineering's expertise in the field of Information Technology and new technologies at the disposal of those who require it.

As witness to the quality of Engineering's training offer, there are some training projects in multicultural contexts, on leadership, team building, motivation and managerial competence.

A framework agreement with the United Nations foresees two three-year projects, for example:

- the first concerns training for IT professionals in the various UN peace missions worldwide on the use and certification of the various sub-products of Symantec technology.
- the second is destined to the training of managers from the United Nations who belong to European, American and African offices, on leadership and soft skills.



Teaching the future

Training at the Enrico Della Valle Academy, devised with collaboration from internal and external lecturers, comprises three main learning macro-areas:

- Technology, within which learning activities and laboratory activities are provided on all the main programming, analysis and hardware and software system design
- Methodology, that includes all high level training interventions in the functional area, information system architecture, Service and Project Management
- Behavioral and Managerial Development, that gathers training courses aimed at the development of cross-section competences, which essential for the personal and professional growth of resources.

In Engineering, special attention is paid to certification of employees' skills policies. The professional certification system is a strong point to guarantee alignment of production to the quality standards required by the market. Training is Engineering's drive wheel to guarantee the diffusion of such technical, method and process standards to all its employees. In the methodological area, for example, one of the highest standards is PMP certification, that for Engineering is a now essential requisites for resources to whom the responsibility of project management is assigned. PMP certification is issued following an examination in accredited sites of the *Project Management Institute*, founded in 1969, and which is an international reference for the guarantee of Project Management quality (it is currently present in about 50 countries around the world, with more than 200 representations).

Through targeted training campaigns, Engineering has brought about 400 employees in the company through the PMP certification. However, the commitment to Project Management is confirmed by recognition received from the *Project Management Institute*, which has included the Engineering Academy in the list of authorized structures (R.E.P.) and the issue of credits to maintain PMP certification. On the technical side, Engineering's commitment is equally important and embraces all the most presti-

gious certifications in the world of Information Technology, in reference to the software planning and development activities, and also implementation and administration of databases. Each year, Engineering organizes qualified preparation courses for the most commonly requested certifications, Oracle, Microsoft, Red Hat, VMware, SAP and many others, at its own Academy, which is accredited as a Testing Center with the main international certification bodies.

In order to optimize training experience also as a corporate building process, the course participants are asked to reside at the school. In addition to taking part in courses in the classroom, evening meetings are organized (the so-called "fireplaces") with lecturers (44% are internal managers) and with the top company management, to allow interaction between students and company representatives in a different context to a working one.

The commitment to safety

Engineering considers health and safety of its own staff in all countries where it operates to be of vital

importance. This is why investments in too and training are considered essential, so that the possibility of accidents inside the Group's offices and at the Data Centers is reduced to a minimum.

The activities carried out regularly by the company are:

- constant updating of risks and dangers for health and safety that can be traced to employees' activities
- correct management, updating and communication of internal policies and procedures drawn up and approved by top management, published in the company intranet and sent to all collaborators for the correct carrying out of working activities in terms of accident prevention
- specific training activity in the classroom and in the field for the prevention of risks in the workplace that have been identified
- internal, periodical verifications on the correct implementation of procedures.

Training on health and safety matters is progressively growing over the three-year period.

"Enrico Della Valle" Academy figures

	2013	2012	2011
Lecturers with several years of training experience	170	160	145
Total participants	6,550	6,250	4,600
Internal participants	4,367	4,166	3,066
External participants	2,183	2,084	1,534
Total man/training days	20,200	19,200	16,500
Man/training days for internal students	13,437	14,127	13,184
Man/training days for external students	6,763	5,073	3,316
Method, computerized classrooms	16	15	14
Certified internal students	674	553	442
Certifications achieved by internal students	788	688	537

Employees trained on health and safety matters

Year	Employees	Executives	Appointed	Total
2011	439	1	1	441
2012	442	30	36	508
2013	1,764	53	345	2,162

*Remaining faithful to its
core business, Engineering
is providing its contribution
to the greatest
environmental challenges
of our time: the fight
against climatic changes*

THE ENVIRONMENT

Successfully and constantly following the path of innovation means giving the right weight to all those voices that contribute to corporate development and growth. Innovating is not only a human and technological exercise that is successfully applied to the process and product, but is a business model that takes into account all those factors that make the entrepreneurial activity sustainable.

Environmental policy is one of the factors that Engineering adopts through responsible management of

resources, energy and waste. To do that, the Group uses the same technological excellence that characterizes it in order to eliminate any form of inefficiency and waste.

Remaining faithful to its core business, Engineering is providing its contribution to the greatest environmental challenges of our time: the fight against climatic changes. The company pursues this objective through the development of innovative applications to support greater and more efficient integration of grow-

Information Technology for renewable energies

Placing the skills and means guaranteed by Information Technology at the service of renewable energies is one of the challenges that Engineering has adopted together with other big players in the sector such as Telecom Italia and Enel Green Power, united within the Finseny (Future INternet for Smart ENergy) Consortium.

The Consortium's research activity identifies the ICT requisites for Smart Grids, developing reference architecture and contributing at the same time to the development of industrial standards. These are the elements that will help after guaranteeing a widespread adoption of the solutions for Smart Grids in Europe and beyond. The integration of ICT into energy distribution infrastructures allows efficient, real time addressing of the volatility in network and energy loads, generated via the use of wireless and optical communication system. The intelligent network of the future will, for example, support the recharging of electrical vehicles using energy generated from renewable sources and will offer systems for the management of energy saving for domestic and commercial buildings.

The change in climatic conditions and the limited resources of fossil fuel drive the need to prepare an intelligent energy system, that can efficiently manage as many sources of traditional energy as the sources of renewable energy, in addition to patenting new ways to use energy for electrical vehicles.

The path to follow is represented by the Smart Grids, applications that allow the provision of reliable services for electrical energy and guarantee permanent balance between the energy generation and the demand, via integration of advanced Information & Communication Technology (ICT) systems, as well as trying to solve the volatility of energy produced by renewable services. In recent years in Italy, there has been a considerable increase in the use of distributed generation. Photovoltaic energy is overcoming the niche phase and has already overtaken the relevant quota of 11 GW total of installed potential, with more than 250,000 small systems already installed. The need arises from this important phenomenon for a balanced electrical system that can manage and favor self-consumption of energy produced, via smart home and smart building models, compared to the entry into the grid of increasingly important green energy quotas. Consequently, a convergence of scientific, industrial and political interests was created about how ICT can enable a structural transformation process during each phase of the energy cycle, from generation to accumulation, transportation, distribution, sale and above all, the intelligent consumption of energy. In this context, the companies, each for their own competences, are synergically contributing to the Finseny Consortium's activities, with results that are welcomed and shared by European partners.

ing amounts of non-programmable energy that comes from renewable sources (photovoltaic, wind, geothermic). One goal that can be reached via greater flexibility of demand, and thanks to research and development of Smart Grids.

The environmental impacts connected to our business

The Engineering business does not foresee any manufacturing process and the impacts on the environment of the Group's 40 offices on waste, light and water are similar to those of urban utilities.

The company has however implemented an environmental management system, receiving international ISO 14001 standard certification for the offices in Naples and Palermo.

The main environmental impacts that can be traced to the Engineering group are the electrical energy consumptions required to maintain the Group's 6 Data Centers (Pont Saint Martin, Turin, Milan, Padua, Vicenza, and Rome) which the 40 branches also use for their remote activities and from atmosphere emissions coming from staff mobility.

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

The Pont Saint Martin Data Center is one example of a state of the art system in Italy in terms of environmental sustainability, thanks to the geothermic system that supports the cooling systems.

The parameter that measures energy sustainability of the Data Centers on an international scale is Power Usage Effectiveness (PUE) that has a value of 1.5 for the Pont Saint Martin Data Center, a level that in the

Pont Saint Martin: excellence and savings

The Data Center at Pont Saint Martin, in Valle d'Aosta, was built in 1998, employs about 400 resources and houses the main service and management pole of Engineering Group IT activities. In 2011, a new geothermic plant was opened to support the cooling of the systems housed inside.

The site houses and manages more than 2,000 systems from about a hundred Italian and international clients inside its 6,400 m², 2,400 of which are in bunkers.

The geothermic plant provides for the use of water at low temperature, taken at a temperature of 13 degrees from two specifically constructed wells at 40 meters depth, which is then cooled to about 7 degrees. The plant sends water to the Data Center cooling systems, with effects on energy saving, quantified in a 12% reduction, i.e. 1.2 GWh in 2012 and 1.3 GWh in 2013. The building has a control room, bunkers and several utilities: electricity, geothermic, refrigeration plants, management and control system of plants (fire, safety, electrical, technological), fire extinguishing plant for technological systems. The Data Center has been planned by using free-cooling techniques by which, in the cold season, the air from outside is drawn inside to cool the technological rooms. Also, the heat given off by the systems is recovered to heat the offices.

Feasibility, in terms of water resources, concessions and technologies, of expanding the use of geothermics in order to do without the refrigeration units is currently being evaluated, with a consequent further energy saving that is estimated to be about 20%.

world of workers makes it a Green Data Center. All the managed Data Centers have a Power Usage Effectiveness (PUE) parameter of less than 2.

According to the standard definition by the international body The Green Grid, the parameter Power Usage Effectiveness (PUE) indicates the ratio between the overall electrical consumption of a Data Center (air-conditioning, ventilation) and the consumption of the

IT equipment alone. To have an excellent level of consumption, the PUE of a Data Center must be below 3.0. A value of 2.0 represents a top level of efficiency, while values below 1.5 are considered to be excellent. The technological and business evolution of next generation Data Centers will also have an impact on the energy efficiency process of cities of the future.

In this context, Engineering is the prime contractor of the GEYSER Consortium, comprising 10 top European industrial, academic and institutional partners coming from six countries: Italy, Ireland, Greece, Spain, Switzerland and Romania. The project aims to realize a technological and business framework that allows the Data Centers of the future to interact with energy infrastructures of smart cities, via the exchange of electrical and thermal energy.

Collection and waste: a correct management

In 2012, the company started up differentiated waste in all its offices, sometimes in advance of the local municipal regulations and today a collection point for plastic, paper and general waste is present on average, for at least every 300 workstations. Also, each individual workstation has a container for paper.

Special waste is a chapter apart. Used toner, for example, is disposed of by specialized companies or, in the case of printers that are leased, directly by the leasing company, while fluorescent lamps are collected and disposed of by companies that take care of site maintenance.

Electronic waste traceable to the management of the Group's 6 Data Centers is a moment of minimum impact, as the young age of the systems means that it is not necessary to replace hardware components.

Electronic waste in the offices (generally personal computers) is disposed of or wherever possible is donated to no-profit associations according to the current legislation of the countries involved.

Towards a more sustainable mobility

Engineering staff make several trips a year: the fleet of company cars comprises about 1,200 vehicles (all diesel) and special attention has been paid to the li-

mitation of consumption and emissions. From the beginning of 2013, a new hire policy was approved, which foresees an obligation for the first level of cars (for middle management and employees) to limit consumption to below 4.2 liters of fuel per 100 kilometers on a combined cycle. The second level (upper middle management and executive managers) have a limit fixed at 4.6 liters per 100 kilometers.

Substitution over time of the company car pool allows progressive limitation of the environmental impact (the process will be completed in 2015). Between 2012 and 2013, a reduction of emissions of CO² of about 10% was estimated.

Finally, an important contribution to the environment is guaranteed by the efficient company video-conference system, which annually manages more than 3,000 virtual meetings, allowing physical movements to be reduced to the essential.

Data Center energy consumption*

Data Center Year	Pont Saint Martin				Turin		Milan		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Energy consumption Electrical Gigawatt/hour	10.9	10.0	9.7	2.3	2.4	2.2	13.8	-	-
Electrical energy consumption Gigajoule	39,100	36,000	34,900	8,400	8,600	8,000	49,700	-	-
Power Usage Effectiveness (PUE)	1.53	1.54	1.71	1.80	1.81	1.80	1.99	-	-

Data Center Year	Padua			Vicenza		Rome			
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Electrical energy consumption Gigawatt/hour	1.6	1.7	1.6	3.8	-	-	1.6	-	-
Electrical energy consumption Gigajoule	5,800	5,900	5,800	13,800	-	-	5,900	-	-
Power Usage Effectiveness (PUE)	1.96	1.97	1.97	1.61	-	-	1.74	-	-

Total consumption of electrical energy for the Engineering Data Centers**

	2013	2012	2011
Electrical energy consumption Gigawatt/hour	34	14.1	13.5
Electrical energy consumption Gigajoule	122,400	50,760	48,600

Energy consumption in the offices***

	2013	2012	2011
Electrical energy consumption Gigawatt/hour	1.22	1.16	1.11
Electrical energy consumption Gigajoule	4,392	4,176	3,996

* The apparent contradiction between the introduction of the geothermic plant at Pont Saint Martin and an increase in consumption by 0.3 GWh in 2012 is explained by the high number of clients who entered in that period; without geothermics, the increase would have been much higher (> 1.5 Gwh).

** The total energy consumption recorded in the last year suffers from the fact that of the 6 Data Centers currently managed, only 3 were in the Engineering perimeter in 2011 and 2012 (the other 3 were added halfway through 2013 by effect of acquisition of T-Systems Italia).

*** Data coming from an estimated projection on average daily consumption per person of 0.80 kWh calculated on 220 working days per year of employees in all sites in Italy. The estimate has been made by taking the per capita consumptions of two numerically and geographically representative sites as reference.



THE DATA



PERSONNEL DATA

Total number of employees ¹	2013	2012	2011
Total number of human resources	7,283	6,844	6,442

Division of employees by gender¹

	2013		2012		2011	
	ABV	%	ABV	%	ABV	%
Men	5,011	68.80	4,648	67.91	4,275	66.36
Women	2,272	31.20	2,196	32.09	2,167	33.64
Total	7,283	100	6,844	100	6,442	100

Division of employees by level¹

	2013		2012		2011	
	ABV	%	ABV	%	ABV	%
Executives	327	4.49	309	4.51	306	4.75
Supervisory Staff	1,569	21.54	1,365	19.94	1,304	20.24
Employees	5,387	73.97	5,170	75.54	4,832	75.01
Total	7,283	100	6,844	100	6,442	100

Statistical cross between middle management and gender¹

	Executives		Supervisory Staff		Employees		Total	
	ABV	%	ABV	%	ABV	%	ABV	%
Man	285	87.16	1,188	75.72	3,538	65.68	5,011	68.80
Woman	42	12.84	381	24.28	1,849	34.32	2,272	31.20
Total	327	100	1,569	100	5,387	100	7,283	100

Division of employees by age %¹

	2013	2012	2011
<30	7.30	9.09	10.07
30-50	81.81	81.40	82.04
>50	10.89	9.51	7.89
Total	100	100	100

1. The data contained in the LAI indicators refer to all the Group's sites in Italy and overseas.

Division of employees by average age¹

	2013	2012	2011
Average age	41.6	40.6	40.2

Division of employees by qualification (%)¹

	2013	2012	2011
High school leaving certificate	45.93	45.86	46.75
Bachelor degree (three-year)	5.29	2.40	2.78
Degree (master's, 5 years)	48.78	51.74	50.47

Division of employees by geographical area¹

	2013		2012		2011	
	ABV	%	ABV	%	ABV	%
North Italy	3,136	43.06	2,909	42.50	2,714	42.13
Central Italy	2,695	37.00	2,640	38.57	2,527	39.23
South Italy and the Islands	1,110	15.24	1,091	15.94	1,102	17.11
Total Italy	6,941	95.30	6,640	97.02	6,343	98.46
Total Overseas	342	4.70	204	2.98	99	1.54
Total Group	7,283	100	6,844	100	6,442	100

Total number and rate of newly hired staff and turnover of staff²

	2013		2012		2011	
	ABV	% ³	ABV	% ³	ABV	% ³
Newly hired staff	944	13.79	727	11.29	510	7.86
Employees that have left the organization	505	7.38	325	5.05	588	9.06
Turnover	439	6.41	402	6.24	-78	-1.20

Total number hired and resigned, divided by gender, in 2013

	Men	Women
Newly hired staff	696	248
Employees that have left the organization	335	170

1. The data contained in the LA1 indicators refer to all the Group's sites in Italy and overseas.

2. The turnover rate has been calculated according to the ISTAT formula shown in the document "Oltre il dato finanziario: imprese e benessere collettivo" according to which: $\text{TURNOVER RATE} = \frac{\text{total number of hired employees} - \text{total number of resigned employees}}{\text{total employees}}$ at the beginning of the year. The data of the indicator LA2 refer to the total of the Group in Italy and overseas.

3. The percentages of newly hired employees and outgoing employees refer to the total number of employees in the year in question.

Collective contracts

100% of employees in Italy (therefore more than 95% of the total workforce) are covered by the National Collective Labor Contract - CCNL. With regard to overseas subsidiaries, there is no collective labor

contract in Belgium, but instead there is a Commission Paritaire, that for our company is number 218; with regard to Engineering Do Brasil, there is only one type of contract in Brazil and Engineering adheres to the current laws in force.

Percentage of employees covered by collective contract agreements

	2013		2012		2011	
	ABV	%	ABV	%	ABV	%
Resources covered by the CCNL	6,941	100	6,640	100	6,343	100

The table below also shows the picture of the Group's companies, in relation to application of a "Second Level" Agreement in Italy.

Division of employees covered by second level contracts

	2013		2012		2011	
	ABV	%	ABV	%	ABV	%
Resources covered by second level contracts	6,615	95.3	6,321	95.1	6,064	95.6

Accidents and illness

Total Italy	2013	2012	2011
Nr. accidents	73	99	96
Accident rate	1.0	1.5	1.5
Rate of occupational illness	0.0	0.0	0.0
Indicator of seriousness	15.8	21.7	27.5
Rate of Absence (illness)	3,869.7	4,034.6	4259.0
Rate of absence (illness + accidents)	3,996.4	4,207.8	4,479.4

Rate of accidents in the workplace, occupational illness, indicator of seriousness, absence due to illness⁴.

An in-depth focus has been carried out on this indicator, referring to the disaggregation of the data by gender, geographical area.

4. The indicator LA7 refers to Italy and has been constructed by applying the formulas contained in the guidelines GR1 G3.1 Accident rate = total number of accidents/total number of hours worked x 200,000. Occupational illness rate = total number of cases of professional illness / total number of hours worked x 200,000. Indicator of seriousness = total number of working days lost/total number of hours worked x 200,000. Absence rate = days of absence in the statement period / total number of working days for the workforce in the same period x 200,000. 1 mortal accident occurred in the reference period (traveling)

Accidents and illness divided by gender

	2013		2012		2011	
	Men	Women	Men	Women	Men	Women
Accident rate	1.0	1.1	1.4	1.7	1.6	1.4
Rate of occupational illness	0.0	0.0	0.0	0.0	0.0	0.0
Indicator of seriousness	16.6	14.1	21.4	22.1	30.1	22.4
Rate of Absence (illness)	3,362.0	4,973.0	3,480.8	5,204.9	3,743.4	5,313.6
Rate of absence (illness + accidents)	3,495.2	5,086.5	3,652.1	5,382.0	3,983.9	5,492.77

Accidents and illness, divided by geographical area	2013					2012					2011				
	Accident rate	Occupational illness rate	Indicator of seriousness	Absence rate (illness)	Absence rate (illness + accidents)	Accident rate	Occupational illness rate	Indicator of seriousness	Absence rate (illness)	Absence rate (illness + accidents)	Accident rate	Occupational illness rate	Indicator of seriousness	Absence rate (illness)	Absence rate (illness + accidents)
North Italy	0.9	0.0	14.3	3,590.3	3,704.7	1.5	0.0	25.6	3,634.6	3,839.3	1.3	0.0	13.8	3,689.5	3,799.7
Central Italy	1.1	0.0	17.3	4,046.3	4,184.3	1.5	0.0	18.9	4,217.0	4,368.1	1.7	0.0	42.8	4,538.2	4,881.0
South Italy and the Islands	1.3	0.0	16.7	4,229.9	4,363.6	1.3	0.0	17.8	4,662.8	4,805.3	2.0	0.0	26.6	5,027.7	5,240.1
Total Italy	1.0	0.0	15.8	3,869.7	3,996.4	1.5	0.0	21.7	4,034.6	4,207.8	1.5	0.0	27.5	4,259.0	4,479.4

Average days and hours of training per year⁵ by gender

	2013			2012			2011		
	Man Days provided	% of total of man days	Average hours of annual training	Man Days provided	% of total of man days	Average hours of annual training	Man Days provided	% of total of man days	Average hours of annual training
Men	9,844	73.3	15.7	10,030	71	17.3	9,756	74	18.3
Women	3,593	26.7	12.7	4,097	29	14.9	3,428	26	12.7
Total	13,437	100	-	14,127	100	-	13,184	100	-

Average days and hours per year of training by professional level

	2013			2012			2011		
	Man Days provided	% of total of man days	average number of hours of training by professional category	Man Days provided	% of total of man days	average number of hours of training by professional category	Man Days provided	% of total of man days	average number of hours of training by professional category
Executives	311	2.3	7.6	556	4	14.4	791	6	20.7
Supervisory Staff	3,082	23.0	15.7	2,825	20	16.6	2,505	19	15.4
Employees	10,044	74.7	14.9	10,736	76	16.6	9,888	75	16.4
Total	13,437	100	-	14,127	100	-	13,184	100	-

5. The data for the indicator LA10 refer to all the companies in the Group in Italy and overseas, except where otherwise indicated.

Parental leave⁶

	2013		2012		2011	
	Men	Women	Men	Women	Men	Women
Workers who have used maternity/paternity leave in the last 12 months	48	233	11	184	5	121

6. The data for the indicator LA15 refers to Italy. For this year, Engineering has reported the use of parental leave in a three-year period, in absolute values, divided by gender.

GRI CONTENT INDEX

Level of Application C

INDICATORS OF ORGANIZATION PROFILE

1. Strategy and Analysis

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
1.1	Declaration of the highest authority in the decision making process regarding the importance of sustainability for the organization and its strategy	T	4-5; 20	Letter to the stakeholders; Engineering's Approach to Corporate Social Responsibility

2. Organizational Profile

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
2.1	Name of organization	T	6-7	Methodology note
2.2	Main brands, products and/or services	T	12-13	Excellence projected into the future
2.3	Operational structure of the organization, considering the main divisions, operational companies, subsidiaries and joint ventures	T	13-14	Subsidiaries in Italy and overseas
2.4	Place in which the organization's headquarters is based	T	88	
2.5	Number of countries in which the organization operates, name of the countries in which the organization carries out most of its business or that are particularly important for the topics of sustainability referred to in the report	T	12; 22-23; 62	The organization; Stakeholders, our partners A Group of men and women
2.6	Ownership setup and legal status	T	13-14	The Holding Company's perimeter; Subsidiaries overseas; Website http://www.eng.it/investor-relations

*T=Total P=Partial

2. Organizational Profile

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
2.7	Markets served (including geographical analysis, sectors served, type of consumers/beneficiaries)	T	14; 40	The subsidiary companies; Engineering's contribution to the modernization of the country
2.8	Dimension of the organization (number of employees, net turnover or net revenue, total capitalization, number of products or services provided)	T	56; 62	The Economic Value; A group of men and women; Summary of economic results; Annual consolidated financial statement 2013 p. 7, 8, 18, 20, 25, 36 http://www.eng.it/investor-relations
2.9	Significant changes in the dimensions, structure or ownership setup that have occurred in the reporting period.	T	13; 15	The holding company's perimeter; History; Website http://www.eng.it/investor-relations
2.10	Acknowledgements/awards received in the reporting period	T	9	Highlights 2013 Engineering

3. Report Parameters

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
3.1	Reporting period of information provided (for example tax year, calendar year)	T	6-7	Methodology note
3.2	Date of publication of the most recent Corporate Social Responsibility report	T	-	The 2013 Corporate Social Responsibility Report is the Group's first
3.3	Reporting interval (annual, two-yearly...)	T	6-7	Methodology note
3.4	Useful contacts and addresses for requesting information about the Corporate Social Responsibility report and its contents	T	6-7	Writing the Corporate Social Responsibility Report

3. Report Parameters

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
3.5	Process for defining the report's contents (determination of materiality, priority of topics, identification of stakeholders that it is aimed at)	T	6-7	Methodology note
3.6	Perimeter of report (e.g. countries, divisions, subsidiaries, leased systems, joint ventures, suppliers)	T	6-7; 12	Methodology note and notes on individual indicators; Group identity
3.7	Declaration of any specific limitation of the report's goal or perimeter	T	6-7	Methodology note
3.8	Information about joint ventures, subsidiaries, leased systems, outsourcing activities and other entities that may significantly influence comparability between periods and/or organizations	T	6; 14	Writing the Corporate Social Responsibility Report; The main subsidiaries in Italy; Subsidiaries overseas
3.10	Explanation of the effects of any modification to information entered into previous reports (re-statement) and reasons for such changes	T	-	The 2013 Corporate Social Responsibility Report is the Group's first GRI report
3.11	Explanation of the effects of any modification to information entered into previous reports (re-statement) and reasons for such changes	T	-	The 2013 Corporate Social Responsibility Report is the Group's first GRI report
3.12	Explanatory table of report contents that shows the page number or website of each section where it is possible to identify the indicators	T	80	GRI Content Index

*T=Total P=Partial

4. Governance, Commitments, and Engagement

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
4.1	Structure of organization governance, including the committees that report directly to the highest governance body, responsible for specific tasks such as strategy definition or organizational control	T	15-16	Corporate Governance; website http://www.eng.it/investor-relations
4.2	Indicate whether the Chairman of the highest governance body also covers an executive role. (In this case, indicate functions within management and the reasons for this set-up)	T	15-16	Corporate Governance
4.3	Indicate the number of members that are independent and/or non-executive for the organizations that have a single structure for the governance body	T	15-16	Corporate Governance
4.4	Mechanisms available to shareholders and employees to provide recommendations or directives to the highest governance body	T	-	Report on corporate governance and ownership set-ups page 21-22 (Relations with shareholders) Website http://www.eng.it/investor-relations
4.14	List of groups of stakeholders with whom the organization has involvements	T	22-23	Stakeholders, our partners
4.15	Principles for identifying and selecting the main stakeholders with whom to start up involvement	T	6-7; 22-23	Stakeholders, our partners; Methodology note

PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

Economic performance

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
EC1	Economic value directly generated and distributed, including revenue, operational costs, employee remuneration, donations and other investments in the community, non-distributed profit, payments to backers and to the Public Administration	T	57	The Economic Value

ENVIRONMENTAL PERFORMANCE INDICATORS

Energy

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
EN4	Indirect consumption of energy divided by primary energy source	T	73	Energy consumption at Data Centers and offices
EN7	Initiatives for the reduction of energy consumption	T	71	Pont Saint Martin: excellent savings

SOCIAL PERFORMANCE INDICATORS

Employment

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
LA1	Total number of employees, divided by type, type of contract, territorial distribution and gender	T	75	Personnel data
LA2	Total number and rates of newly hired staff and staff turnover by age, gender and geographical area	T	62; 75-76	A group of men and women Personnel data

*T=Total P=Partial

Industrial relations

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
LA4	Percentage of employees covered by collective contract agreements	T	77	Personnel data

Health and Safety in the workplace

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
LA7	Rate of accidents in the workplace, illness, lost working days, absence and total number of deaths, divided by geographic area and gender	T	77-78	Personnel data

Training and Education

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
LA10	Average hours of training per year for each employee, divided by gender and by category of workers	T	78	Personnel data

Diversities and Equal Opportunities

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
LA13	Composition of the enterprise's governance bodies and division of employees by category, based on gender, age, protected category and other indicators of diversity	T	15; 75-76	Corporate Governance; Personnel Data
LA15	Rate or returning to work after parental leave, divided by gender	P	79	Personnel data

Corruption

Indicator Code	Description of indicator	Level of reporting*	Page	References, limitations and notes
S03	Percentage of workers who have received training on the organization's anti-corruption policies and procedures	T	21-22	Organization and management model



Statement GRI Application Level Check

GRI hereby states that **Engineering** has presented its report "Engineering Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 May 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check 21 May 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

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